

Sustainable Urban Livelihoods Program

The Right to Work

Conceptualised, Coordinated, and Produced
by:



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MP brought this Act in June 2009 which provisions constituting Mohalla Samiti (MS)

below the existing lowest strata of urban local self-governance i.e. ward.

Glossary of Terms & Abbreviations

AEUS	Annual Employment and Unemployment Survey conducted by Labour Bureau.
ALF	Area Level Federation (of SHGs).
ALMP	Active Labour Market Programme
AUEGS	Ayyankali Urban Employment Guarantee Scheme 2010
BPL	Below Poverty Line.
CLF	City Level Federation (of SHGs).
CMID	Centre for Migration and Inclusive Development
COVID	Severe acute respiratory syndrome coronavirus.
CPI	Communist Party of India
CPSE	Central Public Sector Enterprise.
CSR	Corporate Social Responsibility
CWS	Current Weekly Status is the occupation reported by the respondent for the previous seven days.
DAY-NULM	Deendayal Antyodaya Yojana - National Urban Livelihoods Mission.
Demonetisation	On 8 November 2016, all ₹500 and ₹1,000 banknotes ceased to be legal tender.
DWCUA	Development of Women and Children in Urban Areas.
E	Performance
EAS	Employment Assurance Scheme.
ELR	Employer of Last Resort, the principle that the government is responsible for employment.
EPF	Employees Provident Fund.
EPWRF	Economic and Political Weekly Research Foundation, set up in 1993.
Floor wage	Wage essential for sustenance of the worker alone.
GDP	Gross Domestic Product.
Gig	Workers engaged in livelihoods outside the traditional employer-employee arrangement.
IDSSMT	Urban Infrastructure Development Schemes for Small and Medium Towns.
IGUEGS	Indira Gandhi Urban Employment Guarantee Scheme 2022
IHSDP	Integrated Housing and Slum Development Programme.
ILC	Indian Labour Conference.
IMF	International Monetary Fund.
IRC	Industrial Relations Code.
JGSY	Jawahar Gram Samridhi Yojana.
JNNURM	Jawaharlal Nehru National Urban Renewal Mission.
LFPR	Labour Force Participation Rate - percent of total population employed or seeking employment.
Living wage	25% added to the minimum wage for the family to account for social and cultural needs.
Lockdown	From 22 March to 31 May 2020 and 5 April to 15 June 2021, for COVID-19 prevention.
Market wage	Average wage as offered by the market.
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act 2005.
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme 2005 (also NREGS).
Minimum wage	Wage for sustenance of the family (food, clothing, shelter, health, basic needs, and pension).
MIS	Management Information System.
MLA	Member of the Legislative Assembly.
MMSAGY	Mukhya Mantri Shahari Ajeevika Guarantee Yojana 2020.
MoLE	Ministry of Labour and Employment.
MoSPI	Ministry of Statistics and Programme Implementation.
MP	Member of Parliament.
MPYSY	Madhya Pradesh Yuva Swabhiman Rojgar Yojana 2019.
MSME	Micro, Small and Medium Enterprises.
MSY	Mukhyamantri SHRAMIK (Shahri Rozgar Manjuri for Kamgar) Yojana 2020.
MUKTA	Mukhyamantri Karma Tatpara Abhiyan (earlier UWEI) 2020.
MWR	Material-Wage Ratio.
NCEUS	National Commission for Enterprises in the Unorganized Sector.

NGO	Non-Government Organisation.
NITI Aayog	National Institution for Transforming India, that replaced the Planning Commission in 2015.
NREGS	National Rural Employment Guarantee Scheme.
NRY	Nehru Rogar Yojana.
NSSO	National Sample Survey Organisation.
NULM	National Urban Livelihoods Mission 2013; to reduce poverty and vulnerability of urban poor.
NYAY	Nyuntam Aay Yojana.
OSH	Occupational Safety and Health.
OSHWCC	Occupational Safety, Health and Working Conditions Code.
<i>P</i>	Poverty.
PLFS	Periodic Labour Force Survey, conducted by National Sample Survey Organisation.
PM CARES	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund.
PMIUPEP	Prime Minister's Integrated Urban Poverty Eradication Programme.
PM-SYM	Pradhan Mantri Shram Yogi Maandhan.
PRS	Institute for Policy Research Studies, founded in 2005.
SC	Scheduled Caste.
SDA	Slum Dweller Association.
Secondary	Economic Sector including industries producing a usable product or involved in construction.
SGRY	Sampoorna Grameen Rozgar Yojana.
SHG	Self Help Group, mainly evolved from the thrift societies formed by women.
SJSRY	Swarna Jayanti Shahari Rozgar Yojana, launched in 1997.
SSC	Social Security Code.
ST	Scheduled Tribe.
Tertiary	Sector of the economy that provides all services.
TNUES	Tamil Nadu Urban Employment Scheme 2021.
TUEP	Tripura Urban Employment Programme 2009.
U-A	Unemployment Allowance.
UBSP	Urban Basic Services for the Poor.
ULB	Urban Local Body.
UNDP	United Nations Development Fund.
UR	Unemployment Rate is the percentage of persons who are unemployed in the labour force.
USEP	Urban Self Employment Programme.
UT	Union Territory.
UWEI	Urban Wage Employment Initiative (later MUKTA) 2020.
UWEP	Urban Wage Employment Programme.
WBEUS	West Bengal Urban Employment Scheme 2010.
WC	Wages Code.
WG	Working Group.

Sustainable Urban Livelihoods Programme

Executive Summary

This report is the product of an extensive team effort over roughly 18 months although the initial discussions have been going on since 2020 when the COVID-19 pandemic, and the lockdowns induced by it, ravaged the economy and forced lakhs of urban workers to take the long road back from the cities and towns to their native villages. This manifest distress renewed the exploration for a scheme that would provide security and a decent life for the urban workforce.

The report is divided into seven Sections, each with a principal theme.

Section One demonstrates the inconsistency and inadequacy of the national data base, without which there cannot be any reasoned informed policy. The availability of secure work in urban areas has become critical with the emergence of the gig economy and women (specially) and youth being increasingly thrown out of remunerative work. Following this, **Section Two** looks at the data on urban poverty alleviation to examine its link with the number of urban poor in different States. It finds no correlation with the data on performance of National urban employment schemes. There is no data to show that the shift from wage employment to contractual or self-employment has sustained livelihoods. The shift from manufacturing to services has not provided stability in the labour market. Both have increased the precarity of the worker. The minimum wage set by different authorities is based on inconsistent data.

Section Three examines the State urban employment schemes to examine whether they have been better able to address workers' growing precarity. The local realities are reflected in these schemes, especially the ecological aspects. But they too have shifted from wage employment to self-employment. There is no data to show that the livelihoods have become sustainable, especially for women's self-help groups and youth entrepreneurs. Convergence with other schemes has resulted in greater access to funds but it is not enough to meet the needs of productive jobs. **Section Four** analyses the schemes proposed by non-government institutions and finds that most of them encourage wage employment for the vulnerable, and for periods more than three months. They also present financing mechanisms with significant emphasis on participation, transparency and accountability.

Section Five is at the heart of this report as it presents the findings of primary surveys with 3000 workers in small and medium towns in four States, of which three have large populations of urban poor. It documents the expressed needs of daily wagers and the self-employed for stable and productive work every month for the entire year with fair wages. The salaried felt secure because of a regular monthly income, but many were without formal tenure. They all expected earnings that were 2 to 3 times the prevailing market rates in all four States. They also want all basic needs to be met at the work site. They saw government as the regulator but were also largely confident of being able to participate in making policy for sustainable urban livelihoods. The surveys illustrated the manner in which workers have flexibly used their knowledge to survive and this has to be recognised for sustainable policies.

Section Six presents an Action Plan based on the demands and best practices that have emerged from the preceding Sections. The plan includes provisions for three hundred days of work; lifting the freeze on recruitment; expanding the public sector; placing a cap on all public and private investment per livelihood generated; changing the material-to-wage ratio in wage-employment schemes; protecting and reviving the ecological base; ensuring fair wages and allowances; asserting the role of the state as Employer of Last Resort; gender equality for all livelihoods; and legal support to self-help and micro-enterprises by workers; with an Act to ensure that the plan is implemented.

Section Seven takes the recommendations of Section Six and displays estimates for ten years of expenditure on fair wages, caps on investment per job created, unemployment allowances, assistance to vulnerable self-help groups. It also gives estimates of income for the same period from budgetary allocations of share of GDP, green penalties, compensation for worker dismissals and industrial disputes, and taxes on the wealthy. The Section points to the social contribution these measures would have with one supplementing another. It emphasises the greater participation of workers in urban governance and opens up the space for wider public discussion on data sets, public policy, and new *imaginings* of employers, labour, the role of women and vulnerable sections, and design of urban settlements.

Introduction

Evolution

This exercise was tentatively begun in 2020 after the COVID-19 pandemic-induced lockdowns had sent lakhs of workers on their long trudge back home as work dried up in the cities and towns to which they had migrated in search of livelihoods. Many groups and individuals trying to provide relief to the workers also began thinking seriously about the need for some kind of employment guarantee programme for urban areas. There was an initial view that the National Rural Employment Guarantee Scheme could provide a template for the urban areas too. But, as discussion continued through a series of webinars and online meetings, it became clear that we were looking at something quite different in context of what categories of urban workers were emerging and what were the demands of the various categories? Hence, there was a need to assess the past experience before proposing a programme for the future.

At a webinar held in 2021, a consensus began to emerge that the city was being transformed from a place of work and living into a site for investment and profit-making. Two major aspects of this transformation were the shift from manufacturing to services and the privatisation of services. The ratio of salaried to casual and self-employed workers was declining; the unorganised sector was expanding; and there was significant unemployment. In addition, there was considerable unpaid work, mainly among women. Within such a context, all workers were not asking for an employment guarantee scheme or regular jobs. Rather the majority, facing precarity, were looking for a livelihoods protection policy that translated into the Right to Work with decent remuneration.

The online discussions continued through 2021 and, in late 2022, an initial design was prepared for a study to provide insights into the changing profile of employment in urban areas, and explore the possibility of a scheme for sustainable employment in urban areas. There were three parts to the proposed design: (a) a review of the employment scenario in the urban areas since urban reform began; (b) a review of the urban employment guarantee schemes initiated by the Central and State Governments; (c) a review of all the schemes proposed by individuals and organizations. A detailed analysis of context and performance would help to arrive at a proposed design for a Sustainable Urban Livelihoods Programme.

Product

The proposed design would be placed before a number of regional consultations with labour organisations, labour researchers, and selected administrators and policy-makers. Once a consensus had been arrived at, the amended design would be shared with the two major stakeholders - State Governments and Labour Organisations. Inputs through such interactions would help further refine the proposed programme. A proposal to the Central Government could be thought of at that point of time if sufficient number of State Governments and Labour Organisations arrived at a consensus on the proposed Sustainable Urban Livelihoods Programme.

Through 2022 we were seeking an individual senior researcher who would lead the study. Eventually it was agreed that a team could be constituted for different components of the proposal. While Hazards Centre would steer the study, INHAF would provide the financial and administrative support. In addition to the three reviews proposed in the initial concept note, it was also decided to conduct some field studies to collect the views of workers in small and medium towns about their working conditions and what they felt they needed so that there was a baseline against which the recommendations could be evaluated. The study was finally launched in December 2022, when 33 individuals from different institutions had been contacted and agreed to contribute to specific parts of the study (**Annexure 1**).

Four draft check-lists were prepared for each component of the study and provided to all the researchers so there could be some continuity in how the information was collected. These are attached as **Annexure 2**. An online meeting took place of almost all the researchers in January 2023 and after that the work was coordinated through phone calls and emails. By May 2023, the first draft reports began to come in and so another online meeting was held in that month to share and discuss the drafts. The final sub-reports were all submitted by November 2023 and the work of collating them took another two months before an initial draft was circulated in January 2024 amongst the entire team, and a few other experienced individuals, for their comments. Subsequent to that, more comments began to come in and it took until June 2024 to complete a pre-final draft.

Comments

On the basis of the over 150 comments received, it has taken five months to redraft the pre-final report and it is now being placed for release and public consultation as a final report.

There were a few comments that we could not accommodate but they provide very important clues for future work in this area. They are set out below with our limited explanations of our inability to include them, as they also explain the format and purpose of this report:

1. *Can agricultural reforms, through Primary Rural Agri-Markets or Primary Agricultural Cooperative Societies and Post Offices with private sector, be seen through the lens of employment generation?* – Since this study was initiated because of reverse migration and the conditions of the urban workforce, we have chosen to keep it within that framework; while agreeing that the lack of rural employment is linked to migration, and that the extractive link between the two is critical for larger policy implications.
2. *Themes such as broad employment trends in India, impacts of finance capital, the changes in the structure of production, and State-Citizen relationship could also be added.* – We have included some of these issues in Section One but much more competent work is being done on this subject by other groups and individuals.
3. *For figures on unemployment, it may be better to just stick to EUS and PLFS and provide data for only those years. For EUS, data from 2009-10 and 2011-12, as well as NSS 2011-12, can be added.* – The reason we have added AEUS data is that its presentation makes it obvious, even for the worker, that there are discrepancies in the official system and, therefore, there is a need to find other methods of data collection which give a more reliable basis for policy that relates to their lives.
4. *In the absence of accurate data, using media, academic research, and anecdotal evidences will serve to highlight the trends and key concerns, such as the understanding that it takes ₹.80,000 to 1,00,000 to sustain a job in the informal sector.* – This may be true but, for the worker, media reports and academic findings are as abstract and remote as official data. Anecdotal evidence does not make for sound policy. That is why we chose to depend mainly on government reports and introduce a section on primary data collection.
5. *Are there any statistics that were collected in the primary studies on gender, caste, age (especially children) and task categorisation, or access to social security or contracts, that can be used to identify vulnerabilities?* – Only data for age was collected. The other parameters are important but we overlooked them while making the survey format. Our focus moved towards how vulnerabilities were being induced through policy, by disguising labour relations where the employer became invisible.
6. *It may make more sense to begin with 150 days as several other proposals have already done.* – Since we did a primary survey to give voice to workers' concerns, and workers themselves were not content with 150 days of work and uniformly demanded 9 to 12 months of work, it would be unethical to ignore their concerns because they do not match with our sense, as researchers, of what other proposals have already come up with.
7. *Is an omnibus scheme possible and practical? Or should different measures such as the proposed Informal Sector Bill, the Women's Urban Employment Guarantee scheme, or Social Protection for Gig Workers be adopted for different sectors?* – These are important issues but, as mentioned above (#6), in this report we have tried to balance such views against what worker representatives are asking for; and they have favoured the demand for a comprehensive scheme.
8. *The scheme should be presented to Government because they have to implement it and everyone should try to strengthen the scheme.* – This view has been countered by workers' unions who feel that the report should be first disseminated widely among workers who can discuss it; and only after a consensus has been arrived at through such discussions, then their organisations will decide how to take it to which Government and in what form.

It should also be added here that we were able to compile a large amount of information and what is presented in this report is only a part of it. For reasons of flow and continuity we have kept only those parts of the data set that seem to make a coherent whole. At the same time, we have retained as much of the information as possible within the report so that readers, especially from workers' organisations, can take whatever they think is relevant for their purposes and, in case more information is required on a specific subject, we would try and provide it.

Sections

The report, in its present form, has seven Sections:

Section One provides an exploration of urban growth, as it was seen from the Seventh Five Year Plan (1985) onwards, along with the policy link to migration and urban poverty. It looks at the trends in the urban labour force and unemployment, with special attention to the condition of women and the youth in the age group between 15 to 29 years. The division of labour into salaried, casual and self-employed is adopted to examine monthly earnings and working hours for each category, as well as how gig and other workers are placed within this categorisation. The Section concludes with posing six issues regarding: a) the reliability of public data; b) availability of secure work; c) status of women, youth and gig workers; d) secure jobs in manufacturing; e) protection of the labour market from crises; and f) reduction of poverty levels. These issues form the assessment framework in the remaining Sections.

Section Two begins with a presentation on the reduction of urban poverty and how the poverty line and minimum wage have been determined over the years. It then reviews the data available on the two Central Government schemes of Swarna Jayanti Rozgar Yojana (SJSRY, 1997-2013) and National Urban Livelihoods Mission (NULM, 2013-2023), focusing on the twelve States claiming urban poverty reduction of over 33%, to see how successful they were in achieving their objectives of providing wage employment and, later, self-employment. It further reviews how the new Labour Codes (2020) evolved and to what extent they will protect urban labour. A quick look at the performance of the Mahatma Gandhi National Rural Employment Guarantee Scheme (2005-2023) draws out the lessons we can learn for a Sustainable Urban Livelihoods Programme. These are all placed within the framework proposed in Section One.

Section Three presents the available data on the wage-employment and self-employment generated and funds spent by nine State Government schemes. The schemes consist of those which were implemented before the COVID-19 pandemic - Tripura 2009, Kerala 2010, and West Bengal 2010; and those which were initiated after the pandemic - Madhya Pradesh 2019, Jharkhand 2020, Odisha 2020 and Himachal Pradesh 2020. In addition, two other schemes have been discussed which were announced but could not be implemented because the government changed - Tamil Nadu 2021 and Rajasthan 2022. We ask whether the State schemes fare any better than the National programmes with respect to the six issues that were identified in Section One. We also briefly touch upon the political aspects of policy-making. Six of these nine States had urban poor populations of more than 50 lakhs in 1999.

Section Four first discusses the international concept of holding the government to be the Employer of Last Resort (ELR) as it has evolved in the United States of America, Sweden, Australia, France and Argentina. On this basis, as well as taking into consideration the six issues of Section One, the Section assesses seven proposed schemes that have been presented at different times by Sajha Manch (2008), scholars at Azim Premji University (2019), Indian National Congress (2019), ILO and Aajeevika Bureau (2020), Jean Dreze (2020), MP Binoy Viswam (2022) and Desh ki Baat Foundation (2022). There is not much discussion on poverty reduction in these schemes, but the assumption is that if the poorest sections are able to find secure employment with minimum wage, then their vulnerability will reduce. There is significant emphasis on participation, transparency and accountability.

Section Five contains the data obtained from primary surveys in fifteen small and medium towns and cities in the four States of Karnataka, Odisha, Rajasthan and Uttar Pradesh (all these had urban poor populations of over 50 lakh each in 1999, but could not reduce absolute poverty by more than 10%, although Odisha claimed 57% reduction). A total of 2,931 respondents were interviewed to listen to the voices of urban labour and what are their livelihood related needs. The effort was to obtain a set distributed according to the national ratio of daily wagers, salaried workers and self-employed. However, field teams could only access a population heavily biased in favour of daily wagers. This bias was reflected in the findings on changes in working patterns and contractual arrangements. However, the expectations of urban workers with respect to months of work, earnings, and participation in policy-making came across clearly, especially in the smaller towns.

Section Six assembles the findings from all the previous Sections to present a proposed Action Plan based mainly on the expectations of workers that emerged in Section Five. It focuses on demands related to three hundred days of work, fair wages and allowances, self-help and micro-enterprises, and financial allocations; and how these may be achieved. It also presents the structure of the proposed legislation necessary to ensure that the action plan is implemented. The plan also proposes widespread public consultations with different categories of workers, their

associations, regional and national labour unions, and political representatives to encourage debate on the issues. If a consensus is reached among all these parties, then the final proposal can be presented to policy-makers for their deliberation and eventual action. This Section builds on the initial concept that this report is meant for providing comprehensive information to urban labour so that informed discussion may take place.

Section Seven finally proposes details of how the finance required for ensuring that the measures proposed in the Action Plan may be raised. Estimates for the cost of creating three hundred days of work for all, and ensuring that every working person is remunerated according to the officially declared minimum wage, or the living wage proposed by the Fair Wage Committee in 1948, have been computed in a sub-section on expenditure. The costs of providing assistance for sustainable self-help and micro-enterprises, especially for women and returnees, have been estimated. A reference has been made to unpaid labour but the cost has not been estimated. A sub-section on income has been included, indicating how budgetary allocations of GDP, and revenues from externalities, penalties and taxes would be sufficient for meeting the expenditures. The expenditure and income figures have been computed over ten years to allow for incremental change with options given in each stage.

Both income and expenditure have been linked to the global challenge posed by environmental changes and how they are embedded in the concepts of growth and development.

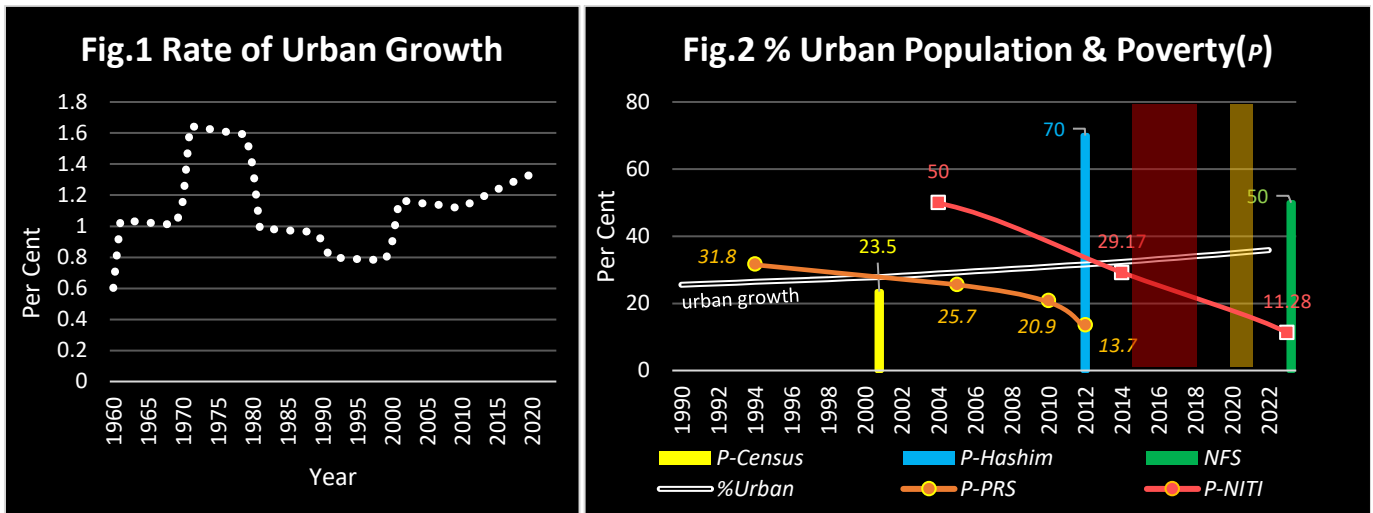
We hope that this report, and its adaptation into local languages, will provide enough reliable information for urban workers, their representatives and well-wishers, to use as per their needs and provoke a much-needed wider debate.

-0-

Section One: Status of Urban Livelihoods

1.1 Context: Urbanisation and Poverty

India had an urban population of about 7.9 crore in 1961, and it grew at 1.3% per annum until 1971 when growth began to decline. India opened its economy to the global market in 1990 and by 1999 urban growth again began rising (*Figure 1*). In 2022 the urban population was about 50.8 crore. It had risen from 18% of the total population in 1961 to 36% in 2022. It is predicted that 40% of the population will be living in cities by 2030.



In Fig.2 the brown shaded area is the 2015-2018 period when small enterprises closed; ochre is for COVID when jobs shrank
Source: World Bank, PRS, NITI Aayog, Census 2001, Hashim Committee, NFS declaration GoI

The growth of cities is driven by top-down policy. In 1985, the Seventh Five Year Plan argued that the “productivity of labour... must be raised through better urbanization”¹. The Eighth Five Year Plan, in 1992, redefined the city as an ‘engine of growth’ (from providing basic services) and stated that, “a policy environment favourable for the growth of entrepreneur-ship and self-employment” had to be created². In 2004, Arvind Panagariya of NITI Aayog wrote how the productivity of private investment increased during the 1980s³. The Working Group on Labour for the Eleventh Five Year Plan estimated in 2008, “Labour productivity in the organized sectors was already four times that in unorganized non-agriculture in 1993 and this ratio increased to 7 times by 2004”⁴. In 2011, the Governor, Reserve Bank said, “as a worker moves from agriculture to other sectors, productivity increases by nearly a factor of five”⁵.

These are only some examples of changes in state policy during neo-liberalisation to promote increase in productivity and profits for corporations, but on the backs of workers who migrate to the city as livelihoods dwindle in rural areas. This also explains the shift from agriculture to manufacturing to services. Schemes like the 1996 National Slum Development Programme, the 2005 Jawaharlal Nehru National Urban Renewal Mission, and the 2015 Smart Cities Mission have all focussed on urban renewal in tandem with private investment. The consequent shift towards roads, infrastructure, cars, malls and tourism is embedded into urban plans. The impact has been felt most harshly by the urban poor, small industries and wholesale markets that have been expelled to the periphery of the city. A shock like the COVID-19 pandemic (ochre shade in *Figure 2*) showed that cities could hardly manage a public health crisis, let alone an economic one, such as the 2015-2018 one triggered by demonetisation (brown shade in *Figure 2*).

¹ 7th Five Year Plan, Vol.2, Planning Commission,

² 8th Five Year Plan, Vol.1, Planning Commission, <http://planningcommission.nic.in/plans/planrel/fiveyr/8th/voll/8ch6.htm>)

³ India in the 1980s and 1990s: A Triumph of Reforms, Arvind Panagariya, IMF Working Paper WP/04/03, International Monetary Fund, March 2004, <https://www.imf.org/external/pubs/ft/wp/2004/wp0443.pdf>

⁴ Report of the Working Group on Labour Force and Employment Projections, constituted for the Eleventh Five Year Plan, Sep 2008, Planning Commission, http://planningcommission.nic.in/aboutus/committee/wrkgrp11/wg11_lproj.pdf

⁵ Rejigging the Elephant Dance, Haksar Memorial Lecture, Dr. Duvvuri Subbarao, Governor, Reserve Bank of India, Centre for Research in Rural & Industrial Development, Chandigarh, November 25, 2011, https://www.rbi.org.in/scripts/BS_ViewBulletin.aspx?Id=12761

A brief prepared for Parliamentarians by PRS⁶ states that the percentage of the urban population living in poverty reduced from 31.8% in 1993-94 to 13.7% in 2011-12 (orange curve, **Figure 2**). However, NITI Aayog estimated a much higher level of 50% multi-dimensional urban poverty in 2004, falling rapidly to 11.3% by 2023 (red curve). These estimates do not match the Census figure of 23.5% urban poor in 2001 (yellow column); or the Hashim Committee's 70% living in urban poverty in 2012 (blue column)⁷; or the claim by NITI Aayog that poverty levels have fallen below 5%⁸. Nor do they explain the Union Government's declaration, in 2023, to give free rations to 50% of the urban population (green column).

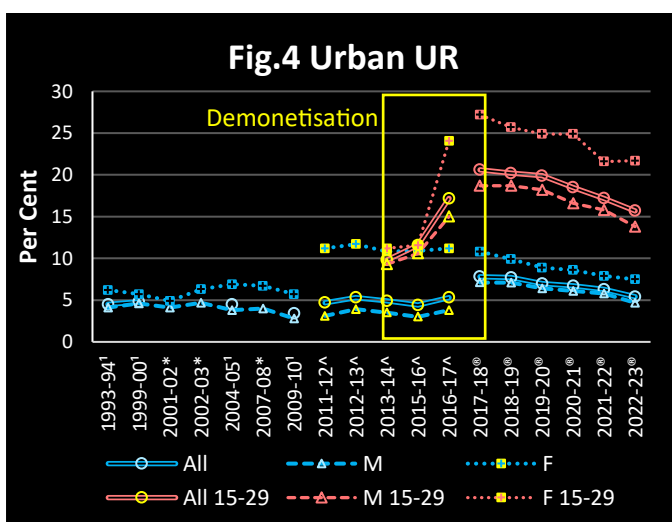
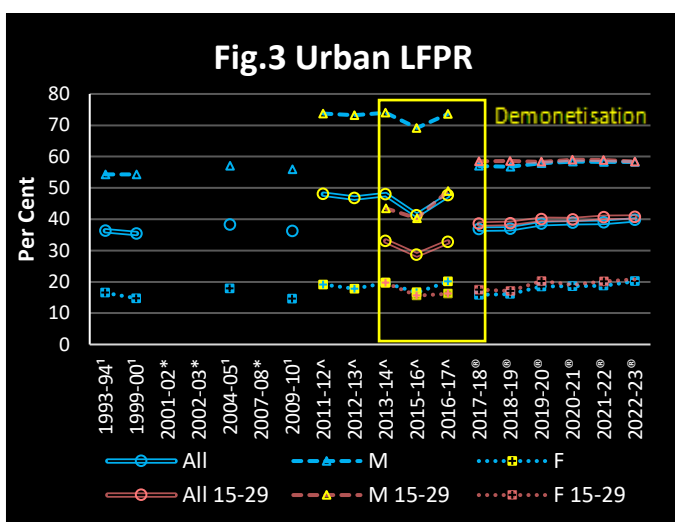
It is, therefore, inevitable that we examine what is publicly available to define the status of urban labour. We choose to explore the official reports because they are the most comprehensive and continuous sources of data. In this first Section, we analyse what have been the changes in labour demography in urban India in the three decades since the economy was liberalised with the promise of more employment and better services. How many people are seeking work, how many manage to secure work, and how many remain unemployed? Are these effects uniform, or some sections are more severely affected in being able to find secure work with adequate earnings and decent working conditions? What should be the factors around which a scheme for Sustainable Urban Livelihoods can be designed?

1.2 Working Population

The main sources for understanding the status of urban labour are publications from government agencies:

- Three surveys conducted after 1990 by the National Sample Survey Organisation (NSSO) (1993-94, 1990-00 and 2004-05), one every five years.
- Five estimates of the gender distribution of work published by the Ministry of Statistics and Programme Implementation (MoSPI: 2000-01, 2001-02, 2002-03, 2005-06 and 2007-08).
- Six Annual Employment and Unemployment Surveys (AEUS: 2009-10 to 2016-17) conducted by the Labour Bureau.
- Six Periodic Labour Force Surveys (PLFS: 2017-18 to 2022-23) conducted by the NSSO, one for every year including the pandemic-affected years.

All these surveys publish data using a common base, the Current Weekly Status (CWS) of occupation, as reported by the respondent for the previous seven days. The available CWS data for urban areas is presented below, with the caution that *the data for females includes unpaid workers in family enterprises (as many as 18.3% of all workers)*.⁹



Sources: ¹NSSO; ^{*}MoSPI; [^]AEUS; [®]PLFS

⁶ Poverty Estimation in India, August 5, 2013, PRS Legislative Research, Blog 20/02/2024, 21-13,

<https://prsindia.org/theprsblog>

⁷ Segregated Data of Urban Poor for Inclusive Urban Planning in India: Needs and Challenges, Ambe Kumar Srivastava, SAGE Open Volume 7, Issue 1, January-March 2017, <https://journals.sagepub.com/doi/10.1177/2158244016689377>

⁸ The Hindu, New Delhi, 26/02/2024

⁹ <https://www.networkideas.org/featured-articles/2024/01/the-unpaid-workers-who-are-described-as-employed/>;
<https://economictimes.indiatimes.com/budget-2024/economic-survey-2024/economic-survey-2024-57-3-per-cent-of-the-total-workforce-self-employed-18-3-per-cent-working-as-unpaid-workers/articleshow/111920479.cms>

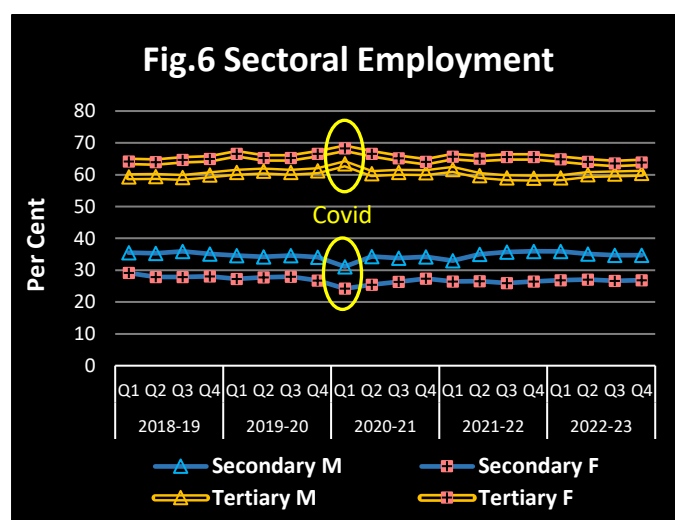
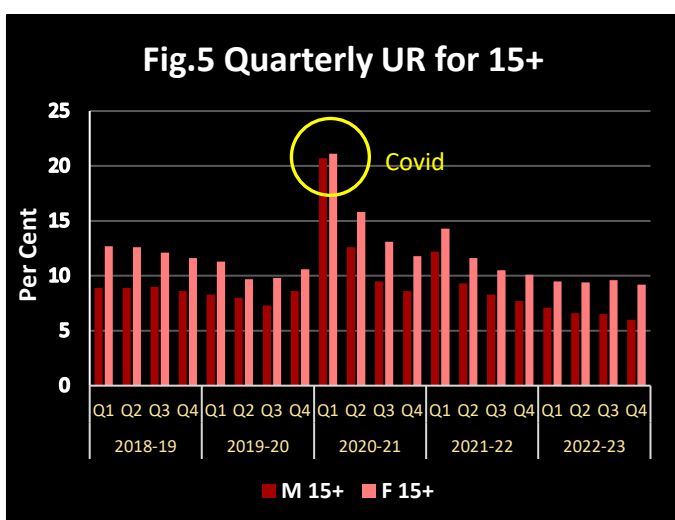
Labour Force Participation Rate (LFPR) is defined as the percentage of persons who are either employed or seeking employment in the total population. **Figure 3** plots the urban data from the NSSO, MoSPI, AEUS and PLFS surveys. The blue lines for all workers mark a 12% jump in the rate after 2010-11, led mainly by the male urban workers during the AEUS surveys. There is a corresponding drop by 11% after 2015-16 when the economy was demonetised overnight. Over thirty years, one can infer a roughly 4% rise in the percentage of workers employed or seeking work. However, the pink lines, for fresh entrants into the labour force aged 15-29 years, exhibit a rise of about 10% in 2015-16. The conflicting data makes it difficult to evaluate policy, as given in the 2007 report of the NCEUS¹⁰.

The rise of the Gig economy may also explain employment trends for new entrants. The NITI Aayog¹¹ defines gig workers as those engaged in livelihoods outside the traditional employer-employee arrangement, classified into platform and non-platform-based workers. Platform workers are those whose work is based on online software apps or digital platforms. Non-platform gig workers are casual wage workers and own-account workers in the conventional sectors, working part-time or full time. The Aayog estimates that, in 2020-21, 77 lakh workers were in the gig economy and welcomed its expansion to 2.35 crore workers by 2029-30 as part of the Indian growth story. It is a refinement of the evolving process of contracting out work (glibly termed as ‘free’, ‘piece-rated’, ‘volunteer’, ‘activist’, or ‘partner’) to render the employer invisible and the worker as a self-employed free, but precarious, agent.

1.3 Unemployed

Unemployment Rate (UR) is defined as the percentage of persons who are unemployed in the labour force. **Figure 4** shows that while the overall Unemployment Rate was slowly falling for almost 14 years after 1993-94, it began rising after 2009-10, especially for women. For the younger age group of 15-29 years the UR shot up by 11% between 2015-16 and 2017-18 during demonetisation, much prior to the 2020-21 lockdown. It reached a peak in 2017-18 of 19% for men and 27% for women. The labour market has been uncertain for new entrants since then. The quarterly unemployment data after 2018-19 for those older than 15 years is given in **Figure 5** and illustrates the uncertainty. Much of the rise in unemployment has also to do with technology increasingly replacing labour

The data on sectoral employment in the same period (**Figure 6**) also indicates that the percentage of employment in the tertiary sector of services was almost twice that in the secondary sector of manufacturing. There is also a marked dip in manufacturing jobs and a corresponding peak in employment in services in the first quarter of 2020-21, when Covid triggered the gig economy. This provides an insight into the structural aspect of labour precarity as the services sector has a much higher degree of informality. Thus, even while being employed, the majority of urban workers do not enjoy tenure and the availability of work remains a daily threat, especially for women who are unpaid.



