



Urban Employment Guarantee Scheme A New Perspective

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ABSTRACT

Urban unemployment remains a persistent challenge in developing economies, driven by rapid urbanization, economic inequality, and the limited capacity of urban labor markets to absorb the growing workforce. The Urban Employment Guarantee Scheme (UEGS) is a policy initiative designed to provide assured wage employment to urban residents, particularly targeting the urban poor and vulnerable groups. Inspired by the success of rural employment programs such as MGNREGS, the UEGS aims to create dignified livelihood opportunities, enhance urban infrastructure, and promote inclusive growth. Under the scheme, eligible individuals are guaranteed a specified number of workdays annually, engaging in labour-intensive public works such as sanitation drives, maintenance of public spaces and creation of community assets. Beyond income security, the scheme seeks to strengthen urban resilience by addressing issues of underemployment, informal sector exploitation, and seasonal job fluctuations with a focus on Punjab. (CMIE, 2023; ILO, 2023). As Drèze (2020) notes in his DUET proposal, 'employment guarantees represent both a safety net and a means of public asset creation.'

Keywords: Urban poverty alleviation, Wage employment, Public works program, Urban livelihoods, Job security.

1. INTRODUCTION

Urban poverty in India presents a complex and ever evolving challenge, shaped by rapid urbanization, rural-to-urban migration, and persistent socio-economic inequalities. Unlike rural poverty, which is often rooted in agrarian distress and seasonal unemployment, urban poverty manifests through overcrowded living conditions, high costs of living, informal employment, and inadequate access to essential services such as housing, sanitation, healthcare, and education. According to the Periodic Labor Force Survey (PLFS) and other national datasets, urban unemployment rates have consistently remained higher than rural rates, with April 2023 data indicating urban unemployment at 9.8% compared to 7.5% in rural areas. (NITI Aayog, 2022; Desai & Vanneman, 2020). (PLFS, 2023).

Government initiatives like the **Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM)**, the **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**, and the **Prime Minister's Employment Generation Programme (PMEGP)** have sought to enhance skills, promote self-employment, and provide livelihood support in urban areas. While these schemes have had measurable impacts, they fall short of offering a *rights-based, demand-driven employment guarantee* akin to the **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)** in rural India. The absence of such a guarantee in urban contexts has left a significant gap in the country's social protection architecture, especially for informal and unskilled urban workers. (DAY-NULM, 2016). (Government of India, 2005; Dreze, 2021).

This paper examines the rationale, design, and implementation challenges of the UEGS through a comparative analysis of state-level experiences, theoretical frameworks and fiscal feasibility assessments. It aims to provide evidence-based policy recommendations for structuring a sustainable, scalable, and socially inclusive urban employment guarantee program.

2. Literature Review

2.1 DUET and the theoretical model for urban public employment

Jean Drèze's Decentralized Urban Employment and Training (DUET) proposal has shaped much of the recent conceptual discussion. DUET proposes a demand-driven, decentralized urban public-works programme in which multiple public institutions (schools, health centers, municipalities, etc.) can generate job-stamps to hire workers for basic maintenance, cleaning, and small repairs. DUET stresses decentralization, simple administrative protocols, and leveraging existing public institutions for demand generation attributes argued to be particularly suited to the heterogeneous, service-oriented urban economy. Scholars have debated DUET's scalability and governance safeguards, prompting proposals to blend DUET-like decentralization with stronger MIS, social audits, and digital payments. (Drèze, 2020).

2.2 UNDP Urban Employment Program by Azim Premji University (CSE) (Azim Premji University – CSE, n.d.).

The UNDP Urban Employment Program, as analyzed by Azim Premji University's Centre for Social and Economic (CSE) studies, emphasizes the strategic role of wage-based public works in addressing urban livelihood insecurity. The study highlights the importance of decentralized planning, participatory implementation, and convergence with social protection measures to strengthen resilience among vulnerable urban households. (Azim Premji University – CSE, n.d.).

2.3 Reimagining Urban Employment Programme

Gautam Bhan & Shriya Anand and others (Economics & Political Weekly)

Gautam Bhan and Shriya Anand, writing in *Economic & Political Weekly*, examine the structural and fiscal dimensions of implementing an urban employment guarantee in the Indian context. A broader and more inclusive approach to urban employment programs is advocated to tackle urban vulnerabilities, UEPs need to be envisioned through a transformative social protection lens to go beyond work and workdays to allow an expansive list of permitted works. (Bhan & Anand, n.d.).

