



Urban Employment Guarantee

For Prelims: Unemployment figures of India, Urban Employment Guarantee Schemes, MGNREGA

For Mains: Issue of Unemployment in India, Significance of Urban Employment Guarantee Schemes

Why in News?

Recently, the government of Rajasthan has launched the flagship scheme for [Urban Employment](#), the **Indira Gandhi Shehri Rojgar Yojana**.

What do we need to know about the Scheme?

- **Aim:**
 - To provide **100 days of employment to families in urban areas** on the lines of [Mahatma Gandhi National Rural Employment Guarantee Scheme \(MGNREGA\)](#).
 - The government has allocated Rs 800 crore for the implementation of the scheme.
- **Target Population:** People in the 18 to 60 age group are eligible for the scheme.
- **Employment Opportunities:**
 - **Water Conservation:** The **renovation work** at Khaniyon ki Baori comes under the water conservation works of the scheme.
 - **Convergence:** People can be **employed in other centre or state level schemes**, already having a material component, and which require labour work.
 - **Other works include:**
 - [Environmental conservation](#) such as tree plantation in public places and maintenance of parks.
 - Cleanliness and sanitation-related works such as [solid waste management](#).
 - [Heritage conservation](#) and work related to security/fencing/boundary wall/guarding of urban civic bodies and public lands, etc.
- **Urban Employment Guarantee Schemes of other States:**
 - **Kerala:**
 - [Ayyankali Urban Employment Guarantee Scheme \(AUEGS\)](#), launched in 2010, aims at enhancing the livelihood security of people in urban areas by guaranteeing hundred days of wage employment in a financial year to an urban household whose adult members volunteer to do unskilled manual work.
 - **Himachal Pradesh:**
 - **Mukhya Mantri Shahri Ajeevika Guarantee Yojna** was launched in 2020 to enhance livelihood security in urban areas by providing 120 days of guaranteed wage employment to every household in a financial year.
 - **Jharkhand:**
 - **Mukhyamantri Shramik Yojana** was launched in 2020 to enhance livelihood security in Jharkhand State by providing a guaranteed 100 days wage employment in a financial year.

Why are Urban Employment Guarantee Schemes emerging in India?

- **Absence of “Guarantee” Schemes:**
 - **Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**, launched in 1997, 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)**.
 - India has had a history of urban employment schemes, **but none of them were employment “guarantee” schemes.**
- **Urban unemployment Rates:**
 - Most unemployment data, be it from the [Centre for Monitoring Indian Economy \(CMIE\)](#) or the [Periodic Labour Force Survey](#) shows that the **unemployment rates are typically higher in urban areas.**
 - As per **August 2022 data (CMIE)**, unemployment rate in **urban India stands at 9.57%** (Rural 7.68%).
- **Vulnerable Informal Sector:**
 - According to the [International Labour Organization](#), of the 535 million labour force in India in 2019, **around 398.6 million have poor quality jobs.** Further, the lockdown exposed the **state of vulnerable employment in urban low-end informal jobs.**
 - Vulnerable employment is characterised by **inadequate earnings, low productivity and difficult conditions of work that undermine the basic rights of workers.**
- **Rural Centric Schemes:**
 - Most of the government schemes providing relief, be it from the Union government or state, **prioritize rural unemployment and poverty like MGNREGA.**
 - [Prime Minister Garib Kalyan Rojgar Abhiyaan](#), 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.

Can UEG Scheme be an Extension of MGNREGA?

- **Existing Scheme’s Framework:**
 - Currently in India, **most UEGs appear to be a mere extension of MGNREGA** to the urban areas.
 - Being the UEG in Himachal Pradesh, Odisha or Kerala, one common feature among them is **providing employment for a specific number of days during the year to the urban households.**
- **However, UEGs cannot be mere extension of MGNREGA due to following reasons:**
 - **Rural unemployment is mostly seasonal.**
 - During peak farming season, very few rural people may be unemployed.
 - **But there is no such seasonality in urban unemployment.**
 - **Capacity of the Panchayati Raj Institutions in rural and urban areas.**
 - [Urban local bodies](#) are poorly funded and have little capacity to provide help.
 - **The public works** in which the labour is involved are different in rural and urban economies.

Way Forward

- UEG Scheme interventions by the States are a **welcome step which give urban residents the right to work** and ensure the **right to life guaranteed under Article 21 of the Constitution.**
- Programmes like the [Smart Cities Mission](#) and [Atal Mission for Rejuvenation and Urban Transformation \(AMRUT\)](#) have focused **more on the development of bigger towns and cities.**
 - It is important to **re-focus our attention to improving the livelihoods and ecology of urban areas beyond India’s major cities.**
- An urban employment guarantee programme **not only improves the incomes of workers** but also has **multiplier effects on the economy.**
 - It will **boost local demand in small towns**, improve **public infrastructure** and services, **spur entrepreneurship**, **build skills** of workers and create a **shared sense of public goods.**

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q. Disguised unemployment generally means (2013)

- (a) large number of people remain unemployed
- (b) alternative employment is not available
- (c) marginal productivity of labour is zero
- (d) productivity of workers is low

Ans: (c)

Explanation:

- An economy demonstrates disguised unemployment when productivity is low and too many workers are filling too few jobs.
- Marginal productivity refers to the additional output that is gained by addition of one unit of labour.
- Since, in disguised unemployment, more number of labour than required are already engaged in the work, the marginal productivity of labour is zero.
- **Therefore, option (c) is the correct answer.**

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