

Urban Employment Guarantee Schemes in India: A hope for the urban poor

Abstract

This pilot study emphasises the need for an employment guarantee scheme and required minimum facets with a proper framework for determining living wage in all sectors in the informal economy. Debates on income guarantee and wage protection are integral to the discussion of work or employment guarantees. But initially, this study will investigate the existing status of the schemes that have been implemented at the state level to understand the ground reality and will provide an overview of the prevailing discussions on the Urban Employment Guarantee (UEG) Scheme as to the first fundamental step towards achieving livelihood security. It is developed on the literature survey done by Peoples' Action for Employment Guarantee (PAEG), Centre for Sustainable Employment of Azim Premji University and Social Accountability Forum for Action and Research (SAFAR) to construct the specifics of a campaign for a UEG. A mixed methodology entailing interviews with workers and regulatory agents, legal analysis and broader political economy analysis is employed to explore the strengths and weaknesses of the schemes to discuss the opportunity for an institutional change in practice.

Acknowledgement:

This report was produced by the research team of the Working People's Charter (WPC). Special thanks go to the working group whose guidance and expertise helped to streamline the discussion of Employment Guarantee and the Wage determination discourse without whom this project would not have been possible.

We would also like to thank Peoples' Action for Employment Guarantee (PAEG), Center for Sustainable Employment of Azim Premji University and Social Accountability Forum for Action and Research (SAFAR) for providing foundation by sharing gathered knowledge to this process.

Working Group:

- Amit Basole: He heads the Centre for Sustainable Employment and works on "jobless growth" in India. He also teaches Economics, at the University.
- Rakshita Swamy: She is a public policy practitioner in social accountability in the delivery of schemes and functioning of public institutions, at the intersection of Government and Civil Society Organizations. She has founded and heads the Social Accountability Forum for Action and Research (SAFAR).
- Rajendran Narayanan: He teaches at Azim Premji University, Bangalore and works on questions of transparency and accountability.

Research Team: Sachikanta (Orissa), Himshi Singh (Himachal Pradesh), Dr Gurjeet Singh (Jharkhand), Kezline Dharshini S (APU intern) and Chinmayi Naik

The study and publication were supported by Friedrich-Ebert-Stiftung (FES), India

About WPC

The Working People's Coalition (WPC) is a network of organizations working on issues related to informal labour in particular and labour in general. It is an independent entity not affiliated to any organization, federation or political party. WPC member organisations are in broad agreement with a basic charter called the Working Peoples Charter and are working with informal labour, including in organizing, support, research, training, skilling etc., irrespective of their affiliation or sector. WPC includes many sectors of informal labour, for eg. construction, domestic, brick kilns, care work, self-employed, farm labour, forest workers, health workers, gig workers, sweatshop labour, contract workers, migrant workers and many more. The network has a grassroots presence in thirteen states of India, although the consolidation of the presence is yet to be completed. These states include - Andhra Pradesh, Assam, Delhi, Jharkhand, Karnataka, Maharashtra, Pondicherry, Rajasthan, Uttar Pradesh, Tamil Nadu, Telangana, West Bengal, and some North-Eastern states. The network is still in its growth phase and is covering more states slowly. There are affiliate national bodies which are affiliated with and are part of the WPC network, eg India Labourline, Lawyers for Labour, Sanchaar and Labour Axis.

About Labour Axis:

WPC has groups of experts broadly constituted as Labour Axis, to help with training, education and policy development, in order to generate briefing papers and statements. Labour Axis is a knowledge network consisting of researchers working on labour related issues who work with the network to help in formulating positions and informing campaigns. The WPC's work on labour also includes an understanding and engagement with citizenship, sustainable development and the city. WPC works in a social and political context and the place of labour within it. It sees labour in the context of an

exploitative system based on profit above all else. It sees class in intersectionality with gender, caste and race. It is committed to building a democratic, sustainable and climate-just world.

Author:

Chinmayi Naik

She works in the National Secretariat at WPC and in the Helpline (India Labourline) as a Research and Documentation Officer. Previously held three years of experience as an architect, planner, and researcher with the collaboration of policy advisors and planners to identify community needs and develop short and long-term plans to mobilize, grow, and revitalize urban poor. She completed her master's in urban policy planning from Oxford Brookes University in 2019. Her area of interest lies in the field of decent work, poverty reduction, land economics and sustainable growth.

Published by:

Labour Axis Trust

WPC main office: 4th floor, Panchratna building,
opp Chandelier Court, L R Papan Marg,
Worli, Mumbai 400018

Phone number: 022-40129763

Email: workerscharterprocess@gmail.com;

URL: <https://www.workingpeoplescharter.in>

Twitter: @IndiaWpc

Facebook: @IndiaWpc

Instagram: @IndiaWpc

Main Findings:

- The study highlights the need for legally mandated urban employment guarantee scheme that goes beyond a public-works programme and uses the policy to address workers' longstanding demands for better working conditions and social security.
- Also, it emphasizes the importance and opportunity to strengthen the institutions of Urban Local Bodies and thereby implement the 74th Constitutional Amendment in letter and spirit.
- Participatory planning and social audits should be part of the UEG scheme to decide the works that can be undertaken under the programme.
- The UEG must build on progressive provisions for transparency and accountability. All information related to the planning, implementation and expenditure of the programme must be mandatorily shared in the public domain in the local language.
- Social audits must be conducted of the programme by residents of the ward, and time-bound, decentralized grievance redress mechanisms must enable workers to be heard.