2.4 Rethinking Urban Employment Guarantees in India

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This essay states that as India becomes more urbanized, there will be significantly higher demand for public services and welfare support in urban areas. There is a need to extend income and consumption support schemes, similar to the flagship rural employment scheme (MNREGA), into urban areas, strengthening social safety nets and advancing human development gains.

2.5 NULM / DAY-NULM (2013, 2016) Booklet

The *National Urban Livelihoods Mission*, later renamed DAY-NULM, is a centrally sponsored program aimed at reducing vulnerability of the urban poor. It operates via grassroots institutions like Self-Help Groups, offering livelihood support, skill training, vendor assistance, and shelter. It operates across major towns and cities with center-state funding sharing.

2.6 Policy Innovations: "Ideas for India"

Policy think tanks such as *Ideas for India* propose for linking guaranteed work with skill-building and decentralized governance, akin to MGNREGA's demand-tracking but adapted to urban realities. In his enunciation, Debray Roy states that in India, employment should be a universal right. He has advocated for Universal Basic Income (UBI) for all the urban unemployed folks. (Ideas for India, n.d.).

2.7 Recent Budgetary Initiatives (2025-26)

The Union Budget 2025-26 & Punjab Budget for 2025-26 introduced measures aimed specifically at the socio-economic upliftment of urban workers, signaling policy continuation and financial support toward urban livelihood schemes. (Union Government of India, 2025).

2.8 State-Level Pilot Schemes

Several Indian states have piloted urban employment guarantee schemes: Kerala's Ayyankali UEGS (100 days/year), Rajasthan's IRGY with a substantial Rs 800 crore allocation, Odisha's MUKTA, HP's Ajeevika Guarantee, and Jharkhand's Shramik Yojana. These vary in design, legal backing, and scale, offering valuable comparative insight. (Government of Rajasthan, 2022; Government of Odisha, 2020, 2023; Government of Kerala, 2022).

2.9 Theoretical Underpinnings: Todaro (1969) "A Model of labor Migration and Urban Unemployment in Less Developed Countries." American Economic Review

Todaro's classic urban migration model posits that migration decisions are based on expected income differentials and enduring urban underemployment.

3. Characteristics and Challenges of Urban Poverty in India

Understanding the unique landscape of urban poverty is crucial for evaluating the applicability of a rural employment guarantee model. Urban deprivation in India is distinct from its rural counterpart, driven by different causal factors and manifesting in specific ways.

A. Causes and Manifestations of Urban Poverty

The primary driver of urban poverty in India is the substantial rural–urban migration, a phenomenon explained by Todaro's (1969) migration model, wherein individuals move to cities in anticipation of better opportunities despite limited immediate prospects. Such movement is often triggered by inadequate infrastructure and restricted economic potential in rural areas. This demographic shift contributes to overcrowding in urban centres, placing significant pressure on resources and civic amenities. According to Todaro (1969), rural-to-urban migration is driven not solely by higher urban wages but by the difference in *expected earnings*. This 'pull factor' contributes significantly to the urbanisation of poverty.

In India, a major challenge is the scarcity of formal-sector jobs for unskilled workers, with approximately 92% of the urban workforce engaged in informal employment (ILO), who often lack security and benefits. Rising living costs and persistent inflation further strain low-income households, making the fulfilment of basic needs increasingly difficult. (ILO, 2023).

Many urban poor cannot afford decent housing, leading to residence in overcrowded slums with inadequate access to basic services such as clean water, sanitation, and electricity (DHARAVI of Mumbai is the biggest slum in whole of Asia MoHUA 2021). Economically, urban poor households are characterized by irregular or casual employment, low-paid work, and limited access to formal credit or social safety net programs.

Vulnerable Groups and Distinct Labor Market Dynamics

The urban labor market exhibits distinct dynamics compared to its rural counterpart. It is overwhelmingly dominated by non-agricultural activities, with 95.58% of urban establishments engaged in such sectors. While cities offer a greater number of job opportunities, a significant proportion of these are informal and low-paying. The urban unemployment rate, at 9.8% in April 2023, is notably higher than the rural unemployment rate in India (CMIE). Urban workers normally lack the necessary skills for formal employment opportunities. (MOSPI, 2013). (CMIE, 2023).

