

AS INTRODUCED IN LOK SABHA

Bill No. 157 of 2021

**THE NATIONAL URBAN EMPLOYMENT
GUARANTEE BILL, 2021**

By

DR. GADDAM RANJITH REDDY, M.P.

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A

BILL

to provide for the enhancement of livelihood security of the poor households in Municipal areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every poor household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

- 5 1. (1) This Act may be called the National Urban Employment Guarantee Act, 2021.

Short title,
extent and
commencement.

(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.

Definitions.

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

(a) “adult” means a person who has completed his eighteenth year of age;

(b) “applicant” means the head of a household or any of its other adult member(s) who has applied for employment under the Scheme;

(c) “Central Council” means the Central Urban Employment Guarantee Council constituted under sub-section (1) of section 10;

(d) “District Programme Coordinator” means an officer of the State Government designated as such under sub-section (1) of section 14 for implementation of the Scheme in a district;

(e) “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;

(f) “implementing agency” includes any department of the Central Government or a State Government, a local body or corporation or authority or Government undertaking or non-governmental organization authorized by the Central Government or the State Government to undertake the implementation of any work taken up under a Scheme;

(g) “minimum wage”, in relation to any area, means the minimum wage fixed by the State Government which is twice under section 3 of the Minimum Wages Act, 1948 for agricultural labourers as applicable in that area;

(h) “Municipality” means an institution of self-government constituted under article 243Q of the Constitution;

(i) “National Fund” means the National Urban Employment Guarantee Fund established under sub-section (1) of section 20;

(j) “notification” means a notification published in the Official Gazette;

(k) “poor household” means a household living, during the relevant financial year, below the poverty line, in a Municipal area;

(l) “preferred work” means any work which is taken up for implementation on a priority basis under a Scheme;

(m) “prescribed” means prescribed by rules made under this Act;

(n) “Programme Officer” means an officer appointed under sub-section (1) of section 15 for implementing the Scheme in a Municipal area;

(o) “project” means any work taken up under a Scheme for the purpose of providing employment to applicants;

(p) "Scheme" means a Scheme notified by the State Government under sub-section (1) of section 4;

(q) "State Council" means the State Urban Employment Guarantee Council constituted under sub-section (1) of section 12;

5 (r) "unskilled manual work" means any physical work which any adult person is capable of doing without any skill or special training; and

(s) "Urban area" means the territorial area of a Municipality as is notified by the Governor under article 243Q of the Constitution;

(t) "wage rate" means the wage rate referred to in section 6.

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CHAPTER II

GUARANTEE OF EMPLOYMENT IN URBAN AREAS

3. (1) Save as otherwise provided, the State Government shall, in such Urban area in the State and for such period as may be notified by the Central Government, provide to every poor household whose adult members volunteer
15 to do unskilled manual work not less than one hundred days of such work in a financial year in accordance with the Scheme made under this Act.

Guarantee of urban employment to poor households.

(2) Every person who has done the work given to him under the Scheme shall be entitled to receive wages at the wage rate for each day of work.

20 (3) Save as otherwise provided in this Act, the disbursement of daily wages 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.

25 (4) The Central Government or the State Government may, within the limits of its economic capacity and development, make provisions for securing work to every adult member of a poor household under a Scheme for any period beyond the period guaranteed under sub-section (1), as may be expedient.

CHAPTER III

EMPLOYMENT GUARANTEE SCHEMES AND UNEMPLOYMENT ALLOWANCE

30 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, make a Scheme, for providing not less than one hundred days of guaranteed employment in a financial year to every poor household in urban areas covered under the Scheme and whose
35 adult members, by application, volunteer to do unskilled manual work subject to the conditions laid down by or under this Act and in the Scheme:

Employment Guarantee Schemes for urban areas.

40 Provided that until any such Scheme is notified by the State Government, the Annual Action Plan or Perspective Plan for the National Urban Livelihood Mission (NULM) or the National Food for Work Programme (NFFWP) whichever 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.