Source: PLFS quarterly reports

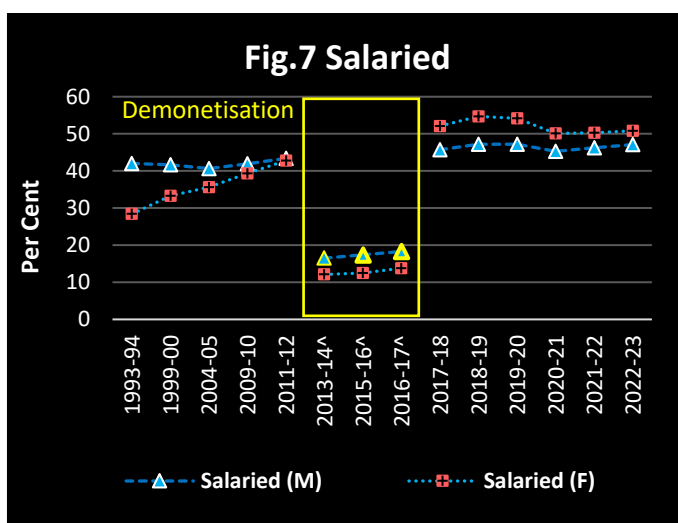
¹⁰ Measures of Labour Force Participation and Utilization, J Raveendran & G Raveendran, National Commission for Enterprises in the Unorganized Sector, Jawahar Bhawan, New Delhi, <https://mospi.gov.in/sites/default/files/workshop/nscpaper.pdf>

¹¹ NITI Aayog, India’s Booming Gig and Platform Economy, 2022, https://www.niti.gov.in/sites/default/files/2022-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf

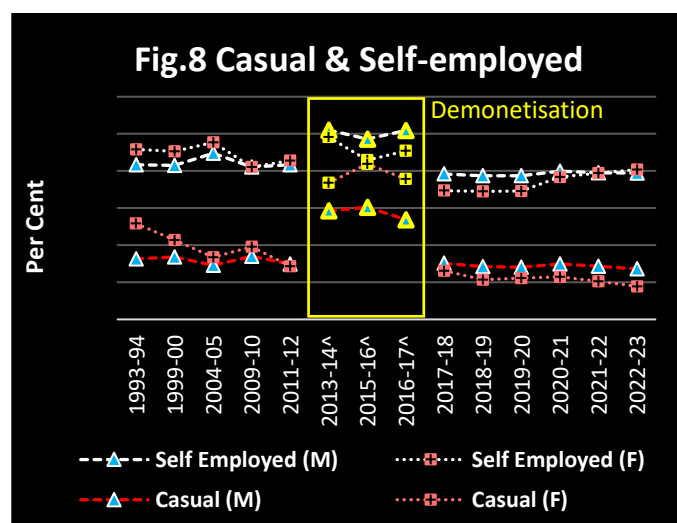
1.4 Working Categories

Figures 7 & 8 give the data for categories of salaried, self-employed and casual workers. These do not define the layers within each category but are adequate for understanding trends. They appear to contradict the threat of growing insecurity, inferred from the sectoral data above, as there is a growth in the salaried category and a decline in the self-employed and casual work force. But there is a trend towards contractualization in the salaried category, especially in the services sector. The percentages disguise the fact that only 21% women are in the labour force as compared to 58% of men. The AEUS data (yellow rectangles) is inconsistent with the trend exhibited by the other surveys.

It is also a matter of concern that self-employment is risky and hazardous and does not provide social security or coverage for health and child care. The new Labour Codes are restricting the labour department's role in inspection as well as limiting the role of worker's committees. Many of the labouring categories, such as Anganwadi, ASHA, contract and gig workers do not even come under the definition of a worker; thus, raising critical questions of how workers may access social security, health insurance, provident fund and other entitlements.



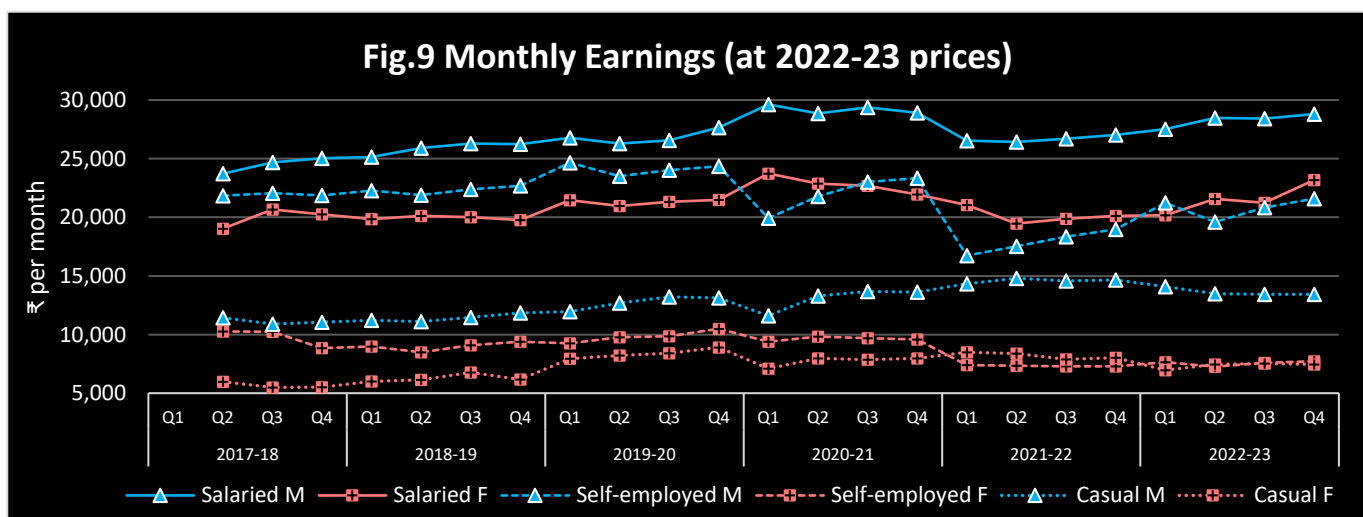
Sources: ^NSSO; *MoSPI; ^AEUS; @PLFS

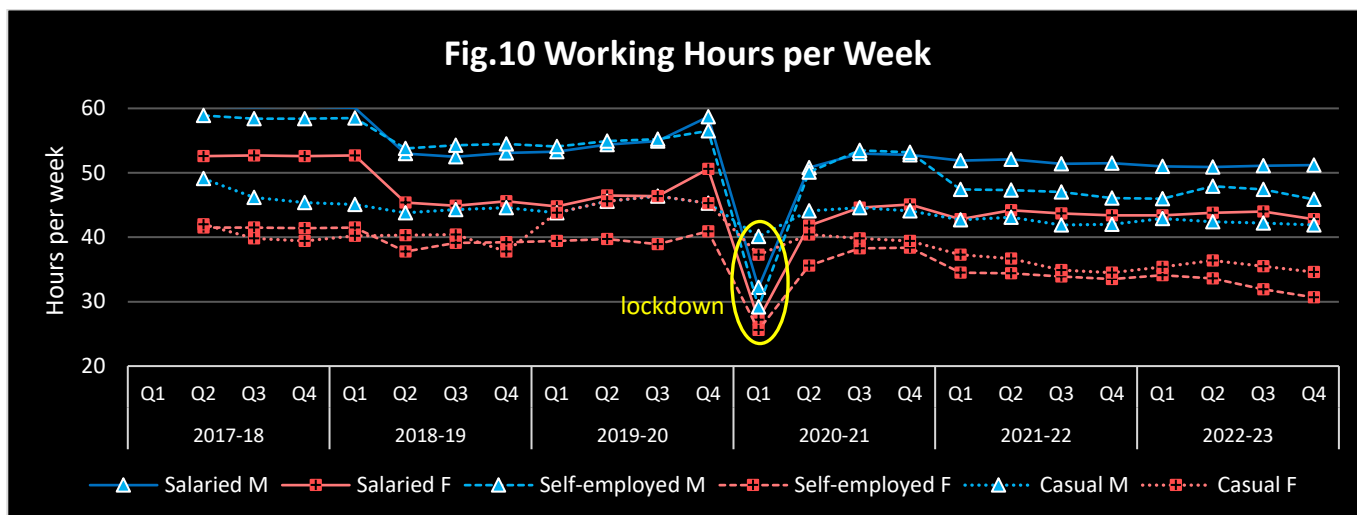


Sources: ^NSSO; *MoSPI; ^AEUS; @PLFS

1.5 Wages

Quarterly data for monthly earnings and working hours has been sourced from the EPWRF Time Series to grasp the trends in working conditions during five years from 2017 to 2022. The results are presented in Figures 9 and 10. Wages have been adjusted to 2022-23 prices and wages for casual labour in Figure 9 have been computed from daily earnings, adjusted for hours of work per week as given in Figure 10, which also shows that their time has reduced by 7 hours for men and 11 hours for women.





Source: EPWRF Time Series

Earnings are seen to have increased for both salaried and casual workers over the 22 quarters, but fluctuated downwards for self-employed persons. During the 2020 lockdown, salaried persons reported an increase in earnings, with decreases for self-employed and casual workers. Average inflation-adjusted earnings in 2022-23 were computed to be ₹28,309 and ₹21,537 for salaried men and women respectively; ₹20,817 and ₹7,555 for self-employed; and ₹13,607 and ₹7,351 for casual workers. These figures may be compared to what the wage should have been for the year according to the Seventh Pay Commission (₹39,970) announced in 2015 for organised employees; and the order of the Central Labour Commissioner in April 2023 (₹18,480) setting norms for minimum wages in different occupations (see **Table 1** in Section 2.1, page 17).

The number of hours worked per week has been declining for all categories of urban labour. They dropped sharply by around 40% during the lockdown. By the end of 2022-23, only the salaried were able to find more than the stipulated 48 hours of work per week. Thus, there is unpredictability, uncertainty, inadequacy and growing precarity with respect to both monthly earnings as well as the number of working hours per week required to make those earnings. Therefore, the sustainability of many of these livelihoods and the claimed decrease in urban poverty are both called into question, especially with the inconsistency of national data in this regard.

1.6 Conclusions

A set of issues emerge for assessing past schemes and developing a future scheme for urban livelihoods:

1. There is inconsistency and inadequacy in the national data base; without considering how to make **reliable data** publicly available, there cannot be any reasonable informed policy.
2. From 1993-94 to 2022-23, India's urban labour force seeking work increased by 279%; but those who could not find work went up by 333%: hence, availability of **secure work** in urban areas is critical.
3. The Niti Aayog has welcomed the **gig economy**, employing about 4.3% of urban workers and projected to grow triple-fold, as part of India's growth story, but their lack of work security is an issue of great concern.
4. **Women** [81.2% are outside the labour force and many are not even paid wages while working]; and **youth** (15-29 years) [unemployment rate is 15.7% (21.7% for women)] need special attention.
5. Over 50% urban workers are self-employed or in casual work earning less than the minimum wage; the service sector employs 60-65%: hence **manufacturing** needs to be boosted.
6. The pandemic of 2020-21 decreased urban employment; there was a slump in working hours; livelihoods became informal and uncertain for all workers: overall, the labour market is highly **vulnerable to disasters**.
7. Official data claims that **poverty levels** are declining do not correspond with different data sets, the inconsistency within them, as well as the evolution of rational evidence-based policy.

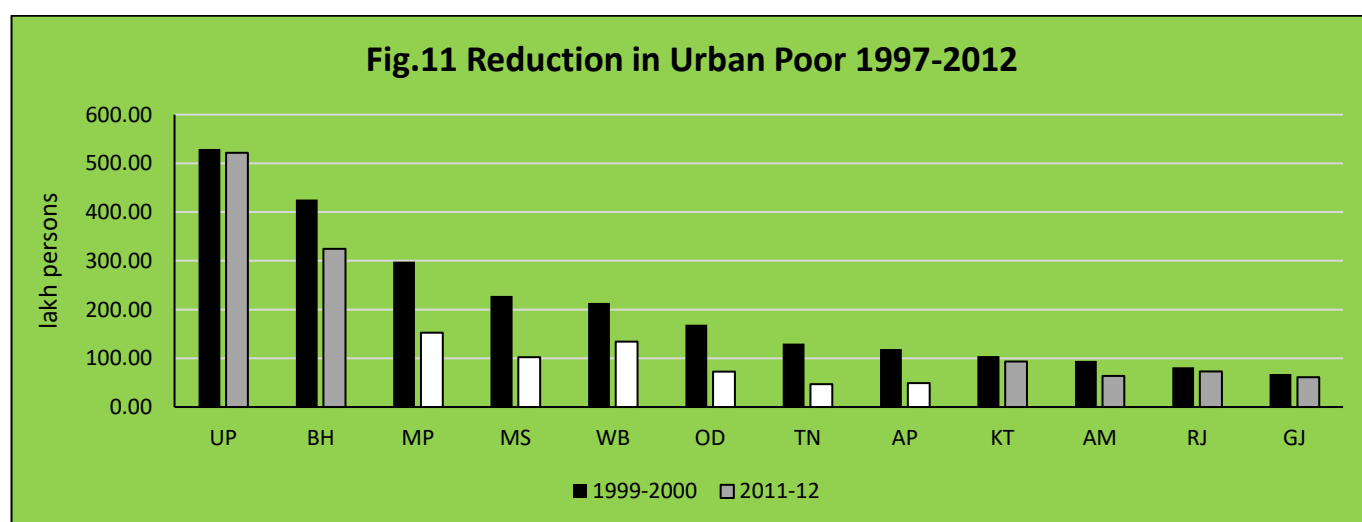
These issues will form the basis for deeper exploration in the succeeding Sections.

Section Two: National Urban Employment Schemes and Laws

2.1 Context

This Section provides an overview of the national level urban employment schemes as well as an analysis of the change in laws protecting urban workers. The two national urban employment schemes are the Swarna Jayanti Shahari Rozgar Yojana from 1997 to 2013; and the National Urban Livelihood Mission from 2013 to 2023. The legal frame is analysed through the four Labour Codes passed by Parliament in 2020, and how they have reformed the twenty-nine labour laws that they have replaced. In addition, one sub-section is devoted to the lessons to be learnt from the Mahatma Gandhi National Rural Employment Guarantee Scheme from 2005, since it is often used as a basis for proposing a similar scheme for urban livelihoods.

The national schemes are linked, by policy, to the eradication of poverty. Hence, we first examine the data on the status of the urban poor. **Figure 11** provides data on reduction of urban poverty in the twelve years between 1999-2000 and 2011-12 for the twelve States that had more than 50 lakh urban poor each in 1999, to provide a reference point. The six States that have performed well in this period, out of the twelve, are Madhya Pradesh, Maharashtra, West Bengal, Odisha, Tamil Nadu and Andhra Pradesh (white columns) where the number of urban poor have reduced by more than one-third. Of the two with the highest numbers of urban poor, Uttar Pradesh has achieved only 1.6% reduction while Bihar has got to 23.7%. At the lower end, Assam too has reduced urban poverty by 32.3%. The others have not crossed 11%.



Source: Lok Sabha question 2002¹² and Handbook of Urban Statistics 2019¹³. White columns indicate more than 33% reduction

As we have seen before (**Figure 2**), the proportion of urban poor is dependent upon how poverty is defined. **Table 1** (page 17) gives a summary of how different institutions have defined urban poverty and the minimum wage over time¹⁴ and the wage estimate, as adjusted for inflation, in 2022-23 prices. In the early years immediately after freedom from British rule, the tripartite 1948 Fair Wage Committee defined a minimum wage that “must provide, not merely for the bare sustenance of life, but also for the preservation of the efficiency of the worker by providing for some measure of education, medical requirements and amenities”. The 1957 tripartite Indian Labour Conference (ILC) agreed on the definition of the minimum wage but did not accept the efficiency of the worker as a factor.

Figure 12 illustrates the decisions given in **Table 1**. In 1961, when the ILC agreement was challenged in the Supreme Court, the Judges agreed with the workers that they should earn enough for “not merely the bare essentials ... but education for the children, protection against ill health, ... essential social needs, and ... insurance”. Again, in 1992, when another challenge was framed before the Supreme Court, the Court not only decided in the workers’ favour but added another 25% to the wage (blue line). The two judgements supported monthly wages of ₹19,718 and ₹24,648.

¹² Lok Sabha USQ No.386 for 17.12.2002

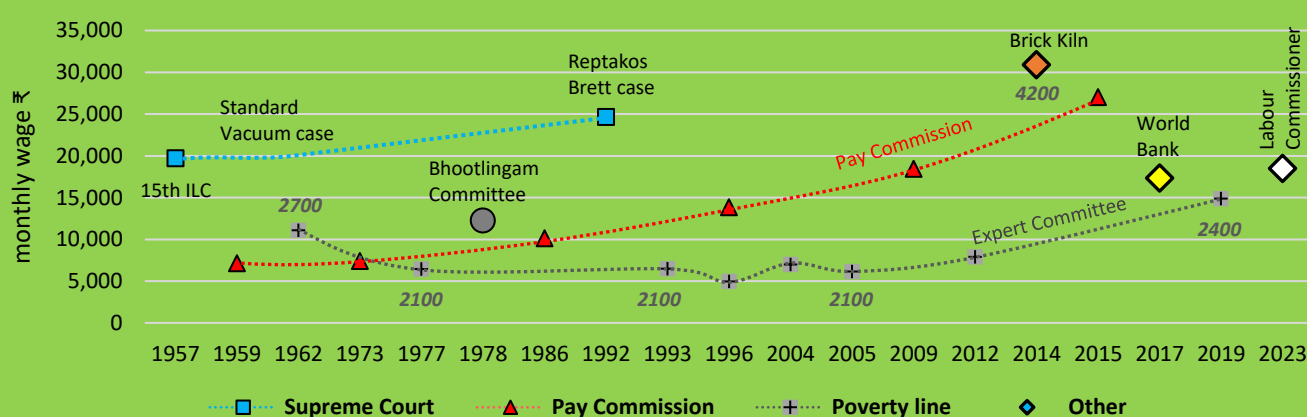
¹³ <https://mohua.gov.in/pdf/5c80e2225a124Handbook%20of%20Urban%20Statistics%202019.pdf>

¹⁴ Report of the Expert Committee on Determining the Methodology for Fixing the National Minimum Wage, Ministry of Labour and Employment, 2019

Table 1: Wage Determination by Different Authorities¹⁵ - computed at 2023 prices

Year	Authority	Wage for 3 units (₹)	Calories	Price year	Inflation rate ¹⁶	Wage at 2023 prices (₹)
1959	Second Pay Commission	80.0	2600	1959	89.55	7,164
1961	Supreme Court ¹⁷	209.7	2700	1956	94.03	19,718
1962	Patwardhan Working Group	125.0	2700	1960-61	88.71	11,088
1973	Third Pay Commission	196.0		1973	37.92	7,431
1977	Alagh Committee	169.9	2100	1973-74	37.92	6,443
1978	Bhootlingam Committee	450.0		1978	27.18	12,229
1986	Fourth Pay Commission	750.0		1986	13.51	10,133
1992	Supreme Court ¹⁸	262.1		1984	94.03	¹⁹ 24,648
1993	Lakdawala Committee	171.0	2100	1973-74	37.92	6484
1996	Fifth Pay Commission	2,550.0		1996	5.43	13,844
1996	GoI Floor Level Wage	910.0	2700	1996	5.43	4,941
2004	Central Advisory Board	1,980.0		2004	3.53	6,981
2005	Tendulkar Committee	1,736.4	2100	2004-05	3.53	6,122
2009	Sixth Pay Commission	6,660.0	2700	2008	2.77	18,468
2012	Rangarajan Committee	4,221.0	2089	2012	1.88	7,922
2015	Seventh Pay Commission	18,000.0		2015	1.50	27,050
2014	Brick Kiln study ²⁰	30,875.0	4200	2023	1.00	30,875
2017	World Bank ²¹	12,384.0		2017	1.40	17,303
2019	Satpathy Committee	11,180.0	2400	2018	1.33	14,897
2023	Labour Commissioner ²²	18,480.0		2023	1.00	18,480

Fig.12 Minimum Wage by Different Authorities 1957-2023



¹⁵ Report of the Expert Committee on Determining the Methodology for Fixing the National Minimum Wage

¹⁶ <https://www.inflationtool.com/indian-rupee>

¹⁷ Supreme Court of India, Standard Vacuum Refining Co. Vs. Its Workmen & Anr., 1961 AIR 895, 1961 SCR (3) 536, 1961 SC 917 (11) 20/01/1961

¹⁸ Supreme Court of India, Workmen Represented by Secretary Vs. Management of Reptakos Brett and... on 31 October, 1991 Equivalent citations: 1992 AIR 504, 1991 SCR Supl. (2) 129

¹⁹ A computation by the Joint Committee of Trade Unions (JCTU) in Karnataka last year yielded a figure of about ₹31,000.

²⁰ Computed from Ergonomics Study in a Brick Kiln: Time requirement and Energy Expenditure for different operations in brick making, Gaur G. Ray, Industrial Design Centre, Indian Institute of Technology Bombay, June, 2014

²¹ <https://datatopics.worldbank.org/world-development-indicators/themes/poverty-and-inequality.html>

²² F.No. 1/ s(3)j 2023-LS-II dated 03.04.2023 Government of India Ministry of Labour & Employment Office of the Chief Labour Commissioner(C) New Delhi for unskilled construction workers and sanitation workers in B Area cities

However, since 1962, various expert committees, mostly appointed by the Planning Commission, have diluted the provisions. While the ILC agreement and Supreme Court judgements were based on food consumption of 2,700 calories, the Committees (grey curve) have calculated the wage based on nutrition of 2700, 2400 and 2100 calories. The first was a Working Group set up in 1962 and advised by the nutritionist Dr V.N. Patwardhan; the next one was the Alagh Committee of 1977; followed by the Bhootlingam Committee (1978), the Lakdawala Committee (1993), the National Floor Level Wage (1996), the Central Advisory Board (2004), the Tendulkar Committee (2005), and the Satpathy Committee (2019). The trend shows a decline of the poverty line for 30 years from ₹11,088 to ₹4,941; and then a gradual increase for another 27 years to ₹14,897; affecting health, wages and insurance based on nutrition.

The 2023 notification of the minimum wage by the Central Labour Commissioner (white diamond) of ₹18,480 is slightly above the World Bank's 2017 poverty indicator of \$2.15 per capita per day (yellow diamond). The Central Pay Commission's periodic recommendations for organised sector wages (red curve) overtook the poverty line in 1973 and has remained more than double the unorganised sector wages ever since. The Seventh Pay Commission has even overtaken the Supreme Court's 1992 figure in 2015 reaching ₹27,750. But none of the estimates have reached a level based on the actual measurement of energy expended by contract workers at an Ahmedabad brick kiln in 2014 (orange diamond) that was computed on the basis of living wage as defined by the 1948 Fair Wage Committee, accepted by the 1957 ILC and extended by the Supreme Court's directions of 1961 and 1992.

2.2 SJSRY

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched in December 1997 covering all urban towns. It subsumed three earlier schemes for urban poverty alleviation: Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP). The funding pattern for the Scheme between the Centre and the States was 75:25, whereas, for special category States it was 90:10. The SJSRY had five components: 65% of the budget was allocated for three self-employment components (USEP, for assisting micro-enterprises, assisting self-help groups, and training entrepreneurs); 20% was for wage employment (UWEP, mainly for construction of public assets and private houses); and 15% for community development infrastructure. The government's role was largely confined to training and extending credit.

Disaggregated data is available on the performance of SJSRY for three years from 1999-00 to 2001-02²³. Around 3.6 lakh persons were assisted to set up micro-enterprises; about 2.3 lakh received skill training, and 352.8 lakh person-days of wage employment were created during this period. Another assessment for the five years from 1997 to 2002²⁴ yielded a higher figure of 3.9 lakh persons (8% more) who set up micro-enterprises, 45,352 women who were helped under DWCUA, and 402.9 lakh person-days (14% higher) of wage employment that were generated. No data is available on how many micro-enterprises survived or how many trainees obtained salaried employment. Wage employment was for as long as the construction work lasted. **Figure 12** provides the data on average performance of SJSRY over the three years (1999-2002) for the twelve States where the urban poor number more than 50 lakh each.

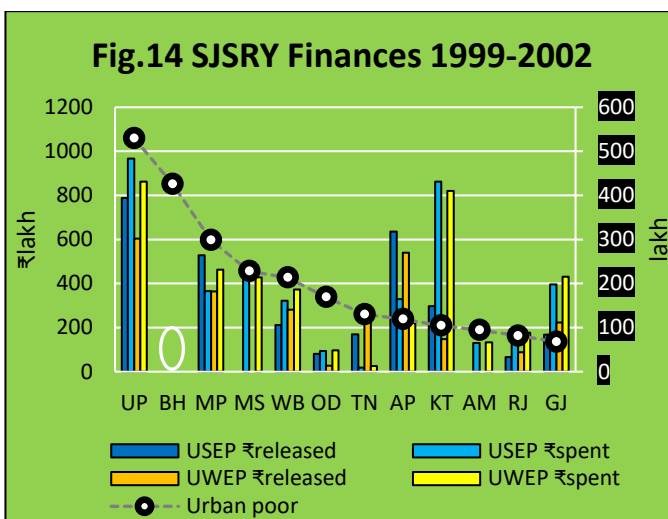
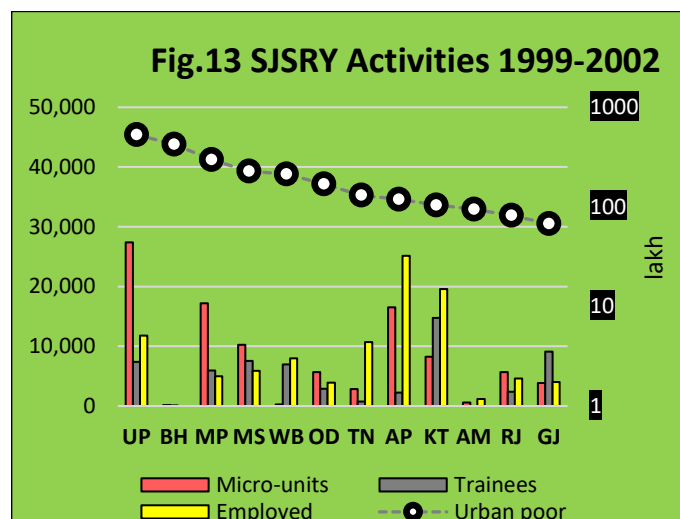
In **Figure 13**, the black dots show the number of urban poor in each State for comparative purposes but the scale is a logarithmic one. The data for the wage employment component (UWEP) is available in person-days of work generated. This has been converted into actual employment by assuming that each person would have been employed for an average of 100 days. If an annual target is set of addressing the needs of just half of 1% of the urban poor: only two States of Uttar Pradesh and Andhra Pradesh have got anywhere near that level for micro-enterprises; Andhra Pradesh and Karnataka for wage employment; and only Karnataka for training. Yet the seven States between Uttar Pradesh and Karnataka have reportedly achieved significant reduction in urban poverty between 1999 and 2010.

Figure 14 gives the annual funds released by the Central Government over 1999-2002 and spent on SJSRY (State contributions exceed the stipulated 25% for four of these twelve States - Maharashtra, Odisha, Madhya Pradesh and Gujarat). The black dots represent the urban poor population for reference, on a linear scale. Uttar Pradesh leads the way in getting the largest contribution of Central financial assistance, and spending more than it receives, because it has the largest number of urban poor. But for Bihar, that has the second highest urban poor population, there is no data for what funds it has received. Andhra Pradesh receives more than its entitlement (based on number of urban

²³ Lok Sabha USQ No.2302 for 30.07.2002

²⁴ Lok Sabha USQ No. 3367 for 06.08.2002

poor) and Karnataka and Gujarat spend much more. Why Maharashtra and Assam did not receive any central funds in these three years is not known. The funds released for wage employment exceed the 20% that is prescribed for it.



Source: Computed from Lok Sabha USQ No.2302 for 30.7.2002

A special group of the Planning Commission²⁵ declared a target of 5 crore job opportunities during the Tenth Plan period of five years (2002-07). Of these, SJSRY was to have provided 2 crore jobs in six years (2002-08) to urban youth from economically weaker sections. Data from six overlapping years (2005-06 to 2010-11)²⁶ show that 7.7 lakh micro-enterprises were assisted and 13 lakh persons trained. At this rate, even if all training had been effective to provide 13 lakh jobs, and all 7.7 lakh micro-enterprises had succeeded in providing 77 lakh jobs at a maximum of 10 jobs each, it is not easy to see how a target of 2 crore jobs could have been met.

A comparison of achievements in SJSRY between the three periods for which data is available (*Table 2*) indicates that the number of entrepreneurs assisted to set up micro-enterprises annually in the five years of 1997-2002 was slightly higher than in the three years of 1999-2002, but it shot up to almost double the rate in the six years of 2005-2011. The annual number of trainees in skill development went up almost six times between 1999-2002 and 2005-2011. But the person-days generated annually declined steadily in the three periods. Thus, in the sixteen years that SJSRY was operational, based on the data available for eleven years, there was a pronounced transition from wage employment to self-employment and training for skill development.

Table 2: SJSRY Annual achievement in different periods				
Activity	Category	1997-2002	1999-2002	2005-2011
Entrepreneurs assisted	USEP	1,31,576	1,20,489	2,56,496
Candidates trained	USEP	-	76,613	4,34,331
Person-days generated (lakh)	UWEP	134.28	116.95	110.92

2.3 NULM

The SJSRY was restructured in 2013 to launch a new scheme called the National Urban Livelihood Mission (NULM). Its objective was similar to that of SJSRY, i.e. to reduce poverty and vulnerability of the urban poor (with an additional focus on the homeless, Scheduled Castes, Scheduled Tribes, women, minorities, and disabled persons) on a sustainable basis in 790 cities. It was renamed as Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM) in 2016 and extended to all statutory towns with a population of 1,00,000 or more as per the 2011 Census. The funding share between the Centre and the States was changed to 60:40 although, for special category States, it was raised to 90:10. It had seven components but the common emphasis of all was on self-employment (*Table 3*), and there was no provision at all for wage employment. This was a continuation of the policy shift towards workers' precarity that had already begun in SJSRY.

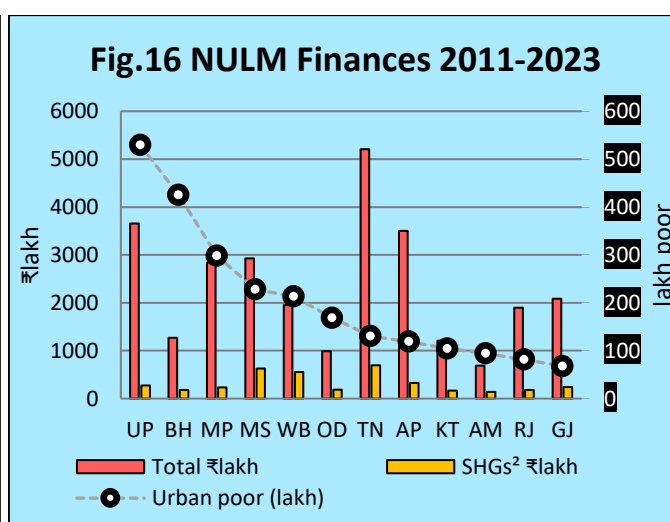
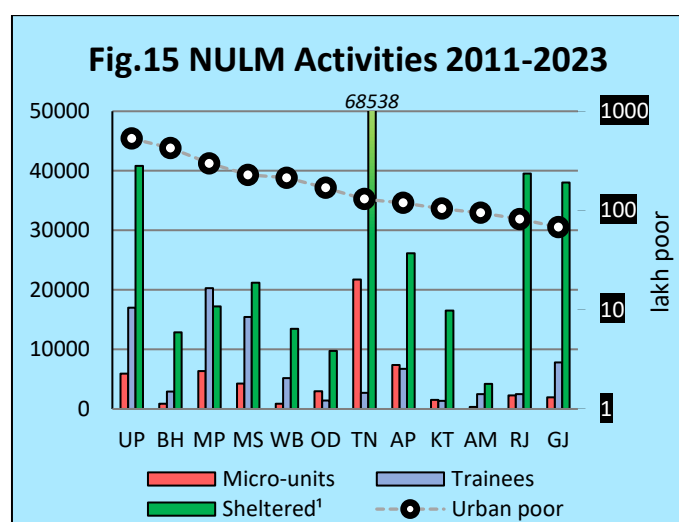
²⁵ Lok Sabha USQ No.6086 for 05.05.2003

²⁶ Standing Committee on Urban Development (2011-2012), nineteenth report

Table 3: Performance of NULM 2014-23	
Women brought under SHGs	82,05,813
Self-Help Groups (SHGs) Formed	8,07,513
No. SHGs provided Bank Linkage for Loans	7,34,802
SHGs given Revolving Fund	5,63,766
Candidates Skill Trained	13,75,623
Candidates Assisted for setting up Enterprises	7,96,371
Candidates Placed	7,17,319
Livelihoods Created	31,94,425
Area Level Federations (ALFs) Formed	24,879
ALFs given Revolving Fund	16,659
City Level Federations (CLFs) Formed	1,063
Shelters sanctioned	2,503
Shelters functional	1,800
Shelter spaces created for urban homeless	1,27,844
Total released (in ₹)	4,950 Cr.

Source: Ministry of Housing & Urban Affairs, March 2023²⁷

A new facet of NULM was that over 82 lakh women were mobilised into SHGs, with an average of 10 women in each group; 91% of these groups were linked to banks for loans, and 70% were given a revolving fund. About 14 lakh candidates were trained in a skill, of whom 58% asked for help to set up enterprises while 52% opted for job placements (with an overlap between the two). In addition, 1.3 lakh shelter spaces were created for the homeless at a capacity of about 70 persons per shelter. It is estimated that almost 32 lakh livelihoods were created at a total cost of ₹4733 crores – which works out to roughly ₹15,500 per livelihood: and that is almost four times the investment in SJSRY. Over 53.5 lakh street vendors (of an estimated total of over 100 lakh) have also been identified through surveys in 3,410 cities; 66% have been issued Certificates of Vending; and 53% issued Identity Cards.



¹assuming that each shelter accommodates 50 persons; ²assuming that each SHG receives ₹10,000 as revolving fund

Source: RTI, Ministry of Housing & Urban Affairs, March 2023

Figure 15 provides a comparative picture of the activities undertaken under NULM from 2011 to 2023, using data for the same twelve States, as for SJSRY, that have the highest incidence of urban poverty. Once again, the numbers are far below the threshold set by the numbers of urban poor. What is striking is that the annual number of micro-enterprises assisted has shrunk below 10,000 as compared to 30,000 for SJSRY, with the notable exception of Tamil

²⁷ Review of national programmes Swarna Jayanti Shahari Rojgar Yojana & National Urban Livelihoods Mission, received from Ministry of Housing and Urban Affairs in response to Right to Information application

Nadu. On the other hand, the annual number of trainees increased manifold in Uttar Pradesh, Madhya Pradesh and Maharashtra, while it plunged in Karnataka. Shelters for the homeless has been drawn into the safety net for workers under NULM and the growth is impressive for Tamil Nadu, Rajasthan and Gujarat. We have assumed that each shelter accommodates 50 persons.

Figure 16 displays the average funds released annually for NULM as well as given as a revolving fund for SHGs. We have assumed that each SHG was given the stipulated amount of ₹10,000 as the revolving fund. The annual funds released have grown by at least six times what was given for SJSRY although the number of beneficiaries appears to have shrunk. This trend is related to the removal of the wage employment component and heavy emphasis on self-employment. Uttar Pradesh has not been the principal receiver of NULM funds but others (mainly Tamil Nadu and Andhra Pradesh, and partly Gujarat) have received amounts out of proportion to their share of the urban poor. Bihar too has received some NULM funds. SHGs have received significant support in all States as part of the drive towards self-help through income generating activities. The key question is what is the demand for security against which support has been supplied?

A closer look at State-wise data shows that the majority of trained and certified entrepreneurs were from Madhya Pradesh (18%), Uttar Pradesh (15%) and Maharashtra (13%). Yet these States lagged in providing assistance to the candidates to set up micro-enterprises, with none of them being able to cross the 35% mark. According to the 19th report of the Standing Committee on Urban Development²⁸, the average cost of training to the skill provider was around ₹3,000-4,000 in SJSRY, but this cost has grown by about 5 times to ₹15,000-18,000 per month under NULM. How many of these employment opportunities and training sustained job creation is not known. A deeper analysis would be of great value in determining what roles training, certification, credit, assistance and group formation play in encouraging successful entrepreneurship that also generates new livelihoods and wage employment opportunities.