Distinctions between Rural and Urban Labor Markets & Poverty Characteristics

Characteristic	Rural Context (MNREGA's Focus)	Urban Context (Urban Poverty)
Primary Economic Activity	Predominantly agrarian; significant agricultural establishments (34.73% of rural establishments) (<i>MOSPI, Sixth Economic Census, 2013</i>).	Overwhelmingly non-agricultural (95.58% of urban establishments) (<i>MOSPI, Sixth Economic Census, 2013</i>).
Employment Structure	Higher share of own-account establishments (79.22% of rural); seasonal agricultural demand (<i>MOSPI, 2013</i>).	Higher share of establishments with hired workers (56.26% of all with hired workers); dominance of informal, low-paying jobs (<i>MOSPI, 2013; ILO, 2023</i>).
Cost of Living	Generally lower, with more direct access to food/resources.	Significantly higher costs for food, shelter, water, sanitation, and healthcare (<i>NITI Aayog, 2022</i>).
Housing & Living Conditions	Often more space, but limited infrastructure.	Overcrowded slums, lack of affordable housing, inadequate access to basic services such as water, sanitation, and electricity (<i>MoHUA, 2021</i>).
Social Structures	Traditional values, extended families, strong caste hierarchies, close-knit community life.	Modernization, diversity, individualism, nuclear families, and gradual erosion of caste-based structures (though subtle persistence remains) (<i>Desai & Vanneman, 2020</i>).
Key Vulnerabilities	Underemployment, seasonal unemployment, agricultural shocks.	Lack of formal jobs, high cost of living, housing insecurity, health risks from poor sanitation, and exploitation in the informal economy (<i>ILO, 2023</i>).
Unemployment	Generally lower than urban.	Higher than rural — 9.8% in April 2023

Rate

(CMIE, 2023).

4. Primary & Secondary Data**4.1 Primary Data (simulated) — methodology**

Objective- To estimate the association between household/individual characteristics and monthly household income in urban Punjab and to assess whether access to the Urban Employment Guarantee Scheme (UEGS) and skill training are associated with better income outcomes.

Target population. Urban households in Ludhiana's ULBs (municipalities and municipal corporations).

Sample & sample size. For the purpose of this analysis we generated a reproducible, representative synthetic sample of $n = 150$ urban households. we generated a realistic sample of $n = 150$ municipal responses using the exact fields such as **age group, education level, main occupation, current employment status, type of work undertaken, average monthly household income, government employment program benefits, employment-related challenges, reasons for unemployment and payment method.** This sample size is realistic for a district-level household survey and sufficient for multivariable OLS models with the covariates used.

Sampling method (simulated). In a real deployment this would be a two-stage stratified sample (strata = city-size categories; stage 1 = wards; stage 2 = households). For the simulated dataset we sampled covariates to reflect plausible distributions.

4.2 Regression analysis

Whether the residents of the towns support launching a pilot Urban Employment Guarantee Scheme (UEGS).

Description of Simulated Municipal Survey

- **Sample size:** 150 municipal residents.
- **NULM presence:** Approximately 63% of surveyed towns report having the National Urban Livelihoods Mission (NULM) in place.
- **Seasonal job gap ("Yes"):** About 51% of towns report a noticeable seasonal slack in available jobs.
- **Preferred payment method:** DBT is the most common, at roughly 59%.
- **Median annual beneficiaries:** ~247 individuals per town.
- **Median suggested daily wage:** ₹478.
- **Support for UEGS pilot ("Yes"):** ~77% of towns are in favor of a pilot Urban Employment Guarantee Scheme (UEGS).

Correlation Analysis (Pearson, numeric/binary encodings)

Strongest positive associations with supporting a UEGS pilot:

- **Suggested wage (₹):** $r \approx +0.344$
 - **NULM presence:** $r \approx +0.306$
 - **Seasonal job gap = Yes:** $r \approx +0.230$
- Moderate/Smaller positives:
- **Skill training (Q7):** $r \approx +0.156$
 - **Self-employment loans:** $r \approx +0.106$
- Notable negative associations:
- **Seasonal gap = No:** $r \approx -0.257$
 - **Payment in Cash vs. DBT:** $r \approx -0.142$
 - **Road repair as primary activity:** $r \approx -0.134$

Interpretation: Towns that perceive a higher fair wage, already have NULM scheme and acknowledge seasonal slack tend to be more supportive of a UEGS pilot project.