Introduction

Poverty in India is persistently high - as per World Bank's median poverty line, about 60% of the population (nearly 1.3 billion people) live on less than \$3.10 a day and 21% (nearly 250 million people) survive on less than \$2 a day as of year. Even after being seen as the fastest growing economy, India needs to take fresh action to fight the aggravating poverty and inequality. In addition to that, the recent COVID-19 pandemic and subsequent lockdown has further worsened the situation. A COVID-19 Livelihoods study by Azim Premji University (APU) across 12 states found that two thirds of the respondents have lost work. The few informal workers who were still employed during the lockdown saw their earnings drop by more than half. After the long march of the urban poor to their native lands, over 3.5 million new applicants sought jobs under MNREGA between April and May 20, 2020, compared to 1.8 lakh applicants during the same period in the previous year. Ironically, the urban area is witnessing a vicious cycle of joblessness for the urban poor, while many industries such as manufacturing, textiles, realty, construction, hospitality are underutilised due to labour crunch. Also, those who did return to the cities either did not find a job or were paid less.

Unemployment or lack of livelihood is one of the major predictors of poverty, therefore, we need to propose an employment guarantee scheme for all which will offer 'non-poverty wages' with benefits and access to basic services. Such a scheme should constitute a direct route to produce work by eradicating involuntary unemployment or underemployment. Also, It should substantially increase worker bargaining power by removing the threat of job loss.

The Indian economy is broadly divided into organised and unorganized sectors. But with the growth of the economy and innovation in technology, employment in the organized sector is shrinking. At the same time, as a result of contractualisation and the introduction of e-commerce (platform/gig workers), the unorganized sector or informal employment is expanding at an unprecedented speed. As per the Annual report of the Periodic Labour Force Survey (PLFS) (July 2019 – June 2020)¹, out of the estimated workforce of 474 million, 17% (about 82 million) is employed in the organized sector and 83% (about 392 million) is employed in the unorganized sector. But about 55% of the workers in the organized sector are also employed informally (i.e. on a contract or on daily wage). In total, about 92% of the total workers are engaged in informal employment and the majority of them have low earnings without any social protection. Out of the total informally employed workforce - 56% are self-employed, 11% are regular salary wage earners and 33% are casual workers seeking employment

¹ [Key Findings of Periodic Labour Force Survey \(PLFS\) – Annual Report \(July, 2019 – June, 2020\)](#)

daily. Further, the PLFS survey reveals that the piloting of 'fixed-term employment' has reduced worker wages by 18% and working hours have been increased up to 12 hours. The average daily wage difference was observed to be Rs 150 between regular and contract workers in 2019 and it was highest in the public sector at Rs 256.62.

Similarly, urbanization has become a development priority which is ignoring the development of rural areas and therefore farm and off-farm rural livelihoods. Even the Census of 2011 indicated that almost 46% of India's urban population comprises migrants. Among major geographical streams, the most prevalent stream of migration is rural to rural, accounting for 62%, followed by the rural to urban stream at 20%². At the same time, cities are focusing on the privatisation of infrastructure development which has left very little space for informal workers. The design and the approach of urbanisation are excluding or ignoring the workers, fact that was very much evident during the COVID 19 pandemic³. As the overwhelming majority of people in India cannot afford to be unemployed even for a very short period, they are forced to work in very precarious conditions to sustain themselves. For them, informal employment is the last resort which entails low-productivity work, with poor wages, without any social protection⁴. This can be very well understood by looking at the negative 0.17% and 1.4% employment growth in 2018-19 and 2019-20 respectively⁵.

Indian economic growth is coupled with informalisation of employment, devaluation of wages and the deprivation of basic services – water, sanitation, health, education, energy. In this context, there is a need to revisit the economic reform process in relation to the constitutional commitments which are directed towards the elimination of inequalities in income, status, facilities and opportunity among individuals and groups. The reforms should be aimed at reducing vulnerabilities and assuring work and employment security for all, especially informal workers. Bridging the gap or moving towards equality should be achieved by providing employment guarantees and living wages with the availability of basic services to all the workers in the unorganised sector or informal employment.

Existing debates on employment guarantee vs income guarantee:

An urban employment guarantee program has been widely discussed by several organisations. It draws from the model of NREGA and prescribes livelihood security with a guarantee of living wages for all seeking work in the city. Two models have been developed by the Sajha Manch⁶ and Azim Premji University. The former argues for 300 days of work at a living wage for all segments (wage workers, self-employed and unemployed), to be negotiated annually at a tripartite Labour Conference. The latter recommends 100 days of guaranteed work at Rs 500 a day (based on the existing daily wage across all urban occupations in 2018).

Another proposal by economist Jean Drèze, focuses on not only providing temporary relief measures for those who have lost their jobs but precisely on creating a sustainable institution as an antidote to urban unemployment. The DUET (Decentralised Urban Employment and Training) for urban areas, proposes a system of 'Job Stamps' which can be used for one person-day of work within a specified period, with the approved institution arranging the work and the government paying the wages

² [Policy Brief - Internal Migration and Urbanization - India Policy Brief 12 Feb 2021](#)

³ [Plight of Migrant Workers in COVID-19 lockdown, Indian Express](#)

⁴ Dewan, S., & Prakash, D. (2019). The Evolving Discourse on Job Quality from Normative Frameworks to Measurement Indicators: The Indian Example. Centre for Sustainable Employment, Azim Premji University.

⁵ Mahesh Vyas. (2019). Centre for Monitoring Indian Economy.

⁶ Sajha Manch is an alliance of over 70 organisations working together on issues such as shelter, relocation, water, electricity, sanitation, education, health, transportation, livelihood and environment that concern the urban poor in the national capital territory.

(statutory minimum) directly to the worker's account on presentation of job stamps with a due-form work certificate from the employer. This will move towards a demand-driven 'employment guarantee' that would require the municipality to act as a last-resort employer⁷.

Still, there are basic issues or concerns such as what will be the implementation structure of such proposals, and will it achieve the twin goal of guaranteed urban unemployment as well as income security? How to decide and channel the required funds from state/central government to the municipalities and will that suffice? What should be the design of such a scheme to avoid graft and leakages and at what level the scheme should be designed?

While discussing these questions, WPC members representing various sectors in an unorganised economy, pointed out the challenge of calculating living wages and the implementation of assured basic survival in any employment guarantee program. Income guarantee was discussed as an important theme to deliberate on. The new Wage Code has removed the employment schedules and made all workers eligible for the floor wages. It has also included many worker groups which were earlier excluded from the schedules. However, it comes with two challenges.

