



Date : 30/12/2025

CM/389/601/2025.

Dear Shri Narendra Modi ji,

I wish to draw your kind attention to the Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB-G RamG) Act and the consequent repeal of the National Rural Employment Guarantee Act. At the outset, I submit that the new law risks defeating the very intent of the original employment guarantee, a demand-driven, rights-based entitlement.

While the new VB-G RamG Act raises the promised guarantee from 100 to 125 days, this promise is not matched by planning or assured Central funding. The new Act caps the Union Government's financial responsibility to a "normative allocation" for a "notified" area of each State, with the Centre contributing only 60% (in most States) of that allocation. As a result, the so-called legal guarantee of 125 days is not absolute and it is constrained by a centrally notified and determined normative funding ceiling. This undermines the very principle of an employment guarantee and creates a real possibility that many Gram Panchayats may be left without funds despite genuine demand.

Further, the new Act provides that the Central Government will determine State-wise normative allocations each year based on "objective parameters" as may be prescribed. These parameters are not embedded in the legislation, can be altered at any time and if finalised without consultation with State Governments will not reflect the diverse and varying needs across States and even within rural regions of the same State.

In effect, a demand-driven regime is being converted into a supply-driven, top-down system, contrary to the current participatory approach where labour budgets are prepared at the Gram Panchayat level and allocations follow demand generated from villages instead of convergence to PM Gati Shakti Master Plan. This runs against the spirit of MGNREGA and dilutes the constitutional vision of decentralisation under the 73rd Amendment.





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Equally concerning is the change in the funding pattern. Under the existing MGNREGA framework, mainstream States follow a 90:10 Centre–State sharing arrangement. The new Act shifts this to 60:40 for most States, converting a statutory guarantee into a run of the mill scheme and placing significant additional burden on State finances, especially when States are already under fiscal stress due to non compensation of GST and unjust financial devolution. This shift appears to have been introduced without meaningful consultation with State Governments.

The new Act further states that any expenditure incurred by a State beyond its normative allocation shall be borne by the State Government as per procedures prescribed by the Centre. This could leave States facing 100% liability for demand beyond a centrally fixed limit. In practice, the guarantee may then depend not only on the normative allocation but also on the State's fiscal capacity. If a State is unable to meet the costs within or beyond the allocation, the entitlement will become unenforceable, defeating the principle that funding must follow village demand.

The Act also requires States to notify in advance an aggregate 60-day period during peak sowing and harvesting seasons when works under the Act shall not be undertaken. While agricultural activity may increase during that time, such a blanket restriction curtails the right of those who still need wage employment, particularly vulnerable groups, including tribal and marginalised communities, who may not find adequate farm work. This provision is likely to reduce the window in which households can demand employment, put downward pressure on wages and deepen livelihood insecurity, potentially increasing bonded/distress labour, reducing women's participation and triggering greater migration to urban areas.

Taken together, the new framework shifts the intent from “right to work” to “work only if permitted”; from “work across rural areas” to “work only where allowed”; and from “work through the year” to “no work in peak

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CHIEF MINISTER



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season." It also appears to move away from the MGNREGA focus on locally needed village assets towards a model that could encourage contractor-led projects. Additionally, expanded technology interventions may exclude the poorest and digitally disadvantaged rural citizens, particularly Dalit and Adivasi communities, replacing worksite transparency such as accessible muster rolls with new barriers and exclusions.

More importantly, the arbitrary and hurried enforcement of the VB-G RamG Act violates Articles 258 and 280 of the Constitution, which explicitly require consultation with State Governments, with focus on fiscal federalism, equitable development and strengthening of local governance, before imposing financial frameworks under Centrally Sponsored Schemes. This approach erodes the foundations of cooperative federalism.

The employment guarantee law is not merely a welfare measure; it is a historic, globally acclaimed rights-based legislation that proudly carries the name of Mahatma Gandhi, an embodiment of Gram Swaraj and Antyodaya. Erasing his name from this law sends an unfortunate message and weakens its moral authority.

In light of the above, I urge your personal intervention to suspend the implementation of the VB-G RamG Act and to initiate constitutionally mandated consultations with State Governments to strengthen the right to livelihood and build a resilient Bharat.

With warm regards,

Yours Sincerely,

  
(SIDDARAMAIAH)

Shri Narendra Modi,  
Hon'ble Prime Minister,  
Government of India,  
New Delhi.