Regression Analysis Highlights**1. Logistic Regression**

- **Outcome:** "Support pilot: Yes"
- **Significant predictor ($p < 0.05$):**
 - **NULM present:** Coefficient $\approx +1.41$ ($p \approx 0.008$)
 - *Interpretation:* Other factors being constant, towns with NULM are much more likely to support a UEGS pilot.
- **Directionally positive but not statistically significant:**
 - Annual beneficiaries
 - Seasonal gap = Yes
 - Bank transfer as payment method
 - Higher suggested wage
 - Active skill/wage employment activities

2. Linear Regression

- **Outcome:** Suggested daily wage (₹)
- **Significant predictors ($p < 0.05$):**
 - **NULM present:** +₹36.6
 - **Wage-employment activity (Q7):** +₹19.3
 - **Seasonal gap = Yes:** +₹38.5
- **Interpretation:** Residents who report seasonal slack and NULM tend to recommend higher daily wages.

4.3 Secondary-data

Context and assumptions (e.g., what counts as “typical” in ULBs) are aligned to your UEGS paper and India urban livelihoods context, so the model choices make policy sense for Punjab. Secondary sources used to inform study design, contextualize findings and provide prior estimates:

- Government state schemes documentation (e.g., IRGY Rajasthan, MUKTA Odisha, Ayyankali Kerala) used to identify permissible works and wage practices.
- National statistical sources: PLFS (Periodic Labour Force Survey), MOSPI Economic Census, CMIE unemployment series used for national and state-level unemployment baselines.
- Policy briefs and academic literature: analyses of DUET (Jean Drèze) and related urban employment proposals; studies on urban informal employment and livelihood missions (DAY-NULM/NULM). Websites like ideas for India who explain such concept very well
- Union Budget (2025–26) and relevant 15th Finance Commission releases used to assess fiscal feasibility and budgetary context.
- International organizations: ILO reports on urban informal employment in India.
- Articles from Various Newspapers.

5. State-Level Urban Employment Guarantee Schemes: Case Studies

Recognizing the distinct challenges of urban poverty, several Indian states have initiated their own urban employment guarantee schemes, drawing inspiration from MNREGA while adapting to local urban contexts. These pioneering efforts offer valuable insights into the feasibility and design considerations for such programs.

Detailed Examination of Key Schemes

1. **Indira Gandhi Shahari Rozgar Yojana (Rajasthan)** – Introduced in September 2022, this scheme guarantees 100 days of wage employment—extended to 125 days in 2023—for urban households, with priority given to the poor and destitute. Work categories include environmental protection, heritage conservation, encroachment removal, and civic services such as waste collection and stray animal management (*Government of Rajasthan, 2023*).
2. **Mukhyamantri Karma Tatpara Abhiyan – MUKTA (Odisha)** – Launched in February 2021 after its pandemic-era precursor (OUWEI, 2020), MUKTA delivers community-led urban works focusing on beautification, sanitation, drainage, green spaces, and climate-resilient infrastructure. It bypasses contractors, empowers self-help groups (SHGs), and maintains a transparent worker database through MUKTA-Soft (*Government of Odisha, H&UD Department, 2023*).
3. **Mukhya Mantri Shahari Ajeevika Guarantee Yojana (Madhya Pradesh)** – Provides up to 100 days of annual wage employment in municipal works, targeting sanitation, waste management, and urban greenery, with integrated skill training to improve employability (*Government of Madhya Pradesh, 2022*).
4. **Ayyankali Urban Employment Guarantee Scheme (Kerala)** – Offers 100 days of work to economically weaker sections, with strong emphasis on sanitation, housing-related works, and community asset creation, ensuring gender inclusion and timely wage disbursement (*Government of Kerala, 2022*).
5. **Mukhya Mantri Shahari Rozgar Guarantee Yojana (Chhattisgarh)** – Assures wage employment to unskilled urban residents, focusing on environmental works, civic maintenance, and inclusive participation of women and marginalised groups (*Government of Chhattisgarh, 2021*).
6. **Mukhyamantri Shramik Yojana – Urban (Jharkhand)** – Offers 100 days of work with wages set higher than the state’s MGNREGA rate, childcare facilities for women workers, and quick wage transfers within 7–15 days (*Government of Jharkhand, 2020*).
7. **Mukhya Mantri Shahari Ajeevika Yojana (Himachal Pradesh)** – Ensures 120 days of work for urban residents willing to undertake unskilled labour, with permissible works such as sanitation, waste management, and civic infrastructure (*Government of Himachal Pradesh, 2020*).
8. **Odisha Urban Wage Employment Initiative (OUWEI)** – Launched in April 2020 as a pandemic relief measure, creating short-term employment while delivering drainage systems, parks, and street improvements (*Government of Odisha, 2020*).

9. **Goa Dayanand Bandodkar Shramik Kalyan Yojana** – Provides part-time wage opportunities to informal sector workers in civic maintenance and cleaning (*Government of Goa, 2021*).
10. **Assam Urban Wage Employment Programme** – Generates temporary jobs through small-scale infrastructure works, sanitation drives, and beautification projects in municipal areas (*Government of Assam, 2021*).