(2) 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.

(3) The Scheme made under sub-section (1) shall provide for the minimum features specified in Schedule I.

Conditions for
providing
guaranteed
employment.

5. (1) The State Government may, without prejudice to the conditions specified in Schedule II, specify in the Scheme the conditions for providing guaranteed employment 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 specified in Schedule II.

Wage rate.

6. (1) Notwithstanding anything contained in the Minimum Wages Act, 1948, the Central Government may, by notification, specify the wage rate for the purposes of this Act:

Provided that different rates of wages may be specified for different areas.

(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 which is twice under section 3 of the Minimum Wages Act, 1948 for agricultural labourers, shall be considered as the wage rate applicable to that area.

Payment of
unemployment
allowance.

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

(2) 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 and the economic capacity of the State Government, the unemployment allowance payable under sub-section (1) shall be paid to the applicants of a poor 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 one-fourth of the wage rate for the first thirty days during the financial year and not less than one-half of the wage rate for the remaining period of the financial year.

(3) 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 Programme Officer to report for work either by himself or depute at least one adult member of his household; or

(b) the period for which employment is sought comes to an end and no member of the household of the applicant had turned up for employment; or

(c) the adult members of the household of the applicant have received in total at least one hundred days of work within the financial year; 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 one hundred days of work during the financial year.

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

10 (5) 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.

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

15 8. (1) If the Programme Officer is not in a position to disburse the unemployment allowance in time for any reason beyond his control, he shall report the matter to the District Programme Coordinator and announce such reasons in a notice to be displayed on his notice board and the notice board of the Municipal office and at such other conspicuous places as he may deem necessary.

Non-disbursement of unemployment allowance in certain circumstances.

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

25 (3) The State Government shall take all measures to make the payment of unemployment allowance reported under sub-section (1) to the concerned poor household as expeditiously as possible.

9. An applicant who—

(a) does not accept the employment provided to his household under a scheme; or

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

35 (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 employment under the Scheme at any time.

Disentitlement to receive unemployment allowance in certain circumstances.

CHAPTER IV

IMPLEMENTING AND MONITORING AUTHORITIES

40 10. (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 Employment Guarantee Council to discharge the functions, and perform the duties, assigned to it by or under this Act.

Central Urban Employment Guarantee Council.

(2) The headquarters of the Central Council shall be at Delhi.

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

(a) a Chairperson;

(b) not more than such number of representatives of the Central Ministries including the NITI Aayog not below the rank of Joint Secretary to the Government of India as may be determined by the Central Government; 5

(c) not more than such number of representatives of the State Governments as may be determined by the Central Government;

(d) not more than fifteen non-official members representing Urban Local Bodies, organizations of workers and disadvantaged groups: 10

Provided that such non-official members shall include two Mayors nominated by the Central Government by rotation for a period of one year at a time:

Provided further that not less than one-third of the non-official members nominated under this clause shall be women: 15

Provided also that not less than one-third of the non-official members shall be belonging to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities;

(e) such number of representatives of the States as the Central Government may, by rules, determine in this behalf; 20

(f) a Member-Secretary not below the rank of Joint Secretary to the Government of India.

(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. 25

Functions and
duties of
Central
Council.

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

(a) establish a central evaluation and monitoring system; 30

(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; 35

(e) monitoring the implementation of this Act;

(f) preparation of 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. 40

(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.

5 **12.** (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 Council to be known as the(name of the State) State
10 Urban Employment Guarantee Council with a Chairperson and such number of official members as may be determined by the State Government and not more than fifteen non-official members nominated by the State Government from Municipalities, organisations of workers and backward groups:

State Urban
Employment
Guarantee
Council.

Provided that not less than one-third of the non-official members nominated under this clause shall be women:

15 Provided further that not less than one third of the non-official members shall be belonging to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities.

20 (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;

25 (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;

30 (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.

35 (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 the implementation of the Schemes and Programmes in the State.