1. One, by removing differentiation between workers, it disallows any special protection for workers in industries where unionisation may be low and hence the need for wage protection is stronger.
2. Second, it has set the floor wage to a low figure of Rs 178, which has been critiqued as a 'starvation wage'. It has left the task of calculating minimum wages to state governments which are bound to lead to exacerbating wage inequalities.

Another challenge to income and employment security is the widespread discrimination faced by women and different social groups in access to fair and equal wages. For example, while gender wage gaps persist in India, there is also the largely unaddressed challenge of remuneration of women's unpaid care work.

Along with this, the scheme should also incorporate minimum elements of basic rights such as worksite facilities, insurance and compensation for accidents/injuries, compensation for delays in wage payments, mandatory disclosure of information related to the implementation of the scheme, and provisions for social audit. Similarly, when the labour force is deliberately pushed down with the aim of economic growth, the highest costs are borne by migrant workers. Wage fraud, non-payment and depression of wages are very common in migrant labour markets. Therefore, any state-led scheme for urban guarantee should not have any kind of restrictions for registration which would end up marginalising migrant workers and their access to decent wages. Such restrictions will create competition and tension between the domicile and migrant workers for accessing the employment. Any employment or income security policy needs to take into consideration these specific worker groups and how they are predisposed to wage insecurity and disparity.

Calculation of wage rate

The 'Right to Work' has been established as a fundamental right for all but still, this will not be effective if we dismantle wages/income from social security and basic services. Providing minimum or basic wages will not be enough to eradicate poverty and inequality if it does not provide basic services and securities in terms of housing, health, water, food and protection in times of emergencies. The COVID-19 pandemic has demonstrated that only doctors, medicines or vaccines and hospitals are not sufficient for survival. People also need clean water to wash their hands, decent housing to observe

⁷ [Decentralized Urban Employment - \(DUET\)](#)

the lockdowns and money to buy food and protective equipment. Privatisation of such basic services has made it impossible for many people to afford these services. This pandemic has reintroduced the need for broad social protection. Therefore, calculating wages or income for any work in any sector must incorporate the importance of decent livelihood which will pay the cost of living in any location, i.e., urban, or rural and protect people when work is not available, and in other such emergencies.

In the judgement of *Raptakos & Co vs its Workers' Union* in 1991, the Supreme Court laid down and advocated for the concept of a 'living wage'. This concept was based on the 15th Indian Labour Conference (ILC) of 1957 by which recognised the requirement of a need-based minimum wage for industrial workers. It lays down the norms for fixing up the minimum wages.

- Three consumption units for one earner.
- Minimum food requirements of 2700 calories per average Indian adult comprising 65 grams of protein and around 45-60 grams of fat (Dr Wallace Aykroyd).
- Clothing requirements of 72 yards per annum per family.
- Rent corresponding to the minimum area provided for under the Government's Industrial Housing Scheme will comprise 7.5% of the total minimum wage.
- Fuel, Lighting and other miscellaneous items of expenditure to constitute 20% of the total minimum wage

The wage structure will be the same for men and women, and the base wage rate may be adjusted upwards based on the cost-of-living considerations. Setting the living wage parameter would raise earnings significantly at the bottom of the distribution but also raise the cost of labour for small and medium enterprises by making some of their operations unviable, resulting in job losses. Also, the possibilities of automation, e-commerce and innovative technology in the near future is threatening the jobs of informal labourers. Therefore, while working on the living wages, we must also work on public policies related to reskilling and which will increase productivity to sustain higher wages while maintaining profit margins.

Overview of current state employment guarantee schemes:

In India, currently, five states - Kerala, Himachal Pradesh, Jharkhand, Odisha and Tamil Nadu, have implemented or proposed an urban employment guarantee (UEG) program. Except for Kerala's Ayyankali scheme, all other proposed UEGs are a response to the COVID-19 crisis. Tamil Nadu's UEG is still at the conceptualisation stage, and it will take some time to implement and assess its impact. Himachal Pradesh, Odisha and Jharkhand have implemented their UEGs in the last year with different characteristics and criteria (Annexure).

Kerala's Ayyankali Urban Employment Guarantee Scheme (AUEGS) is one of the oldest UEG schemes in India. In 2011, it was implemented to enhance the livelihood security of people in urban areas by guaranteeing wage employment to urban households whose adult members are willing to do unskilled manual work. With funding of INR 100 Crores (approx, USD 14 Million) for the financial year 2020-2021, the jobs will be provided to the job seekers by the Urban Local Body (ULB), the Ward Sabha and the district city committee. The scheme offers 100 days of work per household for residents of the ULB above the age of 18 who are willing to do unpaid work. All workers (men and women) are entitled to the notified wage rate of Rs. 271 (Increase to Rs. 300 is pending approval) and this wage has to reach the workers within 15 days after the completion of the work.

Himachal Pradesh's UEG known as Mukhya Mantri Shahri Ajeevika Guarantee Yojana (MMSAGY) guarantees a maximum of 120 days of work per household to anyone who is a resident of the Urban Local Body (ULB) and not more than 65 years of age. The objective of this scheme was to enhance

livelihood security in urban areas by providing guaranteed wage employment to every household by the Department of Urban Development. This objective will be met through urban local bodies and cantonment boards by providing skills training as well as connecting job seekers to existing contracts/jobs which also meant no new funding. This scheme provides beneficiaries with a job card within 7 days of registration and within 15 days of asking for employment, ULB has to provide a job otherwise an unemployment allowance of Rs.75 per day has to be given. The wage should be the minimum wage notified by the state and both men and women will receive the same amount as wage. The MMSAGY Scheme was implemented on May 16, 2020, and all the information regarding this scheme is available in the public domain.