2.4 Labour Codes

Labour laws were introduced during the colonial period to regulate working hours, wages, working conditions and employer-employee relationships. These laws remained on the books with some modifications in the post-independence period to ensure social protection and the right to organise. The Second National Commission on Labour (2002) recognised that 90% of workers were in the unorganised sector: self-employed, on contract, and home-based²⁹ and made recommendations “to provide minimum protection” for these workers. Six of the recommendations referred to grouping, consolidation, merging or amendment of various Acts. A Working Group (WG) was set up to look into them and it invited comments from trade unions, employers’ associations, State and Central Governments.

Table 4³⁰ shows that unions and employers did not agree on most points except on the need for decent work and cheque payments. The WG’s recommendations were carefully worded to strike a balance. Thus, while unions asked for the right to strike to be extended to all sectors, employers insisted that a simpler method of bargaining was required and the provision of a collective bargaining agent met the need. The WG steered away from these two differing views on united action by suggesting an amendment in the Trade Union Act for resolution of intra-union disputes. Unions wanted to abolish contract labour, employers would not agree, and the WG recommended that contract workers should get the same benefits as regular employees. Similarly, the unions asked for a national level minimum wage, the employers wanted one only for contract workers, and the WG opted for a floor level wage for the unorganised. For a decent wage, the WG recommended one for the unorganised sector only.

In all these issues that were directly linked to employment the WG did not place the trend for self-employment and contractualization within the context of neo-liberalisation. Could the unorganised expect better working conditions in urban growth policies that were based on extracting higher productivity out of labour? Bypassing the conflict, based on the WG recommendations, the Ministry codified 29 laws into four Labour Codes in 2019, and they were enacted by Parliament in 2020. The four Codes are Industrial Relations (IRC); Wage (WC); Occupational Safety, Health and Working Conditions (OSHWCC); and Social Security (SSC).

²⁸ Standing Committee on Urban Development (2011-2012) Nineteenth Report

²⁹ Report of the National Commission on Labour, Ministry of Labour, Government of India, 2002

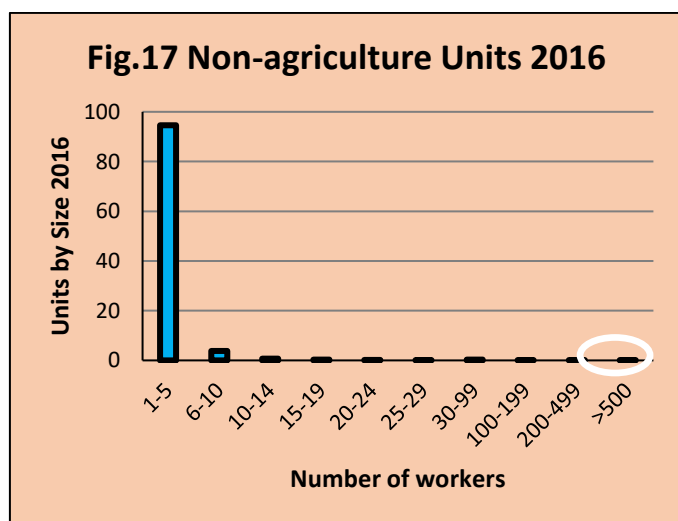
³⁰ Report of the Working Group on “Labour Laws & Other Regulations” for the Twelfth Five Year Plan (2012- 17), Ministry of Labour & Employment, Government of India, 2011

Table 4: Report of the Working Group, Ministry of Labour and Employment 2011

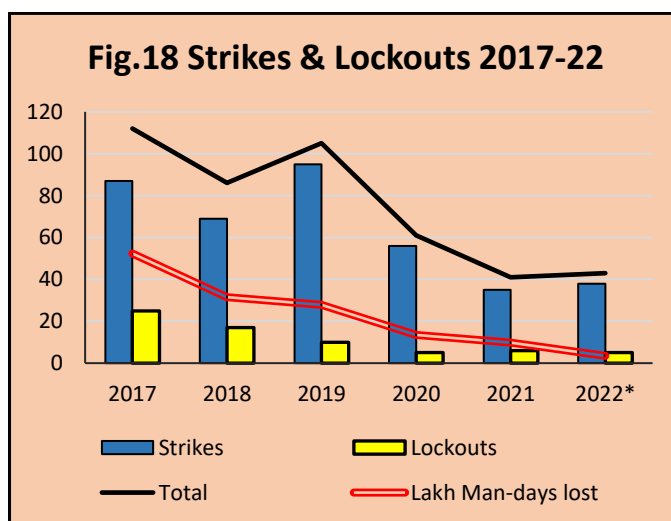
Views of Trade Unions	Views of Employers	Recommendations
Unify all labour laws in 5-6 groups applicable to all	Unify 18 labours law only for small scale sector; not possible for others	Harmonise and consolidate 15 laws into 4 groups
Right to strike for all sectors including migrant labour	Provide for simple method of collective bargaining agent	Amend Trade Union Act for resolution of intra-union disputes
Abolish contract and casual labour in all perennial jobs	Contract labour cannot be abolished as business cycle changes	Contract workers should get the same benefits as regular employees
Strengthen the enforcement and independent judicial system	Government should only be a facilitator for promoting industry	Create an all-India service for labour administration
A national level minimum wage should be fixed	Contract workers' minimum wage is okay but not as regular workers	Single national floor level minimum wage for nation
Self-certification by employers is not acceptable	Self-certification by employers is a welcome initiative	Self-certification can complement present system
Tripartite mechanism needed for labour reforms	Collective bargaining may not be applicable	Majority Union should be accepted as a single negotiating agent
Decent work must be priority agenda	Decent work should be basic agenda of the Labour Ministry	ILO conventions to be included in laws for the unorganised sector
Wage payments by cheque and through bank account	Wage payments by cheque with zero balance accounts	Index the benefits involving monetary payments

2.4.1 Industrial Relations Code

The IRC has retained the earlier definition of a workman as, “A person employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical, or supervisory work”. It includes working journalists and sales promotion employees, but excludes those in managerial or administrative positions earning over ₹18,000 per month. The issues of the majority of workers (self-employed, casual, unorganised - the focus of the Second National Labour Commission) are not addressed because of the lack of an ‘employer’. Establishments have to seek prior permission before lay-off, retrenchment or closure if they have 300 or more workers, as compared to 100 earlier. The number of establishments to be regulated by the IRC now becomes less than 0.03% of the total (highlighted by the white oval in **Figure 17**). The IRC also legalises contract work based on a written contract of employment for a fixed period, provided that hours of work, wages, allowances, statutory benefits etc., are not less than that of a permanent worker.



Source: All India Report of 6th Economic Census, 2016



* Jan-Sep. Source: Ministry of Labour, Annual Report, 2022-2023³¹

³¹ <https://labour.gov.in/annual-reports>

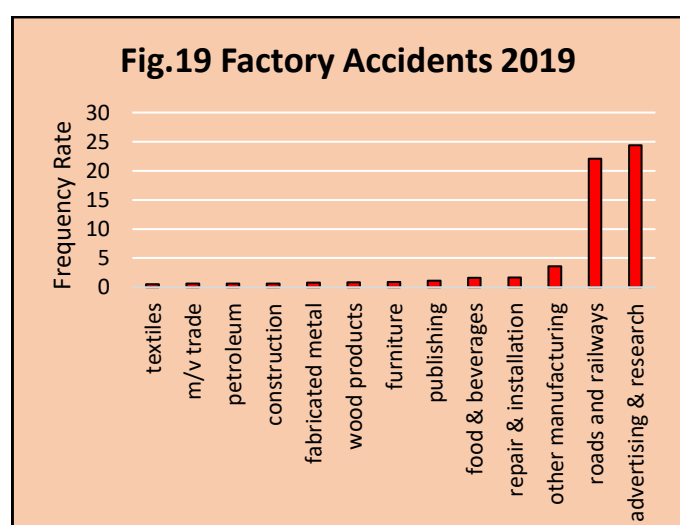
Since 2017 the number of strikes and lockouts (in the units under the purview of the IRC) have already been declining, as shown in **Figure 18**. More important is the steady fall in man-days lost in the last five years, from 52.33 lakh to 3.49 lakh. The IRC strengthens this trend by mandating that every industrial establishment can conduct negotiations with only one union, that either has the support of at least 51% of the workforce, or includes representatives of unions having support of not less than 20% of workers. The IRC does recognise the right of unorganised workers to unionise but does not spell out any procedure for that. Strikes and lockouts are prohibited (a) unless 14 days' notice has been given, or (b) during the pendency of conciliation proceedings, or (c) during the pendency of arbitration. Violations are punishable by harsh fines and prison time. Thus, the IRC code weakens the unions' power to bargain collectively and shifts the balance of power for decisions on industrial relations towards the employer's ease of doing business.

2.4.2 Wage Code

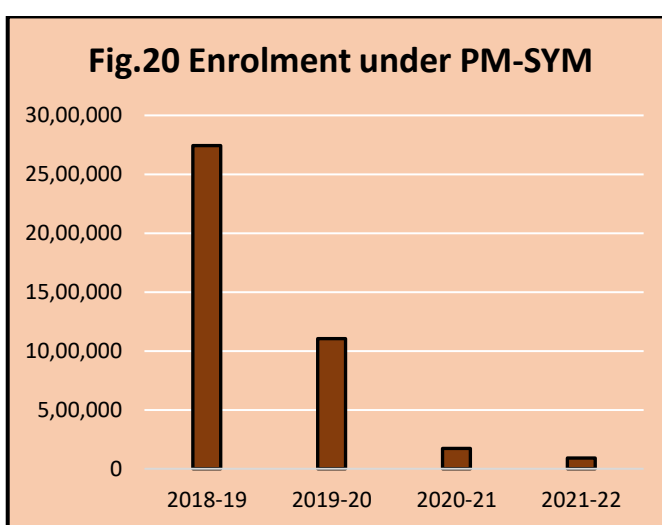
The WC lays out a working day of 8 hours, but allows 12 hours, with 6 working days in a week. It includes basic, dearness, and retaining allowances as part of wages; but excludes house rent, retrenchment payment, commissions, etc. The Satpathy Committee³² had recommended ₹1,430 as housing allowance for urban workers, which is especially important for migrants. The WC retains the definition of migrants given under the Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act and includes those who migrate without contractors; but does not recognise the plight of intra-state migrant workers. The WC entrusts the Central Government to fix the floor wage, and for State Governments to declare the minimum wage. But a national floor level wage was announced in 2019 at ₹178 per day³³, which seems to be based on the nutritional requirement of the worker alone. The WC has also transferred the power to decide on grievances from courts to an unspecified appellate authority.

2.4.3 Occupational Safety Code

Figure 19 gives the pattern for accidents for 2019 based on only 29% of registered factories, which had more than 10 workers and submitted data. The growth of the consumer market is seen in the highest accident rate in advertising and market research, including campaigns through placement in media and on structures (where most of the accidents take place). The data for the bulk of the small firms and 98% of establishments employing less than 10 workers (the unorganised sector) is not collected. Hazardous units needing special legal protection have been done away with and no specific safety standards have been established. Contractors with less than 50 workers (as compared to 20 earlier) and establishments with less than ten migrant workers (five earlier) are not covered under OSHWCC. Almost all provisions of the Inter-State Migrant Act have been deleted. Inspectors have to follow the inspection plan established by the relevant government, including random web-based inspections. The OSHWCC permits the employment of women, but prohibits it within six weeks of childbirth, and maternity benefits can be claimed only if 80 days of employment precede the delivery.



Source: Labour Bureau, Report on Statistics of Factories, 2019³⁴



Source: Parliament Questions and Replies, Budget Session, 2023³⁵

2.4.4 Social Security Code

³² Report of the Working Group on "Labour Laws & Other Regulations"

³³ <https://www.statista.com/statistics/1284710/india-national-floor-level-minimum-wage/>

³⁴ https://labourbureau.gov.in/uploads/pdf/Stat_Factories_2019.pdf

³⁵ https://www.epfindia.gov.in/site_docs/PDFs/PQ_PDFs/PQ_BudgetSession1_2023_LS_English.pdf

Figure 20 presents the substantial decrease in enrolment data for pension and health facilities from 2018 to 2022. This belies the claim of the SSC that universal coverage shall be achieved, with all organised, unorganised, temporary, casual, piece-rated, fixed-term, platform, gig, contract, migrant, home-based, domestic and self-employed workers being included (though they are not mentioned in the other Codes). The proposed e-registration, however, does not take into account the lack of infrastructure required to make the process accessible to most workers. Many of them will not be entitled to the same or similar benefits since the Employees' Provident Fund is applicable only to establishments with 20 or more employees. The EPF may also be withdrawn if both employers and the majority of employees agree to do so. State Insurance is available only to establishments with 10 or more employees. A cess for providing welfare benefits is proposed without details of benefits, specific entitlements, and mode of delivery. The SSC does not acknowledge the problem of unregistered establishments or private households.

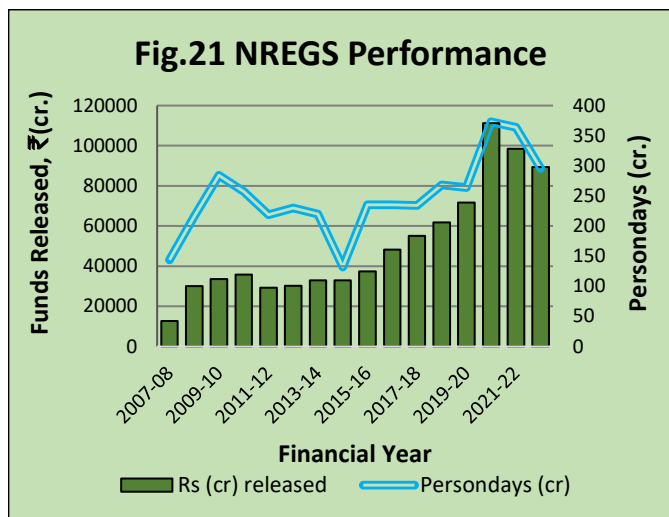
2.4.5 Rules

Although the labour codes were passed by Parliament in 2019, their implementation has not happened for five years as States have differed in their formulation of Rules to regulate the Codes. Only 28 of the 36 States and Union Territories (UTs) have proposed Rules; 31 have set minimum wages; and 26 have announced the Rules for the OSHWCC alone. West Bengal, Tamil Nadu and Kerala have expressed their opposition to the Codes and informed that they would take the opinion of trade unions before drafting the Rules. The draft Rules of Kerala and Uttar Pradesh are significantly different. Kerala has specified the roles and duties of an officer in the rank of Additional Labour Commissioner, with supporting staff, for holding enquiries; provided for Medical Boards, laboratory investigations, and a Tribunal for deciding on occupational diseases; and for adequate representation of women in the safety committee in all establishments. UP has no such provisions. Uttar Pradesh has laid out the process by which a migrant worker can avail of various benefits, but Kerala has no such clause. Both Kerala and Uttar Pradesh state that the Unorganized Workers Social Security Board has to be constituted, but its functions are specified only by Kerala. Kerala fixes minimum wages differently for urban and rural areas; Uttar Pradesh makes work intensity the basis for minimum wages.

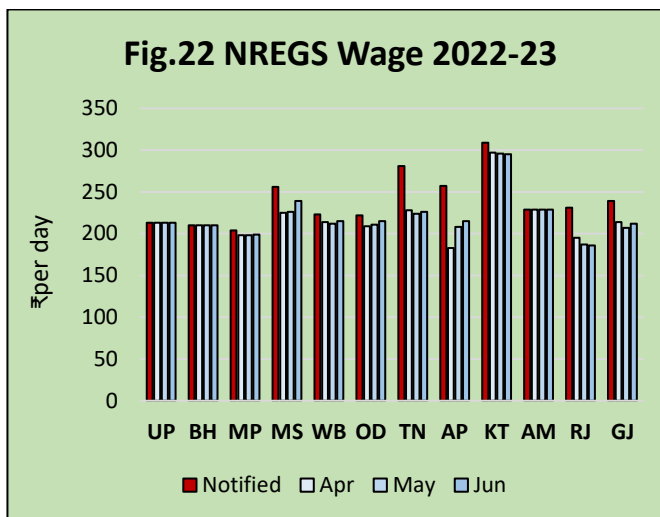
2.5 MGNREGA

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is covered in this Section because it has been the model for relieving distress in rural areas. Many governments and civil society institutions have used its template to design an urban employment guarantee scheme too. The Act was passed in 2005 and the subsequent Scheme merged the on-going schemes of Jawahar Gram Samridhi Yojana (JGSY), Employment Assurance Scheme (EAS) and Sampoorna Grameen Rozgar Yojana (SGRY). It was rolled out in three phases, with 200 rural districts in the first phase (2006), 130 districts more in the second phase (2007-08), and 361 districts in the third phase (2008). The Union Ministry of Rural Development covers the full cost of unskilled wages and 75% of the material costs, skilled/semi-skilled wages and administrative expenses. State governments cover the remaining 25%. The Scheme guarantees to provide at least 100 days of wage employment in every financial year to one adult member of every household, who volunteers to do unskilled manual work, within 15 days of application and within 5 km of the village.

Applicants are assigned to specific projects, drawn from a shelf of works decided primarily by the Gram Sabha, each accompanied by an appropriate technical design, costs and labour-day estimates. Should the work be located beyond the mandated 5 km, the worker is eligible for travel costs. If the state fails to allocate work within 15 days or pay wages on time, the worker is entitled to compensation. At least one-third of employees under the scheme must be women. Work is measured each day and payment is made weekly, according to the appropriate schedule of rates for different types of work in different conditions. Since 2009, with a few exceptions, payments are deposited directly in an individual worker's account. **Figure 21** shows that the money released has steadily increased over the years but dropped sharply after the pandemic, with person-days generated accordingly. **Figure 22** indicates that the daily wage paid has been about ₹200 in the three summer months when demand is greatest and wages are lowest. This data is for the twelve States identified earlier with the highest number of urban poor. Karnataka, Tamil Nadu, Andhra Pradesh and Maharashtra have notified highest wages. The data also may explain why inter-State migration takes place.



Sources: Centre for Policy Research Budget Briefs; NREGA website³⁶



Source: Ministry of Rural Development, 2023³⁷

A survey of the literature on the performance of the Scheme³⁸ brings out some lessons that must be considered before proposing a Sustainable Urban Livelihoods programme:

- Strong legal backing under the Act has allowed for continuing budgetary allocations despite fund reductions after the pandemic, and new challenges and dilutions that restrict its capacity to serve as a credible safety net.
- The scheme has comprehensively aimed at (i) employment opportunities for the most vulnerable; (ii) durable assets; and (iii) decentralised governance institutions for transparency and accountability.
- It has also had positive impacts on (a) increasing rural incomes; (b) ensuring wage parity between men and women; (c) improving women’s participation; and (d) providing work to 40% SC and ST households.
- Its successful implementation requires close coordination across departments, which has varied across States with inadequate staff and insufficient design, except where States have shown strong political will.
- The website provides real time data on a large number of parameters, including geo-tagged assets, social audits, muster rolls, and Gram Sabha expenditures; thus, providing feedback and accountability.
- Yet the average number of days of actual employment is much less than the mandated 100 days. Toilets, *seva kendras* and houses, and the use of machinery have disrupted the 60:40 material-to-wage-costs ratio.
- Supply side constraints - such as administrative rationing, delays in payments and lack of compensation for delays - hamper workers from seeking work as well as erode the security promise of the programme.
- The transfer to Aadhaar-based wage payment shows evidence of leakage reduction and faster transfers, but hasty technological transition has resulted in faulty mapping, poor connectivity, discourages workers from applying, and denies entitlements (not only in NREGS but other schemes designed for digital access).
- Wages remain below the legal minimum wage, and lower than the market wages by 57% for men and 83% for women (2017-18); yet the Union Government has made it clear that it has no plan to revise the wages.
- Under the law, the state has to provide work within a reasonable distance for all those who demand work, but it has never been observed in practice because the enforcement is weak.
- Weakening of NREGS has been possible because both decision-making and grievance redressal are entrusted under the Act to the bureaucracy whose discretionary powers are not subject to social audit.

³⁶ <https://cag.gov.in/en/audit-report/details/704>; https://nreganarep.nic.in/netnrega/LB_VS_MIS.aspx?fin_year=2014-2015&source=national&Digest=Ph5ahxFdUr0hj2mVASnEKA

³⁷ https://mnregaweb4.nic.in/netnrega/avg_wage_paid.aspx?fin_year=2022-2023&source=national&Digest=tcKvOx2xp47V1TJeb2KhXQ

³⁸ Report No. 6 of 2013 - Performance Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme of Union Government, Ministry of Rural Development

2.6 Conclusions

1. Does reliable data inform urban employment policy?

The data on urban poverty alleviation does not match with the data available on the number of urban poor in different States. It does not correlate with the data on performance of urban employment schemes either. There is not enough evidence publicly available whether the policy shift from wage employment to contractual or self-employment has yielded sustained livelihoods. The lack of assessment of why legal provisions were not implemented and why the unorganised sector was permitted to come up, before proposing reforms in the laws, points to a gap in informed decision-making.

2. Do the schemes and laws ensure security & living wage for all workers?

The wage determinations by different authorities are based on inconsistent data. The mandated wages for the organised sector are double those for the unorganised. The growth in livelihood opportunities has not matched the growth in unemployment. SJSRY and NULM assumed that self-employment was the answer to joblessness. The Labour Codes, although claiming to assist the unorganised, neglect the concerns of contract, casual and self-employed workers. MGNREGS has provided relief in rural areas but not delivered the mandated 100 days of employment nor the stipulated minimum wage. It carries several lessons for an urban employment scheme.

3. Are there special provisions for women, youth & gig workers?

There is no record of how many of the 29.1 lakh youth trained, and 7.3 lakh women's SHGs linked to bank loans, in SJSRY and NULM were able to become self-employed or access jobs or become self-sufficient. Neither took up the issues of salaried women, many of whom had no tenure or appointment letters or paid leave. Even the women's shelters built as community assets have received scant attention, except in Kerala, Delhi, Telangana, and Tamil Nadu. The Labour Codes and NREGA do not provide any guidelines, or build upon past experience, to determine how urban women, youth and gig-associated livelihoods can become sustainable.

4. Do the urban programmes expand the stable manufacturing sector?

Between 2018-19 and 2022-23, employment in the services sector was almost double that in manufacturing. Of the 175 units for which SJSRY provides support, 68% are for trading and selling. NULM places emphasis on capacity building and financing for entrepreneurship but no data is available of how many survive. The National Sample Survey (2015-16) found that the micro sector comprised 99% of MSMEs, of which 48.75% were urban and only 31% were in manufacturing. The Labour Codes do not have any provisions for protecting workers in the unorganised, gig and platform sectors. NREGS does not have any experience to offer in this sector.

5. Do they protect labour stability during disasters?

SJSRY and NULM were schemes without legal backing so they did not have sufficient budgets during severe crises. The number of strikes has decreased and workers are unable to press for their demands. The Labour Codes further weaken efforts to bargain. NREGA has provided some relief to migration from rural areas through drought-proofing and flood management. But neither SJSRY nor NULM nor the existing labour laws have been able to provide similar relief in urban areas. The Labour Codes identify migrant workers without contractors, but not intra-state migrant workers. There are no proposed sector or industry-specific safety standards. Women are offered no livelihood opportunities other than self-employment. Gig workers fall into a grey zone of no employer-employee.

6. Do they reduce urban poverty?

Urban poverty is claimed to be declining, yet the data suggests that urban employment schemes have no impact on urban poverty. Even the poverty line has been incrementally raised for the last three decades, but the number of urban poor continue to decline. It is estimated that even if all the targets of the national schemes were to be met, they would be adequate for the needs of only 1% of the urban poor. It is only in the organised sector that notified wages are approaching the living wage agreed to as far back as 1948, but the unorganised sector worker is not entitled to even one-third of that.

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Section Three: Functional State Schemes for Urban Employment

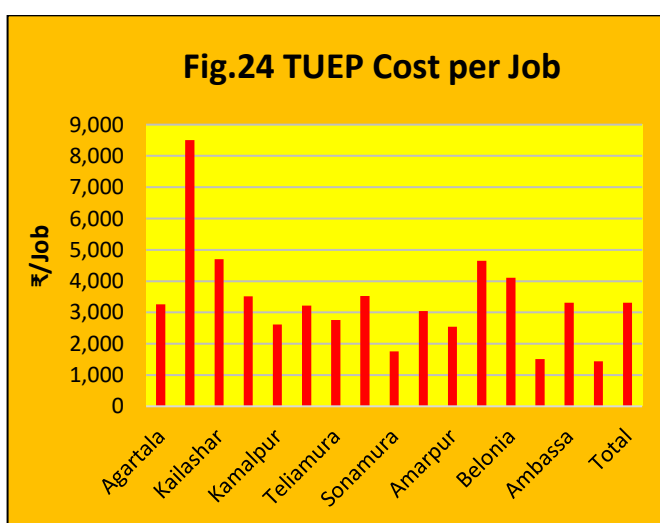
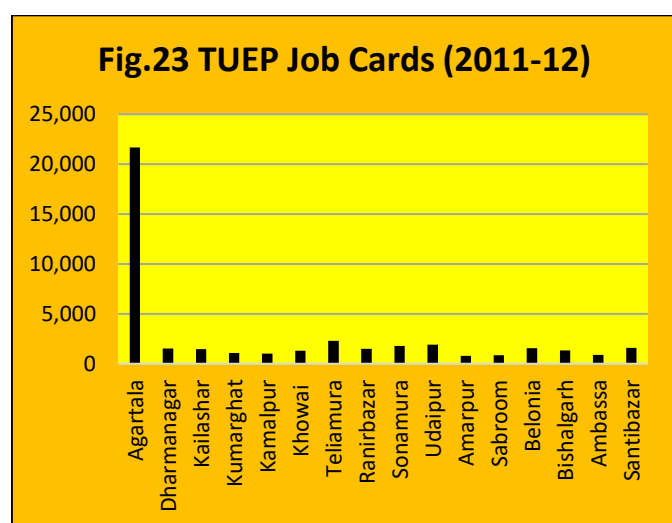
3.1 Context

There are reported to be thirteen States which are currently proposing or implementing urban employment schemes.³⁹ Of these, the Haryana and Maharashtra are only providing allowances or credit, so they do not really count as employment schemes. Telangana and Chhattisgarh have not designed any specific proposal that can be evaluated. So, in this report we have tried to assess the performance of the schemes where they have been implemented (Tripura, Kerala, West Bengal, Madhya Pradesh, Jharkhand, Odisha and Himachal) and analyse those which have been proposed (Tamil Nadu and Rajasthan). Labour being in the Concurrent list, do the State schemes fare any better than the National programmes with respect to the six issues that have been identified in Section One? Different schemes were studied by different researchers, hence the data is uneven, so the reader may refer to the summary in *Table 8*.

3.2 Tripura 2009

Tripura was the first State in India to declare an urban employment initiative to promote employment opportunities for the listed 5.28 lakh Below Poverty Level (BPL) families in its urban settlements. Work participation rate (2021-22) for men is around 50%, for women it drops below 22%. For males, self-employment is 47.9% and salaried jobs is 33.9%. For females, self-employment is 31.5% and salaried work is 48.9%. Salaried work implies some form of secure tenure at work as well as a regular income. However, in Tripura, workers with no contract and no social security are about 58-59%, while 53% cannot get paid leave. The unemployment rate is high (15.8% for males and 21.6% for females), while literacy rate is 97%. The trends show that male urban workers are being pushed towards self-employment, while casual and contractual work is the available option for female urban workers.

The Tripura Urban Employment Programme (TUEP) was announced in 2009 by the Left Front government and is modelled on NREGS. However, the difference between NREGS and most State schemes is that the former is demand-driven while the latter are supply-driven. The objective of TUEP was to provide 50 days of work to an adult member of each urban BPL family at a wage of ₹100 per day. A total of 42,515 job cards were issued in 2011-12, of which half were in Agartala (*Figure 23*). An initial expenditure of ₹30 crore was made to benefit 48,000 BPL families (9% of the total) in the towns of the state, including half in Agartala alone. Eight sectors were earmarked to employ urban unskilled labour: water body creation and maintenance; garbage disposal; repairing old roads; road construction; roadside clearing; flood protection; and cleaning of markets and parks. *Figure 24* shows that the average spent in 2011-12 per job card was ₹3,310 (that is, 33 days of work), although in the capital it was ₹8,510 (85 days).



Source: Urban Development Department, Govt. of Tripura

In 2016-17, ₹1.85 crore was received as grant for TUEP from the State Government, of which only ₹1.25 crore (65%) was utilised. This amount was much less than the ₹7.63 crore given to Agartala in 2009-10, although only ₹2.60 crore

³⁹ Urban Employment Programmes, Review, Framework, and Recommendations, UNDP, Indian Institute for Human Settlements, 2022

was utilised (34%). The record of receipt and expenditure for three years (2009-12) for Central urban schemes in Tripura (**Table 5**) shows that financial performance in TUEP was lower than IHSDP, SJSRY and IHSDP (over 100%), but higher than IDSSMT (58%). These schemes had much larger budgets as compared to TUEP but were focused on self-employment and infrastructure creation with little emphasis on wage employment.

Table 5: Receipts and Expenditures on Major Schemes in Tripura for Three Years						
Name of the Schemes	2009-10		2010-11		2011-12	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
Swarna Jayanti Shahari Rojgar Yojna (SJSRY)	24.88	24.88	279.25	279.30	30.00	30.00
Urban Infrastructure Development Schemes for Small and Medium Towns (IDSSMT)	1097.80	130.50	89.72	1479.00	800.00	800.00
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	2250.00	235.25	797.30	1060.00	1091.32	1091.00
Integrated Housing and Slum Development Programme (IHSDP)	911.86	911.86	705.65	705.70	1235.68	1236.00

Source: Tripura Urban Development Department

TUEP took several of the NREGS provisions and changed them to suit local conditions. The wage rate was initially set at ₹100/day and revised later to ₹177/day. Payment of wages was through post office or bank account only and wages had to be paid within 7 days. There was no share for women beneficiaries. Job cards could be issued within 20 days. Unemployment allowance was revised to ₹100 per day in 2018. The material-to-wage ratio was revised to 50:50. There was no provision for distance to work, nor for skill training. There was no social audit to ensure a degree of transparency and accountability, even though early test checks by government revealed that some ULBs spent only 34% funds; others paid wages without maintaining any records; a few diverted funds; and an average 32 days of work were provided at a cost per person-day generated of ₹415 (2021-22). No funds were sanctioned for production.

3.3 Kerala 2010

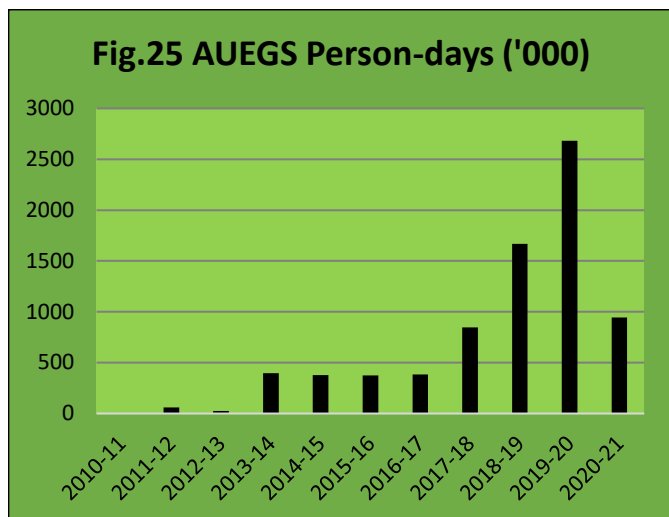
The next State to follow was Kerala which, as late as 2022-23, had the highest rate of unemployment in urban areas at 24.4%⁴⁰. The total number of job seekers as in 2023 was 28.33 lakh⁴¹, of which 63.5% were female, and almost 2 lakhs were below matriculation⁴². The Left Front government introduced the Ayyankali Urban Employment Guarantee Scheme (AUEGS) in 2010 to guarantee 100 days of unskilled manual work to adult members of every urban poor household in a year. AUEGS does not provide skill development or training. Workers were not consulted for plan preparation although many are educated and searching for work suited to their aspiration. AUEGS is better documented than other State schemes so only a few lessons are highlighted here.

The work offered under AUEGS is in four sectors: natural resource management; infrastructure for SHGs; public services infrastructure and maintenance; and personal asset development. Flood control management received the highest funds in 2022-23. AUEGS also converged with the Pradhan Mantri Awas Yojana (Urban) for construction of houses; NULM for skilling and entrepreneurship opportunities; Swachh Bharat Abhiyan for construction and maintenance of toilets; and Kudumbashree for providing cement bricks for houses (but not other activities). The total sanctioned houses (2019-20) were 86,848 - 79% availed job cards and 53% availed 90 person-days each. Priority was given to Scheduled Castes, Scheduled Tribes, Notified Tribes, BPL and landless families, women-headed households, families with disabled, beneficiaries of land reforms and Indira Awas project, and traditional forest residents.

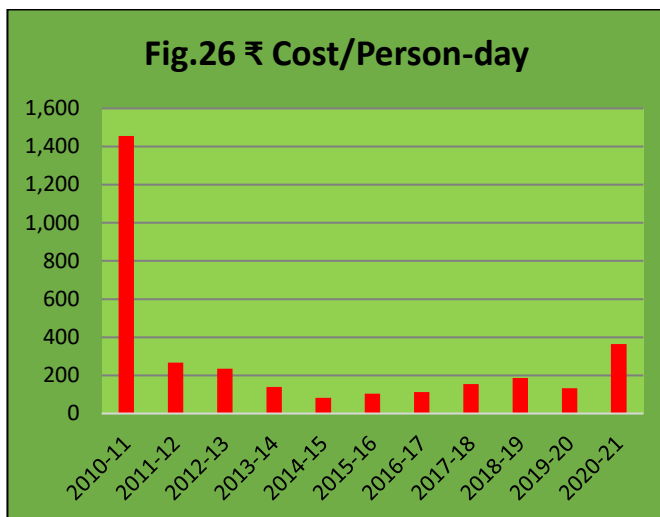
⁴⁰ Periodic Labour Force Survey 2022-23

⁴¹ G.D. N., (2022) "Exploring Social Security for Urban Poor: Study of the AUEGS in Thiruvananthapuram, Kerala" Occasional Paper Series 16

⁴² Live registration Kerala Employment Exchange (2023) <https://employment.kerala.gov.in/en/statistics/>



Source: Register of Kerala Employment Exchange



Source: Computed and compiled from AUEGS website

Figure 25 shows the number of person-days created under AUEGS, from 2010-11 to 2021-22. It peaked during COVID in 2019-20 (when the wage rate was revised to ₹291 and then to ₹311⁴³) and then dipped the next year. The cost per person-day (**Figure 26**) was very high in the first year even though the budget was the least (₹10.25 lakh for only 700 person-days). Otherwise, it has averaged about ₹150 per year and 80% of the budget utilised. Actual average wage paid, though, was ₹178 per day, compared to the average market daily wage of ₹837.70 for male construction workers⁴⁴. Benefits such as drinking water, shelter, and sanitation, and financial support for illness, death or disability, etc. are reported by workers' groups to remain on paper⁴⁵. Even AUEGS staff in Cochin Corporation admit that direct cash transfers are hampered because of problems with uploading bank details.