40 **13.** (1) The Urban area within which the scheme is being implemented shall constitute a Standing Committee consisting of such number of its members and subject to such terms and conditions as may be prescribed by the State Government to supervise, monitor and oversee the implementation of the Scheme within the corporation.

Standing
Committee at
district level.

(2) The Standing Committee shall co-opt not more than seven representatives of intermediate Municipalities, organization of workers, women's organisations, non-Governmental organizations and disadvantaged groups as special invitees.

(3) The functions of the Standing Committee shall be—

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(a) to finalize and approve municipality-wise shelf of projects to be taken up under a programme under this scheme;

(b) to supervise and monitor the projects taken up at the Municipality level; and

(c) to carry out such other functions as may be assigned to it by the State Council, from time to time.

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(4) The District Programme Coordinator shall assist the Standing Committee in discharging its functions under this Act and any Scheme made thereunder.

District
Programme
Coordinator.

14. (1) The Collector of the district or any other district level officer of appropriate rank as the State Government may decide shall be designated as the District Programme Coordinator for the implementation of the Scheme within the Municipal area.

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(2) The District Programme Coordinator shall be responsible for implementation of the Scheme within the Municipal area in accordance with the provisions of this Act and the rules made thereunder.

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(3) The functions of the District Programme Coordinator shall be—

(a) to assist the Standing Committee constituted under sub-section (1) of section 13;

(b) to consolidate the plans prepared by the Municipality and project proposals received from other implementing agencies for inclusion in the shelf of projects to be approved by the Standing Committee;

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(c) to accord necessary sanction and administrative clearance, wherever necessary;

(d) to coordinate with the Programme Officers functioning within his jurisdiction and the implementing agencies to ensure that the applicants are provided employment as per their entitlements under this Act;

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(e) to review, monitor and supervise the performance of the Programme Officers;

(f) to conduct periodic inspection of the works in progress; and

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(g) to redress the grievances of the applicants.

(4) The State Government shall delegate such administrative and financial powers to the District Programme Coordinator as may be required to enable him to carry out his functions under this Act.

(5) The Programme Officer appointed under sub-section (1) of section 15 and all other officers of the State Government and local authorities and bodies functioning within the district shall be responsible to assist the District Programme Coordinator in carrying out his functions under this Act and the Schemes made thereunder.

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(6) The District Programme Coordinator shall prepare in the month of December every year a labour budget for the next financial year containing the details of anticipated demand for unskilled manual work in the district and the plan for engagement of labourers in the works covered under the Scheme and submit it to the Standing Committee of the respective Municipality.

15. (1) For every Municipality, the State Government shall appoint a person with such qualifications and experience as may be determined by the State Government, as Programme Officer for implementing the Scheme in that Municipal area.

Programme
Officer.

(2) The Programme Officer shall be responsible for matching the demand for employment with the employment opportunities arising from projects in the area under his jurisdiction.

(3) The Programme Officer shall prepare a plan for Municipality under his jurisdiction by consolidating the project proposals prepared by the Municipality.

(4) The functions of the Programme Officer shall include—

(a) monitoring of projects taken up by Municipalities within the municipal limits;

(b) sanctioning and ensuring payment of unemployment allowance to the eligible poor households;

(c) ensuring prompt and fair payment of wages to all labourers employed under a programme of the Scheme within the Municipality;

(d) ensuring that regular social audits of all works within the jurisdiction of Municipality are carried out by Municipality and that prompt action is taken on the objections raised in the social audit;

(e) dealing promptly with all complaints that may arise in connection with the implementation of the Scheme within the Municipality; and

(f) any other work as may be assigned to him by the District Programme Coordinator or the State Government.

(5) The Programme Officers shall function under the direction, control and superintendence of the District Programme Coordinator.

(6) The State Government may, by order, direct that all or any of the functions of a Programme Officer shall be discharged by the local authority.

16. (1) The Municipality shall be responsible for identification of the projects in the area to be taken up under a Scheme as per the recommendations of the Municipal Committee and for executing and supervising such works.