These state-level experiments collectively demonstrate that the success of urban employment guarantee schemes depends on timely wage payments, participatory planning, integration with urban service delivery, and adaptability to local needs.

Comparative Overview of State-Level Urban Employment Guarantee Schemes

Feature	Rajasthan (IRGY-Urban)	Odisha (MUKTA)	Himachal Pradesh (MMSAGY)	Jharkhand (Mukhyamantri Shramik Yojana)
Launch Year	Sept 2022 (<i>GoR, 2022</i>)	OUWEI: Apr 2020; MUKTA: Feb 2021 (<i>GoO, 2021</i>)	2020 (<i>GoHP, 2020</i>)	2020 (<i>GoJ, 2020</i>)
Guaranteed Days	100 days (raised to 125 in 2023)	Not fixed; ongoing	120 days	100 days
Eligibility	18–60 years; urban residents; priority to poor/destitute	Marginalised informal workers, women, disabled persons, vulnerable groups	Adults up to 65 years; residents willing to do unskilled work	18+ years; resident since before April 2015; includes disabled, women in special circumstances, senior citizens
Permissible Works	Environment protection, water conservation, heritage preservation, encroachment removal, civic services (garbage, stray animal control)	Beautification, sanitation, SWM, health-related works, sustainable drainage, water bodies, green spaces, community centers	Govt.-funded works (15th FC), sanitation, waste management, park cleaning	Cleanliness, water harvesting, tree plantation, public works construction/repair, shelter homes
Wage Structure	₹259/day (unskilled), ₹283/day (skilled), ₹271/day (mate); below market rates	Average wages to workers (<i>GoO, 2023</i>)	Minimum wage as per state; equal pay for men/women	Minimum wage (approx. 40% higher than state MGNREGA rate)
Key Operational Features	Jan Aadhar registration; committees at state/district/local levels	Community-led via MSGs/SHGs; no contractors; MUKTA-Soft worker database	Online application; fortnightly wage payment via bank; unemployment allowance	Job cards; dedicated website; demand-driven work; wages in 7–15 days; unemployment allowance
Noteworthy Successes	2.25 lakh job cards issued (<i>GoR, 2023</i>)	Over 700K workers benefited; community assets; women's empowerment through SHGs	Skill enhancement; stronger urban infrastructure	Childcare for female workers; higher wages than MGNREGA
Key Challenges	Low wages, payment delays, staff training gaps, budget underutilisation	Delays in claims, weak project management	Limited public documentation	Limited public documentation

Sources: Government of Rajasthan (GoR, 2022, 2023); Government of Odisha (GoO, 2021, 2023); Government of Himachal Pradesh (GoHP, 2020); Government of Jharkhand (GoJ, 2020).



6. Feasibility of a National Urban Employment Guarantee Program

The experience of state-level urban employment guarantee schemes, coupled with the insights from MNREGA, provides a basis for assessing the feasibility and implications of a national urban employment guarantee program. Several critical factors must be considered.

6.1 Financial Burden and Sustainability Considerations

The fiscal burden of implementing a nationwide Urban Employment Guarantee Programme (UEGP) is considerable. Guaranteeing employment, even for a limited number of workdays, entails large-scale expenditure on wages, asset creation, infrastructure upkeep, and administrative systems. For instance, estimates for a proposed Women's Urban Employment Guarantee Act (WUEGA) indicate that the wage component alone could account for approximately 1.5% of India's GDP, while broader projections suggest that a fully comprehensive national scheme might require allocations of up to 5% of GDP (Dreze, 2021). This magnitude of spending must also be viewed in light of the Union Government's 2025–26 welfare budget, which is projected at roughly 2% of GDP (UGC Data, 2025). Financially, this approach must be assessed alongside existing public commitments and revenue streams. The 2025–26 Union Budget has earmarked approximately Rs. 86,500 crore for MNREGA. Additionally, the recent record transfer of Rs. 8 lakh crore from the Reserve Bank of India to the central exchequer as dividend combined with an estimated 6.6% year-on-year GDP growth, provides a temporary fiscal cushion for piloting and scaling such a program. Easily, a sum of Rs. 50,000 crores can be kept aside for urban employment generation. (Dreze, 2021). (Union Government of India, 2025). (Union Government of India, 2025). (UGC Data, 2025).

The amount required for UEGS is meagre compared to enormity of India economy but it requires phased implementation to ensure that such a program remains economically viable.

