Urban Employment Guarantee Schemes

Why in news?

The Rajasthan government announced the start of the Indira Gandhi Shahri Rozgar Guarantee Yojana, an employment guarantee scheme on the lines of the MGNREGA for the urban areas.

What is the history of urban employment schemes in India?

- India has had a history of urban employment schemes such as the Swarna Jayanti Shahari Rozgar Yojana (SJSRY), which was launched in 1997.
- It provided employment to the unemployed and underemployed urban poor through self-employment and wage employment.
- In 2013, the SJSRY was replaced by the National Urban Livelihoods Mission (NULM).
- But none of them were employment guarantee schemes.
- More and more Indian state governments are looking favourably towards an urban version of MGNREGA. These include
    - Kerala - Ayyankali Urban Employment Guarantee Scheme
    - Odisha- Unnati or Urban Wage Employment Initiative
    - Himachal Pradesh- Mukhya Mantri Shahri Ajeevika Guarantee Yojna or MMSAGY
    - Madhya Pradesh- Mukhyamantri Yuva Swabhiman Yojana
    - Jharkhand- Mukhyamantri Shramik Yojana

Why are UEGs being demanded now?

- Growing distress among the urban poor
- Unemployment rates are typically higher in urban areas
- Urban poor are worst affected by India's persistently high inflation
- Prevalence of low-wage, poor quality, informal work
- Government schemes prioritise rural unemployment and poverty- Example- MGNREGA and Prime Minister Garib Kalyan Rojgar Abhiyaan

> *Garib Kalyan Rojgar Abhiyaan was launched in 2020, with an allocation of Rs 50,000 crore, to boost employment and livelihood opportunities for migrant workers returning to villages in the wake of the Covid outbreak.*

What should be the design of a UEG?

- Most UEGs appear to be a mere extension of MGNREGA to the urban areas but it cannot be so.
- Rural unemployment is mostly seasonal but there is no such seasonality in urban unemployment.
- The public works in which the labour is involved are quite different from each other.

- Another key difference is the capacity of the Panchayati Raj Institutions in rural and urban areas as urban local bodies are poorly funded.
- **DUET model**- Jean Dreze, who drafted the MGNREGA, has been writing about a Decentralised Urban Employment and Training (DUET).
- The state government issues 'job stamps' and distributes them to approved public institutions such as schools, colleges, government departments, health centres, municipalities, neighbourhood associations, urban local bodies, etc.
- Each job stamp can be converted into one person-day of work within a specified period, with the approved institution arranging the work
- The government may pay the wages (statutory minimum) directly to the worker's account on presentation of job stamps with a due-form work certificate from the employer.
- Unlike MGNREGA, DUET proposes to be for both unskilled and skilled workers and has a crucial element is to provide training or skilling.

Should there be a national UEG?

- A national-level UEG would demand a substantial Budget allocation.
- According to a calculation, a UEG programme that covers an estimated 20 million urban casual workers for 100 days, with a wage rate of Rs 300 per day, would cost the union government around Rs 1 lakh crore.
- MGNREGA or UEG are an open admission that the Indian economy has not been able to create as many well-paying jobs despite its GDP growing at more than 8% on several occasions in the past two decades.
- While such programmes and schemes start as relief measures, it is unlikely to be withdrawn by any future government.
- The funding becomes a concern when one adds up all the money spent on MGNREGA over the past 10 or 15 years.
- It is reasonable to ask that if India had an additional Rs 1 lakh crore to spend, why should the policymakers spend it on a new UEG scheme and not simply boost the Budget allocation for MGNREGA.
- Boosting MGNREGA would reduce distress migration and ensure that only when cities create well-paying jobs do people in rural India feel enthused to migrate out.

Reference

1. https://indianexpress.com/article/explained/explainspeaking-urban-employment-guarantee-schemes-rajasthan-budget-7794046/

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