Odisha and Jharkhand have similar UEG schemes along with Himachal Pradesh. In Odisha, the UEG scheme is known as Urban Wage Employment Initiative (UWEI) by the Housing and Urban Development department. The objective of the scheme is to support the urban poor largely in the informal sector to get immediate wages by execution of labour-intensive projects through Urban Local Bodies with SHGs, SHG federations and Slum Dwellers Associations. The scheme was implemented on April 18, 2020, with a funding of INR 100 Crores (approx, USD 14 Million) and no maximum limitations on the number of workdays. This scheme will allow workers of the local area to give preference while work allocation and the workers have to at least be from the ULB concerned to avail the UEG scheme.

Jharkhand's UEG Mukhyamantri SHRAMIK Yojana was implemented to enhance livelihood security in Jharkhand State by providing a guaranteed 100-day wage employment in a financial year. Under this scheme, the Jharkhand government's Urban Development and Housing department employs unskilled urban workers. If the government is unable to employ within 15 days, they will be given an unemployment allowance. The scheme can be accessed by workers who are over 18 years and living in civic body-run/ULB areas and will be provided with the minimum wage through direct bank transfer.

The latest UEG was announced by the Tamil Nadu government which has not been implemented yet. With funding of INR 100 Crores announced for the year 2021 - 2022, the pilot scheme was implemented in some parts of the state. The objective of this scheme is to provide livelihood and social security by increasing job opportunities through the creation and maintenance of public assets. No official details have been put out yet as it is still in the pilot stage.

Policy and Technical Challenges of Implementing an Employment Guarantee Scheme in Urban Context:

An urban employment guarantee program has been widely discussed by several organisations as well as trade unions which mainly focused on livelihood security with a guarantee of living wages, some argue for minimum or basic income. But one must consider the possibility that minimum or basic income may not be sufficient to eradicate poverty and inequality if it fails to secure and provide access to basic services and securities. It faces challenges of income security, widespread discrimination faced by women and different social groups in access to fair and equal wages etc. Similarly, when the labour force is deliberately lowered with the aim of maximising profit in order to attract Foreign Direct Investment (FDI) and fuel economic growth, the highest costs are borne by migrant workers. WPC has launched a helpline called India Labourline for workers in the unorganised sector, in order to provide mediation and legal aid services. After the launch on 17th July 2021, it has received cases of wage fraud of around 2.7 crores (approx. USD 4 million) in just 3 months⁸. Wage fraud, non-payment and depression of wages are very common in migrant labour markets.

⁸ [WPC India Labourline](#)

Any employment or income security policy needs to take into consideration these specific worker groups and how they are predisposed to wage insecurity and disparity. Therefore, it is important to bring different organizations together for Research and Action to make the advocacy better and more national.

Research Plan:

This study is based on the research and existing models developed by HAZARD, PAEG and Azim Premji University, and examines the benefits and problems both in terms of their livelihood benefits for workers and in terms of their sustainability. Simultaneously, a pilot study was undertaken in three states, who have implemented Urban Employment schemes, i.e., Odisha, Himachal Pradesh and Jharkhand. It focused on the dynamics of work arrangements, the role of each stakeholder and its effectiveness.

Further recommendations on the basic elements and action protocol for any UEG scheme will be discussed in the last sections that might be adapted to address the dynamics of employment and income in urban areas.

Basically, this study will identify the stakeholders, i.e., Workers (right holders), Urban Local Body, Bureaucrats etc. in the Urban Employment Guarantee program in the selected states and then do a key informant survey to understand their roles and responsibilities – who takes the decisions about the work and its execution, is it participatory, how were the wages decided, how the list of works chosen, how were workers identified for chosen works, how are the accounts maintained, what is the process flow, how is information collated, what kind of an MIS is being used, what is the monitoring mechanism etc?

For this,

1. The study will firstly list down the parameters (what kind of wages were paid to the workers, kind of jobs were created under the scheme, The number of days work is provided for and how many workers got access to the employment) and the need of independent evaluation of the Urban Employment schemes in different states.
2. Then analyse the Budget to understand the source of funds, the decision on labour budgets and the allocation
3. And try to use the RTI system to gain information on all the unanswered questions.

Filing RTIs

With the support of the WPC network, the research team filed an RTI to avail information under RTI Act, 2005 in Himachal Pradesh. Filing RTIs in Jharkhand and Odisha was difficult due to limitations in human resources to follow up. The information that was included in the RTI was as follows:

- District Name
- No. of workers applied for the scheme
- No. of workers given employment under the scheme
- Average working hours per week
- Wages per day
- List of sectors in which workers are getting the job
- No. of workers given skill-based training
- No. of people applied for Bank loans under DAY-NULM
- No. of people who were given loans under DAY-NULM from those who applied
- Number of people who received unemployment allowance
- Gender-wise segregation

- Skill type
- The list of jobs that have been completed and in progress

Interview of Stakeholders

All three state schemes have the following stakeholders who are directly responsible to implement the schemes:

1. State Government - Housing and urban development department
2. Urban Local bodies (sometimes contractors)
3. Urban unemployed workers (men and women) - Household level
4. Contractors
5. Self-help groups (esp. for Odisha)

Each stakeholder was given the following questions to better understand the implementation process, action procedure, and impact on beneficiaries' livelihood (Annexure 1).

Outcomes

As this study was in the pilot phase and the time constraints, it could collect experiences of only 5 workers and an interview with the Assistant director of Housing and Urban Development Department in Himachal Pradesh and an Interview with the director of the Social Audit Unit of Jharkhand, Dr Gurjeet Singh. Also, the government officials were reluctant to answer to even meet for an interview. After crossing all the hurdles, the study gathered the following information on the implemented schemes in selected states.

Himachal Pradesh:

Keeping in view the outbreak of the Covid-19 Pandemic, the scheme 'MMSAGY' was aimed to enhance livelihood security in Urban areas by providing 120 days of guaranteed wage employment to every household. It was launched by the Government of Himachal Pradesh on 16.05.2020.

A phone interview with the Assistant Director about the Housing and Urban Development department did not give much clarity on the implementation process, budget, or the action protocol for any grievances.