State-level schemes like Rajasthan's IRGY have reported budget crunches and limited spending or underutilization of allocated funds. This indicates that the fiscal imperative represents a major structural hurdle for a national urban employment guarantee.

6.2 Challenges in Job Creation, Skill Matching, and Diverse Work Opportunities

Creating a sufficient volume of these diverse work opportunities within a reasonable commuting distance (e.g., 5 km) from beneficiaries' residences, especially in densely populated cities, is a significant operational challenge.

Embedding structured skill development and vocational training within the design of an Urban Employment Guarantee Programme (UEGP) could substantially enhance its long-term impact. Drawing on the model of the National Urban Livelihoods Mission (NULM), which links livelihood support with market-relevant skills, the scheme could introduce differentiated work categories skilled, semi-skilled and unskilled to align more closely with urban labor market demands. Such integration would shift the program's positioning from being solely a safety net to becoming a structured pathway toward upward economic mobility, thereby addressing persistent skill deficits in the urban workforce.

6.3 Administrative and Bureaucratic Hurdles

Administrative and bureaucratic red tape inefficiencies pose significant hurdles for any large-scale public program in India. Common challenges observed in both MNREGA and state-level urban schemes include poor planning, inadequate awareness among beneficiaries, a lack of clear focus on objectives, and insufficient administrative and technical manpower at local levels.

Concerns about corruption and irregularities, such as embezzlement of funds, fake muster roll entries, and the exclusion of specific sections of society are likely. Improper data collection methods and limited access to information in informal settlements further complicate effective tracking and monitoring of program outcomes.

7. Recommendations for Policy and Implementation

7.1 Policy Adjustments for a National Urban Scheme

1. **Adaptive Legal Framework:** A distinct legal framework specifically tailored to urban realities should be developed, rather than merely copying MNREG Act. Instead, an urban employment guarantee Act should be passed by the Parliament.
2. **Flexible and Diverse Work Categories:** The scheme should allow a wide range of urban-relevant works. Activities should be classified into **durable assets** (e.g., drainage, solid waste units, streetlights, permanent green spaces) and **non-durable assets** (e.g., seasonal landscaping, temporary beautification). Implementation can follow the NULM model, with **City Mission Management Units (CMMUs)** in ULBs coordinating planning, execution, and monitoring in partnership with state agencies, contractors, and self-help groups to ensure quality and community participation. Non-durable assets can be developed by mandating that 50% of labor comes from UEGS beneficiaries. Government contracts for public works can similarly employ 50% labor from UEGS.
3. **Competitive Wage Policy:** The scheme should align wages with prevailing urban market rates upended with consumer price index for labor to ensure broad participation. While retaining a self-targeting element, setting wages too far below market levels as observed in some state programs risks limiting uptake and confining benefits to only the most destitute (For Example in Rajasthan). The wage structure should be **dynamic** and region-specific. For instance, in Punjab, prevailing urban wages should be approximately Rs. 500 per day for unskilled work and around ₹700 per day for skill-based activities.
4. **Integrated Skill Development:** Mandate the integration of skill development and vocational training components within the scheme. This could involve offering training alongside work involving skill development missions RSETI can be involved in training urban unemployed.
5. **Rights-Based Entitlement:** The scheme must guarantee legally enforceable work opportunities as a statutory right, ensuring participation in a wide range of permissible urban works.
6. **Convenience with Deterrence:** The program design should prioritize worker convenience by ensuring job sites are equipped with essential amenities such as drinking water, sanitation, and shade. To deter malpractice, strict enforcement measures must include penalties for wage delays and blacklisting of defaulting contractors.

7.2 Strategies for Effective Implementation, Addressing Identified Challenges

7.2.1 Strengthened Decentralized Governance: Urban Local Bodies (ULBs) should be empowered as the primary implementing agencies, granting them substantial autonomy in planning, work identification, and project execution. Partnerships with urban community-based organizations, including Self-Help Groups (SHGs), Mission Shakti Groups (MSGs), Slum Dwellers Associations (SDAs), **Mohalla Associations**, and **Pravasi Mazdoor Samitis** should be ensured. Local should be involved in the process of project implementation as they can leverage their knowledge of the area regarding requisite projects.

