

THE SHAPE OF AN URBAN EMPLOYMENT GUARANTEE

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

India is in the midst of a massive jobs crisis. The unemployment rate has reached a 45-year high (6.1%) in 2017-18 as per leaked data from the Periodic Labour Force Survey (PLFS) report of the National Sample Survey Office (NSSO). According to the PLFS report, the unemployment problem is especially aggravated in India's cities and towns. Aside from unemployment, low wages and precarity continue to be widespread. In urban India the majority of the population continues to work in the informal sector. Hence, India cannot ignore the crisis of urban employment.

Both State and Central governments tend to treat towns as "engines of growth" for the economy rather than spaces where thousands toil to make a living. Programmes such as the Swarna Jayanti Shahari Rozgar Yojana (1997) that included an urban wage employment component have made way for those focussed on skilling and entrepreneurship.

India's small and medium towns are particularly ignored in the State's urban imagination. As per Census 2011, India has 4,041 cities and towns with an urban local body (ULB) in the form of a Municipal Corporation, Municipal Council or Nagar Panchayat. However, national-level urban programmes such as the Smart Cities Mission and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) only benefit a fraction of them. Most ULBs are struggling to carry out basic functions because of a lack of financial and human capacity. Further, with untrammelled urbanisation, they are facing more challenges due to the degradation of urban ecological commons.

Hence, we need new ways to promote the sustainable development of India's small and medium towns. In the context of the present employment crises, it is worthwhile considering to introduce an employment guarantee programme in urban areas. Along with addressing the concerns of underemployment and unemployment, such a programme can bring in much-needed public investment in towns to improve the quality of urban infrastructure and services, restoring urban commons, skilling urban youth and increasing the capacity of ULBs.

Everyone is afraid of data

The idea of an urban employment programme is gaining traction in political and policy debates. According to multiple reports, it could be a key agenda of a possible Common Minimum Programme of the Opposition parties for the 2019 general election. In Madhya Pradesh, the new State government has launched the "Yuva Swabhiman Yojana" which provides employment for both skilled and unskilled workers among urban youth.

What shape an urban employment guarantee programme should take can be widely debated. We have offered one proposition in the policy brief "Strengthening Towns through Sustainable Employment" (<https://bit.ly/2utJIL0>), which was published recently by the Centre for Sustainable Employment, Azim Premji University. Such a programme would give urban residents a statutory right to work and thereby ensure the right to life guaranteed under Article 21 of the Constitution. To make it truly demand-driven, we have proposed that the ULB receives funds from the Centre and the State at the beginning of each financial year so that funds are available locally. Wages would be disbursed in a decentralised manner at the local ULB.

Given the State's relative neglect of small and medium towns and to avoid migration to big cities, such a programme can cover all ULBs with a population less than 1 million. Since it is an urban programme, it should have a wider scope than the the [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\)](#); this would provide employment for a variety of works for people with a range of skills and education levels. We emphasise that it would not come at the expense of MGNREGA but rather the two would go hand-in-hand.

Urban informal workers with limited formal education would benefit from this programme. They can undertake standard public works such as building and maintenance of roads, footpaths and bridges for a guaranteed 100 days in a year, at 500 a day. We have also proposed a new set of "green jobs" which include the creation, restoration/rejuvenation, and maintenance of urban commons such as green spaces and parks, forested or woody areas, degraded or waste land, and water bodies. Further, a set of jobs that will cater to the "care deficit" in towns by providing child-care as well as care for the elderly and the disabled to the urban working class have been included.

Another novel aspect is the creation of a skilling and apprenticeship programme for unemployed youth with higher education who can sign up for a contiguous period of 150 days (five months), at 13,000 a month for five months to assist with administrative functions in municipal offices, government schools, or public health centres, and for the monitoring, measurement, or evaluation of environmental parameters.

While the first category of work is aimed at providing additional employment opportunities and raising incomes for those in low-wage informal work, the second category is to provide educated youth experience and skills that they can build-on further. We estimate that such a programme will cost between 1.7-2.7% of GDP per year depending on design, and can provide work opportunities to around 30-50 million workers. In light of the 74th Amendment, this programme should be administered by the ULB in a participatory manner by involving ward committees.

Our proposal provides strong transparency and accountability structures — proactive disclosure of information based on Section 4 of the RTI Act, proactive measures through mandatory periodic social audits, public hearing and reactive measures through a "Right to Timely Grievance Redressal" for workers.

An urban employment guarantee programme not only improves incomes of workers but also has multiplier effects on the economy. It will boost local demand in small towns, improve public infrastructure and services, spur entrepreneurship, build skills of workers and create a shared sense of public goods. Hence, the time is ripe for an employment guarantee programme in urban India.

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