Responsibilities
of
Municipalities.

(2) Every Municipality may take up any project under a Scheme within the Municipal area as may be sanctioned by the Programme Officer.

(3) Every Municipality shall, after considering the recommendations of the Municipal Committee, prepare a development plan and maintain a shelf of possible works to be taken up under the Scheme as and when demand for work arises.

(4) The Municipality shall forward its proposals for the development projects including the order of priority between different works to the Programme Officer for scrutiny and preliminary approval prior to the commencement of the year in which it is proposed to be executed.

(5) The Programme Officer may allot at least fifty per cent. of the works in terms of its cost under a Scheme to be implemented through the Municipality. 5

(6) The Programme Officer shall supply each Municipality with—

(a) the muster rolls for the works sanctioned to be executed by it; and

(b) a list of employment opportunities available elsewhere to the residents of the Municipality. 10

(7) The Municipality shall allocate employment opportunities among the applicants and ask them to report for work.

(8) The works taken up by a Municipality under a Scheme shall meet the required technical standards and measurements. 15

Social audit of
work by
Municipality.

17. (1) The Municipal corporation shall monitor the execution of works within the Municipal area.

(2) The Municipal corporation shall conduct regular social audits of all the projects under the Scheme taken up within the Municipal area.

(3) The Municipal corporation shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the Municipality for the purpose of conducting the social audit. 20

Responsibilities of State
Government in implement-
ing Scheme.

18. The State Government shall make available to the District Programme Coordinator and the Programme Officers necessary staff and technical support as may be necessary for the effective implementation of the Scheme. 25

Grievance
redressal
mechanism.

19. The State Government shall, by rules, determine appropriate grievance redressal mechanisms at the district level for dealing with any complaint by any person in respect of implementation of the Scheme and lay down the procedure for disposal of such complaints. 30

CHAPTER V

ESTABLISHMENT OF NATIONAL AND STATE EMPLOYMENT GUARANTEE FUNDS AND AUDIT

National
Urban
Employment
Guarantee
Fund.

20. (1) The Central Government shall, by notification, establish a National Fund to be called the National Urban Employment Guarantee Fund for the purposes of this Act. 35

(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. 40

(3) The amount standing to the credit of the National Fund shall be utilized in such manner and subject to such conditions and limitations as may be prescribed by the Central Government.

21. (1) The State Government may, by notification, establish a Fund to be called the State Urban Employment Guarantee Fund for the purposes of implementation of the Scheme.

State Urban
Employment
Guarantee
Fund.

5 (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 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.

10 (3) The State Fund shall be held and administered on behalf of the State Government in such manner and by such authority as may be prescribed by the State Government.

22. (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:—

Funding
pattern.

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

(b) up to three-fourths of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers subject to the provisions of Schedule II;

20 (c) such percentage of the total cost of the Scheme as may be determined by the Central Government towards the administrative expenses, which may include the salary and allowances of the Programme Officers and his supporting staff, the administrative expenses of the Central Council, facilities to be provided under Schedule II and such
25 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;

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

(c) the administrative expenses of the State Council.

35 23. (1) The District Programme Coordinator and all implementing agencies in the District shall be responsible for the proper utilization and management of the funds placed at their disposal for the purpose of implementing a Scheme.

Transparency
and account-
ability.

(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.

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

45 (4) All payments of wages and unemployment allowances shall be made directly in the account of the person concerned on pre-announced dates.

(5) If any dispute or complaint arises concerning the implementation of a Scheme by the Municipality, the matter shall be referred to the Programme Officer.

(6) The Programme Officer shall enter every complaint in a complaint register maintained by him and shall dispose of the disputes and complaints within seven 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.

Audit accounts.

24. (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.

CHAPTER VI

MISCELLANEOUS

Penalty for non-compliance.

25. Whoever contravenes the provisions of this Act shall on conviction be liable to a fine which may extend to fifty thousand rupees.

Power to delegate.