7.2.2 Robust Digital Infrastructure: Significant investment is required to develop and deploy comprehensive digital platforms covering all facets of the program. This includes online registration, demand generation, biometric attendance tracking, real-time work progress monitoring, and direct, timely wage payments to beneficiaries' bank accounts. Systems such as **Management Information Systems (MIS)** and **Job Information Systems** (successfully implemented by the Andhra Pradesh Urban Development Authority) serve as effective models. Janta information system has been proposed by UNDP-Azim Premji University Paper. Leverage of Geographic Information System (GIS) and drone imagery for systematic identification of potential works sites should be used.

7.2.3 Transparent Grievance Redressal and Continuous Monitoring: Establish easily accessible, efficient, and time-bound grievance redressal mechanisms at the ULB level, ensuring clear accountability. System for continuous monitoring of work progress should be there.

7.2.4 Establishment of Helpline and Mobile Application Platforms: To facilitate smooth grievance redressal and enhance accessibility, a dedicated helpline coupled with a user-friendly mobile application should be established.

7.2.5 Deployment of Structured Ward, and City-Level Employment Guarantee Agencies: Implementing a tiered institutional framework structure at ward and city levels can decentralize decision-making, streamline work allocation, and improve monitoring and help in identification of desired projects at the ground level.

7.2.6 GUIDELINES FOR IMPLEMENTATION OF PROJECT

1. List of projects shall be identified by ULBs area-wise from the specified categories/activities and pre-decided at the state level
2. ULBs will carry out appropriate IEC (information, Education and Communication) measures to create awareness at the ULB level on the job opportunities, enrolment procedures, and benefits.
3. ULB AMEs and JEs will document all work-related procedures.
4. Material procurement will be done by ULBs

7.3 Convergence Mechanisms

7.3.1. Convergence of NULM and UEGS

As per the 74th Constitutional Amendment, it is the responsibility of Urban Local Bodies (ULBs) to alleviate urban poverty. The Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY-NULM) was launched to address this purpose in cities with populations exceeding 1 lakh. DAY-NULM focuses on capacity building and expanding existing livelihood opportunities, particularly for the urban homeless and vulnerable groups.

Since Urban Employment Guarantee Schemes (UEGS) share similar objectives of livelihood support, they can be converged with NULM programs. The mission managers and its staff can assist ULB employees in skill training and management, making it easier to implement UEGS at the urban level. The Self-Employment Programme (SEP) under NULM is especially beneficial for urban poor individuals who want to start small-scale enterprises.

For example, Ludhiana's 140 Self-Help Group (SHG) initiatives under NULM as of December 2024 can be utilized to generate employment opportunities such as building of shelters for the homeless, microenterprises like tea stalls, and vendors of fruits and vegetables by coalescing UEGS workers along with NULM Self Help Groups.

7.3.2. Other Implementation Agencies and Scheme Convergences

Convergence can also be extended to other schemes such as:

- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) for skill development,
- SANKALP (Skill Acquisition and Knowledge Awareness for Livelihood Promotion),
- Social security schemes (National Food Security Benefit - NFSB, Targeted Public Distribution System - TPDS),
- Housing schemes like Pradhan Mantri Awas Yojana (PMAY),
- Entrepreneurship programs such as Pradhan Mantri Employment Generation Programme (PMEGP).

To facilitate data integration and beneficiary management across these schemes, platforms like e-SHRAM can be used to maintain updated databases supporting skill development, social security, and employment generation.

8. Proposed Punjab Urban Employment Guarantee Scheme (P-UEGS) Model

8.1 Finances of Punjab regarding UEGS

The total Gross State Domestic Product (GSDP) outlay of Punjab for 2025–26 is estimated at Rs. 8.91 lakh crore. A scheme such as the Urban Employment Guarantee (UEG), even with a magnitude of Rs. 7,000 crores, would constitute only about **0.9% of the state's GSDP**. Under the **15th Finance Commission**, the recommended allocation for Punjab was ₹2,764 crore; however, the actual release amounted to only ₹1,921.84 crore—resulting in a shortfall of ₹843 crore. This shortfall alone could have been redirected to finance the UEG scheme had the scheme been in operation.

If the central government were to fund the scheme—covering **100% of wage payments and 75% of material costs**—as in MNREGA, the UEG could prove to be a substantial boon for Punjab's economy. However, such central funding support appears unlikely due to political constraints.

Punjab's 2025–26 budget allocates Rs. 230 crore for ground-level employment, ₹3,242 crore for industry, and ₹5,893 crore for urban development. However, there is no specific provision for an Urban Employment Guarantee Scheme (UEGS). Introducing such a scheme could have a multiplier effect by stimulating local demand, revitalizing public spaces, and providing a safety net for informal workers. It can be strategically integrated with existing initiatives such as the Smart Cities Mission, AMRUT, Udyog Kranti (industrial development), and NULM. Given its potential to transform Punjab's urban economy, a well-designed UEGS is both desirable and feasible.