FY	Opening balance	Allotment	Expenditure	% Utilised	Person-Days	Av. daily wage
2010-11	-	60.41	10.25	16.97	704	1,456
2011-12	50.16	237.82	190.22	66.05	58,931	267
2012-13	97.76	533.72	66.27	10.49	23,744	236
2013-14	565.21	1,319.91	787.94	41.80	396,176	139
2014-15	1,097.18	804.67	741.67	39.00	377,847	83
2015-16	1,160.18	1,270.01	748.24	30.79	374,613	104
2016-17	1,681.95	1,500.00	917.84	28.85	383,325	113
2017-18	2,264.11	2,510.00	2,488.71	52.13	846,432	155
2018-19	2,285.40	4,890.72	4,577.32	63.79	1,668,195	187
2019-20	2,598.80	3,248.49	6,424.27	109.87	2,680,660	133
2020-21	-576.98	5,772.89	3,096.39	59.59	942,837	365
2021-22		8,416.80				
2022-23		10,000.00		100	5,000,000	200

Table 6 gives details of the financial and physical performance of AUEGS since inception. There has been a steady increase in the financial allocation over the years but the utilisation has been less than two-third, except for the pandemic year. The most striking feature of AUEGS is the extensive participation of women, ranging from two-third

⁴³ <https://keralakaumudi.com/en/news/news.php?id=822809&u=wages-increased-in-ayyankali-urban-employment-guarantee-scheme-with--retroactive-effect-from-april-1-822809>

⁴⁴ Handbook of Statistics on Indian States (2022) RBI.

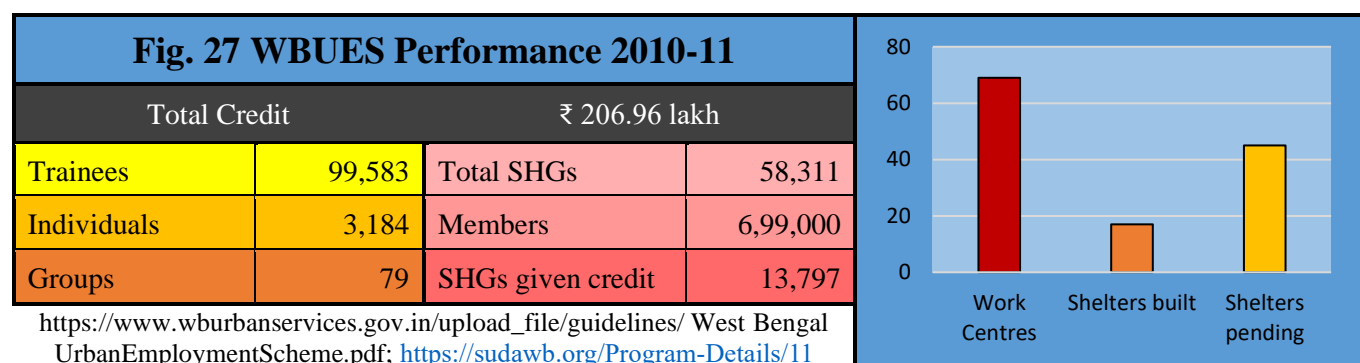
⁴⁵ G. D. N., (2022) "Exploring Social Security for Urban Poor: Study of the AUEGS in Thiruvananthapuram" NLSIU Occasional Paper Series 16

share in wage employment and three-fourth in work created. Women's share in the AUEGS is attributed to: women coming from poor households; their participation being limited by patriarchy; absence of a gender-sensitive plan to create jobs; and many of the women are part of the social network attached to the Kudumbashree mission. Even though AUEGS incorporates works that have larger long-term environmental impacts, it is viewed as a last-resort welfare programme for the poorest⁴⁶.

3.4 West Bengal 2010

According to PLFS 2018-19, West Bengal had an unemployment rate of 3.9%, which was lower than the national rate of 5.8%. The West Bengal Urban Employment Scheme (WBUES) was notified by the Left Front government in 2010, although activities under this scheme are reported to have begun by 2007. The specific objectives were to provide employment in urban areas and to create as well as maintain civic infrastructure while making the created assets sustainable. Work identification was undertaken by the local committees and finalised by the ULB.

The funding ratio was specified at 50:50, and the wage rate was fixed at ₹100 for work and ₹120 for supervision. No contractor was to be engaged. The works were divided into sixteen heads: water supply & conservation, drainage & sewerage, road maintenance & street lighting, solid waste management, slum infrastructure, housing improvement, primary schools, community centres, marketing outlets, beautification, energy audits, monitoring & supervision of public projects, and safety awareness. The material/wage ratio was fixed at 50:50. WBEUS was later linked to self-employment through Entrepreneurial Development Programme, Udiyaman Swanirbhar Karmasansthan Prakalpa for credit (₹50,000 per person), and Udiyaman Swanirbhar Karmasansthan Joutha Prakalpa for joint initiatives.



The performance of the WBEUS in 2010-11 is given in **Figure 27**. A total of 58,311 SHGs were organised in the first year, involving almost 7 lakh poor urban women, of which 24% were credit-linked through disbursement of ₹206.96 lakh. Entrepreneurs, 3,184 individual and 79 group, started their ventures along with skilling of 99,583 urban youth. According to a government audit, 26 ULBs (out of 132) utilised only 47% and 55% of the grants available during 2008-09 and 2009-10 respectively, and 12 ULBs spent ₹10.28 crore during 2008-10 without involving the lower tiers. The expenditure incurred by 8 ULBs on wages was below 40% of the total cost of works during 2007-10, while 4 ULBs executed works worth ₹76.12 lakh during 2007-10 through contractors. There were irregularities in expenditure on rice, maintenance of stores, periodical monitoring and collection of construction cess by some ULBs.

3.5 Madhya Pradesh 2019

Except for Tripura, Kerala and West Bengal, other States began announcing their urban employment schemes after 2019 when the damage caused by the first COVID-19 pandemic started becoming apparent. Announcing the Madhya Pradesh Yuva Swabhiman Rojgar Yojana (MPYSY) in 2019, the Indian National Congress government promised that the unemployed youth (21-30 years) with annual family income less than ₹2 lakh, would get skill training, a stipend of ₹4,000 per month, and 100 days of employment in a trade to help them get permanent employment in future. The youth would be offered: work in ULB projects (tax recovery, survey, construction etc.), and training in a selected trade. MPYSY was to provide temporary employment to 24 lakh unemployed youth in Madhya Pradesh.

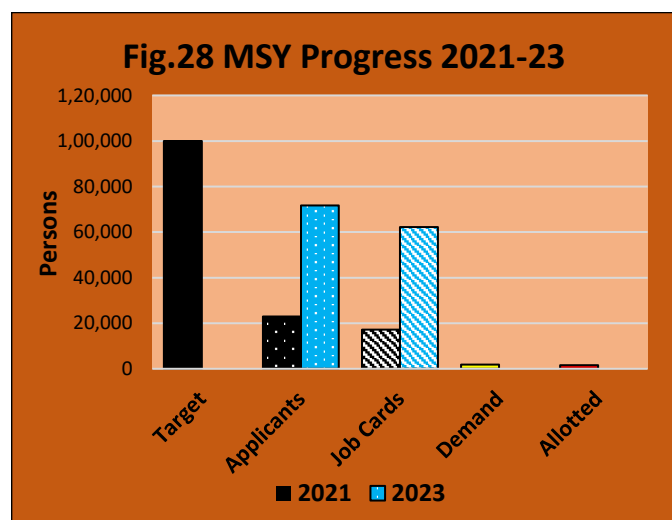
⁴⁶ https://pdag.in/wp-content/uploads/2021/05/Migration_policy_brief.pdf

Before the guidelines could be issued and the scheme implemented, the government fell and was replaced by a Bharatiya Janata Party one. The new government issued a revised scheme with a provision for 365 days of employment at ₹5,000 per month. The age limits were changed to 18-36 years. The number of potential beneficiaries was raised to 6.5 lakh students in Madhya Pradesh. The application date was extended but, after getting a suitable job, candidates would be ineligible for receiving any benefits. The government also launched the Mukhyamantri Yuva Udyami Yojana to ensure that all eligible applicants would be given single-time loan of ₹10 lakh to ₹1 crore at 5% interest, along with ₹12 lakh margin money. So far there has been no progress report published to ascertain the performance of the scheme.

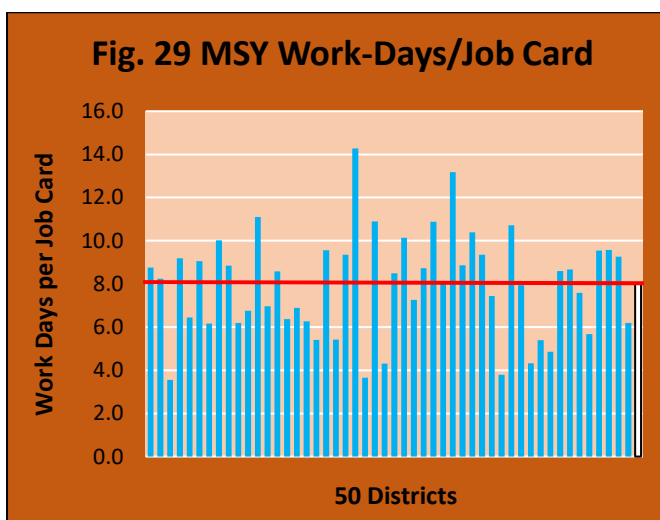
3.6 Jharkhand 2020

The PLFS data for 2109-20 and 2020-21 showed that the unemployment rate in Jharkhand increased from 10.2% to 10.4% among urban males and decreased from 9.9% to 7.3% among urban females. Self-employment was higher than salaried work followed by casual work. According to the Rural Development Department, between March-July 2020, nearly 9 lakh workers returned to Jharkhand⁴⁷. Skill mapping of 2.5 lakh of them revealed that 30% were unskilled. Within this context, the Jharkhand Mukti Morcha government launched its urban employment scheme in 2020, titled Mukhyamantri SHRAMIK (Shahri Rozgar Manjuri for Kamgar) Yojana (MSY) for 100 days of work to enhance the livelihood and security of the urban poor. A sum of ₹10 crore was proposed for the scheme.

The major objectives of the scheme were: strengthen participatory planning through convergence of schemes; create durable assets; provide employment at minimum wages for up to 100 days; prioritise daily wagers, youth falling below the poverty line and homeless; and pay unemployment allowance. The target was set for issuing one lakh job cards per year (*Figure 28*) and assign work to three lakh labourers who were expected to demand work⁴⁸. In 2021 the number of applicants was 22,955, but rose to 71,750 in 2023. while the number of job cards issued rose from 17,190 to 62,216. However, only 10.7% of the job card holders demanded work in 2021, while 9.2% were allotted work. Thus, in 2022, an average number of only eight work-days were provided per job card, as against the promise of hundred days of work, with an uneven distribution across districts (*Figure 29*).



Source: Urban Development and Housing Department, Jharkhand



Source: <https://www.dmajharkhand.in/index.php/msy#>

While ambitious targets were set there was no convergence with other schemes to leverage additional finances as well as administrative support. A special website was designed for the scheme, implemented by the Urban and Housing Departments with municipal executives appointed as nodal officers. However, while the wage provided under the scheme was at least 40% higher than ₹194 provided under NREGS, the minimum daily wage ranged from ₹274.81 to ₹438.39 based on the workers' skill. The unemployment allowance rate was only one-fourth of the minimum wage in the first month, half of the minimum wage for second month, and full minimum wage from the third month⁴⁹. It was mandatory to supply pure clean drinking water, first aid box, and a creche at the work site but

⁴⁷ https://finance.jharkhand.gov.in/pdf/Budget_2021_22/outcome2122/Urban_Development_and_Housing_Department.pdf

⁴⁸ https://finance.jharkhand.gov.in/pdf/Budget_2021_22/outcome2122/Urban_Development_and_Housing_Department.pdf

⁴⁹ https://finance.jharkhand.gov.in/pdf/Budget_2021_22/outcome2122/Urban_Development_and_Housing_Department.pdf

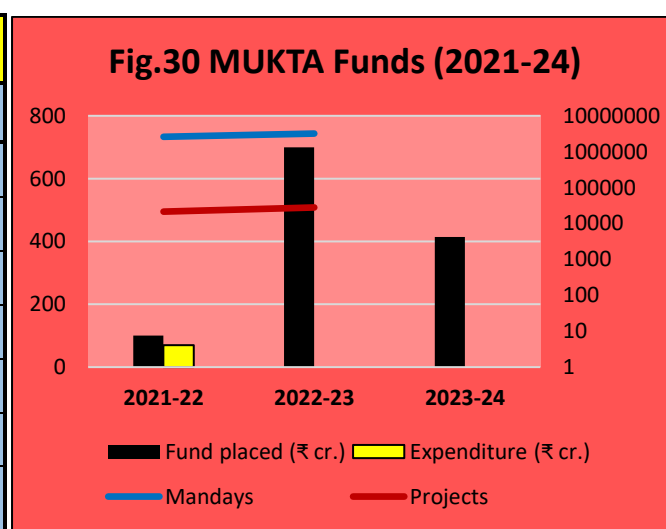
there was no built-in monitoring mechanism in the scheme. There was no skill training and, unlike the other States, the scheme was not designed for self-employment.

3.7 Odisha 2020

After the lockdowns caused by the COVID pandemic, PLFS data showed that self-employment in Odisha increased for both males and females, as did casual labour, while salaried work declined substantially. The Biju Janata Dal government realised that about one-third of the urban people (approximately two lakh) may face severe consequences and launched the Urban Wage Employment Initiative (UWEI) in April, 2020. The aim was to provide temporary wage employment, mostly for workers in the informal sector (55 to 63%), through labour-intensive projects, with an initial provision of ₹100 crore. It was also projected that UWEI would simultaneously support monsoon-preparedness through projects to: conserve rain water, prevent flooding, beautify urban areas, and increased green cover through plantation drives in public lands, road side, parks, near banks of rivers/water bodies. A material to wage ratio of 30:70 was specified for projects at the ULB level.

In February 2021, the UWEI project was transformed into the MUKTA (Mukhyamantri Karma Tatpara Abhiyan) programme. MUKTA adopted a community-driven, participatory, and bottom-up approach to project planning and implementation, ensuring transparency and accountability through the project life cycle, by empowering Women's SHGs and Slum Dwellers Associations (SDAs). The transformation increased the outlay from State funds from ₹100 crore to ₹1,000 crore. The performance for 2021-22 is given in **Table 7**. By 2022-23, Slum Dwellers Associations had nearly doubled from 12,000 to 22,300; and workdays had increased from 26 lakh to 32 lakh; although the fund allocation dropped sharply in 2023-24 (**Figure 30**). MUKTA was also converged with the Deendayal Antyodaya Yojana - National Urban Livelihood Mission (DAY-NULM) whose primary objective is to reduce poverty and vulnerability of the urban poor households.

Table 7: Projects for MUKTA (2021-22)	
Particulars	Value
Projects approved	16,988
Work orders	14,846
Value of projects (₹cr.)	449.2
SHGs/SDAs engaged	11,976
Workers engaged	5,00,000
Man-days generated	26,00,000
Wages paid (₹ cr.)	72



Source: H&UD, Department, Govt. of Odisha

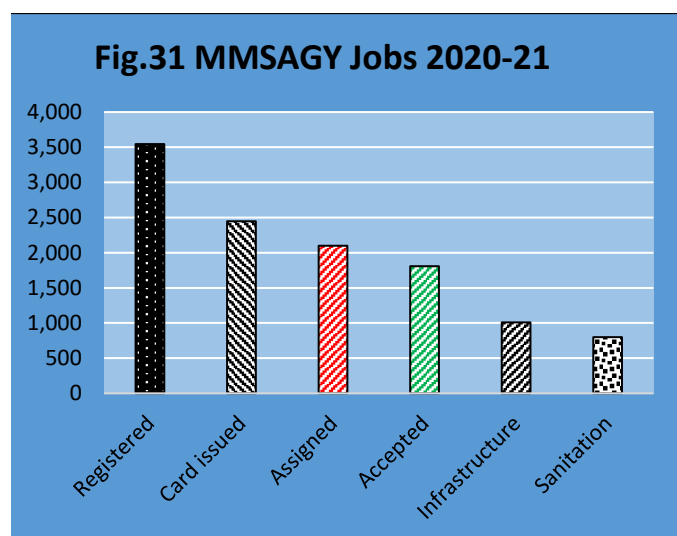
At the same time, some field visits to slums in Bhubaneswar revealed that what had been constructed under MUKTA mainly included platforms for tube-wells, community halls, drains and roads. Most communities were not aware of MUKTA projects or the wage rates, nor did municipal authorities discuss them at community meetings. Community leaders only knew about the contractors who were building the projects. There was no information publicly available about any grievance redressal mechanisms.

3.8 Himachal Pradesh 2020

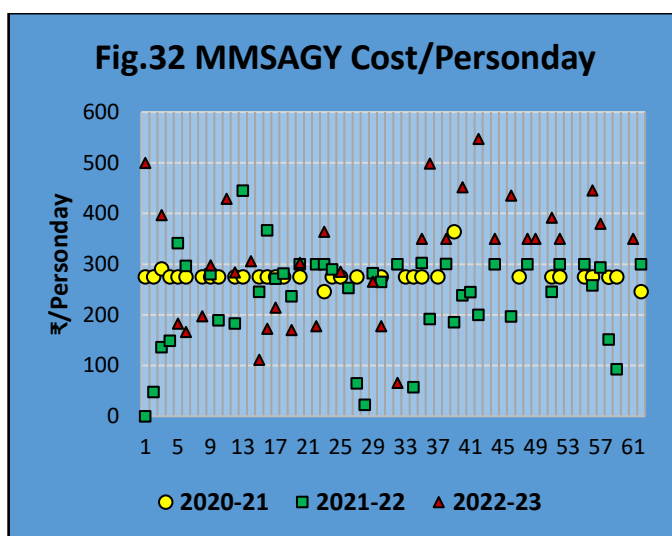
According to the PLFS of 2021-22, the total unemployment rate of Himachal at 4.0% is slightly lower than the all-India average. The manufacturing sector produced 31.2% of GVA but employed just 7.6% of workers. The Bharatiya Janata Party government announced the Mukhyamantri Shahari Ajeevika Guarantee Yojana (MMSAGY) in 2020 after the crisis created by the lockdowns, and it was re-notified by the Governor in 2021 and 2022. Under MMSAGY, the State undertook to issue job cards within 7 days of registration and provide 120 days of employment within 15 days. Equal and notified minimum wages were to be paid to both male and female workers. The scheme also aims to

enhance the skill of wage labourers and provide credit for setting up their own enterprises; as well as to strengthen infrastructure and civic amenities in the ULBs. If the ULB cannot do so, then it will pay an unemployment allowance of ₹75 per day. For transparency, all accounts and records will be available for public scrutiny on the website of the ULB and the Directorate of Urban Development.

In 2020-21, a first review of MMSAGY by the Urban Development Department revealed (**Figure 31**) that of a total of 3,545 registrations in all ULBs under the scheme, 69.0% had been issued job cards until October; 59.2% had been assigned work; 51.0% had accepted; of which 28.5% were in infrastructure and 22.5% were in sanitation. In those six months, ₹1.54cr had been spent while a balance of ₹3.64cr remained; and 324 SHGs had been formed against the target of 200. Another review report indicated that, in the three years from 2020-21 to 2022-23 (**Figure 32**), the money spent in 62 ULBs to generate one person-day in 2020-21 averaged around ₹284; by 2021-22 the average dropped to ₹233; and in 2022-23 it rose to ₹322. These figures are lower than the minimum wage of ₹300 specified prior to 2022. Later MMSAGY converged with DAY-NULM and the minimum wage was raised to ₹350.



Source: Urban Development Dept., Govt. of Himachal Pradesh



Source: Government of Himachal Pradesh, Economic Surveys

3.9 Tamil Nadu 2021

After the COVID-19 pandemic the AIADMK government in Tamil Nadu constituted a committee under former RBI Governor, C. Rangarajan, to propose measures to bring the battered economy back to a growth path. The committee recommended that an urban employment guarantee scheme was required to improve social security. The Tamil Nadu Urban Employment Scheme (TNUES) was announced in 2021 to design employment opportunities in accordance with skill levels, create and maintain public assets, green and protect the environment, and undertake works related to natural resource management. All employment seekers are to be enumerated, categorised, registered and provided job cards. Each ULB will then prepare and submit an annual action plan, that would include a list of works with a detailed break-up of all requirements to meet the labour demand. The wage-to-material ratio was fixed at 60:40. Priority was given to women with 50% mandatory women person-days and equal wages for them. Wages were to be fixed through a proper time and motion study. There was an emphasis on online management systems for better implementation and provide accountability.

3.10 Rajasthan 2022

The Congress government in Rajasthan approved the guidelines for the Indira Gandhi Urban Employment Guarantee Scheme (IGUEGS), to provide 100 days of employment in the urban areas in 2022-23. It proposed to spend ₹800 crore per annum on this scheme. Residents in the 18-60 years age group will be eligible to register in the ULB on the basis of their Aadhar card. The approved work will be executed through committees at the state/district/local levels. The ratio of material to wage costs will be 25:75; except for works of special nature, where the ratio will be 75:25. The payment will be by bank transfer within 15 days. Facilities will also be provided to the labourers at the workplace. Along with this, a provision has been made in the scheme to redress complaints and conduct social audits. A planning

cell constituted at the level of the ULB, and with officers appointed on deputation, shall run the scheme. Administrative expenses will be limited to 6% of the total budget.

3.11 Conclusions

The State-sponsored job guarantee schemes may be categorised into two phases: one pre-2019 and the other post-2019: the separation being marked by the impact of the COVID pandemic. The three States of Tripura, West Bengal and Kerala recognised the early signs of the job crisis and its structural roots as long ago as 2009-10, when the urban Unemployment Rate began to show signs of instability (see *Figure 4*). They took the initiative to announce their own urban employment schemes, all on the lines of NREGS, to tackle the crisis of jobless growth, but also to protect the urban environment. They focussed on wage employment that would provide work and also on restoring the bio-resource base. Perhaps it is no coincidence that all three States were ruled by Left Front governments at that time.

In the period during, or post the pandemic, the States of Madhya Pradesh, Jharkhand, Odisha, Himachal Pradesh, Tamil Nadu and Rajasthan were impacted by the economic crisis linked to the widespread return of labourers from the cities and towns to their home villages in the source States. Only one of them (Himachal Pradesh, with a relatively low unemployment rate) was ruled by the Bharatiya Janta Party. Tamil Nadu is a destination for migrant workers rather than a source and thus was affected by the lack of workers during the pandemic. They proceeded to design a set of urban employment schemes on the basis of their local conditions and mainly with an emphasis on encouraging self-employment. All the State schemes that could be reviewed during this study are summarised in *Table 8*. The main points are grouped under the six themes identified earlier:

1. Does reliable data inform urban employment policy?

The States have depended more upon their political perception of the economic crisis in the early years, or the return of workers during the pandemic. Thus, their policies were constructed on the basis of their local understanding. Even the environmental component was rooted in local geographies.

2. Do the schemes and laws ensure security & living wage for all workers?

The schemes began by providing wage employment; but the focus shifted to self-employment for schemes after the pandemic lockdowns. For the former, work days have been less and wages were lower than stipulated. For the latter, there is no data to show how much credit was provided and how secure of the livelihood generated was. For gig workers, whose numbers increased during COVID and are counted among the self-employed, there is not even a reliable data base.

3. Are there special provisions for women, youth and gig workers?

Only Kerala, Tamil Nadu and Odisha have made specific provisions for women and their participation in Kerala has been enhanced by the presence of a network of women's organisations. The other States have depended upon women SHGs for self-employment. Almost all the schemes have reached out to the youth through skill training. Gig workers have been promised social security protection under the Code on Social Security, 2020 with contributions from the aggregator (who is still not counted as an employer).

4. Do the urban schemes expand the stable manufacturing sector?

The budgets of Rajasthan and Odisha may be compared to national budgetary provisions. Several schemes are linked to production through skilling and material-to-wage ratios. But, even after convergence with Central schemes, the increased financial access is inadequate to support manufacturing.

5. Do they protect labour stability during disasters?

Six of the nine States reviewed initiated schemes after the pandemic. Hence, several took up environmental activities related to disaster management, water conservation, etc. that were linked to floods, droughts, sanitation and public health. However, data is not available to show how much they have succeeded in protecting labour.

6. Do they reduce urban poverty?

Workers have problems with unreliable records, low wages, unutilised budgets, poor implementation, e-transfers, fund diversions, and lack of grievance redressal or social accountability mechanisms. The reported person-days of work cumulatively generated by all the States is unlikely to impact on the extent of urban poverty.

Table 8: Comparative Assessment of State Schemes of Urban Employment

STATE	Security & Wage										Youth-Women		Manufacture			Sustainability				E
	Unskilled	Semi-skilled	Unemployed	Casual	Self-employed	Salaried	Days guaranteed	Wage-revised (₹)	Delay in payment	U-A (₹)	Age (years)	Women (%)	Budget (₹cr./year)	Material/wage	Skilling	Date of start	Water conservation	Sanitation	Disaster proofing	Person-days (lakh)
RJ							100	<15	°	18-60		800	25/75		2022					
TN	✓	✓				✓	180	<15		18-60	50		40/60		2021		✓	✓		
HP	✓						120	<15	°75	<65	SHGs	*10		✓ ²	2020		✓			2.1
OD	✓		✓								SHGs	1000	30/70		2020	✓	✓	✓	50.0	
JR	✓						100	<15	69	>18		*22			2020	✓			*24.0	
MP			✓		✓		100	40		21-30				✓ ³	2019					
WB	✓				✓					18-36	SHGs	140	50/50	✓ ²	2010	✓	✓	✓	*70.1	
KL	✓						100	<14	°	>18	50	84		✓ ¹	2010	✓	✓	✓	26.8	
TR	✓			✓			50	°177		18-60		30	50/50		2009	✓	✓	✓	*15.4	

E - for Performance

U-A for Unemployment Allowance

TR=Tripura; KL=Kerala; WB=West Bengal; MP=Madhya Pradesh; JR=Jharkhand; OD=Odisha; HP=Himachal Pradesh; TN=Tamil Nadu; RJ=Rajasthan

° Revised

°With mandatory social security benefits and worksite facilities

¹Production of construction materials

²Entrepreneurship

³With stipend and loan

*Estimated

Section Four: Proposed Urban Employment Schemes and Programmes

4.1 Context

The COVID-19 pandemic prompted several State government schemes to emerge for securing urban employment either through work-days' guarantees and minimum wages, or through skilling and training programmes to encourage self-employment and entrepreneurship. However, since civil society organisations were also galvanised into setting up relief programmes for the lakhs of workers attempting to return to the security of their rural homes during 2019-20 and 2020-21, many of the concerned individuals, institutions and organisations began to suggest schemes and programmes for protecting and promoting urban livelihoods. An assessment of these proposals (which remain to be adopted and implemented by state actors), using the six themes that have been identified in earlier sections, would be valuable in developing a substantive framework for the Sustainable Urban Livelihoods Programme. Describing an international context also helps to explore the strengths of weaknesses of all the on-going as well as proposed schemes of urban employment.

4.2 Employer of Last Resort

A critical principle for sustaining livelihoods that emerges from a literature review of the international experience is the principle of holding the Government to be the *Employer of Last Resort*.

United States: President Roosevelt's 1933 New Deal Program had to be abandoned due to stiff business opposition. However, it laid the foundation for a school of thought which believed that the government can act as an employer of last resort (ELR) and provide employment in projects that are not only economically and socially relevant but also contribute to sustainable growth. Economists like Pierson, Wernette and Lerner detailed the role of government in providing infinitely elastic demand for labour through the ELR schemes while at the same time regulating inflation.

Sweden: The full employment model, emphasising the "right to work", was based on the dual principles of highly centralised wage bargaining and active labour market policies. The National Labour Market Board (AMS) meets fortnightly to take policy decisions about those who have been unemployed in the last six months. The unemployed are given employment and training options; if these do not prove sufficient, they are entitled to unemployment benefits. The government acts as the ELR to provide employment up to six months only if there is no other alternative.

Missouri & Australia: Centre for Full Employment and Price Stability (*C-FEPS*) & Centre for Full Employment and Equity (*CofFEE*) propose the government as the guarantor of a job opportunity for anyone ready, willing, and able to work at a fixed basic wage with benefits. It provides a price anchor and the private sector can hire labour at a rate higher than the ELR fixed wage. The buffer stock of unemployed labour will expand or shrink but the ELR wage remains fixed. Training modules as per industry requirements reduces the redundancy of skills.

France: Employees laid off from businesses with less than 300 workers, qualify for a '*Professional Transition Contract*', if they sign a contract that ensures placement either in a public or private firm with the same pay as earlier. They get 'individualised coaching'; 'activity income' when looking for work; and job training. The programme is funded by unemployment insurance (from both employees and employers), hiring businesses, and government, with the entire cost amounting to 4% of GDP (less than 4.2% GDP that is spent on unemployment benefits).

Argentina: The *Plan Jefes De Hogar* ensures work for everyone with children under the age of 18, people with disabilities, or pregnant women. The workers are paid 150 pesos per month for four hours of work daily. They are given training, or work in construction/maintenance projects, in agriculture and local infrastructure. Decentralisation has allowed disenfranchised groups to come forward to participate in grassroots democracy. The cost is around 1% of GDP; and the project has impacted on poverty, unemployment, women's participation, and growth.

Most of the proposals that have been presented by concerned civil society organisations seem to adopt the principle of Employer of Last Resort but (except for one) do not explicitly say so. They see government as the principal actor in a welfare society to uphold entitlements. Yet they are not in agreement on whether the market and investor friendly policies put in place by government have contributed to the employment crisis or not.

4.3 Urban Right to Work Bill 2008

The first effort predates the pandemic by a substantial time gap, when the Sajha Manch, a coalition of groups and individuals in Delhi, was selected in 2007 by the UNDP to frame a Strategy for Urban Livelihoods for the city's working population. Through a series of consultations, studies, and workshops in working class settlements, the Manch recognised that there were three categories of work in the city: (1) wage employment, which was largely unsafe; (2) self-employment, which was largely illegal; and (3) under-employment, which was both unsafe as well as illegal. Members of the Manch eventually recommended a strategy in 2008 based on an Urban Right to Work, as distinct from an employment guarantee scheme. The key points of the strategy were:

- The Right to Work has to be recognised and legislated as a Fundamental Right.
- All sections of salaried, self-employed, casual and unemployed are entitled to this Right.
- All livelihoods must be healthy, safe, and available for disabled and vulnerable people.
- The government is the principal employer for self-employed, unemployed, and contract workers.
- Complementary provisions have to be ensured for Living Wages and Social Security.
- Secure Shelter near Work is a necessity for the urban poor.
- Both require the three basic elements of legal Credit, Space, and Tenure.
- Norms for Work and Shelter emerge out of Participatory Research.
- Government has to assist Community-Based Self-Help programmes.
- Transparency and Accountability are critical for Grievance Redressal.

On the basis of discussions with the National Trade Unions the Manch proposed a Bill for implementing the Urban Right to Work, on which a general consensus also emerged. The important elements of the Bill, that borrowed heavily from the experience with NREGS in rural areas, were:

- Work is a fundamental right for all adults in every urban household who are willing to work.
- 300 person-days of work must be available annually in schemes formulated under the Bill.
- Workers are entitled to receive the living wage agreed to at the 1957 ILC (currently ₹1,300 per day).
- If workers earn less than the living wage, the state must compensate them for the balance amount.
- If work is unavailable, workers will receive an unemployment allowance equal to ¾th of the living wage.
- Wages must be disbursed on a weekly basis, and no later than two weeks of completing the work.
- Labour-intensive public works, with material to wage ratio of 60:40, are essential to sustain livelihoods.
- A cap on the capital investment per work opportunity is necessary to generate urban livelihoods.
- Lifting the 1990 ban on fresh recruitment in all public departments will also contribute to better services.
- Restrictions on contracting out and privatising work will improve the availability of work opportunities.

Other provisions pertaining to working conditions, vocational training, and social security measures were:

- The ULBs and Ward Sabhas shall plan and implement schemes, as per the 74th Constitutional Amendment.
- Right to Work Councils and Neighbourhood Sabhas shall monitor and evaluate the schemes
- The Labour Department is the representative of the government that is accountable to workers.
- Employment Exchanges in each Ward shall register applicants, provide identity cards and maintain the database.
- A National Right to Work Fund will be established for financing all schemes.
- The Union Government will bear the cost of wages, 75% materials, and ½ of administrative expenses.
- State Governments will pay unemployment allowance, 25% materials, and ½ of administrative expenses.
- Workers' Committees will function as watchdogs and organise public hearings for grievance redressal.

4.4 Strengthening Towns through Sustainable Employment 2019

Scholars at the Centre for Sustainable Employment, Azim Premji University in Bangalore, have been studying patterns of employment in urban India for the last five years. This report constitutes their effort to design a Job Guarantee Programme for Urban India that provides livelihood opportunities for unskilled workers and skill development along with work experience for educated urban youth, while also equipping the latter to develop solutions for local issues. The design was drafted in the context of prevalence of underemployment and low wage

levels among the informal workers in urban areas; large scale migration from rural to urban areas; inadequate urban infrastructure to meet this migratory trend; environmental degradation in urban areas; lack of adequate funds and skilled manpower in ULBs to meet these challenges; and high levels of unemployment along with poor skill development among the educated youth.

The proposed policy calls for the establishment of:

- National Urban Employment Guarantee Act, and
- Ministry of Employment

Two types of workers are considered:

- Category 1: education up to Class 12; informal skills; issues of underemployment and low-wage informal work. Guaranteed provision of 100 days of work with decent working conditions: in standard public works, restoration of urban commons, and public provisioning of care.
- Category 2: with formal diploma or degree. They can be taken on as assistants in various administrative tasks or as part of survey/data entry teams etc. as a learn and earn scheme. Certification provided at the end of training can be used for obtaining gainful employment in public/private sector.

The main highlights of the scheme are:

1. The scheme proposes employment guarantee in urban areas having a population of less than 10 lakh.
2. The scheme guarantees 100 days' work for unskilled labour at ₹500 per day.
3. For the educated youth, a training and apprenticeship programme for 150 contiguous days wherein a stipend of ₹13,000 per month will be paid to the candidates.
4. The scheme covers various public works such as creation of infrastructure; urban commons; environmental projects, apprenticeship in government agencies; and provisioning of care for children and the elderly.
5. In keeping with the 74th Amendment to the Constitution, the relevant ULBs will be responsible for identifying projects, planning, and implementing the works under the scheme. The involvement of Ward Committees and Ward Sabhas in its implementation through dedicated staff will make the scheme more participatory and democratic.
6. In order to ensure timely availability of funds for the scheme, the estimated amounts from the Central Government funds should be transferred to the States at the beginning of the financial year and the latter will then transfer the Central and the State share of the budget to the ULBs.
7. Further, the payment of wages should be decentralized (at the ULB level) in order to overcome all the drawbacks of the centralised payment system of MGNREGA.
8. Transparency and accountability will be built-in due to implementation through MIS as also the conduct of social audits, public hearings and grievance redressal mechanism.
9. The scheme is estimated to cost ₹2.8 lakh crore (1.7% of GDP) in case every household is targeted for employment. In case every adult resident in urban areas is targeted, the cost goes up to ₹4.5 lakh crore (2.7% of GDP).
10. A job card will be issued to those registered for the programme. Along with details like name, age, address etc., the job card will also include educational and skill details
11. On feeding the job card details, the MIS will be able to match the available jobs with the workers.
12. The MIS will be updated from time to time with all the jobs completed and skills obtained by the worker.
13. In case of non-provision of employment within a stipulated time period, the job card holder will be entitled to an unemployment allowance.

4.5 Nyuntam Aay Yojana 2019

Nyuntam Aay Yojana (NYAY) was proposed by the Indian National Congress in 2019 with the goal of eliminating abject poverty by the year 2030. The target population will be 5 crore families who constitute the poorest 20 per cent of all families. Each family will be guaranteed a cash transfer of ₹72,000 a year; the money will be transferred to the account of a woman of the family who has a bank account, or who will be urged to open a bank account. There will be a Design Phase (3 months), followed by Pilot and Testing Phases (6-9 months) before the rollout. The Congress Party will appoint an independent panel of eminent economists, social scientists, and statisticians to oversee the design, testing, rollout and implementation of the programme. The programme will move from one stage to the other

only after a ‘go-ahead’ from the panel. NYAY is to be implemented as a joint scheme of the Central and State Governments. The scheme will be funded through new revenues and rationalisation of expenditure. Current merit subsidy schemes that are intended to achieve specific objectives will be continued. The estimated cost (around ₹3.6 lakh crore) will be less than 1% of GDP in year 1 and less than 2% of GDP in year 2 and thereafter.