26. (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 as it may specify in such notification.

Power to Central Government to give directions.

27. The Central Government may give such directions as it may consider necessary to the State Government for the effective implementation of the provisions of this Act.

Act to have overriding effect.

28. 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 to such law:

Provided that where a State enactment exists or is enacted to provide employment guarantee for unskilled manual work to urban poor 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.

29. (1) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by notification, amend Schedule I or Schedule II and thereupon Schedule I or Schedule II, as the case may be, shall be deemed to have been amended accordingly.

Power to
amend
Schedules.

5 (2) A copy of every notification made under sub-section (1) shall be laid before each House of Parliament as soon as may be after it is made.

30. No suit, prosecution or other legal proceedings shall lie against the District Programme Coordinator, Programme Officer or any other person who is, or who is deemed to be, a public servant within the meaning of section 21 of the Indian Penal Code, 1860 in respect of anything which is in good faith done or intended to be done under this Act or the rules or Schemes made thereunder.

Protection of
action taken in
good faith.

15 31. (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.

Power of
Central
Government
to make rules.

(2) In particular, and without prejudice to 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 10;

20 (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 10;

25 (c) the manner in which and the conditions and limitations subject to which the National Fund shall be utilized under sub-section (3) of section 20;

(d) the rules relating to funding pattern to meet the cost of certain items under sub-section (1) of section 22;

(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.

30 32. (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.

Power of State
Government
to make rules.

35 (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 (2) of section 7;

40 (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 12;

(d) the number of members of the Standing Committee at district level and their terms and conditions of their appointment under sub-section (1) of section 13;

(e) the grievance redressal mechanism at the Municipality level and the procedure to be followed in such matter under section 19;

(f) the manner in which and the conditions and limitations subject to which the State Fund shall be utilized under sub-section (2) of section 21;

(g) the authority who may administer and the manner in which he may hold the State Fund under sub-section (3) of section 21;

(h) the manner of maintaining books of account of employment of labourers and the expenditure under sub-section (2) of section 23;

(i) the arrangements required for proper execution of Schemes under sub-section (3) of section 23;

(j) the form and manner in which the accounts of the Scheme shall be maintained under sub-section (2) of section 24;

(k) 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.

Laying of
rules and
Schemes.

33. (1) Every rule made by the Central Government under this Act shall be laid, as soon as may be 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 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, as soon as may be 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.

Power to
remove
difficulties.

34. (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, as soon as may be after it is made, before each House of Parliament.

SCHEDULE I

[See Section 4(3)]

Minimum Features of Urban Employment Guarantee Scheme

1. The focus of the Scheme shall be on the following works in their order of priority:—

- (i) water conservation and water harvesting;
- (ii) drought proofing (including afforestation and tree plantation);
- (iii) repairing, renovating canals;
- (iv) renovation of traditional water bodies including desilting of tanks;
- (v) land development;
- (vi) flood control and protection works including drainage in water logged areas;
- (vii) urban connectivity to provide all-weather access; and
- (viii) any other work which may be notified by the Central Government.

2. Creation of durable assets and strengthening the livelihood resource base of the urban poor shall be an important objective of the Scheme.

3. The works taken up under the scheme shall be in urban areas.

4. The State Council shall prepare a list of preferred works for different areas based on their ability to create durable assets.

5. The Scheme shall be subject to appropriate arrangements as may be laid down by the State Government under the rules issued by it for proper maintenance of the public assets created under the Scheme.

6. Under no circumstances shall the labourers be paid less than the wage rate.

7. When wages are directly linked with the quantity of work, the wages shall be paid according to the schedule of rates fixed by the State Government for different types of work every year, in consultation with the State Council.

8. The Schedule of rates of wages for unskilled labourers shall be so fixed that a person working diligently for seven hours would normally earn a wage equal to the wage rate.

9. The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed forty per cent of the total project costs.

10. It shall be open to the Programme Officer and Corporation to direct any person who applied for employment under the Scheme to do work of any type permissible under it.

