

By Invitation: Focus on the small towns and it will be boomtown India!

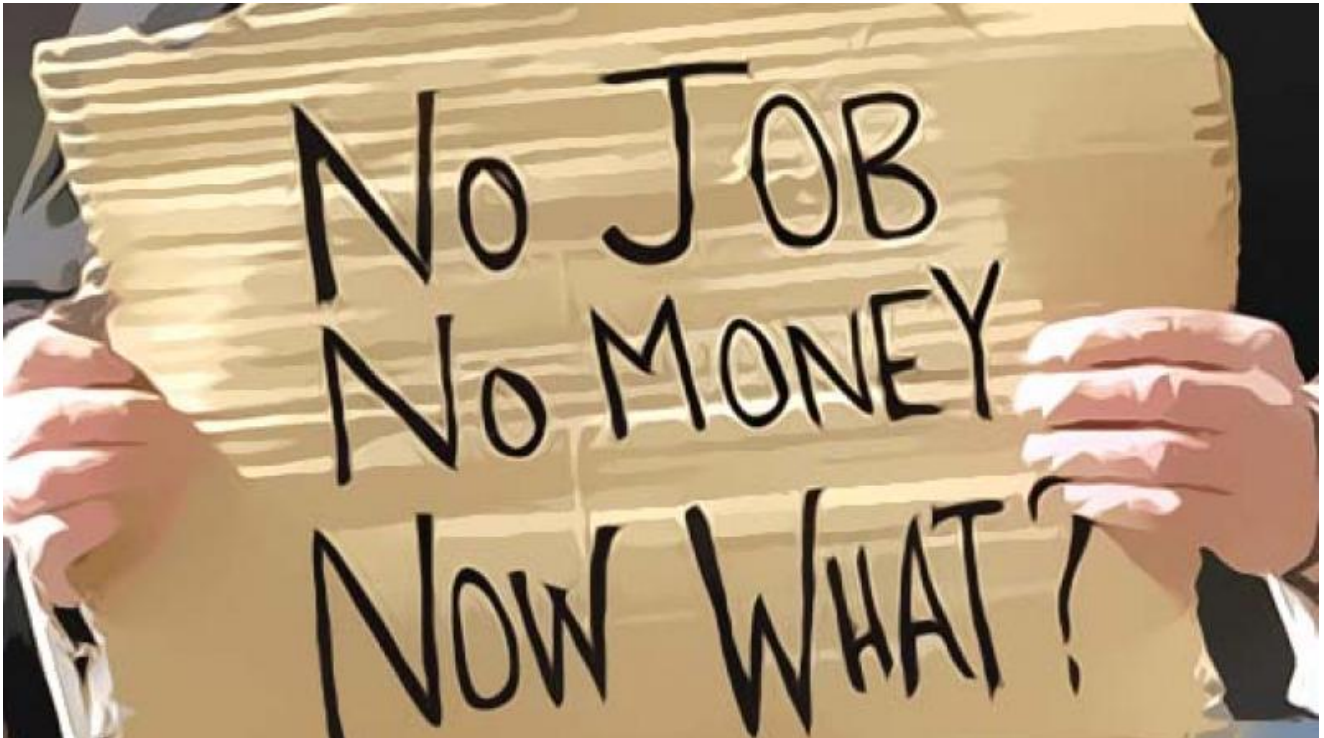
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India is presently facing an acute unemployment crisis. As per the leaked Periodic Labour Force Survey (PLFS) report of the National Sample Survey Organisation (NSSO), India's unemployment rate is at a 45-year high of 6.1 percent in 2017-18. The unemployment

problem is particularly pronounced in urban India with unemployment rates nearing 8 percent. It is more pitiable among the educated urban youth. In fact, the unemployment rate is highest among young urban women (15-29 years) at 27.2 percent.

Further, the urban workforce is largely informal and thus constantly exposed to a hostile work environment. Much of the urban workers, be it domestic workers or construction labourers, are severely underpaid, work in grim conditions, and subject to a host of exploitative conditions. They work in an unregulated space and have no social security net to fall back on. Hence the crisis in urban employment needs focused attention of the State.