4.6 Inclusion of Internal Migrant Workers 2020

The report on a Road Map for Developing a Policy Framework for the Inclusion of Internal Migrant Workers in India was jointly prepared by the International Labour Organisation, New Delhi, Aajeevika Bureau, Udaipur, and the Centre for Migration and Inclusive Development (CMID), Ernakulam. An advisory committee comprising social partners, prominent academics and civil society experts guided the shaping of this report. It examines the scale and nature of temporary labour migration in India and the relevance of current policy and legal frameworks.

The five policy visions put forth by the report are:

- Addressing informality.
- Ensuring access to justice.
- Moving towards a universal social protection system.
- Guaranteeing dignified, safe and healthy living and working conditions.
- Enabling workers’ collectivization and organisations.

The report specifies the role of Stakeholders in implementing the policy framework, as follows.

Government of India:

- Bridge the evidence and enumeration gap on Migration.
- Fortify investments in rural development so that labour migration is safe, regular and an informed choice.
- Constitute nodal agency on internal migration within Ministry of Labour and Employment (MoLE).
- Implement labour codes to ensure favourable legal environment that fosters inclusion of migrant workers.
- Restructure industrial policy to provide special impetus to micro enterprises.

Sending regions (States and Panchayati Raj institutions)

- Address rural distress and prioritise high out-migration areas by establishing facilitation centres.
- Invest in education, skills and vocational training, with easy access to financial products and services.
- Enhance adaptation capabilities of migrant households and promote resilience.
- Build coordination linkages with receiving regions/institutions.

Receiving regions (states and cities)

- Ensure enumeration to design migrant-inclusive urban governance for access to public services.
- Set up facilitation centres to ensure migrant-inclusive legal redressal mechanisms.
- Focus on the gender-specific needs of migrant women.
- Undertake targeted interventions for disaster risk reduction among migrant workers.
- Ensure continuation of education of children of migrant workers and prevent child labour.

Employers

- Ensure access to basic provisioning for workers, as required by law.
- Ensure decent work standards and formalisation along the supply chains and build brand credibility.
- Disclose labour practices to stakeholders to ensure ethical investing.
- Promote social dialogue ensuring representation of migrant workers.
- Take responsibility for the most vulnerable of workers.

Trade unions

- Mainstream organising of migrant workers, build on existing labour collectives.
- Promote Occupational Safety and Health (OSH) standards.
- Build awareness and tripartite platforms for bargaining.
- Recognize internal labour migration as a priority for funding.
- Incubate and nurture promising practices through seed funding, innovation grants and scaled-up support.

- Focus more sharply on developed regions that are major migrant destinations.

Civil society organisations

- Partner with government/ULBs to create demand for service delivery at convenience of migrants.
- Forge source–destination partnerships for safe migration.
- Empower migrant workers through incubation of community-based organisations.
- Sensitize the receiving community and address their concerns.

4.7 Decentralised Urban Employment and Training 2020

Jean Dreze played a major role in drafting the National Rural Employment Guarantee Act, 2005. His later ideas on Urban Employment have been outlined in a policy brief of 2020. This policy brief was prepared in the context of millions of job losses in the urban informal sector due to the pandemic. Dreze expects that the reopening of public institutions and spaces will require extensive maintenance works. He suggests the use of job stamps to avail of work at permissible projects, which would not result in replacing existing workers. The scheme should be open to skilled as well as unskilled workers aged 18 years and above in urban areas, with special focus on low-income areas.

The workers under this scheme will be entitled to the minimum wages, benefits and other safety and welfare norms as prescribed in the scheme and applicable labour laws. The job stamps are to be issued by the state government to all approved public institutions and are to be used within the prescribed period. Each job stamp represents one person-day of work and will be issued by the employers to the workers, along with a due-form work certificate on completion of work. On presentation of these documents, the workers will receive wage payment directly into their bank accounts from the government.

The scheme is sought to be administered through placement agencies where workers can be registered and from where they will be assigned to various approved employers who will arrange the work. The placement agencies can also play a role in the training of workers, grievance redressal and ensuring social security measures are in place. Such placement agencies can be run by the municipalities (single agency run by local government); alternatively, there can be multiple agencies in the form of workers' cooperatives/non-profit organisations. The implementation of the scheme through the placement agencies would streamline the process.

Dreze does not mention any source of financing. But he has suggested that the employers can share a part of the wage payments or obtain the job stamps for a fee. Further, in case of skilled workers being placed under this scheme, an element of mandatory training to an apprentice can be introduced. In fact, according to the author, non-profit organisations acting as placement agencies have more scope for expanding training facilities in the long run. The author advocates the monitoring, inspection, evaluation and audit of the scheme by an independent local body.

4.8 Bhagat Singh Urban Employment Guarantee Bill 2022

This Bill has been drafted by the legislative assistant to the CPI MP, Binoy Viswam, who introduced it in the Rajya Sabha on behalf of unemployed youth, in the context of an increasing level of distress among them due to lack of jobs, inflation, poor quality of work, and low wages - which was further exacerbated by the pandemic. The scheme targets both unskilled labour with limited formal education and skilled labour with formal education (diploma/degree). The ULBs are liable to provide maximum 250 days of work in a financial year to every household within its jurisdiction under this scheme thus fulfilling the mandate of the 74th Amendment to the Constitution. The workers are to be paid a wage rate commensurate with their skills, qualifications and nature of work undertaken. In case of non-provision of employment within fifteen days of registration under this scheme, the eligible applicants will be entitled to receive a daily unemployment allowance as specified in the scheme.

In keeping with the 74th Amendment to the Constitution, the scheme is to be implemented by relevant ULBs like Nagar Panchayat, Municipal Council or Municipal Corporation, who will also be responsible for grievance redressal. Starting from the local level, the Annual Action Plans and Annual Reports will be prepared by respective wards and submitted to Urban Local Body Level Committees. Thereafter, the reports and plans will be forwarded for vetting and approval to District Level Review and Monitoring Committees and then on to State Level Review Committees for review, design and inspection. Finally, the reports will be audited by the appropriate Government. The scheme is

sought to be financed through Centrally allocated funds appropriated for this purpose by Parliament. The main highlights of the scheme are:

- Job cards, containing the details of the workers are to be issued to workers on registration valid for five years.
- A new work is to be created under the scheme only if a minimum of ten labourers are available.
- One half of the jobs to be created are to be allocated to women.
- A period of employment will consist of 14 continuous working days and a maximum of 6 days a week.
- The place of employment should be within a radius of five kms from the residence of the workers.
- Or it should be provided within the ward and 10% of the wage rate paid as travelling allowance.
- In case of accident at work, the workers will get free treatment and paid half the wage rate.
- In case of death/total or partial disability, the heirs are to be compensated with ₹2 lakh or ₹1 lakh respectively.
- Children below 6 years will be cared for by one woman worker for which she will be paid the full wage rate.
- Other essentials such as drinking water, sanitation, first aid, shade for children etc., are to be provided.
- The wages may be paid in cash and/or kind with at least one fourth of the payment being made in cash.
- Compensation as specified by the Code of Wages, 2019 will be paid in case of non-payment in time.
- The jobs under this scheme will be free of gender discrimination.

4.9 National Employment Policy 2022

In its policy document, Desh ki Baat Foundation has analysed the current status of unemployment in India in the first part and has proposed solutions to solve the problem in the second part. The policy has outlined a 10M strategy in order to battle the unemployment problem in the country on all fronts. The 10M strategy is focused on:

Mini-technology; Minimum credit support; Mindset and skill training; Mini-market; Multinational, inter- and intra-state supply chain; Manufacturing in small, medium and large industries; Minimum economic support and job security; Minimum basic wage and social security for worker's respectful life; Minimum support price for crops; and Modern and traditional services.

Other proposals of the scheme include abolishing contractual employment in the public sector, regulating contractual employment in the private sector, and establishment of Active Labour Market Programmes (ALMPs) for providing labour services. The ALMPs can not only provide training and placement services but also maintain databases pertaining to migrant labour. These ALMPs are to be administered by the Ministry of Labour but can use the services of local government/NGOs for better implementation of its mandate.

The policy also talks of “work fare” instead of unemployment allowance in order to overcome the problem of moral hazard associated with the latter. Such work fare will require workers to enrol for training, send children to school, participate in public works etc., in order to be eligible for cash transfers. While advocating an urban MGNREGA, the document suggests creation of large-scale public works in both rural and urban areas.

The policy demands implementation of Minimum Wages as prescribed by 15th Labour Conference; social security (including education and housing) for all workers including gig workers and due personal income policy (government pays the difference between minimum wage and actual wage in case the latter is lesser than the former). Also, the policy proposes poverty alleviation and social security measures to be developed keeping in mind rural areas which are vulnerable to natural disasters.

The policy proposes the establishment of a National Unemployment Fund into which different States can contribute based on their capacity. According to the proposal, expenditure on social sector and employment generation activities should be around 7% of GDP which can be financed through:

- 2% nation building tax on the assets of top 1% rich
- Tax on the inherited wealth of their heirs at the rate of 30%
- Robot/Automation tax
- Collection of CSR funds from the corporates by the government

Finally, the policy prescribes the creation of a legal apparatus (laws and tribunals) for smooth employment generation process and grievance redressal. At the same time, a separate entity for monitoring and evaluation of the national employment policy through MIS is sought to be established.

All the proposed schemes are compiled for comparison and selection of what may be considered best practice.

Table 9: Assessment of Proposed Urban Employment Schemes & Programmes

Themes	(References follow in the next page)	Urban Right to Work Bill 2008	Strengthening Towns through Sustainable Employment 2019	Nyuntam Aay Yojana 2019	Inclusion of Internal Migrant Workers 2020	Decentralised Urban Employment and Training 2020	Bhagat Singh Urban Employment Guarantee Bill 2022	National Employment Policy 2022
Rights	Enactment of Law	✓	✓				✓	✓
	Implement Labour Laws				✓	✓		
	Collectivise Labour	✓			✓			
	Planning through 74 th CAA	✓	✓				1✓	
	Worker Participation	✓						
Security and Wage	Poorest			2✓				
	Unskilled & Unemployed	✓	✓			✓	✓	
	Casual & Semi-skilled	✓				✓		
	Self-employed & Salaried	✓						
	Educated youth	✓	✓			✓	✓	
	Migrants		✓		✓			
	Common needs	3✓						
	Registration	4✓	5✓		✓	6✓	7✓	
	Days guaranteed	300	100/150	365			250	
	Accessible & Safe	✓	✓		✓	✓		✓
	Wages (₹)	1,300	500	231		8✓	9✓	1,300
	Due Income ¹⁰	✓						✓
	Social Security	11✓			✓	✓	✓	✓
	Shelter	12✓						
Norms	13✓				14✓	14✓		
Support	Self-empowerment	15✓			✓			
	Surveys & administration		✓		16✓			✓
	Transparency	17✓	18✓		✓	19✓		20✓
	Accountability	21✓	20✓	22✓	✓	23✓	24✓	
	Payment on time	✓	25✓			✓	✓	
	Unemployed allowance (₹)	✓	✓				✓	26✓
	Skilling Programmes				✓	✓		✓
	Set up Facilitation Centres				✓			✓
	Nodal Agency to be set up		✓		✓			✓
	Water conservation		✓					✓
	Sanitation		✓					✓
	Disaster risk management				✓			✓
	Infrastructure maintenance		✓			✓		✓
	Public health care		✓					
	Restoration of commons		✓					✓
Women				27✓	28✓		29✓	
Jobs	Investment/labour cap	✓						
	Lift ban on recruitment	✓						
	Restrict contract & private	✓						✓
	Promote Manufacturing				✓			✓
Fund	Financing	30✓	31✓	32✓	33✓	34✓	35✓	✓
	Implementation		36✓			37✓	38✓	
	Estimated cost (% GDP)		³⁹ 1.7/2.7	⁴⁰ 1.0/2.0				⁴¹ 7.0

¹ By ULB Committee, government to audit	² 20% who number 5 crore families	³ Formal Credit, Space & Tenure
⁴ By Employment exchanges at Ward level	⁵ MIS will match job cards to job available	⁶ Issue Job Stamps
⁷ Issue job cards	⁸ Statutory minimum wage	⁹ Matching with skills and experience
¹⁰ Minimum less actual wage	¹¹ As part of Living wage	¹² Shelter near work
¹³ Through participatory research	¹⁴ Employers to ensure work standards	¹⁵ With government assistance
¹⁶ To bridge the evidence gaps on migrants	¹⁷ Right to Work Councils	¹⁸ Through MIS and social audits
¹⁹ Certification of work done on job stamp	²⁰ Labour Ministry ALMPs to maintain data	²¹ Workers committees & public hearings
²² Panel of eminent economists-statisticians	²³ By placement agencies	²⁴ Review Committees of ULBs
²⁵ Decentralised payments by ULBs	²⁶ To be called 'work fare' to avoid morality	²⁷ Woman will open bank account
²⁸ Gender specific needs of migrant women	²⁹ Women will get half the jobs	³⁰ National Right to Work Fund
³¹ Transfers from Centre to States to ULBs	³² From new revenues and rationalisation	³³ From development aid agencies
³⁴ Employers to share in wage payments	³⁵ Central allocations through Parliament	³⁶ Involve Ward Committees & Sabhas
³⁷ By placement agencies along with ULBs	³⁸ By the relevant ULBs	³⁹ For every household / for every adult
⁴⁰ Year 1 / Year 2	⁴¹ National Unemployment Fund	

4.10 Conclusions

Table 9 provides an overview of all the seven MIS proposals that have been reviewed for this Section. They represent the thinking of civil society actors after reviewing the performance of earlier schemes and the experience gathered during the lockdowns that marked the social and economic crisis created by the COVID-19 pandemic. A comparison between *Tables 9* and *8* is useful to understand how the proposed schemes add substance to the issues that emerged from earlier Sections as well as point to additional issues that would have to be considered for designing a more comprehensive sustainable urban livelihoods programme.

1. Does reliable data inform these urban employment schemes?

Except for the Nyuntam Aay Yojana and the Bhagat Singh Urban Employment Guarantee Bill, the other proposals are based on reports and briefs that are based on primary and secondary data.

2. Do the proposed schemes ensure security & living wage for all workers?

Days of work range from 100 to 365; two recommend living wages and one is based on minimum wages. Most are in favour of social security and accessible & safe wage employment. Only two consider self-employment; and only one accommodates all categories of workers. Four suggest unemployment allowances.

3. Are there special provisions for women, youth and gig workers?

Three of the seven proposals give priority to women. Four focus on the unskilled and unemployed and they all also mention educated youth as the neediest for work. None pay attention to the growing gig economy.

4. Do the urban schemes expand the stable manufacturing sector?

Only two highlight the manufacturing sector; and two recommend restrictions on the private sector and contractualization to enhance availability of decent work. But they all analyse financing mechanisms.

5. Do they protect labour stability during disasters?

Only two schemes propose disaster risk management but the emphasis on safe work is pronounced. Others also speak of a range of environmental sub-themes to provide wage employment.

6. Do they reduce urban poverty?

There is not much discussion on poverty reduction although the assumption is that if the poorest sections are able to find secure employment with minimum wage then their vulnerability will reduce. There is significant emphasis on participation, transparency and accountability.

It is now possible to draft a comprehensive Sustainable Urban Livelihoods Programme by incorporating all the lessons learnt from extant national and state level urban employment schemes and amalgamating all the provisions and suggestions made in schemes proposed by several scholars and institutions. However, it is critical to also take into account the needs and thoughts expressed by urban workers themselves. Their experiences of the urban economy and state of employment are critical to provide a practical and realistic basis for designing any future scheme. We shall proceed to examine this aspect in the next Section.

Section Five: Primary Studies to Assess Urban Labour Needs

5.1 Context

In previous Sections the dynamics of the urban working class; its trajectory since the early 1990s after the advent of liberal pro-market and pro-investor policies; the pattern of sectoral employment; and the upward trend in direct and concealed urban unemployment have been examined – as disclosed by official surveys. Based on this, a set of four themes emerged, regarding: 1) Security and living wages for all workers; 2) Special provisions for youth and women; 3) Expansion in the stable secondary sector; and 4) Stability in the labour market during disasters. These have given a matrix against which to assess urban employment schemes.

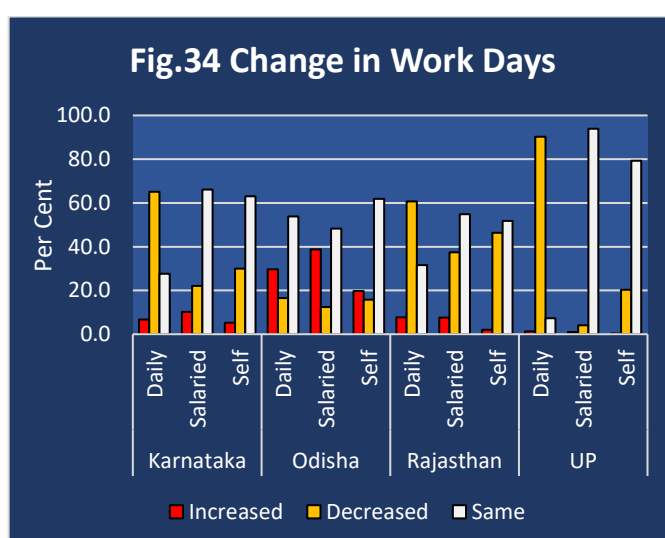
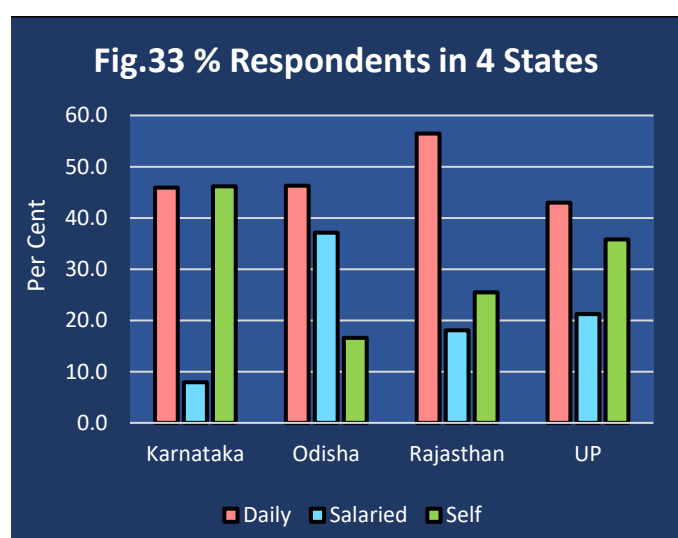
National and State schemes for urban employment have emerged since the late 1990s, patterned on NREGS, especially during the pandemic, to address the insecurity in the urban labour market. But it is not clear how much impact they have had. The trend within these schemes has been to move from providing temporary wage employment to promoting self-employment through skill development and extension of credit, specially to SHGs. There is no record available about how many of these initiatives have provided stable livelihoods or been sustainable. There has been some effort to build eco-restoration of urban areas into the schemes but these have been inadequate.

Several urban employment schemes have been proposed by concerned institutions and individuals, building upon an assessment of past efforts and putting forward new ideas. They display consensus on the need for a Law, assured Funding, and fixing Wages and Accountability. There is also broad agreement on worker Registration, Safety at work, Social security and Transparency. The urban Poor and Migrants have been brought centre-stage and more sectors suggested for special attention. There has been an emphasis on Manufacturing to create sustained livelihoods. Within this market economy, there has been an effort to hold the government to be the Employer of Last Resort.

In order to ground-truth these ideas and to assess to what extent they represent the voices of the urban workers, primary surveys were conducted in worker clusters, such as labour chowks, by local teams in the cities and towns of *Karnataka* (Huvinahadagali, Hagaribommanahalli, Kundapura & Udupi); *Odisha* (Bhubaneshwar, Cuttack & Rourkela); *Rajasthan* (Baran, Churu, Jaipur & Jodhpur); *Uttar Pradesh* (Jaunpur, Kanpur, Lucknow & Prayagraj). Three out of these four States are included in our review (Section 2).

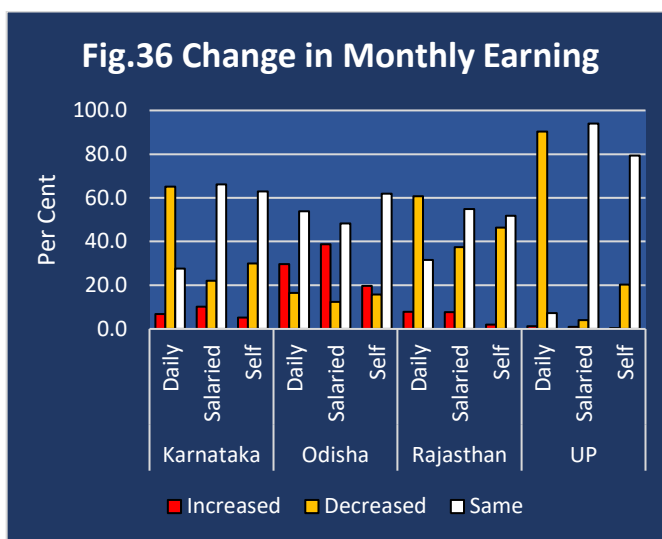
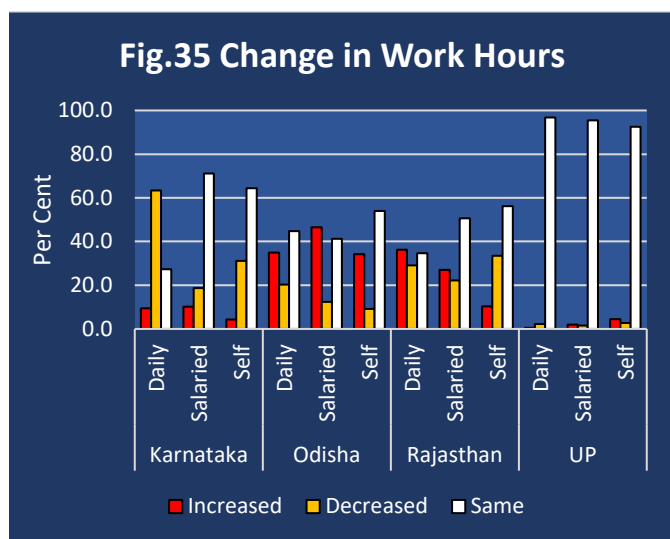
5.2 Karnataka, Odisha, Rajasthan and Uttar Pradesh

A total of 2,931 respondents were interviewed from the 15 towns and cities in the four States, amounting to about 0.04% of the working population. The effort was to obtain a sample distributed according to the national ratio of 11.3% Daily wagers, 49.0% Salaried workers and 39.9% Self-employed. However, field teams could access a purposive set biased heavily in favour of 47.9% Daily wagers, with only 19.5% Salaried and 32.6% Self-employed. Even this distribution was not uniform across States, as is shown in *Figure 33*.



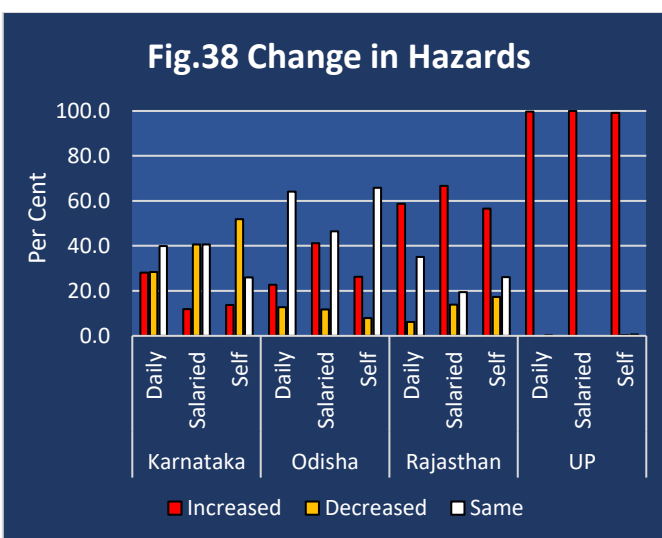
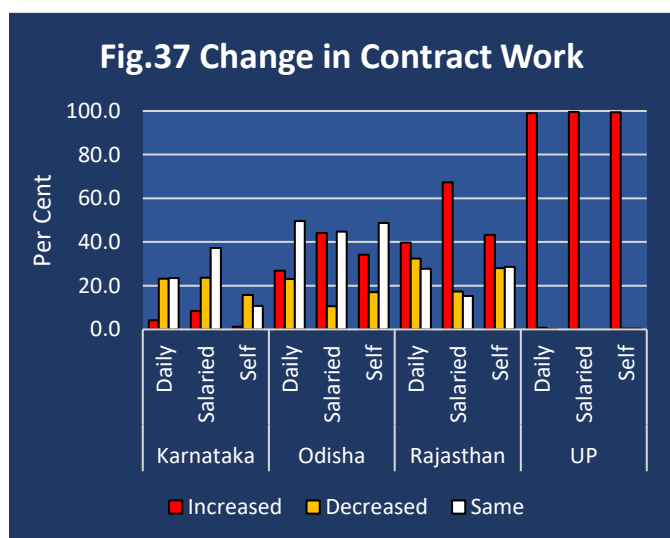
Source: Primary Surveys, 2023

The respondents reported a substantial decrease in the work days of Daily wagers across the urban settlements over the last three years (**Figure 34**), except for the towns in Odisha. This underlines the vulnerability of this category of urban workers, as a day not worked means a day not earned. Since the data was collected on the basis of recall of changes over the last five years, it gives a good insight into what was the impact of the pandemic-induced lockdowns, which appears to be missing in the official data. Salaried workers largely felt that their situation was about the same – substantiating that their jobs tend to be more secure during economic crises, even if the tenurial rules of signed contracts, assured security and paid leave have not been followed. Self-employed workers seem to have found a more stable toehold in preserving their livelihoods, although very few said that work days had increased. The ability of these workers to survive through the twin disasters of demonetisation and the lockdowns may represent a form of entrepreneurship that is very different from the skilling and self-employment of official schemes.



Source: Primary Survey, 2023

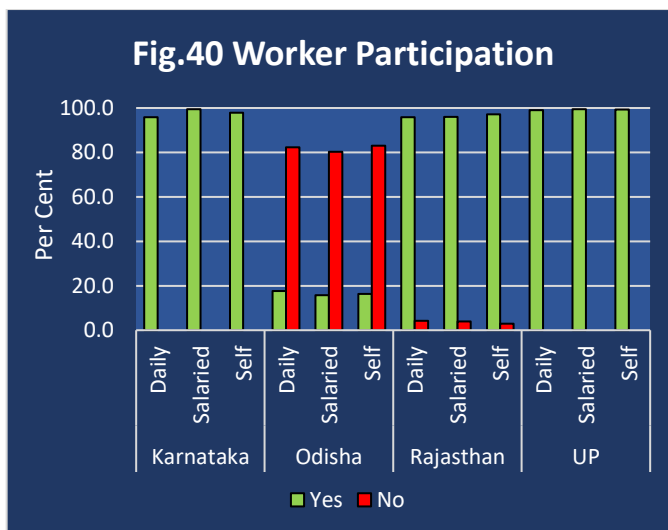
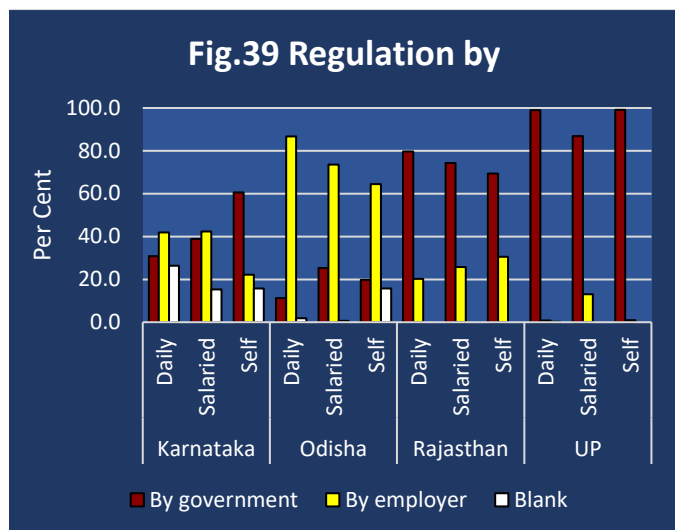
The survey data for change in work hours and monthly wage (**Figures 35 and 36**) yielded a more complex picture. For most Daily wagers work hours had decreased in Karnataka; increased a bit in Odisha and Rajasthan, and remained the same in Uttar Pradesh. Salaried workers and Self-employed in all States felt their work hours remained the same, although a few in Odisha and Rajasthan reported an increase. What is interesting, though, is that while business may have been perceived to continue as usual, substantial numbers in all categories reported a decrease in the monthly earnings, except for Salaried workers in Odisha and Uttar Pradesh. Thus, more than urban employment schemes, it is the markets that seem to have determined the extent of the labour crisis and the inability (or capacity) of these workers from small and medium towns to survive that crisis, unless they were salaried.



Source: Primary Survey 2023

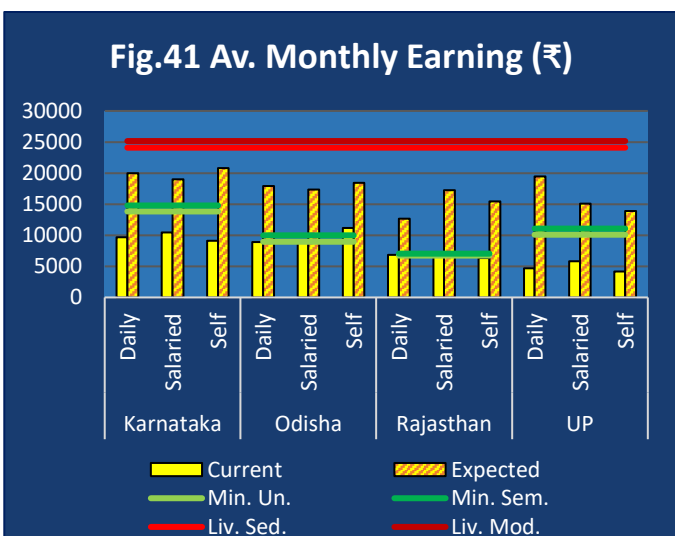
One would have expected to see an increase in contractual work in the immediate past as part of the structural changes in the economy and this has happened with the surveyed population even for salaried workers (**Figure 37**), except

for Karnataka. These variations across and within regions indicate that local conditions of trade, production, markets and consumer demands are powerful factors that impact on livelihoods.



Source: Primary survey, 2023

All three categories of workers in both Rajasthan and Uttar Pradesh agreed that work had become more challenging in their States, while in the other two States for many it had remained much the same or safer (*Figure 38*). Perhaps, therefore, the market is more aggressively exploitative in Rajasthan and Uttar Pradesh and this is indicated by the rise of contract labour and being paid lesser rates in both States. It is further remarkable that it is in these two States of Rajasthan and Uttar Pradesh that there is a dominant perception among all workers that government is the enforcing authority for safety regulations; while in Karnataka and Odisha there are significant numbers who place their faith in employers being active in following regulations (*Figure 39*). *Figure 40* shows that there is near unanimity across all categories of urban workers in Karnataka, Rajasthan and Uttar Pradesh that they are desirous of participating in making policy and expressing their views on their own behalf. Only in Odisha does this self-belief seem to be lacking. Hence, interaction among urban workers, sharing of experiences, and the right to organise would appear to be extremely important.



	Karnataka	Odisha	Rajasthan	UP
Daily	8 - 12	6 - 12	5 - 12	9 - 12
Salaried	8 - 12	5 - 12	9 - 12	12
Self	8 - 12	6 - 12	4 - 12	9 - 12

Min. = Minimum; Un. = Unskilled; Sem. = Semi-skilled; Liv. = Living wage; Sed. = Sedentary work; Mod. = Moderate work. Minimum wages are based on the State notifications; Living wages were computed using the 15th ILC formula (for 26 days).

Source: Primary survey 2023

In this context, the question of what workers actually get paid as compared to what are their expectations and what is mandated by law, makes for very revealing insights (*Figure 41*). The data shows that the workers' earnings were (assuming 26 days of work in a month) either just about the same as the declared minimum wage for unskilled workers (₹385 in Odisha and ₹259 in Rajasthan) or much lower (30-52%) than the statutory minimum wage (₹532 in Karnataka and ₹388 in Uttar Pradesh). Their expectations were significantly higher than the minimum wage for semi-skilled labour (1.83 times in Odisha, 2.04 in Karnataka, 2.25 in Rajasthan, and 3.30 in Uttar Pradesh). Yet, when

compared to the living wage (computed according to the 15th ILC formula with 2700 Kcal as the nutritional value for moderate work, and taking commodity prices from wholesale markets in Delhi), the ratio shot up to 2.6 in Karnataka and Odisha, 3.8 in Rajasthan and 5.1 in Uttar Pradesh. It should also be noted that the nutritional values of 2700 Kcal may be much lower than what workers actually expend in energy during heavy work (see **Figure 12**).

The expectation of workers for how many months in a year they need work to earn a decent living, as displayed in **Table 10**, is important. While all urban categories of Karnataka are asking for work 8-12 months in the year; it varies from 5-12 to 6-12 months in Odisha; and goes up to 9-12 months in Rajasthan and Uttar Pradesh. This is illustrative of the livelihood crisis as seen from the workers' perspective. It also challenges the NREGA-based vision of 100 days (3 months) of work in the year, followed in most urban schemes, as being adequate. In addition, through the primary survey, workers repeatedly expressed their need for facilities for food, water, safety and toilets at the work site.

While the primary surveys did not elicit data on gender and social caste, the workers were classified into three categories on the basis of age. **Table 11** provides some of the differentiated data where the numbers are significant. For younger (15-24) daily workers, work hours may not have decreased but over 60% reported a decrease in working days and a corresponding drop in wages. They also reported a significant increase in contract work and work hazards but the older workers (25-64) seem to have been more affected. What is noticeable is the number of adolescents (<15) in salaried workers who are also reporting decrease in working hours, days and wages with an increase in hazards while older workers are reporting an increase in contractual relations and hazards. Surprisingly these two factors are also prevalent for adolescents who are self-employed. By and large, the precarity of all workers is striking.

Table 11: All Four States – Responses by Age (%)						
Parameter	Category	Daily		Salaried		Self
		15 to 24	25 to 64	<15	25 to 64	<15
Work hours	Decreased	27.56	27.67	63.33	5.45	12.30
Work days	Decreased	65.35	63.43	60.00	21.82	16.02
Monthly wage	Decreased	70.87	67.76	80.00	36.36	36.72
Payment	Delayed	16.54	16.20	0.00	3.64	10.94
	Less	14.17	16.84	3.33	1.82	8.79
Contract work	Increased	40.16	47.23	23.33	85.45	63.67
Work hazards	Increased	56.69	57.26	73.33	76.36	63.87
Govt regulation	Yes	60.63	64.23	23.33	83.64	58.01

5.3 Himachal Pradesh

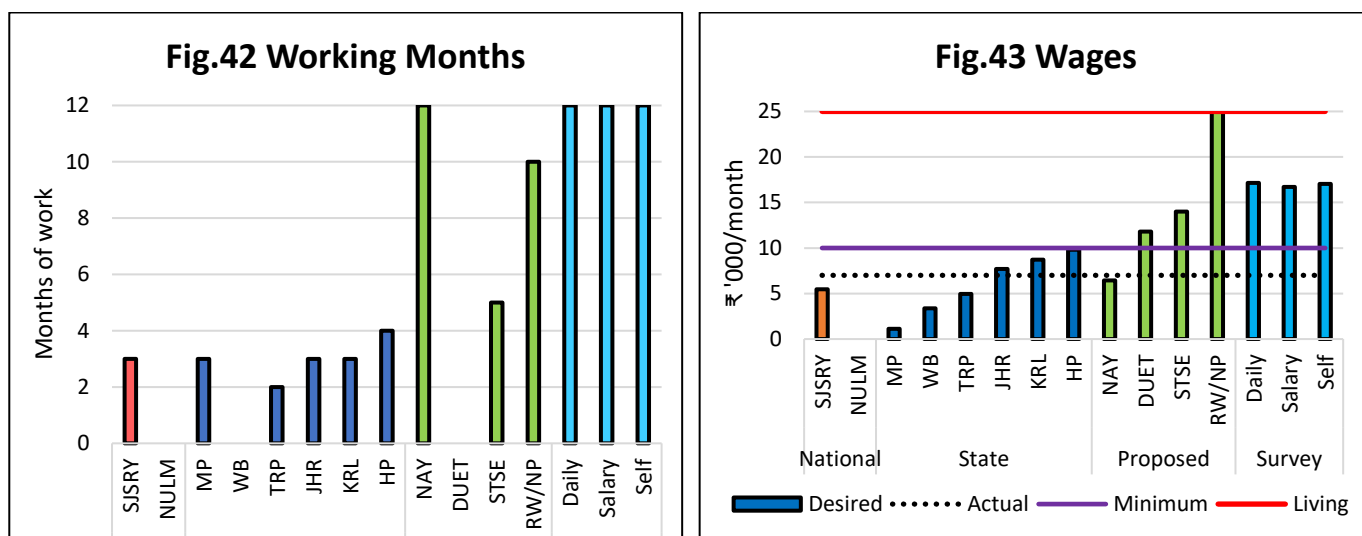
A rapid assessment of the implementation of the Mukhya Mantri Shahari Aajeevika Yojana (MMSAY) in Himachal was conducted by the team that reviewed the State scheme. It followed the same format as for the primary survey. A total of 284 candidates had registered under MMSAY at Shimla in 2020-21 and Job Cards were issued to all of them. 166 applicants accepted the work that was offered. From among them, 59 workers from different locations were traced. The highest age group in this set was 36-45 years (37.3%), followed by 26-35 years (33.9%). A smaller number (17) were illiterate. 57 were unskilled, and 2 had an ITI diploma. 30 respondents had 5-8 members in their family. 31 had lived in Shimla for more than 21 years, 57 from before the lockdowns, and 48 were living in rented houses.