11. The Scheme shall not permit engaging any contractor for implementation of the projects under it.

12. As far as practicable, a task funded under the Scheme shall be performed by using manual labour and not machines.

13. Every Scheme shall contain adequate provisions for ensuring transparency and accountability at all levels of implementation.

14. Provisions for regular inspection and supervision of works taken up under the Scheme shall be made to ensure proper quality of work as well as to ensure that the total wages paid for the completion of the work is commensurate with the quality and quantity of work done.

15. The District Programme Coordinator, the Programme Officer and the Corporation implementing the Scheme shall prepare annually a report containing the facts and figures and achievements relating to the implementation of the Scheme within his or its jurisdiction and a copy of the same shall be made available to the public on demand and on payment of such fee as may be specified in the Scheme.

16. All accounts and records relating to the Scheme shall be made available for public scrutiny and any person desirous of obtaining a copy or relevant extracts therefrom may be provided such copies or extracts on demand and after paying such fee as may be specified in the Scheme.

17. A copy of the muster rolls of each Scheme or project under a Scheme shall be made available in the offices of the Corporation and the Programme Officer for inspection by any person interested after paying such fee as may be specified in the Scheme.

SCHEDULE II

(See Section 5)

Conditions for Guaranteed Urban Employment under a scheme and minimum entitlements of labourers

1. The adult members of every poor household who—
 - (i) reside in any urban area; and
 - (ii) are willing to do unskilled manual work, may submit their names, age and the address of the household to the Corporation in the jurisdiction of which they reside for registration of their household for issuance of a job card.
2. It shall be the duty of the Corporation to register the poor household, after making such enquiry as it deems fit and issue a job card containing such details of adult members of the household affixing their photographs, as may be specified by the State Government in the Scheme.
3. The registration made under paragraph 2 shall be for such period as may be laid in the Scheme, but in any case not less than five years, and may be renewed from time to time.
4. Every adult member of a registered poor household whose name appears in the job card shall be entitled to apply for unskilled manual work under the Scheme.
5. All registered persons belonging to a poor household shall be entitled to employment in accordance with the Scheme made under the provisions of this Act, for as many days as each applicant may request, subject to a maximum of one hundred days per household in a given financial year.
6. The Programme Officer shall ensure that every applicant referred to in paragraph 5 shall be provided unskilled manual work in accordance with the provisions of the Scheme within fifteen days of receipt of an application or from the date he seeks work in case of advance application, whichever is later.
7. Application for work must be for at least fourteen days of continuous work.
8. There shall be no limit on the number of days of employment for which a person may apply, or on the number of days of employment actually provided to him subject to the aggregate entitlement of the poor household.
9. Applications for work may be submitted in writing either to the Corporation or to the Programme Officer, as may be specified in the Scheme.
10. The Corporation and Programme Officer, as the case may be, shall be bound to accept valid applications and to issue a dated receipt to the applicant. Group applications may also be submitted.
11. Applicants who are provided with work shall be so intimated in writing, by means of a letter sent to him at the address given in the job card and by a public notice displayed at the office of the Corporation.

12. As far as possible, employment shall be provided within a radius of five kilometres of the Corporation where the applicant resides at the time of applying.

13. A new work under the Scheme shall be commenced only if—

(a) at least fifty labourers become available for such work; and

(b) the labourers cannot be absorbed in the ongoing works:

Provided that this condition shall not be applicable for new works, as determined by the State Government, in hilly areas and in respect of afforestation.

14. In cases the employment is provided outside such radius, it must be provided within the limits of Corporation, and the labourers shall be paid ten per cent of the wage rate as extra wages to meet additional transportation and living expenses.

15. A period of employment shall ordinarily be at least fourteen days continuously with not more than six days in a week.

16. In all cases where unemployment allowance is paid, or due to be paid, the Programme Officer shall inform the District Programme Coordinator in writing the reasons why it was not possible for him to provide employment or cause to provide employment to the applicants.