- The state government single handedly decided the budget on which there is no information on the procedure or consultations. It is then managed by the Housing and Urban Development department.
- Only residents of the Urban Local Body with address proof are eligible. Therefore, it creates tension between migrants (especially coming from Bihar and Nepal) as they work at a cheaper wage rate than the state-mandated minimum wage. Therefore, nobody from the registered workers in the scheme could get the work in the construction sector. Very few of them got a few days of work from the sanitary department. The Urban Development department said currently the scheme has provided work to 300 workers against the total 900 persons registered under Mukhya Mantri Shahri Aajeevika Guarantee Yojna (MMSAGY) in the state. These persons are getting employment opportunities in the ongoing works of Urban Local Bodies (ULBs) financed by state and central government and works/ services related to sanitation under Solid Waste management and Swachh Bharat Mission.
- He didn't provide any information on the procedure/functioning of the scheme that can explain the standard operating procedure of the scheme. Also, the scheme document lacks in mandating worksite safety measures that should be followed in the situation of a pandemic

- The workers registered in this scheme and linked with the DAY-NULM scheme which provides skill training and loans to start their enterprise. But, it doesn't talk about other social security entitlements such as a pension, insurance against worksite accidents etc.
- No mechanism established to avoid discrimination apart from the mention to give equal wages in the purpose of the scheme document.

Odisha:

The study in Odisha was conducted in the Bhubaneswar Municipal Corporation area that has 67 wards and a more than 5 lakhs (500,000) urban poor population. In this, around two lakh (200,000) people are daily wage earners. Most of the workers are migrants from different parts of the state like Ganjam, Mayurbhanj, Kandhamal, Nayagarh, Koraput, Rayagada, Sambalpur and Bolangir. Also, many of them are from the peripheral states, such as Andhra Pradesh, Bihar, West Bengal, Chhattisgarh and Uttar Pradesh.

In this context, 50 workers were interviewed along with 40 Self Help Group members to understand the impact of the scheme.

Following are some of the initial observations:

- Peoples have no information about Urban Wages Employment Initiative (UWEI-2020) that was implemented during COVID-19 by Housing and Urban Development Department, Government of Odisha (vide letter no 8391 on dated 22/04/2020)
- The government of Odisha formed a board 'Odisha Building and Other Construction Welfare Board' that introduced a registration process for the enrolment of workers and provided a labour card. This card ensured access to the state social security schemes and financial assistance to the cardholder's family members. Still, due to a lack of awareness and restrictions in the eligibility criteria, most of the workers, especially migrant workers are not enrolled under the board.
- Interviewed workers mentioned that they were able to secure the work only for 10-15 days per month. In the remaining days, they could not even find the work on labour addas (contact points) even after waiting there from morning 8 till midnight.
- The workers preferred to work for private parties directly and not through the UEG scheme as the minimum wage set by the government is lower than the wages offered by the private parties/contractors. They get paid between Rs. 450/- to 500/- in which the middleman (Contractor) takes a commission ranging between Rs. 20/- to 50/- from each worker. Sometimes the contractor fixes the commission with the employer without even notifying the worker, but workers don't mind that as work is scarce.
- The line department follows the revised wages guidelines:

Category	Minimum Wages with VDA w.e.f 01.04.2019	V.D.A per day w.e.f 01.10.2019	Minimum Wages with VDA w.e.f from 01.10.2021	VDA per day w.e.f 01.04.2020	Minimum Wages with VDA w.e.f from 01.04.2020
1. Unskilled	Rs. 286.30	Rs.11.70	Rs. 298.00	Rs.5.40	Rs. 303.40
2. Semi-Skilled	Rs.326.30	Rs.11.70	Rs.338.00	Rs.5.40	Rs. 343.40
3. Skilled	Rs. 376.30	Rs.11.70	Rs. 388.00	Rs.5.40	Rs. 393.40
4. High skilled	Rs.436.30	Rs.11.70	Rs. 448.00	Rs.5.40	Rs. 453.40

- Self Help Group (SHG) members are not included in UWEI, but they played an active role in spreading awareness amongst the right holders through their capacities. The government failed to do the proper outreach and awareness campaigns. Even the IEC material on the website doesn't provide any material which can help in incorporating SHGs into the UEG framework.
- In terms of the safety measures at the site, workers shared their experience that they were not provided with any safety training, lack of sanitation and drinking water facility. Workers have to live on the site, use on-road or open sites for attending to nature's call and use roadside tap water to drink. This is the situation on the government as well as private sites.

Jharkhand:

The Jharkhand government launched Mukhyamantri SHRAMIK (Shahri Rozgar Manjuri For Kamgar) Yojana with Job Cards for the urban poor, especially for the migrants who lost jobs amidst the coronavirus lockdown and have returned to urban Jharkhand. As per the initial scoping study by the Government, nearly 5 lakh migrant workers returned to Jharkhand on May 1, 2020. In that, a survey of 2.5 lakh workers by the state rural development department revealed that 30% of workers are unskilled labour. But as per the director of the Social Audit Unit of Jharkhand, Gurjeet Singh, the scheme ignored the piloting suggestions provided by the team for participatory consultations. The intention of the scheme was good, but its implementation framework and action plan were poor. The callous attitude of the implementing agencies and lack of efforts for outreach and awareness resulted in issuing only 28,018 job cards while the demand for the work was by approximately 300,000 people in Urban areas.