They said they came to know about MMSAGY from the ULB, mostly through social media. 48 of them applied off-line even though 33 had smart phones and, therefore, could have accessed the Net, yet only 7 applied online. 38 workers said that the job card was provided within 15 days of their application. The majority (51) were assigned work related to sanitation. 45 workers received the stipulated 120 days of work. 53 respondents reported wage payments of ₹250 per day and 55 claimed they were able to earn ₹9000-15000 per month. However, 51 workers said that the livelihood provided under MMSAY was not sufficient to maintain their families. 53 revealed that it was their only option under distress conditions.

All 59 workers felt the need for a continuing urban employment guarantee scheme as a regular source of livelihood. 56 stated that work should be provided for all 12 months and it was the duty of the government to do so. 57 workers said that all facilities of water, shade, food, etc should be available at the work site. 31 said that they worked for only 30 days. 23 respondents said that the income has increased; 21 remained silent; and 12 reported a comparative decrease in income. 23 opined that work challenges had decreased; 9 said that they had increased; 21 chose to remain silent. 27 workers expressed that they were ready to contribute to policy-making, but 30 were hesitant. The small differences from the primary survey – for increase in wages and better working conditions – may be attributed to the fact that these workers were employed in a State urban employment guarantee scheme.

5.4 Comparison

Figures 43 and 44 provide a comparison between the supply-driven Government & non-government schemes and the demand-driven aspirations of the workers interviewed – with the caution that these workers are not representative of the national distribution of daily/salaried/self-employed (11.3/49.0/39.9% as compared to the primary survey’s 47.9/19.5/32.6%), but are heavily weighted in favour of the daily workers and against the salaried. Hence, a larger and purposive sample survey is clearly called for.



Nevertheless, even from the perspective of the daily and self-employed workers, who have no tenure and security, the comparison provides important clues. Thus, the surveyed workers clearly desired 12 months of work in the year as compared to the 3 months (100 days) promised by both National and State schemes. NULM, of course, did not have provisions for wage employment at all. Only one of the non-government proposals matched workers’ aspirations. Also, all categories of workers were actually receiving a monthly income 36.4% below the stipulated minimum wage, which was also true of most of the government schemes (except for Himachal Pradesh). They desired to receive a wage 133.7% higher than their current earning; 71.3% higher than the minimum wage; but still 48.3% lower than the living wage. Except for one, all the non-government proposals did not meet this criterion either.

Table 12 compares the remaining aspects of working and living conditions and vulnerability. Most of the extant national and state schemes as well as the proposed schemes focussed on either the unemployed or the unskilled. They did not differentiate between daily, salaried, and self-employed workers, even when these categories may have been looking for secure livelihoods. The government schemes also had little to offer for work that was unsafe or contractual. As top-down supply driven schemes they also had no provisions for participation by workers or for regulation and registration that could be tied to social security. Their emphasis was on skilling for self-employment and hence, the focus was on youth and women as individual or group micro-entrepreneurs. Hence, manufacturing with potential for large scale employment was missing from these schemes. The proposed non-government schemes, on the other hand, paid attention to many aspects of safety, security, registration participation and regulation. The workers’ demands were ahead of what even non-government schemes were proposing – except for safety, registration, women’s priority and financial provisions. It was also a grievous mistake, in hindsight, that the primary survey did not consider the gendered division of labour or local forms of entrepreneurial efforts that helped the workers through the different crises.

Table 12: Comparison of Associated Factors

	National schemes (2)	State schemes (9)	Proposed schemes (7)	Survey (15)		
				47.9%	19.5%	32.6%
Categories (%)	Unemployed	Unskilled	Unemployed	Daily	Salary	Self
Hazards (increase)	-	-	✓✓	✓	✓	✓
Contract (increase)	-	-	-	-	✓	✓
Participation	-	-	✓	✓	✓✓	✓✓✓
Social security	-	-	✓✓	✓	✓	✓
Regulation (Law)	-	-	✓	✓	✓	✓✓
Registration	-	-	✓✓			
Skilling	✓✓✓	-	-	✓		✓
Environment	-	✓✓	-	✓	✓	✓
Youth	✓✓✓	✓	✓	✓	✓	✓
Women	✓✓✓	✓	-			
Manufacturing	-	-	-	✓	✓	✓
Finance (%GDP)	0.05	0.001-0.013	1-7			

All figures are in %; the number of ✓ indicate that the majority of schemes/respondents include the factor

All these elements can now come together to formulate a sustainable urban livelihoods programme that matches the workers' needs and desires.

5.5 Conclusions

What do Urban Workers Want?

- Daily wagers, especially the youth, want an increase in days of work and decrease in contracts and hazards.
- Salaried workers had a monthly income, but contracts and hazards had increased, particularly for adolescents.
- Self-employed persons were more stable, but adolescents suffer from lower wages and higher hazards.
- Monthly earnings decreased for both daily wagers, especially youth, as well as the self-employed.
- In both Rajasthan and Uttar Pradesh, workers wanted governments to step in for stricter regulation.
- Expectations were for wages that were 2 to 3 times the prevailing market rates in all five States.
- Living wages, agreed to by a tripartite body and endorsed by the Supreme Court, were 2 to 5 times higher.
- Majority of urban workers want between 9 to 12 months of work in a year (over 300 days in most cases).
- The work should build productive assets for future livelihoods and not be restricted to cleanliness and roads.
- Payment should be at least at the rate of ₹500 per day, going up to ₹770 per day depending on local costs.
- Workers also want facilities for food, water, safety, toilets, fans and shelters at the work site.
- Most workers are confident that they can participate in policy making for sustaining urban livelihoods.

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Section Six: Framework for an Action Plan

6.1 Context

In previous Sections, this review has:

- Contextualised the policies for urban growth and their linkage with migration and urban poverty
- Traced the trajectory of urban growth over three decades with the labour seeking work almost tripling
- Analysed the rates of labour finding work, and unemployment growing more than three-fold in urban areas
- Grasped the distribution of urban labour into daily wagers, salaried employees and self-employed since 1990
- Presented the changes in monthly earnings and working hours for urban labour in the last three decades
- Highlighted that urban workers differentiate between employment and livelihoods as per their work

Suggested six themes around which further exploration could take place:

- reliable data is needed for informed policy
 - security and living wages for all workers
 - special provisions for youth, women, and gig workers
 - expansion in the stable secondary sector
 - stability in the labour market during disasters
 - livelihood policy must reduce urban poverty
- Explored the manner in which different committees have specified minimum wages over seven decades
 - Collected data on the State-wise numbers of urban poor and how these have changed
 - Examined the record of Swarna Jayanti Shahari Rozgar Yojana and National Urban Livelihoods Mission
 - Tried to understand the impact of the four new Labour Codes on protecting livelihoods.
 - Drawn lessons from the Mahatma Gandhi National Rural Employment Guarantee Scheme

Observed how the emphasis has shifted

- from providing wage employment to promoting entrepreneurship
 - from worker-friendly policies to investor-friendly ones
 - from thrift groups to self-help groups of women
 - but with no record of how many of these have been financially viable
- Researched the performance of urban employment schemes in nine States, beginning in 2009
 - Found that they began by identifying the need for wage employment but rapidly moved to self-employment
 - Reviewed that these state schemes do not exceed 180 days of work at the rate of ₹350 per day

Discovered that:

- credit and skilling given to entrepreneurs and women is inadequate for manufacturing
 - schemes were marred by poor records, low wages, unused budgets and fund diversions
 - the growing gig economy falls within a no employer-employee grey area
- Learnt about the principle of the government being the Employer of Last Resort in place in five nations
 - Investigated seven proposals for urban employment put forward by concerned groups and institutions

Summarised that there was broad consensus on:

- ❖ the need for a law with assured funding,
 - ❖ fixing wages, accountability and transparency for decent work
 - ❖ worker and employer registration, safety at work and social security
 - ❖ bringing the urban poor and migrants centre-stage
 - ❖ emphasising measures to create sustained urban livelihoods
- Conducted primary surveys in towns of five States with 3000 respondents to listen to workers' voices
- Realised** that workers of all three categories give priority to:
- guaranteed livelihoods for the entire year
 - an increase in the days of work every month
 - regular monthly incomes at the rate of ₹500-770 per day
 - productive work for sustaining future livelihoods based on existing practices

- stricter regulation by governments
- facilities for food, water, safety, toilets, fans and shelters at the work site
- participation in policy making for sustainable urban livelihoods
- a focus on women and youth-centred policies

It is now possible to suggest a framework for urban livelihoods built on past best practices, what urban workers want, what are the differences and even conflicts within them, and the possible spaces for intervention by workers' unions. Perhaps the way past diversity and difference in worker associations is increasing democratisation among workers.

6.2 Proposed Action Plan

The following recommendations emerge from this study as the core of an Action Plan:

- Three hundred days of work
 - Lift the freeze on recruitment and expand public sector manufacturing and services ⁱ
 - Establish a cap on all public and private investment per livelihood generated ⁱⁱ
 - Keep the material-to-wage ratio level in a public wage-employment scheme ⁱⁱⁱ
 - All schemes should be designed for protecting and reviving the ecological base ^{iv}
- Fair wages and allowances
 - The transition from actual to minimum to living wage has been in suspension for 70 years
 - The state, as Employer of Last Resort, must either provide work or pay unemployment allowance
 - Work provided must be paid for with the living wage to cover basic needs of a worker and family
 - This has to be ensured for both males and females, as well as age groups, according to their needs
 - Unpaid labour, especially of women, has to be acknowledged and remunerated
- Self-help, micro-enterprises and returnees
 - Redistribute existing budgetary allocations to empower returnees and self-employed labour
 - Support *collective* self-help and micro-enterprises according to existing skills and knowledge
- Finance
 - Allocate for fair wages in the budget from GDP that workers create
 - Penalise profit creation at the cost of job creation ^v
 - Levy penalties on the basis of externalities
 - Tax high wealth accumulation and consumption
- ***Finalise draft legislation to incorporate all issues outlined above***
- ***Offer the final design for widespread public consultations and debates***
- ***Draw in local regional and national unions of labour for informed discussion***
- ***Assist labour to demand a programme with support from labour unions and political parties***
- ***Circulate among key policy makers***

ⁱ The freeze was announced in 1990 and a review of its "efficiency" is long overdue.

ⁱⁱ Caps are already in place for Foreign Direct Investment in 'sensitive' areas - hence there is no reason for not implementing them for all investment related to job creation, especially when public interest competes with private interest.

ⁱⁱⁱ Material-Wage ratios have been part of public employment schemes for a long time.

^{iv} Protection of bio-resources has already been accepted in urban planning through environmental imperatives such as Climate Change.

^v The recent shift from Productivity Linked Incentive to Employment Linked Incentive is indicative of this trend.

The availability of reliable data is essential for making relevant policy. The changes in methodology from time to time by different expert committees makes it difficult to compare data sets. From the examples of the State schemes and the primary survey conducted for this study, we recommend crowd-sourcing of data using a common method so that public participation in line with the 74th Amendment can strengthen the ULBs and lower tiers.

In so far as data is available (see Section 7), we can give a rough estimate about the number of urban workers who will be covered (based on PLFS data of 2021-22) through the proposed Action Plan (*Table 13*).

Table 13: Proposed Employment Generated and Protected					
No.	Sec.	Programme	Option	Jobs protected	
1	Work Generation			<i>Norm 1</i>	<i>Norm 1</i>
	1.1	Un-freeze recruitment at pre-1990 growth rate	One	5,50,000	
	1.2	Cap on Investment per job for public sector	Two	¹ 10,08,000	² 6,30,000
	1.3	Cap on Investment per job at for private sector ³	Three	6,00,000	
	1.4	Urban Employment scheme for 300 days at MWR 50:50 ⁴	Four	1,24,33,000	
2	Fair Wages			<i>Min. wage</i>	<i>Liv. wage</i>
	2.1	Unemployment needing allowance ⁵	One	1,24,33,000	1,24,33,000
	2.2	Self-employed seeking Due Wage	Two	1,69,84,000	7,32,92,000
	2.3	Daily wagers seeking Due Wage	Three	2,48,25,000	2,48,25,000
	2.4	Salaried seeking Due Wage	Four		8,75,42,000
3	Self-help, Micro-enterprises, Returnees			<i>Norm 1</i>	<i>Norm 2</i>
	3.1	Unemployed women needing Self-help aid	One	⁶ 36,72,000	⁷ 73,44,000
	3.2	Unemployed needing Loan for micro-enterprise	Two	⁸ 18,64,950	⁹ 43,52,000
	3.3	Workers who returned in 2021 requiring Assistance	Three	¹⁰ 1,14,31,000	¹¹ 2,38,00,000
Notes: ¹ ₹30 lakh cap; ² ₹48 lakh cap; ³ ₹58 lakh cap; ⁴ at full wage; ⁵ at 3/4 th wage; ⁶ ₹20,000 to 10%; ⁷ ₹50,000 to 20%; ⁸ ₹50,000 to 15%; ⁹ ₹1,00,000 to 35%; ¹⁰ documented; ¹¹ estimated.					

It should come as no surprise that it is the daily wagers and self-employed who shall be most protected under the Action Plan with respect to jobs becoming available through an urban employment scheme and due wages, as they do not get even stipulated minimum wages – especially for women. As the availability of work expands because of lifting the curbs on fresh recruitment and capping investments per job generated, it should also significantly affect the entry of more women into the workforce. This is because the process of encouraging ‘self-employment’ has actually been a way of rendering the employer invisible and drive the worker into precarity.

The gig and platform workers are, of course, the most visible aspect of this process and have the full support of policy-makers. But much earlier than the gig economy there was the piece-rated system; the supply chain with work being outsourced; the labourers engaged in transportation and distribution; the contract system fiercely defended by the public sector; and even the health care worker. These individuals were not even acknowledged as ‘workers’ but euphemistically called migrants, helpers, apprentices, volunteers, activists, and now partners. Hence, they have been denied any semblance of protection under labour laws, except for an entitlement for minimum wages.

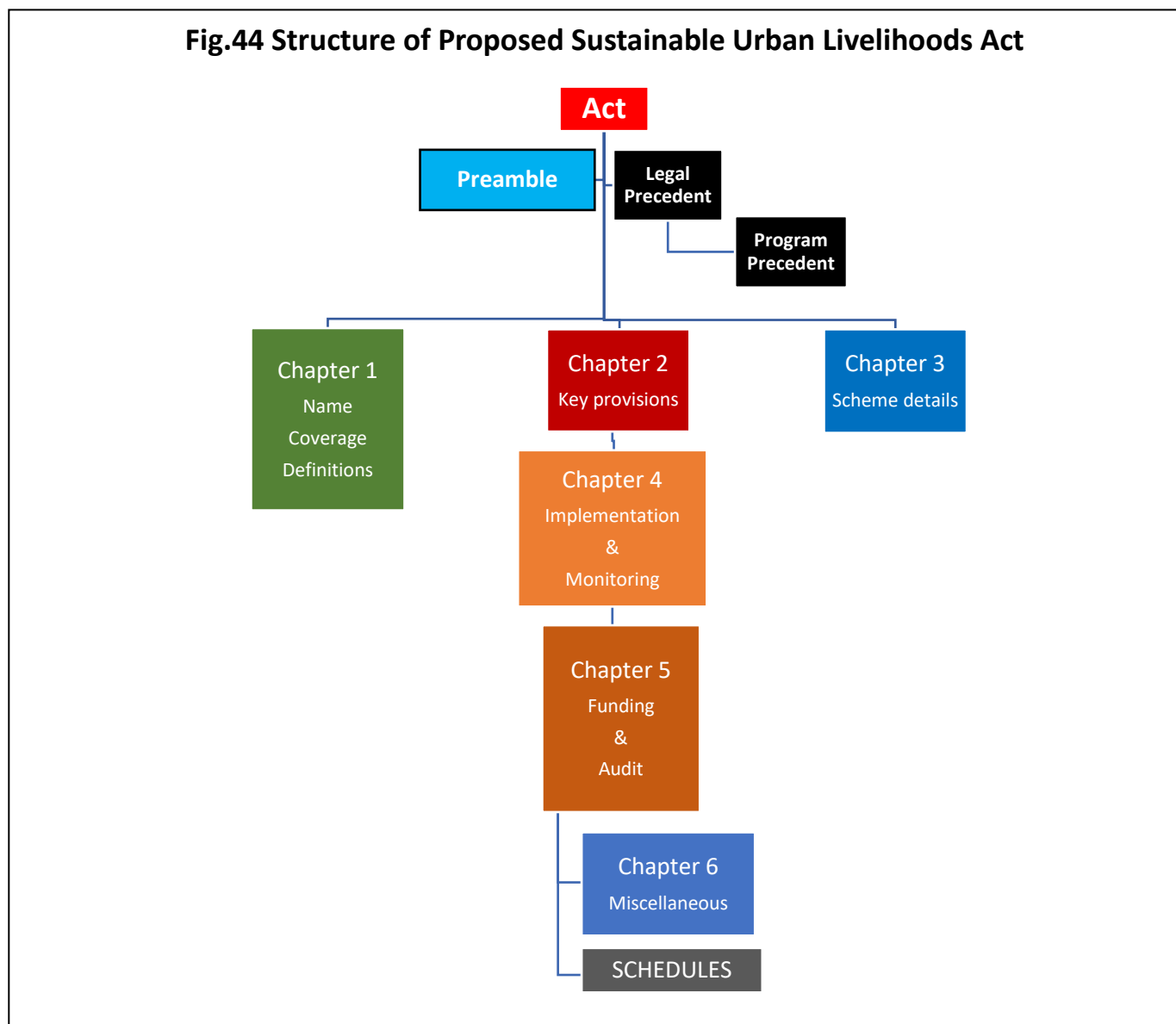
However, when the question of living wages arises, then even the urban salaried workers enter the picture, in almost as many numbers as the self-employed. They are joined by the daily wagers as well as the distressed returning from the cities to their rural homes; including unpaid workers, mostly engaged in home-based work and family enterprises. If the estimate of the unpaid is as high as 18.3% of the work-force is considered, then their presence would be a powerful one in an alliance around the right to livelihoods and wages.

We can now consider in more detail the legal and financial aspects of such an Action Plan. As mentioned earlier, the key lesson learnt from NREGA is the necessity for an Act of Parliament, instead of schemes based on government

discretion, with participatory governance at its core. Is it realistic to intervene through a pro-labour law in an investor-friendly context? This question can be addressed by upholding the principle of State as Employer of Last Resort. And borrowing from existing legislation such as the 74th Constitutional Amendment Act, 1992, Building & Construction Workers Act, 1996, Unorganised Workers Social Security Act, 2008, and Street Vendors Act 2014.

6.3 Sustainable Urban Livelihoods Act

The proposed Act would have the following components (*Figure 44*):



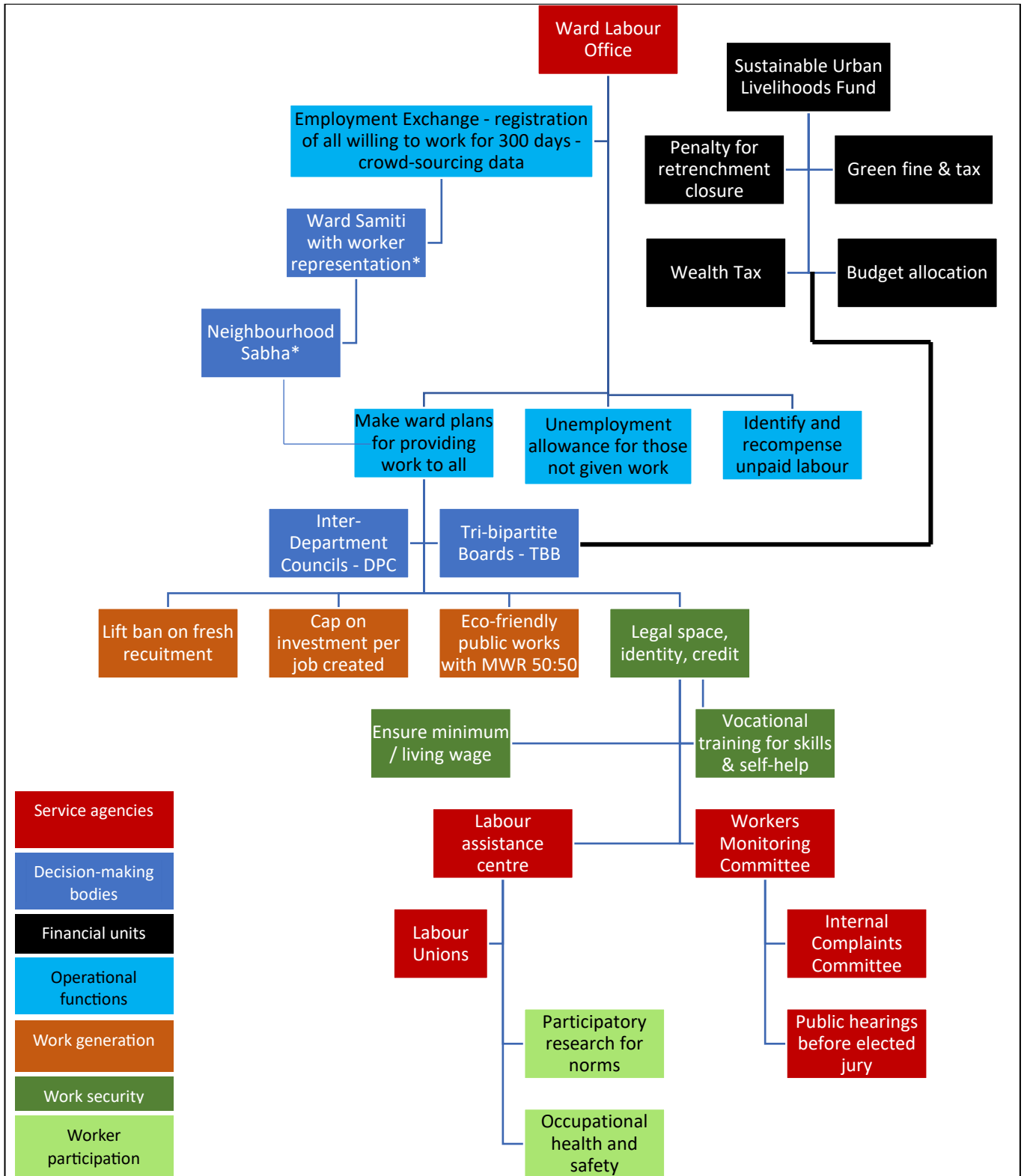
The proposed Act would also be complementary to the provisions contained in the 74th Constitutional Amendment Act 243 of 1992, which was enacted by Parliament to enable the Urban Local Bodies to perform effectively as vibrant democratic units of self-government. The Amendment specified three categories of urban local bodies: Mahanagar Nigam (Municipal Corporation); Nagar Palika (Municipality); and Nagar Panchayat (Notified Area Council or Town Panchayat).

Under the Amendment:

- all the seats in a Municipality shall be filled by persons chosen by direct election from the wards (243R(1));
- Wards Committee shall be constituted, within the area having a population of three lakhs or more (243S(1));
- the State Legislature may constitute Committees other than Wards Committees (243S(5));
- the Urban Local Body shall prepare plans and implement schemes listed in the Twelfth Schedule (243W(a));
- the State Legislature may authorise ULBs to levy and assign taxes and fees; and make grants-in-aid (243X);

- these would be according to principles recommended by the Finance Commission (243Y(1)).
- Using these provisions from the 74th Constitutional Amendment Act, the proposed Sustainable Urban Livelihoods Act shall have the following functions as given in *Figure 45*.

Fig.45 Details of Functions under the Proposed Act



* Workers often do not work and live in the same Ward, hence their representation is essential in both source and destination Wards for Work Plans to be realistic and to overcome processes of social exclusion.

A draft of the proposed Act is attached as **Annexure 3**.

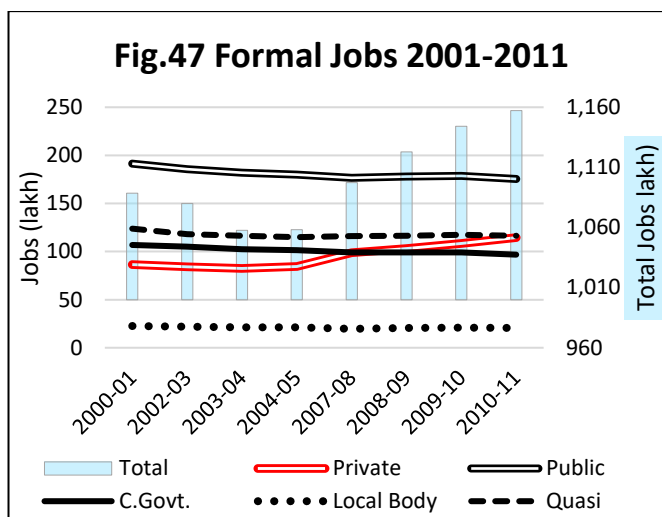
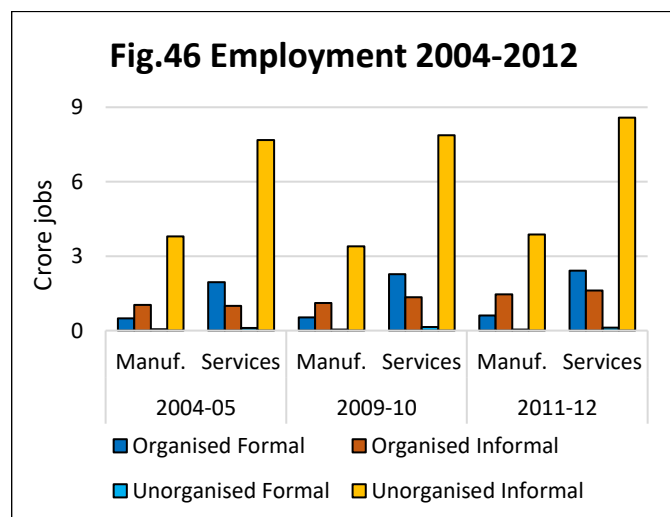
It now remains to be seen if there are sufficient finances to support these legal provisions.

Section Seven: Estimated Costs for Sustaining Urban Livelihoods

7.1 Expenditure

a. Three hundred days' work

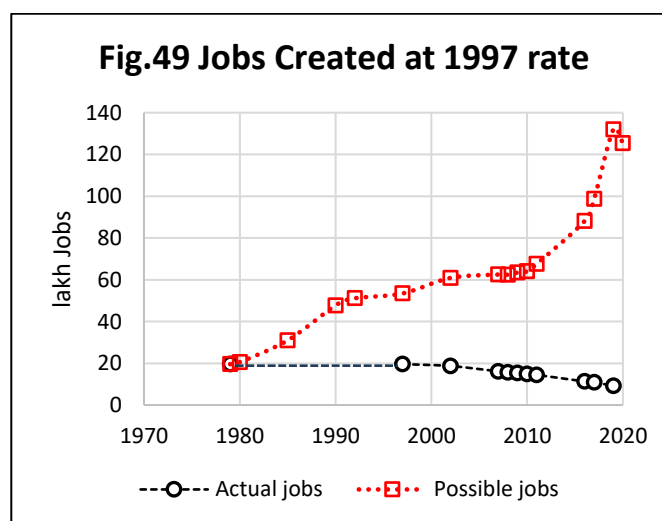
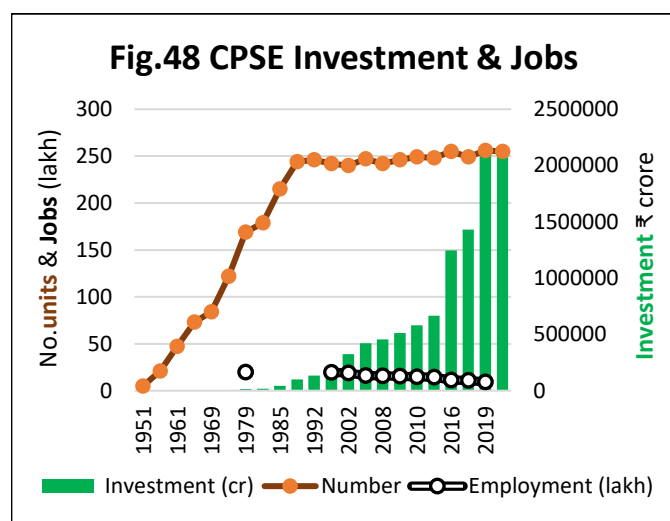
The fundamental demand of all categories of urban workers is the Right to Productive Work for the whole year. This has not been met by existing national or state schemes so far; three of seven proposed schemes have put forward a norm of 250 to 365 days. Is it possible to generate work for an estimated (by PLFS) 1.24 crore urban unemployed⁵⁰?



Mehrotra et al, Trends in the Indian economy, 1993-94 to 2011-12⁵¹

Employment in public & private sector, <https://data.gov.in/catalog/>

Figure 46 shows the employment status in manufacturing and service sectors, (largely urban) from 2004-2012. The unorganised sector generated informal jobs in services (67.4% of all jobs) that increased by 12% in those seven years. **Figure 47** presents the data for formal jobs in the public, private and government sectors (excluding agriculture) from 2000 to 2011. The public and government sectors have shown a constant decline of about 10% over ten years, because of the freeze on fresh recruitment in 1990. Yet, not only did they contribute to 3.5 times the number of formal jobs in the private sector by 2010-2011; they also had to serve a population that grew by 16% in ten years. If the ban on recruitment had been removed and they had been allowed to recruit at the rate of population growth, they would have generated 1.09 crore more formal jobs by 2011; or, if they had grown at a rate like the private sector, the increase would have been 1.32 crore formal urban jobs by 2012 – *enough to absorb the unemployed youth* of 2021-22.



<https://dpe.gov.in/en/public-enterprises-survey-2019-20>

⁵⁰ From PLFS of 2021-22

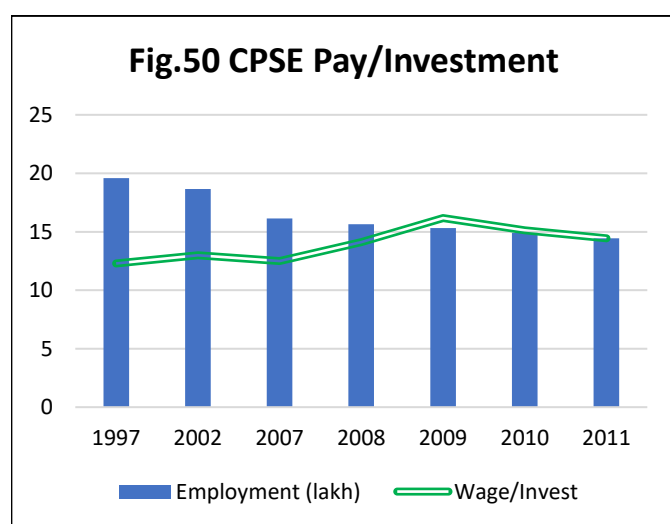
⁵¹ https://smarnet.niua.org/sites/default/files/resources/s_mehrotra-explaining_employment_trends_in_the_indian_economy_199394_to_201112.pdf

Figure 48 takes data from the performance of Central Public Sector Enterprises (CPSE: whose share of investment in agriculture is negligible) from 1951 to 2020 to show that whereas the number of units steadily increased until 1990 when it stabilised around 250; the number of employees kept falling from 19.6 lakh to 9.2 lakh; while the investment kept rising steeply up to ₹21.67 lakh cr. in 2020. This impact of market reforms can be further seen in **Figure 49** as the investment rises from ₹1.35 lakh cr. in 1997 to ₹21.67 cr. in 2020, the jobs decline as shown by the black circles. But if there had been a cap imposed on the CPSEs on investment per job at the 1997 rate, then the number of jobs created in 2020 would have been (at about ₹48 lakh per job, accounting for inflation) 1.25 crore, as shown by the red squares. If we assume a more realistic ₹30 lakh per job (using the rule of thumb that a job paying ₹3 lakh annually – equivalent to a living wage – requires 10 times the capital investment), then the number of jobs created would have been about 2 crores. One could even take the ₹1 lakh per job provided for skilling and self-help schemes as a standard.

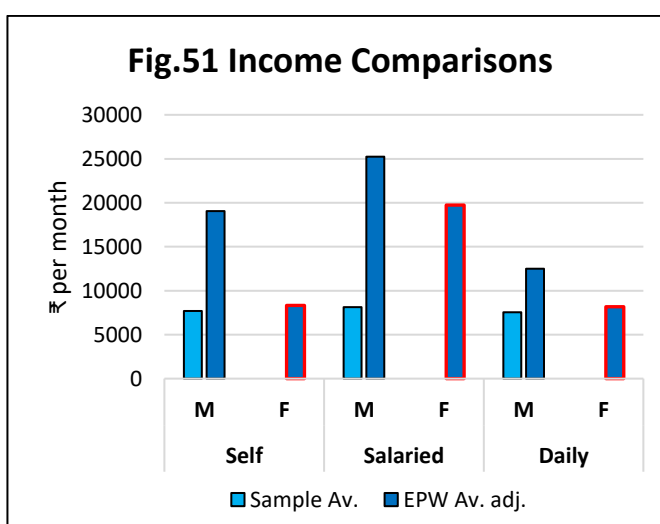
According to India Brand Equity Foundation⁵², a Trust set up by the Government of India, Private Equity Venture Capital funds invested \$446 billion (₹35.06 lakh crore) in Indian equities in 2022. If a similar cap had been placed on these investments (at ₹58 lakh per job, to adjust for inflation), then 60 lakh jobs would have been generated⁵³. Another option is to begin an urban scheme on the NREGS pattern, but for 300 days at the minimum wage and with a material to wage ratio of 50:50 - unlike public or private sector investment, which have an investment to wage ratio of 86:14 (see **Figure 49**: contract and casual labour payments are not included). In such a case the annual investment required would be only ₹3.75 lakh crore⁵⁴.

b. Fair wages and allowances

The second demand is for a decent wage for work done and, if no work is made available by the state as Employer of Last Resort, then an unemployment allowance (or negative/due income, somewhat like a Basic Income, proposed by economists). There are, as was shown in **Figure 12**, two approaches to a fair wage. The living wage is the income required to pay for the basic requirement of food, shelter and housing of the labourer and family, proposed by the 1948 Fair Wage Committee; agreed to at the tripartite 1957 Indian Labour Conference; and expanded to cover other basic and social needs of the family by Supreme Court judgements in 1961 and 1991. The minimum wage, on the other hand, is set by government committees that, in the latest order of 2023, kept it at about 64% of the living wage.



<https://dpe.gov.in/en/public-enterprises-survey-2019-20>



Source: Primary Survey and PLFS

Wages do increase over time, mainly because of inflationary pressures, but also as work is restructured. As **Figure 50** shows, while the workforce was whittled down in CPSE units between 1997 and 2011 by 26%, the wage to investment ratio went up from 12.3 to 14.4, a rise of 17%. Hence, a rise in wages does not necessarily hurt the profit margin. The Comptroller and Auditor General's report No.27 of 2022 reveals that the Rate of Return of CPSEs was showing an increasing trend until 2006-07, after which it started to decline to 17.5% in 2020-21.