17. The District Programme Coordinator shall, in his Annual Report to the State Council, explain as to why employment could not be provided in cases where payment of unemployment allowance is involved.

18. Provision shall be made in the Scheme for advance applications, that is, applications which may be submitted in advance of the date from which employment is sought.

19. Provision shall be made in the Scheme for submission of multiple applications by the same person provided that the corresponding periods for which employment is sought do not overlap.

20. The Corporation shall prepare and maintain or cause to be prepared and maintained such registers, vouchers and other documents in such form and in such manner as may be specified in the Scheme containing particular of job cards and passbooks issued, name, age and address of the head of the household and the adult members of the poor household registered with the Corporation.

21. The Corporation shall send such list or lists of the names and addresses of poor households and their adult members registered with it and supply such other information to the concerned Programme Officer at such periods and in such form as may be specified in the Scheme.

22. A list of persons who are provided with the work shall be displayed on the notice board of the Corporation and at the office of the Programme Officer and at such other places as the Programme Officer may deem necessary and the list shall be open for inspection by the State Government and any person interested.

23. If the Corporation is satisfied at any time that a person has registered with it by furnishing false information, it may direct the Programme Officer

to strike off his name from the register and direct the applicant to return the job card:

Provided that no such action under this paragraph shall be directed unless the applicant has been given an opportunity of being heard in the presence of two independent persons.

24. If any personal injury is caused to any person employed under the Scheme by accident arising out of and in the course of his employment, he shall be entitled to, free of charge, such medical treatment as is admissible under the Scheme.

25. Where hospitalisation of the injured worker is necessary, the State Government shall arrange for such hospitalisation including accommodation, treatment, medicines and payment of daily allowance not less than half of the wage rate required to be paid had the injured been engaged in the work.

26. If a person employed under a Scheme dies or becomes permanently disabled by accident arising out of and in the course of employment, he shall be paid by the implementing agency an *ex gratia* payment at the rate of one lakh rupees or such amount as may be notified by the Central Government, and the amount shall be paid to the legal heirs of the deceased or the disabled, as the case may be.

27. The facilities of safe drinking water, shade for children and periods of rest, first-aid box with adequate material for emergency treatment for minor injuries and other health hazards connected with the work being performed shall be provided at the work site.

28. In case where at least twenty women are employed at a work site, provisions shall be made for one of them to be deputed to look after any children under the age of six years who may be brought to the work site, if need arises.

29. The person deputed under paragraph 28 shall be paid wage rate.

30. In case the payment of wages is not made within the period specified under the Scheme, the labourers shall be entitled to receive payment of compensation as per the provisions of the Code on Wages, 2019 (29 of 2019).

31. The wages under a Scheme may be paid in the bank account of the person or may be paid partially in bank account and partially in kind provided that at least one-fourth of the wages shall be paid in bank account.

32. The State Government may prescribe that a portion of the wages in cash may be paid to the labourers on a daily wages basis during the period of employment.

33. If any personal injury is caused by accident to a child accompanying any person who is employed under a Scheme, such person shall be entitled to, free of charge, such medical treatment for the child as may be specified in the Scheme and in case of death or disablement, through an *ex-gratia* payment as may be determined by the State Government.

34. In case of every employment under the Scheme, there shall be no discrimination solely on the ground of gender and the provisions of the Code on Wages, 2019 (29 of 2019), shall be complied with.

STATEMENT OF OBJECTS AND REASONS

The Union Government, through the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA), created a scheme to enhance the livelihood security of the poor households in rural areas by providing at least one hundred days of guaranteed wage employment every year to every poor household whose adult members are willing to do unskilled manual work. The success of this scheme helped rural poor to get employment in their ordinary place of residence for a reasonable period of time in a year. This scheme has, by and large, addressed unemployment problem for unskilled adults in rural areas.

When it comes to urban poor, we do not have any scheme to help them to get unskilled employment for a fixed period of duration in a year to earn their livelihood. In the absence of any such programme, the urban poor have been facing a lot of problems and, at the same time, the country is also not able to create durable common assets meant for community in urban areas.