This scheme also failed in putting a proper framework for transparency and accountability for all the stakeholders in terms of deciding and allocating budgets, the profile of the workers, technical and MIS system and information about action protocol. The helpline number provided for the grievance redressal is also dysfunctional. After two rounds of interview with Gurjeet Singh, the following gaps were highlighted in the Scheme:

- The Scheme tried to fulfil the financial requirement by clubbing different development schemes such as JNNURM, but it didn't set the roles and responsibilities for proper implementation
- The conceptualisation of the Worker and Contractor relation is missing. This is crucial as in urban areas, contractors play a vital role in providing access to employment for any worker. therefore, the conceptualisation of this relation while setting the policy for Employment Guarantee will affect the access of workers to their rights and entitlements
- The scheme doesn't talk about the social security schemes and welfare boards
- The scheme needs to be conceptualised as per the provisions of the constitution 74th Amendment Act 1992, relating to Municipalities (Urban local Government) which will align with the described structure and mandates of urban local bodies to enable them to function as effective democratic units of Local Self Government.
- Workers who are registered or have a job card through MGNREGA are not eligible to avail of work in urban areas through this scheme
- A study of the profile of workers, i.e., Social Audit was not conducted before deciding the kind of work that needs to be incorporated. Currently, as per the Government's website, there is a demand of 308437 days of work out of which 245496 days of work was allotted for 28,018 workers. This suggests that there is demand for work, but the exclusion rate is high.

Need for an Urban Employment Guarantee Scheme

During the prodigious economic crisis brought on by the Coronavirus epidemic, MGNREGA (Mahatma Gandhi National Rural Employment Guarantee) offered critical protection in terms of unemployment compensation and employment security. Migrant workers were obliged to go on perilous travels spanning thousands of kilometres in order to reach their native communities since there was no corresponding social safety net available in the urban areas. Local urban poor have also been compelled to sell crops and rely on any available source of income. A survey conducted by Azim Premji University's Centre for Sustainable Employment in collaboration with ten civil society organizations found that 8 out of 10 respondents in urban areas lost work during the national lockdown, as compared to 6 out of 10 in rural areas.

The pandemic and the lockdown have thrown light on the long-standing vulnerabilities that plague India's urban poor. Therefore, this is the right time to design and implement a national urban employment guarantee (UEG) scheme to safeguard 92% of India's population from the disproportionate impact of any economic or social shocks on the livelihoods and incomes of urban poor.

The previous sections overviewed 3 states responses on the demand for employment guarantee and analysed its impact through a pilot study of such programmes. The impact assessment of these programmes showcased that while being important steps forward in the struggle of employment security, it still remains limited in scope and intent. This pilot study highlighted many gaps in the implemented UEG schemes. It is apparent from the analysed gaps to work on the following few aspects that will help in achieving the main aim of the UEG scheme:

- Firstly, the question of labour and non-labour costs. Labour costs are still decided at the state level while calculating the budget which the local public institutions are likely to be resource-constrained enough to not be able to meet materials and other costs. UEG scheme needs to incorporate dedicated budgets for non-labour costs, or fiscal constraints may prevent it from starting in the first place.
- Secondly, the vexed question of rural-urban migration. From the welfare point of view, we think that all workers residing in the urban areas should have a right to participate in this programme. Since many of the most vulnerable urban workers are migrants or those who otherwise lack a fixed address, domicile or residence proof should not be mandatory. Rather a longer list of acceptable documents can be drawn up, as has been tried in state-level housing schemes. Further, workers whose names appear on MGNREGA job cards should not be excluded from the scheme. The question of where the programme wage needs to be set to avoid large effects on migration needs more research.
- Thirdly, workers under the programme must be provided with basic rights such as equal wages for women and men, worksite facilities, insurance and compensation for accidents/injuries, compensation for delays in wage payments, mandatory disclosure of information related to the implementation of the scheme, and provisions for social audit.
- Finally, the role of the Public Works Department (PWD) needs to be thought through. Repair and maintenance of public institutions is the administrative jurisdiction of the PWD in every state. How will the scheme ensure that it is providing more work at the time most needed, than employment generated by PWD? This can be done in a few ways. Firstly, by reducing the effective monopoly of labour contractors in deciding the allocation of work. Secondly, by expanding the nature of works that can be undertaken in public institutions. Permissible works

could go beyond construction and cleaning activities to include caregiving responsibilities for residents living in institutions, surveying and monitoring functions needed within institutions, assistance to frontline functionaries deployed within these institutions, promoting aesthetics and value creation-based works, etc. Lastly, establishing transparent contracts for work within each institution will enhance the effectiveness and credibility of works undertaken under the scheme, compared to those undertaken by the traditionally ill-famed PWD.

Based on the insights derived from the study we propose following minimum elements to strengthen the implementation process in a just manner:

1. Legal protection of UEG entitlement, similar to MNREGA, so that the rights of workers are justifiable and guaranteed.
2. The scheme must provide work to those who demand work under the scheme, within 15 days of them demanding it on a range of permissible public works and services.
3. It should protect unorganized workers by ensuring their access to a minimum social security net.
4. The State Government should provide work to every individual adult worker without a mandate of domicile or residential proof as most beneficiaries of the UEG are likely to be migrants or otherwise lack a fixed address. Also, MNREGA job card holders should not be excluded from the UEG scheme. Workers with both MGNREGA and UEG job cards should be entitled to avail the work across both the schemes.
5. The contractual and self-employed workers must be identified under this scheme to protect their employment.
6. Men and women workers should be entitled to an equal wage and the minimum wages should be revised in line with the cost-of-living changes.
7. Workers should have the right to demand work and unemployment allowance if work is not provided within 15 days of them demanding it.
8. Basic worksite facilities such as drinking water, shade, creche and medical aid should be mandated under this scheme.
9. Participatory planning and social audits should be part of the UEG scheme to decide the works that can be undertaken under the programme.
10. The registered workers must be linked to government schemes to avail insurance and compensation and enable them to access a wider social security.
11. All the information related to the implementation of the UEG, conduct social audits of the planning, implementation and expenditure of the programme and grievance redressal should be available and accessible to all.
12. The State Government shall recognize and protect the employment contract/self-employed workers and avail access to minimum social security, as recommended by the Parliamentary Standing Committee on Social Security Code.
13. The UEG gives an opportunity to strengthen the democratic functioning of the ULBs and realize the objective of the 74th Amendment of the Indian Constitution by empowering them to finalise list of works to be undertaken in the ward through participatory ward sabhas, identify eligible workers, accept the demand for job cards and work, and implement works.
14. ULBs must have a dedicated functionary at the ward level to implement the scheme.
15. The scheme should put a clear mandate on the requirement and the role of contractors/middle agency which protects the wage payments and other conditions of work.
16. The UEG must build on progressive provisions for transparency and accountability. All information related to the planning, implementation and expenditure of the programme must

be mandatorily shared in the public domain in the local language. Social audits must be conducted of the programme by residents of the ward, and time-bound, decentralized grievance redress mechanisms must enable workers to be heard.