In the light of the unemployment and agrarian crisis in India, one of the policy ideas gaining traction is that of a Universal Basic Income or a Minimum Income Guarantee. While modalities of an income guarantee are worth debating, we believe that an employment guarantee has three key advantages over the former. First, since employment guarantee programmes are demand-driven, they self-target the workers and avoid the complicated process of determining who is eligible. Second, unlike an income guarantee, an employment guarantee enables people to contribute productively to the creation of useful public goods and services. Finally, it fosters active citizenship by promoting democratic decision-making through public meetings and strengthens local accountability

In an effort to address the problem of urban unemployment, members of Azim Premji University's Centre for Sustainable Employment have drafted a policy paper titled 'Strengthening Towns through Sustainable Employment'. This is brought as a part of a set of policy papers around the theme of employment generation leading up to the publication of the flagship State of Working India Report, 2019.

The policy proposal calls for the creation of a National Urban Employment Guarantee Programme that strengthens small and medium-sized towns in India by assuring urban residents a legal right to employment. It seeks to address the following key problems - (a) underemployment and low wages in informal workforce, (b) migration to large cities from small towns, (c) poor quality of urban infrastructure and public services, (d) ecological degradation (e) shortage of human and financial capacities of Urban Local Bodies (e) unemployment and lack of skills among educated youth.

While it draws on some principles of the rights-based framework of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, the programme has a broader scope as it deals with varied forms of employment for urban informal workers as well as for educated youth. Urban informal workers with limited formal education can undertake standard public works such as building and maintenance of roads, footpaths, bridges, etc. for a guaranteed 100 days of guaranteed employment a year at Rs 500 per day. Unemployed youth who have some formal education beyond class 12 can be employed under an apprenticeship programme in Municipal Offices, Government Schools, Public Health Centres etc. at Rs 13,000 per month for a contiguous period of 5 months.

In the last few years, MGNREGA has been stifled by the Central government, through rationing of funds allocation, excessive delays in wage payments and abysmally low daily wage rates, thus making MGNREGA supply-driven in contravention of its objective. To move away from the centralisation observed in MGNREGA in recent years, this policy proposes devolution of funds and payment of wages by the local ULBs and the state governments.

This programme will allow the educated youth a chance to acquire work experience as well as skills while enabling them to address needs of their communities. A new set of "green jobs" that improves the capacity of the ULBs to tackle issues of ecological degradation can also be generated by this programme. This can include the restoration and upkeep of urban commons, parks, water bodies and the monitoring and evaluation of environmental data. Also, a set of "care work" such as assisting public employees working in aanganwadis, creches, care for the elderly and differently-abled, can be undertaken under this programme.

The proposed programme is primarily intended for cities and towns with population below 1 Million (10 lakhs). As per the 2011 census, there are about 4000 such cities with towns, accounting for about 50 percent of India's urban population. It will seek to correct the bias towards bigger cities in national level urban programmes like the Smart Cities Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) by focusing on small and medium towns.

Keeping the spirit of decentralised democracy envisaged by the 74th Constitutional Amendment, the respective Urban Local Body of the town shall be the principal authority responsible for administering this programme. It shall identify projects, prepare annual works plan and implement the programme in a participatory manner by involving the Ward Committees. We have also proposed strong transparency and accountability structures for the programme through proactive disclosure of information under Section 4 of the Right to Information Act, 2005, mandatory periodic social audits, public hearing, and a provision for "Right to Timely Grievance Redressal" for workers.

The total estimated programme budget would range from 1.7 to 2.7 per cent of GDP depending on whether employment is guaranteed to one adult from every household or every adult resident. Between 30 to 50 million people will be eligible for work under this programme. As India struggles to generate jobs and maintain economic growth, an urban employment programme will provide a much-needed stimulus for improving the lives of India's urban residents.

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