The ongoing pandemic has really played havoc with the livelihood of urban poor due to lockdowns and non-availability of employment opportunities. Had there been some employment guarantee scheme for urban poor in place, the poor in urban areas might not have suffered or migrated back to their villages, since they get employment in cities/towns where they are staying.

As per Census 2011, there are 4,041 cities and towns with an urban local body in the form of Municipal Corporation, Municipal Council or Nagar Panchayat. However, national-level urban programmes such as the Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), National Urban Livelihood Mission (NULM), PM Rozgar Yojana (U), etc., only benefit a fraction of them. And, there is no employment scheme for urban poor similar to MGNREGA. Most Urban Local Bodies (ULBs) are struggling to carry out basic functions because of lack of financial and human capacity. Further, with rapid and uncontrolled urbanisation, they are facing more challenges due to the degradation of urban ecological commons.

Given the relative neglect of small and medium towns and to avoid migration to big cities, a programme like National Urban Employment Scheme can be conceived to cover all ULBs with a population of more than twenty lakhs. Since it is an urban programme, it should have a wider scope than MGNREGA. This would provide employment for a variety of works for unskilled people.

There is a criticism that urban employment guarantee scheme would be expensive. But, there are very few people who buy this argument. If the scheme covers two crore urban casual workers for one hundred days with rupees three hundred per day, it would cost the Government of India around rupees one lakh crores. But, this is only when all the two crore demand for employment for one hundred days. Otherwise, the expenditure would come down, because private people, contractors, etc., also employ labours and they give more wages when compared to wages given by the Government. So, in such a situation, the expenditure would be much less. If half of two crore is covered, Government will have to spend rupees fifty thousand crores which assures rupees thirty thousand annual income to vulnerable urban poor.

An urban employment guarantee programme not only improves 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.

There are many works which can be carried out in cities and towns, which include clean water supply, drainage and sanitation, maintenance of roads, footpaths, flyovers, upkeep of gardens, water supply, work in municipal offices, schools and health centres, construction of bus shelters, community centres, beautification and upkeep of public structures, etc.

Hence, the Bill proposes to formulate a scheme to enhance the livelihood security of poor people living in small towns and cities.

The Bill seeks to achieve the above objective.

NEW DELHI;
November 18, 2021.

GADDAM RANJITH REDDY

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides that the State Government shall, in such urban area in the State and for such period as may be notified by the Central Government, provide to every poor household whose adult members volunteer to do unskilled manual work not less than one hundred days of such work in a financial year in accordance with the Scheme. Clause 7 provides that if an applicant for employment under the Scheme made under proposed legislation is not provided employment within fifteen days of receipt of his application, he shall be entitled to a daily unemployment allowance. Clause 10 provides for constitution of a Central Urban Employment Guarantee Council and for appointment of its members. Clause 12 provides for the Constitution of a State Urban Employment Guarantee Council. Clause 13 provides for the Constitution of Standing Committee at district level to supervise, monitor and oversee the implementation of the Scheme within the district. Clause 15 provides for appointment of Programme Officer for implementing the provisions in the municipalities. Clause 20 provides for establishment of the National Urban Employment Guarantee Fund. Clause 21 provides for establishment of the State Urban Employment Guarantee Fund. Clause 22 provides that the Central Government shall meet the administrative expenses of the Programme Officers and his supporting staff and the administrative expenses of the Central Council. The expenditure relating to States shall be borne by the State Government concerned. However, the expenditure in relation to Union territories shall be borne by the Central Government. The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is estimated that an annual recurring expenditure of about rupees thirty five thousand crore is likely to be involved per annum.

A non-recurring expenditure of rupees five thousand crore will be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 31 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

LOK SABHA

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to provide for the enhancement of livelihood security of the poor households in Municipal areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every poor household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

(Dr. Gaddam Ranjith Reddy, M.P.)