17. The UEG must be funded by the Central Government, with State Governments adding additional financial resources to further enhance the programme.

Going beyond urban employment guarantee as essentially a public-works programme, one can also think of a more comprehensive approach – legislation that not only employs public works but also offers social protection to self-employed workers/working in informal work conditions by ensuring their access to a minimum social-security net. The latter is a concept strongly advocated by unions and worker collectives, particularly in light of the precarity that the labour codes enacted by the Indian Parliament in September 2020 subjects’ workers to.

An informed, inclusive, and participatory public dialogue on the pros and cons of each approach can only benefit the much-needed intervention for protecting the rights of urban workers. It is good that both actual policy and policy debates have brought urban employment for informal workers on the radar. It is high time.

Given the significance of the program in the urban context, the government should follow a transparent and consultative pre-legislative process to finalise guidelines to initiate a policy on the urban employment guarantee. As per the directive issued by the Ministry of Law and Justice (DO. No. 11 (35)/2013-L.1), the Central Government is required to publish the draft guidelines, along with requisite explanations for a minimum number of days for consultations and solicit feedback from citizens and potential beneficiaries in particular. Developing scheme guidelines informed by ground realities and experiences will benefit the programme tremendously and will also ensure that it is implemented effectively.

Annexure 1

Questionnaire:

State Government - Housing and Urban Development Department

- Who all are involved in the budget allocation decision-making process and how it is managed?
- What is the coverage of the scheme?
- Is the scheme restricted to ULB residents? Or are residents from other ULBs or rural areas in the state eligible?
- Can you please explain the procedure/functioning of the scheme - organisational structure and roles?
- How are the worksite safety measures followed in the situation of a pandemic?
- What social security entitlements are included? and what is the procedure to calculate, collect and distribute the entitlements?
- What is the mechanism to keep the benefits inclusive and avoid discrimination against, caste or gender?
- How was the labour cost-material ratio decided?

Urban Local bodies:

- How does the scope of job types are decided and what is the recruitment process?
- What is the role of ULB in this process?
- Are private contractors allowed under the scheme?
- What is the follow and monitoring mechanism to make sure it reaches urban poor/ workers?
- How does the UEG Scheme address the issues or the requirements of the city (in terms of economic, Social and Environmental sustainability)?
- What are the parameters to decide the wages and how it gets distributed?
- How many workers could secure employment and what is the gender, caste and region-wise distribution?
- Where do the workers reside and where do they get work for UEG? How is the work allotted geographically?
- How are the wages transferred in the absence of a Bank account for an individual?
- For how many days the unemployment allowance (Rupees 75/day) is paid if the registered worker is not able to get the job even after 15 days of registration?
- Is there any provision for extra pay if an individual has worked more than 120 days (maximum days of employment in a financial year)?

Contractors

- If allowed: What role do you perform under the scheme?
- If not allowed: Are you aware of such a scheme? How does it affect you?

Workers (household level)

- How do most workers find out about this job?
- How many days of work were they able to get in the last financial year?
- What were the wage rates?
- Were the wages paid on time?
- Did they want work but were not able to get it?
- Are most workers hired by an agency or contractor or ULB?
- What percentage of workers are men/ women? Do men and women do the same jobs?

- Is there a grievance redressal system and do their complaints get resolved?
- Who are workers likely to go to for help about working conditions? Who else?
- What are the problems they face even after securing the work? What do you think can be done to improve the conditions of workers in your workplace?
- What has changed for workers and their jobs this year during COVID-19?

Self-Help Groups: (If involved, if not why?)

- How are the self-help groups associated with UEG? If they are associated then what is their role and if not then why?
- How does the self-help group function? Who are the right holders?
- What is the geographical, sectoral and community coverage?

Trade Union: (if involved)

- How are the workers registered under the welfare board involved in this scheme, such as BOCW cardholders? Is there a referral system with the help of trade unions?

Annexure 2

Comparative analysis of State Urban Employment Guarantee Schemes

Comparative Area	Odisha	Himachal Pradesh	Kerala
Title	Urban Wage Employment Initiative (UWEI)	Mukhya Mantri Shahri Ajeevika Guarantee Yojana (MMSAGY)	Ayyankali Urban Employment Guarantee Scheme (AUEGS)
Date of operationalization	18 th April 2020	16 th May 2020.	2011
Objective	Urban poor largely in the informal sector to get immediate wages by execution of labour-intensive projects	Enhance livelihood security in urban areas by providing guaranteed wage employment to every household	Enhancing the livelihood Security of people in urban areas by guaranteeing wage employment to urban households whose adult members are willing to do unskilled manual work

Budget	INR 100 Crore (program sanctioned up to September 30 th ,2020); 70:30 between wage and material cost components	The new funding is NOT made available; program sanctioned for the current financial year (employment to be provided in ongoing works/contracts)	INR 100 Crore (2020-21) vis-à-vis 30 Crore allocated for 2019-20 financial year
State Agency (Planning, Coordination, and Monitoring)	Housing and Urban Development Department	Department of Urban Development	<ol style="list-style-type: none"> 1. Local Self Government Department 2. State Urban Employment Guarantee Council 3. State Urban Employment Guarantee Mission
Local Agency (Implementation and Operations)	Urban Local Bodies with SHGs SHG federations and Slum Dwellers Associations	Urban Local Bodies and Cantonment Boards	<ol style="list-style-type: none"> 1. District Planning Committee 2. ULBs 3. Ward Sabha/Ward Committees
Work Days Provision in a Financial Year	No maximum limitation	120 days per household (guaranteed as well as maximum)	100 days per household
Eligibility Criteria	Workers of the local area will be given preference while work allocation. Workers have to at least be from the ULB concerned.	<ol style="list-style-type: none"> 1. about residents of about the ULB (homeowner and/or renter) 2. Upper age limit 65 years 	<ol style="list-style-type: none"> 1. Resident of the ULB 2. Above the age of 18 years 3. Willing to do unskilled manual labour work