Punjab has 162 Municipal Councils and 13 Corporations, including major urban centers like Ludhiana and Amritsar. Despite the urban-centric population—over 40% of the state's residents live in cities (with more than 50% urbanization in Ludhiana district), a significant proportion of the urban population remains unemployed throughout the year.

This persistent unemployment, particularly among youth, has historically contributed to social instability evident from the Naxalite menace late 1960s, terrorism in the 1980s, the drug crisis of the 2000s, and the rise in gangster activity during the 2010s. The state lacks sufficient motivation for skill development, as seen in the underutilized potential of Industrial Training Institutes (ITIs) and polytechnic institutions.

According to the latest **Periodic Labor Force Survey (PLFS)**:

- Punjab's overall unemployment rate: **6.7%**
- Youth unemployment (15–29 years): **14.9%** (October–December 2024 quarter)
- Labor Force Participation Rate (LFPR): **43.3%** (percentage of the working-age population either under employed or actively seeking employment)

These figures underline the need for targeted interventions like the UEG scheme to address both unemployment and low labor market participation in Punjab.

8.2 Model for implementation in Punjab

8.2.1 Individuals aged between 18 to 60 years, Residents of Punjab's Urban Local Bodies (ULBs) possessing valid Aadhaar, ration card, or EPIC card, work entitlement may be granted for one or more members of a household.

8.2.2 Submission of applications for employment at the respective ULBs. Advertisement by Munadi, Loudspeakers through religious places etc. should be done in advance.

8.2.3 Allocation of work approved by the ULB Council based on project prioritization.

8.2.4 JE/AME should act as the nodal officers for the ULB and a dedicated cell in the office of the ULB should be made responsible for the UEGC.

8.2.5 Aadhaar-linked subsidies, along with dedicated muster rolls, should be provided under *Nagar Rozgar Sayahak* (on the pattern of *Gram rozgar sahayak of MNREGA*), along with the appointment of a technical assistant and an assistant program officer. Services of NULM staff should be used in this contest.

8.2.6 A minimum of 150 person-days of work per year should be ensured, indexed with the CPI.

8.2.7 The wage rate should be at least ₹500 per day for unskilled and 700 per day for the skilled should be implemented in the urban areas.

8.2.8 E-muster rolls should be made available online. A Mobile Monitoring System (MMS) should be used for marking attendance twice daily, with the data forwarded to the Assistant Programme Officer's ID for Direct Benefit Transfer (DBT) payments to beneficiaries.

8.2.9 Banking and payment processes should be streamlined, with a clearly stipulated time frame for completion.

8.2.10 If a person does not receive work within 15 days of application, he or she should be eligible for an unemployment allowance.

8.2.11 Completion of assigned work within stipulated timelines.

8.2.12 It should be ensured that the person does not take any double benefits from related employment schemes.

8.3 Permitted Works in Punjab

- Development and upkeep of parks and playgrounds.
- Plantation drives along avenues, roads, canals, and community blocks.
- Establishment and maintenance of nurseries.
- Maintenance and cleaning of flood and drainage channels, including stormwater drains.
- Operations and maintenance of micro-composting units.
- Management of resource recovery centers.
- Repairs and improvements of footpaths and pedestrian walkways.
- Storm Water Drainage.
- Green Cover and Beautification.
- Rain water harvesting.
- Working in shelters of the homeless
- Assisting garbage collection.
- Work as waste segregators.
- Work as assistants in home and offices.
- Work as carriers of posts and articles.
- Work in MRF sheds.
- Work as newspaper hawkers and street vendors.

9. CONCLUSION

A national UEGS, if legislated, could serve as a critical pillar of India's social protection framework, complementing MGNREGA in rural areas and aligning with Sustainable Development Goals (SDGs) 1 (No Poverty), 8 (Decent Work), 10 (Reduced Inequalities), and 11 (Sustainable Cities and Communities) of the United Nations.

Beyond direct employment and income support, a well-designed urban employment guarantee program holds significant potential for broader economic and social multiplier effects, acting as a *catalyst for comprehensive urban transformation*.

Ultimately, such intervention can empower urban residents with the right to work, thereby reinforcing the fundamental right to life guaranteed under Article 21 of the Constitution. A national urban employment guarantee program, can move beyond being merely an income safety net to become a powerful tool for achieving sustainable urban development goals and enhancing the overall well-being of urban populations.

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