⁵² <https://www.ibef.org/economy/domestic-investments>; <https://www.ibef.org/economy/investments>

⁵³ (₹35.06 lakh crore)/(₹58 lakh)

⁵⁴ (min. wage ₹12870 x 88 lakh men x 12 months) + (min. wage ₹11804 x 37 lakh women x 12 months) x 2 (wages + materials at 50:50 ratio)

The question remains of what is the expenditure to be incurred in paying a fairer wage to those who are employed, as well as an unemployment allowances to those who are unemployed. **Figure 51** compares the incomes of the 2,931 respondents in our survey of 2023 conducted in 15 towns, to the incomes from the EPWRF series of 2020-21 adjusted for inflation. The average incomes for self-employed and daily labour *in the survey equal* the incomes of *females from the EPWRF data*, but not of the males. For the salaried workers there is a large difference. We choose the EPWRF data as being more representative, although the survey data illustrates how grim the situation is at the labour chowk level, to compute due wages and unemployment allowances.

Table 14: Minimum/Living Wage and Due Wage (2021-22) as % GDP								
		Monthly						
Category	¹ Number	² Actual Wage α ₹	³ Min. Wage μ ₹	⁴ Liv. Wage λ ₹	⁵ Due Min. ($\mu-\alpha$) ₹	⁶ Due Liv. ($\lambda-\alpha$) ₹	⁷ Due Min. ($\mu-\alpha$) (₹cr.) [#]	⁸ Due Liv. ($\lambda-\alpha$) (₹cr.)
Self Employed-M	56308021	16075	12870	25156	-3205	9081	-	51133
Self Employed-F	16983934	7025	11804	24097	4779	17072	8117	28995
Salaried-M	65859002	21309	12870	25156	-8439	3847	-	25336
Salaried-F	21682534	16654	11804	24097	-4850	7443	-	16138
Daily-M	20384929	10563	12870	25156	2307	14593	4703	29748
Daily-F	4439962	6899	11804	24097	4905	17198	2178	7636
Unemployed-M*	8761451	nil	9653	18867	9653	18867	8457	16530
Unemployed -F*	3671551	nil	8853	18073	8853	18073	3250	6636
Total Monthly Expense (₹cr.)							26705	182152
Total Annual Expense (₹cr.)							320456	2185822
GDP 2021-22 (₹cr.) <u>23471012</u>		Total Ann Expense as %GDP					1.37	9.31
*Income is nil, unemployment allowance is computed at 3/4th of minimum/living wage								
# Due values are ignored when the summation is negative								
¹ from PLFS 2021-22		² from EPW series 2020-21		³ as stipulated by govt.		⁴ as computed in Figure 12		
⁵ Min. wage $\mu - Av. Wage \alpha$		⁶ Liv. wage $\lambda - Av. Wage \alpha$		⁷ Due $(\mu-\alpha) \times \text{Number}/1\text{cr.}$		⁸ Due $(\lambda-\alpha) \times \text{Number}/1\text{cr.}$		

All working people in urban areas earn, but many earn less than a statutory wage, and those who find no work have no income. The former are eligible for the due income (that has not been paid and is also called negative income) and the latter are entitled to 75% of the relevant wage. **Table 14** gives computed amounts for each category of urban labour as enumerated in PLFS 2021-21. Male self-employed and male and female salaried workers have an average wage (α) more than the statutory minimum wage (μ). Hence, self-employed women, all casual workers and unemployed, can claim reimbursement of due incomes up to minimum wage level. No one is earning more than the living wage (λ), so all categories have to be compensated.

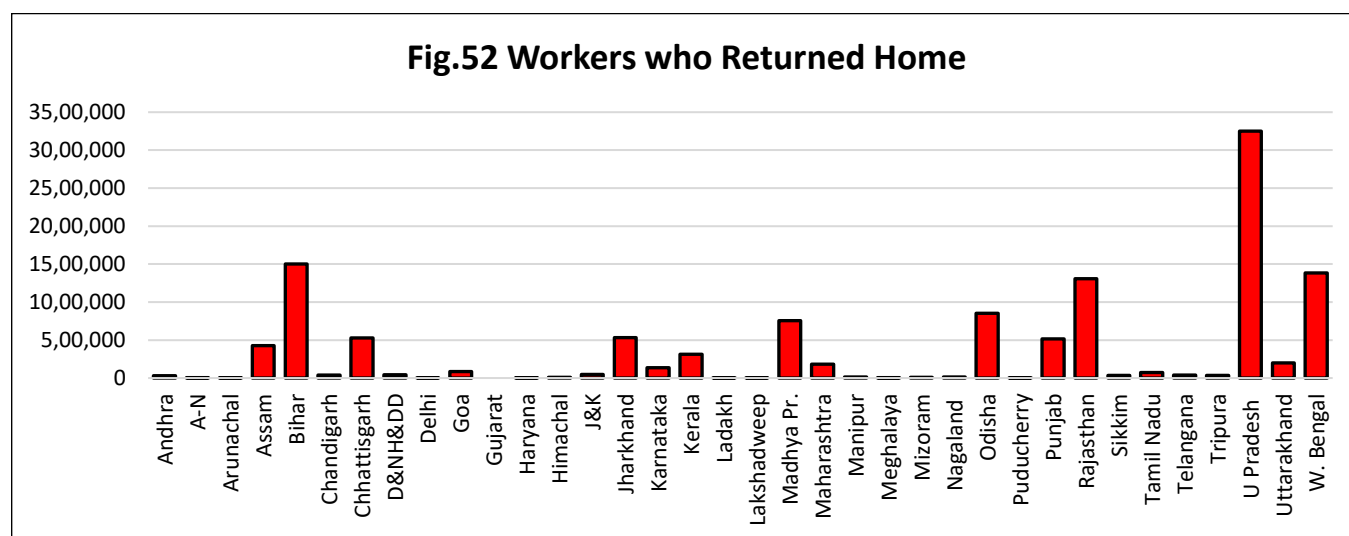
For the first norm, the total expenditure comes to ₹3,20,456 crore, or 1.37% of GDP (of 2021-22). For the second norm, the total expenditure comes to ₹21,85,822 crore, or 9.31% of GDP (2021-22). It is up to legislatures to decide whether they wish to begin with providing minimum wages, moving to living wages later, and using the time in between to channel investments into productive jobs; or whether it makes better sense to immediately begin the

process of making the urban economy labour-friendly. Is the city an engine of growth only for some or should it be inclusive of all to contribute to its social, cultural and economic vibrancy in equal measure?

c. Self-help, micro-enterprises and Returnees

Policy makers have so far adopted the idea of self-help as the way forward for the working population to pursue their livelihoods, and not to design an economy that will provide wage employment for all working people, especially those who do not get paid for their labour, with their skills and survival instincts. The data presented earlier has shown that up to 2002, under SJSRY, an average of ₹8,200 was spent per individual beneficiary for self-help. NULM, on the other hand, mobilised women into SHGs between 2014-2023 and each SHG was given a Revolving Fund of ₹10,000. In that period, about ₹15,500 was spent for one livelihood. In West Bengal, under the state's urban employment scheme, the average assistance provided to women in the SHGs was ₹12,500. We can assume that, at current prices, each individual may require ₹20,000 for supporting self-help. If even 10% (the percentage of self-employed women in the total workforce in 2021-22) of unemployed women were to be encouraged to become self-employed then that would require an investment of about ₹735 crore⁵⁵.

The experience with micro-enterprises shows that SJSRY spent about ₹2 lakh to assist each micro-entrepreneur during 1999-2002. In the same period, expenditure on each employment was about ₹30,000. NULM shifted the thrust from individual entrepreneurs to groups, especially SHGs. It allocated Revolving Fund Support of ₹10,000 for every SHG. But if it gave ₹18,000 to every trainee out of a budget of ₹4950 crore, then the amount to the micro-enterprise run by the SHG may have been as much as ₹40,000. The West Bengal urban employment scheme set aside ₹50,000 for every individual micro-entrepreneur, and the Himachal scheme spent an estimated ₹46,000 per SHG. Taking these figures, a proposed policy may set aside ₹50,000 for every collective micro-enterprise. Even if every one of the 1.24 crore persons who are unemployed are encouraged to set up micro-enterprises, past experience suggests that only 35% may survive. Hence, the budget to be set aside for this initiative would be ₹21,875 crore⁵⁶.



https://labour.gov.in/sites/default/files/annual_report-21-22.pdf

An indicator of the current distress of urban workers is the wave which abandoned the cities and returned to their villages during the lockdowns. The Labour Ministry's Annual Report of 2021-22 gives a total figure of 1,14,30,968 workers who returned (**Figure 52**). For this population, the Government of India announced a ₹1.7 lakh crore budget for the poor; the daily wages for NREGS were raised from ₹182 to ₹202; another ₹1,000 crore was granted from the PM CARES fund; it was then announced that 8 crore workers would receive free food grains at an expenditure of ₹3500 crores; and finally, the Garib Kalyan Rozgar Abhiyaan was launched with a funding of ₹50,000 crore.

If the first amount of ₹1.7 lakh crore for the poor were distributed among the officially recognised 1.14 crore workers who returned, it gives each of them about ₹1,50,000⁵⁷, that is roughly a year's subsistence at the minimum monthly

⁵⁵ $(36,71,551/10) \times 20,000$

⁵⁶ $1,24,00,000 \times 0.35 \times 50,000$

⁵⁷ ₹1.7 lakh crore/1.14 crore

wage of ₹12,870. There has been no Census in 2021, but a linear projection from the figures of rural to urban migration from the Census of 2011 and 2001, gives a minimum number of about 2.38 crore in 2021. This would entail, at the minimum wage, an annual budgetary support of ₹3.68 lakh crore⁵⁸.

7.2 Income

a. Budget allocations

As already argued, the expenditure for generating work for 300 days in the urban areas can be met by taking existing allocations for investments by institutions, firms and the private equity market, and removing the restrictions on fresh recruitments as are required by the needs of the population; as well as by placing a cap on the investment for generating one livelihood opportunity, and a material to wage ratio of 50:50: all to be applied universally across sectors.

For fair wages for all sections of urban labour, a budgetary allocation of 1.37% of GDP would be adequate to begin with, for ensuring statutory minimum wages and reimbursing due incomes, as well as unemployment allowances for those deprived of livelihood opportunities. If living wages are to be ensured then that would need 9.31% of GDP and could be offset by investing in economic units that generate formal jobs with regular salaries.

Other sources of revenue also need to be explored as given below.

b. Externalities, Penalties and Taxes

Urban development needs to look closely at unsustainable practices. Estimating environmental externalities and levying penalties on those misusing them is an important element of the Polluter Pays principle. Some estimates suggest that cities are responsible for 75% of global CO₂ emissions⁵⁹. According to Down to Earth, the National Green Tribunal has slapped thousands of crores of fines on seven States on Supreme Court directions⁶⁰, totalling around ₹28,180 crore in 2021, to pay for remediation of the environment. In other Public Interest Litigations, the Supreme Court had created CAMPA to compensate for cutting down of forests and a sum of ₹54,000 crore was collected over decades. Similar activity is required in urban areas where air pollution, sewage and sullage disposal, solid waste management, noise levels and overall congestion are degrading the quality of life.

In 2021-22, according to their Annual Report, Ministry of Labour officials presided over industrial disputes that paid ₹463 crore to about 41,000 workers for wages and allowances not paid or arbitrary dismissals⁶¹. If the same rate was applied to even 10% of the salaried urban workforce, it would yield about ₹1 lakh crore⁶² that could find optimum use in a Sustainable Livelihoods Fund. Contributions to the Fund are also possible through extended producers' responsibilities, especially in value chains.

Another area of interest is the growing high energy consumption pattern of a section of urban citizens, that impacts on waste production and disposal, unhealthy food habits, and growing energy demands. A selective indirect tax on energy consumption or a direct tax on the wealthy who are consuming this energy could not only generate revenue, it would also add pressure for a more sustainable lifestyle in Indian towns and cities. Several proposals have already been made (including those that have been reviewed in **Table 9**) that could yield 1-7% of GDP. Proposals for a wealth tax⁶³, which was abolished in 2015, have given rise to a debate on whether the loopholes can be plugged to provide greater public revenue⁶⁴, while also producing estimates that just 1% wealth tax would yield 1.6% of GDP⁶⁵.

⁵⁸ 2.38 crore x ₹12,870 x 12 months

⁵⁹ <https://www.unep.org/explore-topics/resource-efficiency/what-we-do/cities/cities-and-climate-change>

⁶⁰ <https://www.downtoearth.org.in/news/environment/states-fined-thousands-of-crores-over-waste-but-how-did-ngt-calculate-the-penalty-amount--85660>

⁶¹ https://labour.gov.in/sites/default/files/annual_report-21-22.pdf

⁶² 8.75 crore x ₹463 crore/41,000

⁶³ <https://www.ifcreview.com/articles/2020/december/on-a-wealth-tax-for-india/>; <https://www.cenfa.org/wealth-tax-keep-it-simple-tax-the-177-dollar-billionaires-in-india/>

⁶⁴ <https://economictimes.indiatimes.com/news/economy/policy/can-india-go-back-to-a-wealth-tax-by-appealing-to-the-better-side-of-the-rich/articleshow/89056174.cms?from=mdr>

⁶⁵ <https://www.fortuneindia.com/budget-2022/budget-2022-how-to-raise-revenue-with-right-tax-policies/106720>

7.3 Conclusions

Table 15: Proposed Annual Costs and Income

No.	EXPENDITURES		Option	Cost (₹ cr.)	
1	Work Generation			<i>Norm a</i>	<i>Norm b</i>
	1.1	Un-freeze recruitment at pre-1990 growth rate	One		
	1.2	Cap on Investment per job for public sector*	Two	¹ 1,74,400	² 1,09,000
	1.3	Cap on Investment per job at for private sector ³	Three	3,50,600	
	1.4	Urban Employment scheme for 300 days, 50:50 MWR ⁴	Four	⁵ 3,74,638	⁶ 7,41,304
2	Fair Wages			<i>Min. wage</i>	<i>Liv. wage</i>
	2.1	Unemployment Allowance for unemployed ⁷	One	1,40,489	2,77,989
	2.2	Due Wage for self-employed	Two	97,399	9,61,539
	2.3	Due Wage for daily wagers	Three	82,567	2,77,989
	2.4	Due Wage for salaried	Four		4,97,691
3	Self-help, Micro-enterprises, Returnees			<i>Norm c</i>	<i>Norm d</i>
	3.1	Self-help aid for unemployed women	One	⁸ 735	⁹ 3,672
	3.2	Loan for micro-enterprise to unemployed	Two	¹⁰ 9,324	¹¹ 43,516
	3.3	Assistance for workers who returned in 2021	Three	¹² 1,70,000	¹³ 3,68,000
	INCOMES		Option	<i>Norm e</i>	<i>Norm f</i>
	4.1	Budgetary support GDP (2020-21)	One	¹⁴ 4,69,420	¹⁵ 11,73,550
	4.2	Fines for environmental damage	Two	7,28,180	??
	4.2	Penalties for job loss	Three	99,732	??
	4.4	Wealth/luxury tax**	Four	1,00,000	??

Notes: ¹₹30 lakh cap; ²₹48 lakh cap; ³₹58 lakh cap; ⁴at full wage; ⁵at min. wage; ⁶at liv. wage; ⁷at 3/4th wage; ⁸₹20,000 to 10%; ⁹₹50,000 to 20%; ¹⁰₹50,000 to 15%; ¹¹₹1,00,000 to 35%; ¹²documented; ¹³estimated; ¹⁴2% of GDP; ¹⁵5% of GDP

*Investment that is already planned and can create 94 lakh jobs through the caps on investment/job

**<https://qz.com/india/2118337/india-budget-2022-should-rich-people-and-firms-pay-a-wealth-tax>

Table 15 extracts annual expenditures and incomes from **Table 14** to project different scenarios from which policy-makers may choose. If, in the first year, they release ₹3,74,638 crore (#1.4a) for an urban employment scheme at minimum wages along with ₹3,20,455 crore (#2.1a, 2.2a & 2.3a) for unemployment allowance (30% women) and due minimum wages for self-employed and daily workers (20% women), that will benefit about 5.42 crore workers. The subsequent demand for food, housing and clothing will allow fresh recruitment (#1.1a) in public agencies in the second year creating an additional 5.5 lakh jobs (largely women). By the third year, higher GDP would make it possible to earmark another ₹1,09,000 crore (#1.2a) to generate 10 lakh jobs in the public sector and ₹1,80,000 crore (#3.1c, 3.2c & 3.3c) to provide aid to women for self-help ventures, loans for micro-enterprises, and assistance to returnees, benefitting 1.7 crore workers.

Table 15 summarises the possible items of expenditure and income for a Sustainable Urban Livelihoods framework over a period of ten years. The figures are estimates, but they offer options for deciding whether the measure could be implemented earlier or later. Thus, caps on investment per job created could be further lowered to yield more productive and sustained jobs at lower cost. Similarly, due wages could be either provided at minimum wage rates or living wage rates. The same holds true for assistance to self-help groups or micro-enterprises or returnees.

The choice of an option also leads to other effects. If wages are supplemented then purchasing power will rise and lead to more jobs which, in turn, will reduce the numbers who will need due wages and also draw in more women into the workforce. If the unemployed are successful in setting up cooperative micro-enterprises with sufficient assistance, the numbers who will need unemployment allowance will go down. As wages go up there will be more spending on food, clothing, housing, health, education, transportation, energy, and services, further boosting the economy.

Hence, this is a dynamic model which provides several pathways, but much will depend upon how it is regularly monitored and evaluated for performance with sufficient flexibility to adapt to the changing structure of the city. This aspect is covered in the proposed Act which lays emphasis on participatory planning, monitoring, and redressal mechanisms in consonance with the 74th Constitutional Amendment with much more power delegated to the Neighbourhood and Ward Sabhas, of which urban workers could be active members.

Therefore, this report also opens up the space for a discussion on what data sets inform public policy? What frame were the old employment generators operating in and what are the factors that inhibit them? What has changed in the roles of facilitator, provider and regulator? What possibilities exist for new forms of employers and labour force and the relations between them? How can the governance structures, especially of urban settlements promote these possibilities? And is there a central role for women and vulnerable communities in all these imaginations? On request of some participants, a short note on Urban Planning is annexed in **Annexure 4** to give some contours to this imagination.

The answers to these questions depend upon the bargaining strength of urban workers. Their strength has been severely weakened by the series of crises through which they have had to pass. Their organisations are in disarray and their leadership is reduced to negotiating for what is possible within a given balance of power. Even the intellectuals who are sympathetic to their cause have become pragmatic in suggesting that they demand what may be granted. This report tries to bring out what are other possibilities in asking for what is right. And the different options that exist for a range of actions and their financial implications.

There will, no doubt, be many corrections, issues, concerns, and counter-arguments as more workers and their organisations read through the report. We welcome them. Because the debate will help the report to evolve and change and perhaps even make a difference.

Annexure 1

Sustainable Urban Livelihoods Proposal

List of Team members

No.	Name	Affiliation
1	Amit Kankhediya	Labour Education and Development Society, Churu
2	Anil Sethumadhavan	Ambedkar University, Delhi
3	Anshu Malviya	Vigyan Foundation, Lucknow
4	Anupriya S	Self-Employed Women's Association, Thiruvananthapuram
5	Aruna	Labour Education and Development Society, Jodhpur
6	Arwah Madan	Habitat Forum (INHAF), Pune
7	Baldev Singh Negi	Himachal Pradesh University, Shimla
8	Bhuma Raman	Habitat Forum (INHAF), Pune
9	Bupendra	Labour Education and Development Society, Bara
10	Deepti Colaco	Concern for Working Children, Bangalore
11	Dunu Roy	Hazards Centre, New Delhi
12	Hemlata Kansotia	Labour Education and Development Society, Jaipur
13	Isha Sharma	Indian Institute of Technology, Bombay
14	Kanishk Prasad	NUDesign Daftar, New Delhi
15	Kaustabh Bam	Indian Institute of Technology, Bombay
16	Kavita Ratna	Concern for Working Children, Bangalore
17	Kirtee Shah	Habitat Forum (INHAF), Ahmedabad
18	Kripa Bhat	Concern for Working Children, Bangalore
19	Mohammad Naem	Hazards Centre, New Delhi
20	Neeta Chalke	Habitat Forum (INHAF), Pune
21	Nelson S Mandela	Central University, Hyderabad
22	Rahul Sapkal	Indian Institute of Technology, Bombay
23	Rakesh Meghwal	Labour Education and Development Society, Churu
24	Sadasiv Swain	Centre for Child and Women Development, Bhubaneswar
25	Sangeeta Ghosh	Institute for Studies in Industrial Development, New Delhi
26	Shabana	Labour Education and Development Society, Jaipur
27	Shabnam Begam	Labour Education and Development Society, Jaipur
28	Shambhu Nath Pandey	Hazards Centre, Delhi
29	Srinivas Ganiga	Concern for Working Children, Bangalore
30	Sunil Meghwal	Labour Education and Development Society, Churu
31	Suresh Gouda	Concern for Working Children, Bangalore
32	Tanya Chaudhary	Ambedkar University, Delhi
33	Vishal Singh	Vigyan Foundation, Lucknow

Annexure 2

Sustainable Urban Livelihoods Proposal

Check-lists provided to Team members as per their choice of subject

Part 1: How has the Profile of Urban Livelihoods changed over the last three decades?

Suggested questions:

1. What was the total urban workforce in 1990 (or the nearest year for which data is available)?
2. What was the work participation rate in urban areas – both male and female?
3. Was there any information on the incidence of child labour in urban areas?
4. What was the distribution over different occupations in that year?
5. How many were in salaried work; self-employed; contract/casual or daily work; and unemployed?
6. How many were said to be in the organised or unorganised sectors?
7. What was the rate of migration from rural to urban areas in that year?
8. Was any information available for seasonality of migration?
9. Was there any data in that year for those not looking for employment?
10. Was data available for variation across different sizes of cities/towns?
11. How have the above indicators changed in intermediate years up to 2022 (or latest year for which data is available)?
12. Can these trends be related to the growth rates of the urban economy, especially the change from manufacturing to services?
13. Do these trends mark a pronounced shift from a pre-COVID year to a post-COVID one?

Part 2: What is the assessment of National schemes proposed for employment generation in urban areas?

Check-list of queries:

1. What is the context in which the scheme was prepared?
2. Which category of urban labour (salaried, casual, self-employed, unemployed, educated, skilled etc.) does the scheme address?
3. How many days of work per year is promised for how many workers?
4. What is the nature of work to be provided?
5. What will be the wage given to these workers?
6. Are there any other specific provisions in the scheme?
7. How is the scheme proposed to be administered?
8. Where will the money for implementing the scheme come from?
9. Is there any skill training in the scheme? If yes, how will the trainees obtain employment?
10. Is there a grievance mechanism in the scheme? If yes, who is responsible for redressal?
11. Is there any linkage proposed with the 74th Constitutional Amendment?

Part 3: How have the various State schemes for employment generation in urban areas performed?

Check-list of queries:

1. Why was the scheme announced?
2. Which category of urban labour (salaried, casual, self-employed, unemployed, educated, skilled etc.) did it propose to provide employment to?
3. How many days of work per year was promised for how many applicants?
4. What was the nature of work to be provided?
5. Were there any other specific provisions for the scheme?
6. For how many years is data available for the functioning of the scheme?
7. Over these years how many days of work was actually generated for how many applicants?
8. What was the wage given to these workers?
9. Was there any skill training given? If yes, how many of the trainees obtained employment?
10. Was it for self-employment? If yes, what was the benefit given and how many became self-employed?
11. Is there any data on how much unemployment the scheme was able to address?

Part 4: How has the Profile of Urban Livelihoods changed in different size towns?

Check-list, modified after a pilot

1. Name
2. Age
3. Phone
4. Address
5. What work do you do?
6. Since when have you been doing this work?
7. How many years do you remember you have been working?
8. In these years what changes have you seen in?
 - a. Working hours
 - b. Number of working days in a month
 - c. Monthly earning
 - d. Nature of contract work
 - e. Extraction by the municipality and/or police
9. What are your demands regarding work?
 - a. How many days of work are needed in a year?
 - b. What is the monthly earning that is necessary?
 - c. Who should be responsible for ensuring sustained work?
 - d. Do you think workers can contribute to making work policy?
 - e. How far should home be from work?
 - f. What are the services necessary to perform work safely?

Annexure 3

Draft Sustainable Urban Livelihoods Bill

Preamble

Article 23.1 of the Universal Declaration of Human Rights, to which India is a signatory, states that: "Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment."

Article 6 of the International Covenant on Economic, Social and Cultural Rights, ratified by India, states: "(1) The State Parties to the present Covenant recognise the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right. (2) The steps to be taken by a State party to the present Covenant ... (shall) achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual."

Article 15 of the African Charter on Human and Peoples' Rights also recognises the right that: "Every individual shall have the right to work under equitable and satisfactory conditions, and shall receive equal pay for equal work."

Federal law of 1935 in the United States of America covers almost all state and local government workers, domestics, and more than 3/4th of farm workers who are employees of firms in industry and commerce and employees of nonprofit organisations with four or more employees during 20 weeks in a year.

Australian law of 1991 provides: "Youth allowance (means-tested) for unemployed young people aged 16 to 20 who undertake approved education, training, job search, or other activities to prepare for employment or are incapacitated for work because of an illness or injury; Newstart allowance (means-tested) for those aged 21 or older but younger than the pensionable age who are unemployed, capable of undertaking and actively seeking work, or temporarily incapacitated for work because of an illness; and Mature age allowance (means-tested) that is paid to an unemployed person who is aged 60 or older but younger than the pensionable age."

United Kingdom law of 1995 provides relief to: "All unemployed jobseekers meeting the qualifying conditions."

Article 19 of the Constitution of India states: "All citizens shall have the right (c) to form associations or unions or co-operative societies; (g) to practise any profession, or to carry on any occupation, trade or business."

Article 21 of the Constitution of India states: "No person shall be deprived of his life or personal liberty except according to procedure established by law."

Article 41 of the Constitution of India provides for: "The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want."

The responsibility of government to secure livelihoods as the Employer of Last Resort (ELR) is recognised internationally through strategic programs such as:

- a. President Roosevelt's New Deal Program in 1933 in the USA enabled government to provide employment in projects that are not only economically and socially relevant but also contribute to sustainable growth.
- b. Sweden's full employment model is based on the dual principles of highly centralised wage bargaining and active labour market policies. The model emphasises the "right to work" rather than the "right to income".
- c. Centre for Full Employment and Price Stability (C-FEPS, Missouri); and Centre for Full Employment and Equity (CofFEE, Australia) hold the government as the guarantor of a real job for anyone ready, willing, and able to work at a fixed socially-established basic wage, leading to price stability.
- d. In France, employees laid off from small businesses are qualified for a "Professional Transition Contract" with a government organisation that ensures placement in public or private organisations at the same pay as their previous employment.
- e. Argentina's Plan Jefes De Hogar pays the head of the household 150 pesos per month in exchange for at least four hours of work each day in construction/maintenance of local projects, to enable caring for children, people with disabilities, or pregnant women.

Statement of Objects and Reasons:

An Act to provide for the enhancement of livelihood security of the households in urban areas of the country by providing guaranteed work opportunities for the full year at living wages to every household whose adult members register to do any form of productive work and for matters connected therewith or incidental thereto.

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Sustainable Urban Livelihoods Act.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different States or for different areas in a State and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision in such State or, as the case may be, in such area:

Provided that this Act shall be applicable to the whole of the territory to which it extends within a period of three years from the date of enactment of this Act.

2. In this Act, unless the context otherwise requires, -

(a) "adult" means a person who has completed eighteen years of age;

(b) "applicant" means the head of a household or any of its other adult members who has registered for work opportunity under any Scheme formulated by the Ward Labour Office;

(c) "Central Council" means the Central Urban Livelihoods Council constituted under sub-section (1) of section 11;

(d) "City Labour Coordinator" means an officer of the State Government designated as such under Section 18 for implementation of the Schemes under the Ward plans in an urban area;

(e) "Internal Complaints Committee" means a committee in an urban area constituted with equal representation from the labour department and worker unions to formulate guidelines, hold trainings, and issue directions for all cases of gender discrimination;

(f) "Green Fine" means the fine levied by the mandated authority for any form of environmental violation or degradation caused by any project or enterprise lying within the jurisdiction of the authority;

(g) "household" means the members of a family related to each other by blood, marriage or adoption and normally residing together and sharing meals or holding a common ration card;

(h) "Inter-Department Council" means a consultative body with representation from every line department of the urban local body to monitor and supervise coordination between departments;

(i) "implementing agency" includes any department of the Central Government or a State Government, an Urban Local Body, Nagar Panchayat at intermediate level, or Ward Sabha or Neighbourhood Sabha at local level, or Government undertaking or non-governmental organisation authorised by the Central Government or the State Government to undertake the implementation of any work taken up under a Scheme;

(j) "Labour Assistance Centre" means a centre set up at the Ward level with equal representation from regulatory bodies and labour unions to provide guidance to all workers requesting assistance to access their rights.

(k) "Labour Officer" means an officer appointed in a Ward under Section 19 for implementing the Scheme;

(l) "living wage", in relation to any area, means a wage amenable to a life with dignity, as negotiated at an annual Tripartite Labour Conference called by the State Government as applicable in that area, based on the formula accepted by the tripartite agreement at the 15th Indian Labour Conference of 1957, and endorsed by the Supreme Court judgement in the Reptakos Brett case of 1992;

(m) "living wage rate" means the wage rate referred to in section 6;

(n) "minimum wage" means the wage for sustenance of life and some measure of education, medical requirements and amenities;

(o) "Neighbourhood Sabha" (Mohalla Sabha) means the assembly of all adult citizens that constitute the Neighbourhood as may be defined by the State Government from time to time;

(p) "Neighbourhood Samiti" (Mohalla Samiti) means the executive committee elected by the Neighbourhood Assembly;

(q) "notification" means a notification published in the Official Gazette;

(r) "penalty" means the fine levied under law for illegal retrenchment or closure of any productive enterprise;

- (s) "preferred work" means any work which is taken up for implementation on a priority basis under a Scheme;
- (t) "prescribed" means prescribed by rules made under this Act;
- (u) "productive work" means any work which any adult person is capable of doing with or without any skill or special training that is of economic or social benefit to society;
- (v) "project" means any work taken up under a Scheme for the purpose of providing employment to the applicants;
- (w) "public hearing" means a general assembly of all workers and employers summoned by the Ward Sabha to hear all parties to a dispute concerning labour relations and give binding decisions through the agency of an elected jury;
- (x) "Scheme" means a scheme in a Ward Plan, notified by the State Government under subsection (6) of section 4;
- (y) "State Council" means the State Urban Livelihoods Council constituted under sub-section (1) of section 13;
- (z) "Sustainable Urban Livelihoods Fund" means the fund established under sub-section (1) of section 23;
- (aa) "Tri-bipartite Boards" means bodies constituted under the State Labour Department with equal representation from employer, employees and regulatory bodies, or from workers and regulatory bodies if there is no employer;
- (ab) "unemployment allowance" means a living allowance given to a person who is not provided employment under the provisions of the Act;
- (ac) "urban area" means any area in a State covered by any urban local body or a Cantonment Board established or constituted as per the 74th Constitutional Amendment;
- (ad) "Ward" means a community development area within an urban district comprising a constituency for election to the Urban Local Body;
- (ae) "Ward Labour Office" means the office opened at the Ward level to make plans according to the 12th Schedule of the 74th Constitutional Amendment to ensure livelihoods for all those registered to work, pay unemployment allowance to those not provided work, and identify and recompense unpaid labour within the Ward;
- (af) "Ward Sabha" means the assembly of all adults in a Ward as specified in the 74th Constitutional Amendment;
- (ag) "Ward Samiti" means the executive committee elected by the Ward Sabha;
- (ah) "worker" means an adult person engaged in productive work;
- (ai) "Workers Monitoring Committee" means a committee of workers elected in a meeting of the Ward Sabha to regularly monitor the performance of schemes executed by the Ward Labour Office;
- (aj) "wealth tax" means a tax on any form of concentration of wealth in any entity as duly determined by law;

CHAPTER II

RIGHT TO LIVELIHOODS IN URBAN AREAS

- 3.(1) Save as otherwise provided, the State Government shall, in such urban area in the State as may be notified by the Central Government, ensure for every adult member in a household, who has registered to do productive work, the opportunity of three hundred days of such work in a financial year through Schemes made under this Act.
- (2) Such work opportunities shall severally include the provision:
- (a) of lifting the ban on fresh regular recruitment in all public departments;
 - (b) of placing a cap on the capital investment per work opportunity created in all public and private projects;
 - (c) of adequate employment through eco-friendly and disability-inclusive public works with a maximum material to wage ratio of 50:50;
 - (d) of legal space for carrying out productive work;
 - (e) of legal identity to the working person;
 - (f) of appropriate credit on easy terms to both women and men workers and their associations;
 - (g) of placing restrictions on contracting out and privatising work where it affects the availability of work opportunities;
 - (h) of removing restrictions that prevent the carrying out of productive work;
 - (i) of adequate number of licenses for those persons engaged in productive work;
 - (j) of legal access to resources on which the productive work is based;
 - (k) of vocational training centres where workers can learn new and innovative skills;
 - (l) of labour assistance centres where instruction is provided in industrial relations, occupational health and safety;
 - (m) of stipulating hours and conditions of work in accordance with, but not more intensive than, existing labour laws;
 - (n) of enabling workers to form associations and unions to protect their work opportunities;

- (o) of ensuring shelter with basic services near or at the place of work;
 - (p) of pension and insurance schemes, such as the Employees' State Insurance and Employees' Provident Fund, that provide social security; and
 - (q) all other such inputs as may be required to carry on productive work, including housework.
- (3) Every person who has utilised the work opportunity as provided to him/her under the Scheme shall be entitled to receive a living wage at the living wage rate for each day of work.
- (4) Where the actual wage received for employed, self-employed, or unemployed persons is less than the living wage, the Government is to be considered as the Principal Employer and shall have to reimburse the balance wage as negative wage or unemployment assistance.
- (5) Save as otherwise provided in this Act, the disbursement of daily wages to make up the living wage shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done or the person was unemployed.
- (6) The Central Government or the State Government must, in consultation with workers' unions, make provisions for securing work opportunities for every adult member of a household under a Scheme for any period beyond the period guaranteed under sub-section (1), as may be expedient.

CHAPTER III

RIGHT TO WORK SCHEMES AND UNEMPLOYMENT ALLOWANCE

- 4.(1) For the purposes of giving effect to the provisions of Section 3, every State Government shall, within six months from the date of commencement of this Act, by notification, expand the capacity of the State Labour Department to carry out a full survey of all persons working or willing to engage in productive work, or already engaged in work but not paid, in all Wards of the urban areas of the State and register, both in-line and off-line modes, in Employment Exchanges set up in every Ward, all those who make application for such registration.
- (2) No worker may be denied entitlements due to the failure of online registration or of biometric identification and alternative means of registration and identification must be accessible to all workers.
- (3) The Labour Department must recognise and take the assistance of workers' unions and community groups in or next to the Ward, that have the demonstrated capacity to carry out such surveys for producing reliable ground-truthed data for registration of all workers, workers' unions, and employers in the Ward.
- (4) The Labour Department shall not only supervise the setting up of Ward Labour Offices, but also be responsible for surveys, registration of workers, workers' unions and employers, payment of due wages, maintaining monitoring systems, and regularly reporting to Urban Local Bodies, Ward Sabhas, and State Councils.
- (5) The Employment Exchanges shall provide identity cards that document the skill level of the worker and are recognised by all State Government departments and urban local bodies, to all persons who register with the Employment Exchange as in sub-section (1).
- (6) Using the data from the surveys and the registration the Ward Labour Office shall prepare a draft Ward Plan for providing work within walking distance of two kilometres to all registrants at locations of employers registered at the Ward Office or new locations, containing all the projects given in section 3.(2); as well as unemployment allowance for those who cannot be provided work; and provisions for compensation for all identified unpaid labour.
- (7) The Ward Plans may also accommodate schemes for viable self-employment, especially those based on existing skills and experience as proposed by workers' and women's cooperatives.
- (8) The Ward Plans must also provide for all facilities mandated under existing labour laws, including creches, rest rooms, water and food supply, ventilation, safety equipment, first aid, and sanitation.
- (9) Furthermore, the Ward Plans must incorporate provisions from the Workmen's Compensation Act, Maternity Benefit Act and Industrial Disputes Act as applicable to all workers in the Ward.
- (10) Portability of benefits under the various schemes must be ensured across Wards and even Urban Local Bodies so that workers can make informed choices about the location and sustenance of their livelihoods.
- (11) The Ward Plans shall be presented before the Ward and Neighbourhood Assemblies for their endorsement and then assembled by the Inter-Department Council into a Livelihood Plan for the Urban Local Body. These plans

shall be forwarded to the State Urban Livelihoods Council for clearance and shall be also used subsequently by the Inter-department Councils to monitor and supervise coordination between departments during implementation.