<p>Implementation architecture and entitlements of workers</p>	<ol style="list-style-type: none"> 1. Every ULB to have a Ward Level Committee to prepare a “List of Projects”. Ward Level Committee consists of representatives from Government (AE/JE), SHGs, Slum Dwellers Association 2. Suggested list of projects prepared by the Ward Level Committee to be finalized by ULB Level Committee. This Committee will consist of representatives from Government (MC, Municipal Engineer, Health Officer, CDPO), SHGs. 3. Implementing Agency of works will be SHG/Slum Dwellers Association if project cost < Rs 1 lakh. If the estimated cost is > Rs 1 lakh, Implementing Agency will be ULB. 4. Assistant Engineer/Junior Engineer responsible for preparing the plan and estimate of projects. 5. Final list of projects with a plan and estimate shall be placed in the Council for administrative approval. 6. List of final projects in the public domain 7. Once the work has the required approvals, Muster Rolls will be issued for the work. 	<ol style="list-style-type: none"> 1. Beneficiaries will also be provided with skill training under DDU-NULM 2. Eligible beneficiaries can apply to be registered with their ULB 3. After due verification, ULB will issue a job card within 7 days of registration request 4. Employment to be given to a person seeking it within 15 days of him/her demanding it. If not, ULB will pay a daily unemployment allowance of Rs 75 per day 5. All accounts and information pertaining to the scheme will be in the public domain 	<ol style="list-style-type: none"> 1. Applications for registration received by ULB 2. Applications for registration verified by ULB 3. Households registered Job cards provided to each registered household 4. Households having job cards registering demand for work with ULB 5. Dated acknowledgement slip provided for each demand for work application 6. Work to be provided within 15 days of the demand for the application being submitted 7. If work not provided within 15 days of being sought- applicant eligible for unemployment allowance as per Payment of Wages Act 8. Workers to be provided work within a radius of 5km from the residence 9. Worksite facilities to include water, child care and first aid facilities 10. Men and Women workers paid equally
--	--	--	--

	<p>Muster Rolls will be maintained by the implementing agency. Wages and Material expenses due will be credited to the implementing agency, who in turn will credit it to workers and vendors.</p> <p>8. Implementing agencies will be paid a “supervising charge” of 7.5% of the project cost.</p>		<p>11. Wages to be paid within 15 days</p>
<p>Payment of Wages</p>	<p>1. Minimum wages notified by the Labour and ESI department</p> <p>2. DBT to beneficiary’s account on a weekly frequency</p>	<p>1. Minimum wage notified by the state government</p> <p>2. Equal wages for male and female workers</p> <p>3. DBT on fortnightly basis not later than 7 days after completion of 15 days of employment</p> <p>4. To be paid after due verification of the attendance by the Junior Engineer or any other official authorized by the ULB</p> <p>5. In case of an external implementing agency contracted for work, payment made to the beneficiary will be adjusted/deducted from the bills of the implementing agency before making its payment</p>	<p>1. All workers (men and women) are entitled to the notified wage rate of Rs. 271 (Increase to Rs. 300 is pending approval)</p> <p>2. Wages should be paid within a week or fifteen days at the most through DBT</p> <p>3. Funds released to ULB in advance to implement</p>

<p>Type of Jobs</p>	<p>Focus on monsoon preparedness and creation of public assets and maintenance in ULBs</p> <ol style="list-style-type: none"> 1. Storm Water Drainage 2. Rain Water Harvesting structures in public places 3. Development of new water bodies, parks/playgrounds based on local needs and vacant government land availability, 4. Increase in green cover and beautification 5. Sanitation 6. Building community centres and open space development which include micro centres for SHGs 7. Involving local artisans for beautifying cities through wall paintings and murals 	<ol style="list-style-type: none"> 1. Any ongoing or new admissible work under GoHP and Gol scheme for which funds are available at ULBs 2. Any admissible work under 15th FC or 5th State FC for which grant-in-aid is provided to the ULBs 3. Sanitation works/services as admissible under SWM Rules 2016 and Swachh Bharat Mission <p>Note: The ULBs shall not start any muster-roll linked work under this scheme and shall get eligible beneficiaries employed only in the works specified above. The ULBs shall make enabling provisions in all new contracts to be awarded for engaging eligible MMSAGY beneficiaries and for the contracts already awarded, the ULBs will coordinate with implementing agencies that have been awarded the contracts to engage registered beneficiaries under MMSAGY</p>	<ol style="list-style-type: none"> 1. Solid Waste Management and Sanitation Works 2. Water Conservation and Water Harvesting for enhanced Water Security (recharge pits, well construction, recharging) 3. Land Development 4. Drought-proofing and Flood Management 5. Afforestation and Tree Plantation 6. Construction works under various state and central housing schemes 7. Works around livestock management, fisheries, irrigation of canals, micro-irrigation, and rural road construction 8. Coastal area works such as the construction of fish drying yards 9. Anganwadi Buildings
---------------------	--	--	--

<p>Other Components</p>	<p>A. Well-defined SOP B. Workers’ rights around basic worksite facilities in terms of clean drinking water, support for child-care etc. C. Quality control mechanism through technology solutions for geotagging works, performance monitoring, as well as enhanced transparency and accountability</p>	<p>A. Strong workers’ rights B. Quality control mechanism both through social audits at ward levels as well as monitoring of works at ULB, regional, and state-level (monitoring of 100%, 10%, and 1% works respectively) C. Well-defined SOP D. Phase-wise disbursement of funds to ULBs based on set milestones of expenditure</p>
-------------------------	--	---