(12) Within twelve months of the commencement of this Act the State Government, with the assistance of a special Committee of Experts nominated for this purpose and in consultation with the Urban Local Bodies, shall make a Scheme, for providing not less than three hundred days of work opportunity in a financial year to every household in the urban areas covered under the Scheme and whose adult members, by application, register to do productive work subject to the conditions laid down by or under this Act and in the Scheme.

(13) Such a Scheme shall contain all the work opportunity provisions mentioned in sub-section (2) of section 3; Provided that until any such Scheme is notified by the State Government, the Annual Action Plan or Perspective Plan for the National Urban Livelihoods Mission (NULM) which is in force in the concerned area immediately before such notification shall be deemed to be the action plan for the Scheme for the purposes of this Act.

(14) The State Government shall publish a summary of the Scheme made by it in at least two local newspapers, one of which shall be in a vernacular language circulating in the area or areas to which such Scheme shall apply. Each Ward Labour Office should also make publicly available the full details of the Scheme for any citizen wishing to examine it.

5.(1) The State Government may, without prejudice to the conditions specified in sub-section (2) of section 3 and section 6, specify in the Scheme any other conditions for the opportunity to work under this Act.

(2) The persons employed under any Scheme made under this Act shall be entitled to such facilities not less than the minimum facilities as specified under law.

6.(1) Notwithstanding anything contained in the Minimum Wages Act, 1948, the State Government may, within six months of the commencement of this Act, notify the living wage rate for the purposes of this Act:

Provided that such living wage rates shall be negotiated with a wide range of representatives of workers' unions at an annual Labour Conference organised by the State Department of Labour

Provided further that the living wage rate specified from time to time under any such notification shall be based on the recommendations made by the tripartite Fair Wage Committee of 1948, the resolution on living wages passed at the National Labour Conference of 1957, and the Supreme Court judgement in *Workmen v Management of Reptakos Brett and Co.* 1992 (AIR 504).

(2) Until such time as a wage rate is fixed by the Central Government in respect of any area in a State, the minimum wage fixed by the State Government under section 3 of the Minimum Wages Act, 1948 for semi-skilled urban workers, shall be considered as the wage rate applicable to that area.

7.(1) If an applicant for registration under the Scheme is not provided such opportunity for work within fifteen days of receipt of his/her application seeking work opportunity or from the date on which the work opportunity has been sought in the case of an advance application, whichever is later, he/she shall be entitled to a daily unemployment allowance in accordance with this section.

(2) If the work opportunity provided does not enable the applicant to earn the prescribed living wage, the State Government shall be liable to pay the balance wage.

(3) Subject to such terms and conditions of eligibility as may be prescribed by the State Government and subject to the provisions of this Act and the Schemes, the unemployment allowance payable under sub-sections (1) and (2) shall be paid to the applicants of a household subject to the entitlement of the household at such rate as may be specified by the State Government, by notification, in consultation with the State Council:

Provided that no such rate shall be less than three-fourths of the living wage rate for the financial year

(4) The liability of the State Government to pay unemployment allowance to a household during any financial year shall cease as soon as-

(a) the applicant is directed by the urban local body or the Labour Officer to report for a work opportunity either by himself/herself or depute at least one adult member of his/her household; or

(b) the period for which productive work is sought comes to an end and no member of the household of the applicant has turned up for the work opportunity; or

(c) the adult members of the household of the applicant have received in total at least three hundred days of work within the financial year at the living wage rate; or

(d) the household of the applicant has earned as much from the wages and unemployment allowance taken together which is equal to the wages for three hundred days of work during the financial year.

(5) The unemployment allowance payable to the household of an applicant shall be sanctioned and disbursed by the Labour Officer or such urban local authority as the State Government may, by notification, authorise in this behalf.

(6) Every payment of unemployment allowance under sub-section (1) shall be made or offered not later than fifteen days from the date on which it became due for payment.

(7) The State Government may prescribe the procedure for payment of unemployment assistance under this Act.

8. If an applicant for registration under the Scheme is identified as being unpaid for work that has been performed, either as bonded labour or family labour or domestic work, then he/she shall also be entitled to an unemployment allowance in accordance with this section.

9.(1) If the Labour Officer is not in a position to disburse the unemployment allowance in time or at all for any reason beyond his control, they shall report the matter to the City Labour Coordinator and announce such reasons in a notice to be displayed on his notice board and the notice board of the Employment Exchange and such other certain conspicuous places as they may deem necessary.

(2) Every case of non-payment or delayed payment of unemployment allowance shall be reported in the annual report submitted by the City Labour Coordinator to the State Government along with the reasons for such non-payment or delayed payment.

(3) The State Government shall take all measures to make the payment of unemployment allowance reported under sub-section (1) to the concerned household as expeditiously as possible as well as penalise those officers who have unduly delayed payment on untenable grounds.

10. An applicant who-

(a) does not accept the work opportunity provided to his/her household under a Scheme;

or

(b) does not report for the work opportunity within fifteen days of being notified by the Labour Officer or the implementing agency to report for the work opportunity;

or

(c) continuously remains absent from work, without obtaining a permission from the concerned implementing agency for a period of more than one week or remains absent for a total period of more than one week in any month, shall not be eligible to claim the unemployment allowance payable under this Act for a period of three months but shall be eligible to seek work opportunities under the Scheme at any time.

CHAPTER IV

IMPLEMENTING AND MONITORING AUTHORITIES

11.(1) With effect from such date as the Central Government may, by notification specify, there shall be constituted a Council to be called the Central Urban Livelihoods Council to discharge the functions, and perform the duties, assigned to it by or under this Act.

(2) The headquarters of the Central Council shall be at Nagpur as it is accessible from all parts of the country and the Central Government Industrial Tribunal (CGIT)-cum-Labour Court is located there.

(3) The Central Council shall consist of the following members to be appointed by the Central Government, namely: -

(a) Chairperson;

(b) not more than ten representatives of the Central Ministries not below the rank of Joint Secretary to the Government of India as may be determined by the Central Government;

(c) not more than ten representatives of the State Governments as may be determined by the Inter State Council;

(d) not more than twenty non-official members proportionately representing unions of workers and organisations of disadvantaged groups:

provided that such non-official members shall include at least two chairpersons of the Urban Local Bodies nominated by the Finance Commission by rotation for a period of one year at a time;

(e) provided further that not less than half of all official and non-official members nominated to the Council shall be women;

(f) provided also that not less than half of all members shall belong to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities;

(g) Member-Secretary to be elected at the first meeting of the term for which the Council is appointed from among the non-official members.

(4) The terms and conditions subject to which the Chairperson and other members of the Central Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the Central Council shall be such as may be prescribed by the Central Government.

12.(1) The Central Council shall perform and discharge the following functions and duties, namely: -

(a) establish a central evaluation and monitoring system;

(b) advise the Central Government on all matters concerning the implementation of this Act;

(c) review the monitoring and redressal mechanism from time to time and recommend improvements required;

(d) promote the widest possible dissemination of information about the Schemes made under this Act;

(e) monitor the implementation of this Act;

(f) prepare annual reports to be laid before Parliament by the Central Government on the implementation of this Act;

(g) any other duty or function as may be assigned to it by the Central Government.

(2) The Central Council shall have the power to undertake evaluation of the various Schemes made under this Act and for that purpose collect or cause to be collected statistics pertaining to the urban economy and the implementation of the Schemes.

13.(1) For the purposes of regular monitoring and reviewing the implementation of this Act at the State level, every State Government shall constitute a State Urban Livelihoods Council to be known by the name of the State with a Chairperson and not more than ten official members as may be nominated by the State Government, not more than ten non-official members elected by Urban Local Bodies from among the Ward Samitis, and ten elected members from organisations of workers and disadvantaged groups:

Provided that not less than half of the members nominated under this clause shall be women

Provided further that not less than half of the members shall be belonging to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities

(2) The terms and conditions subject to which the Chairperson and members of the State Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the State Council shall be such as may be prescribed by the State Government.

(3) The duties and functions of the State Council shall include-

(a) advising the State Government on all matters concerning the Scheme and its implementation in the State.

(b) determining the preferred works;

(c) reviewing the monitoring and redressal mechanisms from time to time and recommending improvements;

(d) promoting the widest possible dissemination of information about this Act and the Schemes under it;

(e) monitoring the implementation of this Act and the Schemes in the State and coordinating such implementation with the Central Council;

(f) preparing the annual report to be laid before the State Legislature by the State Government;

(g) any other duty or function as may be assigned to it by the Central Council or the State Government.

(4) The State Council shall have the power to undertake an evaluation of the Schemes operating in the State and for that purpose to collect or cause to be collected statistics pertaining to the urban economy and infrastructure and the implementation of the Schemes and Programmes in the State.

14. The Urban Local Bodies shall establish Labour Assistance Centres at the Ward level with equal representation from regulatory bodies and labour unions to provide guidance to all workers requesting assistance, to design vocational training for skill development, and to form labour organisations.

15.(1) The Urban Local Bodies or Nagar Panchayats at City, Town or semi-urban areas shall be the principal authorities for planning and implementation of the Schemes made under this Act.

(2) The functions of the Urban Local Bodies or Nagar Panchayats or Municipal councils and corporations shall be:
(a) to finalise and approve projects to be taken up under a programme under the Scheme in the area;
(b) to supervise and monitor the projects taken up at the Urban Local Bodies or Nagar Panchayats at City, Town or semi-urban areas level; and
(c) to carry out such other functions as may be assigned to it by the State Council, from time to time.

(3) The State Programme Coordinator shall assist the Urban Local Bodies or Nagar Panchayats at City, Town or semi-urban areas in discharging its functions under this Act and any Scheme made thereunder

16. Ward Sabhas shall be formed in a situation wherein the Urban Local Bodies are represented by more than 10 lakh population (million plus). The formation of the Ward Sabha will be in line of Article 243 S of the Constitution, wherein these wards will have the principal authority for planning and implementation of the Schemes made under this Act.

17. The local monitoring of the implementation will be done through the Neighbourhood Samitis elected in a meeting of the Neighbourhood Sabha which would include any or all such members of the given locality who are adults and contribute to the productivity of the urban economy.

18. The State Councils will appoint City Labour Coordinators and a senior officer of the Labour Department to undertake the task of registering all adults who either are in search of work or are already working, and creating a database of each worker in the formal or informal sectors so as to provide all workers a guarantee of work.

19. Labour Officers shall be appointed in Employment Exchanges set up at all Ward levels of the Urban Local Bodies in each division of the city or town. These offices shall have to be located to closer proximity to the residential settlements of workers. The functions and the duties of these offices will be laid down by the City Labour Coordinator in consultation with the Labour Department.

20.(1) Workers' Monitoring Committees, comprising of representatives from labour unions, non-government organisations and experts working for the rights of the deprived classes, shall be formed by the State Councils every alternate year for the purpose of receiving grievances. They would also work as whistle blowers for purposes of transparent implementation of the schemes:

Provided that not less than half of the members shall be women;

Provided further that not less than half of the members shall belong to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities;

Provided that the members will continue for not more than two years from the time of formation;

(2) All grievances shall be processed and forwarded by the Workers' Monitoring Committees for redressal at regular public hearings and/or complaints committees in each Ward: along the lines of the public consultations as per the notification of the Ministry of Environment, Forests and Climate Change, 2006; or by Internal Complaints Committees constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

Provided these Monitoring Committees shall meet twice a month and maintain proper minutes and procedures to be laid down for such purpose by the State Councils.

21. The State Government shall constitute Tripartite Boards under the State Labour Department with equal representation from employers, employees and regulatory bodies, or Bipartite Boards with equal representation from workers and regulatory bodies if there is no employer, to resolve disputes and grievances between employers and employees or between regulatory bodies and workers related to allotment of works, payment of dues, provision of services, issue of identity cards, licenses and workspaces.

22. The State Government shall make available to the Employment Exchanges and the Labour Officers all necessary staff and technical support as may be necessary for the effective implementation of the Scheme.

CHAPTER V

ESTABLISHMENT OF NATIONAL AND STATE SUSTAINABLE URBAN LIVELIHOODS FUNDS AND AUDIT

23.(1) The Central Government shall, by notification, establish a fund to be called the National Sustainable Urban Livelihoods Fund for the purposes of this Act.

(2) The Central Government may after due appropriation made by Parliament by law in this behalf, credit by way of grants or loans such sums of money as the Central Government may consider necessary to the National Fund.

(3) A cess on all employers registered under this Act may be created to protect employment and contribute to the Fund, with penalties in the event of arbitrary retrenchments and closures.

(4) Green fines levied for any form of environmental violation or degradation caused by any project or enterprise may be credited to the Fund.

(5) Wealth tax imposed on undue concentration of wealth by any entity, extracted out of any productive or non-productive enterprise, may also be credited to the Fund.

(6) The amount standing to the credit of the National Fund shall be utilised in such manner and subject to such conditions and limitations as may be prescribed by the Central Government in consultation with the Central Urban Livelihoods Council.

(7) The Central Government shall entrust the Inter State Council, with representatives from all States, to decide on allocation to the States from the central Fund.

24. (1) The State Government may by notification, establish a fund to be called the State Sustainable Urban Livelihoods Fund for the purposes of implementation of the Scheme.

(2) The amount standing to the credit of the State Fund shall be expended in such manner and subject to such conditions and limitations as may be prescribed by the State Government, in consultation with the State Urban Livelihoods Council, for the purposes of implementation of this Act and the Schemes made thereunder and for meeting the administrative expenses in connection with the implementation of this Act.

(3) The State Fund shall be held and administered on behalf of the State Government by State Urban Livelihoods Council in such manner as may be prescribed by the State Government in consultation with all concerned parties.

25.(1) Subject to the rules as may be made by the Central Government in this behalf the Central Government shall meet the cost of the following, namely: -

(a) the amount required for payment of the balance of living wages for unskilled manual work under the Scheme;

(b) up to three-fourths of the material cost of the Scheme including payment of balance living wages to skilled and semi-skilled workers;

(c) the amount required for payment of living wages to those who have performed work but remain unpaid;

(d) the amount required for ensuring 300 days of work in a year to the unemployed;

(e) ten percent of the total cost of the Scheme, or higher as may be determined by the Central Government, towards the administrative expenses, which may include the salary and allowances of the Labour Officers and their supporting staff, the administrative expenses of the Central Council, facilities to be provided and such other item as may be decided by the Central Government.

(2) The State Government shall meet the cost of the following, namely: -

(a) the cost of unemployment allowance payable under the Scheme;

(b) one-fourth of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers;

(c) the administrative expenses of the State Council.

26.(1) The City Labour Coordinator and all implementing agencies in the Ward or Municipality or Urban Local Body, as constituted into the Inter Department Council, shall be responsible for the proper utilisation and management of the funds placed at their disposal for the purpose of implementing the Scheme.

(2) The State Government may prescribe the manner of maintaining proper books and accounts of employment of labourers and the expenditure incurred in connection with the implementation of the provisions of this Act and the Schemes made thereunder.

(3) The State Government may, by rules, determine the arrangements to be made for the proper execution of Schemes and programmes and to ensure transparency and accountability at all levels in the implementation of the Schemes.

(4) All payments of wages and unemployment allowances shall be made directly to the person concerned and verified by independent persons of the community or Workers Monitoring Committee on pre-announced dates.

(5) The Labour Officer shall enter any complaint with respect to payments in a complaint register maintained by them and shall dispose of the dispute and complaint within fifteen days of its receipt and, in case it relates to a matter to be resolved by any other authority, it shall be forwarded to such authority under intimation to the complainant with notice to the Workers Monitoring Committee.

(6) If any dispute or complaint which the Labour Officer is unable to resolve, the matter shall be first referred by the Labour Officer or the complainant to the Tripartite Boards constituted for the purpose.

(7) The Workers Monitoring Committee shall also be given notice of the complaint and, if the Tripartite Board is not able to resolve the dispute to the satisfaction of all parties, shall then refer it to a Public Hearing or Internal Complaints Committee.

27.(1) The Central Government may, in consultation with the Comptroller and Auditor General of India, prescribe appropriate arrangements for audits of the accounts of the Schemes at all levels.

(2) The accounts of the Scheme shall be maintained in such form and in such manner as may be prescribed by the State Government.

28.(1) The Ward Labour Offices across the city would keep track of retrenchments and casual work areas which would not only include Contractors but also multi-national companies and big corporations along with all government establishments. In the event of arbitrary removal of a worker (temporary/permanent/casual/daily wager), the necessary rules will be formulated towards penalties imposed on the employer which would be included in the Funds and compensation to the worker.

(2) Levies may be laid down to discourage products or any part therefore which contribute to global warming through: -

a) Higher taxes on households and enterprises with worker exposure levels to toxic materials higher than the norms;

b) Funds from State Government budgets that accrue from higher social and environmental costs of development projects.

(3) Public accountability and transparency mechanisms in fund flows will be ensured, particularly for the use of MP/MLA funds, through all the monitoring mechanisms provided in Chapter IV.

CHAPTER VI

MISCELLANEOUS

29. Whoever contravenes the provisions of this Act shall on conviction be liable to a fine which shall be a minimum of fifty thousand rupees or as may be prescribed from time to time by the Central and State Governments.

30.(1) The Central Government may, by notification, direct that the powers exercisable by it (excluding the power to make rules) may, in such circumstances and subject to such conditions and limitations, be exercisable also by the State Government or such officer subordinate to the Central Government or the State Government as it may specify in such notification.

(2) The State Government may, by notification, direct that the powers exercisable by it (excluding the power to make rules and Schemes) may, in such circumstances and subject to such conditions and limitations, be exercisable also, by such officer subordinate to it, not lower in rank than Joint Secretary in the Labour Department, as it may specify in such notification.

31.(1) The Central Council may give such recommendations as it may consider necessary to the State Council for the effective implementation of the provisions of this Act.

(2) Without prejudice to the provisions of sub-section (1), the Central Council may, on receipt of any complaint regarding the issue or improper utilisation of funds granted under this Act in respect of any Scheme if prima facie satisfied that there is a case, cause an investigation into the complaint made by any agency designated by it and if

necessary, direct the government to stop release of funds to the Scheme and institute appropriate remedial measures for its proper implementation within a reasonable period of time.

32. The provisions of this Act or the Schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of such law:

Provided that where a State enactment exists or is enacted to provide employment guarantee for unskilled manual work to urban households consistent with the provisions of this Act under which the entitlement of the households is not less than and the conditions of employment are not inferior to what is guaranteed under this Act, the State Government shall have the option of implementing its own enactment;

Provided further that in such cases the financial assistance shall be paid to the concerned State Government in such manner as shall be determined by the Central Government, which shall not exceed what the State would have been entitled to receive under this Act had a Scheme made under this Act had to be implemented

33. Suits, prosecution or other legal proceedings may be filed against any person who is, or who is deemed to be, a public servant within the meaning of section 21 of the Indian Penal Code in respect of anything which is malafide under this Act or the rules or Schemes made thereunder:

Provided permission has been sought from, with submission of all relevant evidence, and granted by the State Council for this purpose

Provided if such officer is proved guilty, or has been proven to have committed a discriminatory act against SC/ST/Minorities or women, such officer will have to face a fine up to Rs 1,00,000 or imprisonment up to 5 years

34.(1) The Central Government may, by notification, and subject to the condition of previous publication, make rules to carry out the provisions of this Act.

(2) In particular, and without the prejudice of the foregoing power, such rules may provide for all or any of the following matters, namely: -

(a) the number of representatives of the State Governments under clause (e) of sub-section (3) of section 11;

(b) the terms and conditions subject to which the Chairman and other members of the Central Council may be appointed, and the time, place and procedure of the meetings (including the quorum at such meetings) of the Central Council, under sub-section (4) of section 11;

(c) the manner in which and the conditions and limitations subject to which the National Fund shall be utilised under sub-section (6) of section 23;

(d) the rules relating to funding pattern to meet the cost of certain items under sub-sections (1 to 5) of section 23;

(e) any other matter which is to be, or may be, prescribed or in respect of which provision is to be made by the Central Government by rules.

35.(1) The State Government may, by notification, and subject to the condition of previous publication, and consistent with this Act and the rules made by the Central Government, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: -

{a) the terms and conditions upon which eligibility for unemployment allowance may be determined under sub-section (1) of section 7;

(b) the procedure for payment of unemployment allowance under sub-section (6) of section 7;

(c) the terms and conditions subject to which the Chairperson and members of the State Council may be appointed, and the time, place and procedure of the meetings (including the quorum at such meetings) of their appointment to the State Council, under sub-section (2) of section 13;

(d) the grievance redressal mechanism at the Ward level and the procedure to be followed in such matter under section 20;

(e) the manner in which and the conditions and limitations subject to which the State Fund shall be utilised under of section 21;

(f) the authority who may administer and the manner in which he may hold the State Fund under section 24;

(g) the manner of maintaining books of account of employment of labourers and the expenditure under sub-section (2) of section 26;

- (h) the arrangements required for proper execution of Schemes under subsection (3) of section 26;
- (i) the form and manner in which the accounts of the Scheme shall be maintained under sub-section (3) of section 26;
- (j) any other matter which is to be, or may be, prescribed or in respect of which provision is to be made by the State Government by rules.

36.(1) Every rule made by the Central Government under this Act shall be laid, within three months after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall have thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

(2) Every rule or Scheme made by the State Government under this Act shall, within three months after it is made, be laid before each House of the State Legislature where there are two Houses, and where there is one House of the State Legislature, before that House

37.(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act

(2) Every order made under this section shall be laid, within three months after it is made, before each House of Parliament.

Annexure 4

Labour Use Planning for Urban Areas

Dunu Roy

[NOT TO BE CITED PLEASE: extracted from a longer paper awaiting publication]

The *top-down* imagination of planners sees sustainability within a given format (**Figure A**). For them, the city is an ‘engine of growth’ in the centre, to which labour migrates for powering the engine. But when the mass of labouring humanity proves unmanageable, city governments adopt the ‘urban renewal’ mission to provide basic services to the working poor. This transforms into the ‘smart city’ which efficiently uses information technology; followed by the ‘circular economy’ that recycles waste while maximising production. The latest avatar is ‘doughnut economics’ which conceives of a just space for humanity bounded by environmental changes on the outside and human needs on the inside.

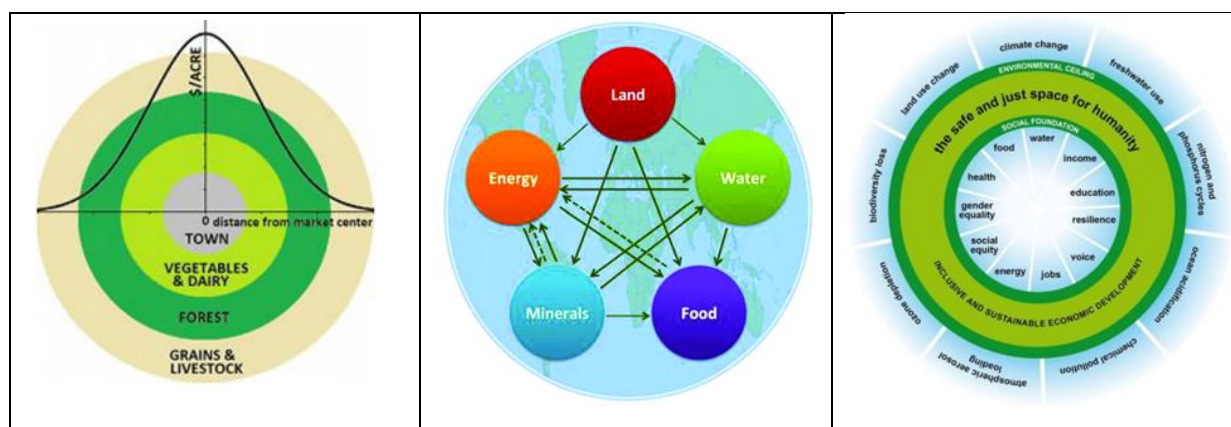


Figure A: von Thunen’s model⁶⁶; Nexus model⁶⁷; and Doughnut economics⁶⁸: variations on a theme

However, as one concept follows another, each one implicitly demonstrates the failure of the previous one. Why is this happening? Perhaps it is because they all follow the concentric land and resource-based model of the city, first put forward by the German economist von Thünen a century ago to explain how land rent in and around towns depends upon market activity. All subsequent models repeat the same assumption: that the main business district is at the centre of the city and all resources flow towards it by virtue of the margin of profit at the centre that dictates production and distribution. Therefore, the sustainability of the city depends upon how rates of profit can be maintained or, better still, increased.

For instance, for Delhi to ‘grow’ it required investment and, since city governments did not have the capital, it was necessary to make the city ‘investor-friendly’. This also meant that the city had to be ‘beautified’ for investors and financial institutions to work, produce, trade, live and make profits in and out of infrastructure that was world-class. A logical consequence of this profit-driven mentality was to move ‘dirty’ manufacturing, transport and slums out of the city. This was reflected in a series of administrative and judicial orders that plagued Delhi from the 1990s onwards⁶⁹.

Mapping the distribution of slums in the city in 1994 and 2019 showed that the slum clusters had reduced by 39% and the families by 36%. Drawing a cell of diameter three kilometres around each slum to denote the easy walking distance from the slum marks the ‘labour-cell’ to delineate the intimate connection between work and shelter. **Figure B** shows (left and centre) the status in 1994 as compared to 2019, and the sites to where evicted families were moved

⁶⁶ Traditional Von Thunen model of land uses & values, Land Economics, <https://studylib.net/doc/10640337/land-economics--traditional-von-thunen-model-of-land-uses>

⁶⁷ Frone, Simona and Frone, Dumitru-Florin, The Importance of Water Security for Sustainable Development in the Romanian Agri-Food Sector, Bucharest, September 2015, https://www.researchgate.net/publication/282001965_The_Importance_of_Water_Security_for_Sustainable_Development_in_the_Romanian_Agri-Food_Sector

⁶⁸ Pote, Bon, The Doughnut Economics: definition and critical analysis, July 2022, <https://bonpote.com/en/the-doughnut-economics-definition-and-critical-analysis/>

⁶⁹ Roy, Dunu, Whose city?, Seminar, No. 648, August 2013, https://www.india-seminar.com/2013/648/648_dunu_roy.htm

to prior to 1990 and after 1990. These periods were just before the 1980 Asiad Games and the 2010 Commonwealth Games that drove the ‘beautification’ of the city.

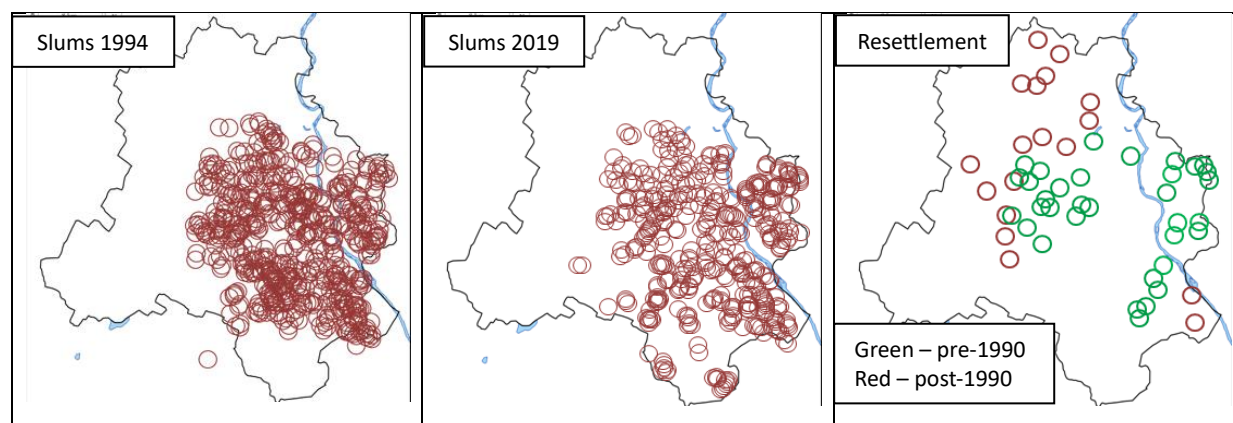


Figure B: Slums in Delhi in 1994⁷⁰ and 2019⁷¹, resettlement sites⁷² from 1970 to 2020, with labour-cells

Such a labour-cell map clearly demonstrates how between 1994 and 2019 the city has been emptied of slums. The associated labour-cells are no longer distributed all across the city but clustered around work sites near arterial roads and industrial or commercial areas. Therefore, labour has to now move beyond its immediate labour-cell to find work in the empty spaces. In the relocation sites the distance to work increases to between 20 to 40 kilometres, way beyond the boundary of the associated labour-cells. Labourers can no longer walk to work⁷³ but have to depend upon motorised public transport. When diesel buses were replaced (and reduced) in 2001 to reduce air pollution, those among the working (but no longer walking) poor who could afford it began to transition to fossil-fuel driven two-wheelers.

In effect, ‘green’ policies of beautification, sports, tourism and pollution mitigation differentially impact upon different citizens, but in such a manner that the entire system of livelihoods, shelter, services and transport moves towards greater and unsustainable use of energy and resources. From the perspective of workers, the labour-cells must be distributed uniformly across the city so that they can all safely walk to work⁷⁴. This means that work, whether domestic or commercial or industrial, has to also be distributed evenly across the city, and so does shelter – all within the frame of the labour-cell. Such a *labour-use plan* becomes a decentralised one that treats workers as human beings and privileges their needs.

If this model is taken to a global level, we can take something of deep and current international concern: the use of non-renewable (and unsustainable) energy that leads to global warming. The biggest energy consuming country in 2020 was China, using 1.6 times more than the United States of America and 4.5 times more than India⁷⁵. But, when the per capita use of energy is computed for these three countries then the USA towers 2.6 times over China and 11.4 times over India. As **Figure C** shows, if energy-consuming cells roughly 300 kilometres in diameter (as distinct from labour-cells) are evenly distributed across the two sub-continents, then the energy-guzzling urban centres of India are more evenly distributed over the nation than in the case of the United States.

The consequence of this energy consumption is visible in its impact on climate change. Thus, the annual carbon footprint of the average US citizen is 13.7 tons as compared to the average Chinese figure of 8.2 tons and just 1.7

⁷⁰ Mapped by Sandeep Gandhi, Transport Research and Injury Prevention Programme, Indian Institute of Technology, Delhi, 1996

⁷¹ Based on a map uploaded by the author, sourced from Delhi Development Authority, Vora, Sejal and Bhowmik, Titas, Outreach And Performance Of Co-Living As A New Rental Housing Format-A Case Of Noida & Gurugram, CEPT University, 2020, Sejal Vora, https://www.researchgate.net/figure/Location-of-Slums-in-Delhi-One-can-see-that-the-slums-are-located-all-across-the-city_fig8_348097020

⁷² Ghertner, Asher, Rule by Aesthetics: World-Class City Making in Delhi, Oxford University Press, 2015, <http://mitdisplacement.org/delhi-1>

⁷³ These actually come much later than the resettlement colony because they have to wait for the oustees to invest in making the land habitable while drawing in basic service lines of electricity, water, drains and roads.

⁷⁴ Roy, Dunu, Organising for Safe Livelihoods: Feasible Options, Economic and Political Weekly, Vol. 35, No.52/53, <https://www.epw.in/journal/2000/52-53/discussion/delhi-organising-safe-livelihoods-feasible-options.html>

⁷⁵ Based on Energy Consumption by Country 2023, World Population Review, <https://worldpopulationreview.com/country-rankings/energy-consumption-by-country>

tons for India⁷⁶. But if one were to look even closer into these figures, the average for India is low because 80% of the population earns less than \$4 per day, while the minimum wage is defined as \$2 per day. In contrast the federally mandated base pay in the USA is \$58 per working day of 8 hours. This does not mean that the average American worker works any harder than their counterpart in India. It is just that the American worker uses energy-consuming machines to a much greater extent than the Indian one and is hence considered to be more ‘productive’.

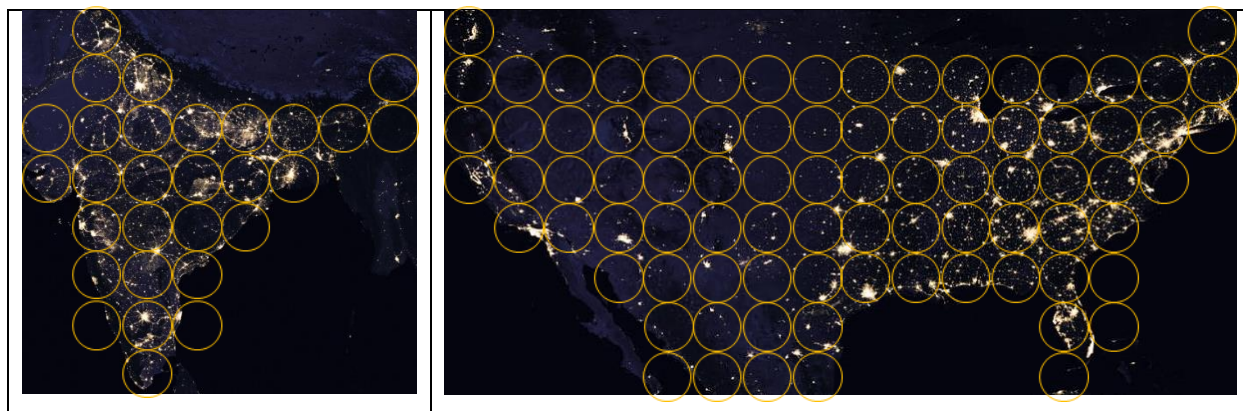


Figure C: Urban concentrations in India and the United States of America at night⁷⁷

The lessons that we can glean from these (and other) illustrations may be taken to represent the perspective of workers on how a city should be sustainable – while accepting that different workers may occupy different social and economic spaces. What could be this common perspective? It appears to be structured around four ideas.

The first is that the settlements in which workers live should be preserved as the centre of labour-cells that are within easy walking distance; and these labour-cells should be uniformly distributed through the city. The second is that work too should be accessible within the cell, but if it is at a distance of more than two cells then cycle paths are essential to conserve energy. The third idea is that all services – at household (water, electricity and sanitation) and community (education, health and transport) levels – can be decentralised to provide basic needs. And the fourth is that labour-cells not only provide renewable energy to the city but they also minimise the environmental impact of energy consumption.

Taken together, the concept of labour-cells yields principles of *labour-use* planning for sustainable cities, which constitutes a completely different perspective from ‘land-use’ planning. Not enough theoretical work has been done on the subject, especially in the institutions of higher learning which are engaged in the debate on urban governance. The ‘precarity’ of the worker is a product of social relations because the labour that the worker creates has to be harnessed to the engine of the city to produce the profits that investors demand. Land-use planning imbues value to land and profit and not to labour. Hence, these increasingly pro-investor models need to be empirically and theoretically questioned on behalf of workers. Curiously though, if workers possess a ‘hard’ core of resilience and survival beneath their theorised ‘soft’ exterior, would they not also be able to speak on their own behalf?

⁷⁶ Based on Carbon Footprint by Country 2023, World Population Review, <https://worldpopulationreview.com/country-rankings/carbon-footprint-by-country>

⁷⁷ Based on New Night Lights Maps Open Up Possible Real-Time Applications, NASA, 2017, <https://www.nasa.gov/feature/goddard/2017/new-night-lights-maps-open-up-possible-real-time-applications>

This report is offered for wide public debate and discussion,
especially among workers' organisations.

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