

Bill No. 259 of 2019

THE UNEMPLOYMENT ALLOWANCE BILL, 2019

By

SHRI SU. THIRUNAVUKKARASAR, M.P.

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BILL

to provide for payment of unemployment allowance till gainful employment is provided to eligible citizens and ensuring the right to gainful employment and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Unemployment Allowance Act, 2019.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification
5 in the Official Gazette, appoint.

Short title,
extent and
commence-
ment.

Definitions.

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

(a) "appropriate Government" means in the case of a State, the Government of that State and in all other cases, the Central Government;

(b) "Fund" means the National Youth Unemployment Assistance Fund constituted under section 4;

(c) "prescribed" means prescribed by rules made under the Act;

(d) "self-employment" means to work independently for one's clients or customers by setting up of own production or selling unit or establishment and not for any employer; and

(e) "unemployed citizen" means a citizen of India who has attained the age of eighteen years having no source of livelihood.

Right to gainful employment.

3. (1) **Notwithstanding anything contained in any other law for the time being in force every unemployed citizen shall have the right to gainful employment.**

(2) **It shall be the duty of the appropriate Government to provide gainful employment opportunity to every unemployed citizen within its territorial jurisdiction.**

(3) The gainful employment referred to in sub-section (1) shall be provided according to the age, educational qualifications and physical status of the unemployed citizen.

(4) **For carrying out the purposes of this Act, it shall be the duty of the appropriate Government to generate adequate employment opportunities in the public sector, private sector, small scale industries, cottage and village industries, khadi and other weaving industries, food processing sector, self-employment opportunities, agriculture and other sectors.**

(5) **Notwithstanding anything contained in any other law for the time being in force, it shall be the duty of the appropriate Government to fill up all the vacant posts in the Ministries, Departments, Public Sector Enterprises and other Government agencies and organisations in a time bound manner.**

Unemployed citizen.

4. **Till such time gainful employment is provided to unemployed citizens or provision is made for self employment under any Government scheme or by providing loan through a Bank or Financial Institution, every such citizen shall be paid by the appropriate Government an unemployment allowance, not being less than rupees twenty thousand per month in such manner as may be prescribed:**

Provided that the unemployment allowance shall not be paid under this Act to an unemployed citizen who:—

(a) has an income from any source not being less than the amount of unemployment allowance fixed under this Act, or

(b) is covered under any existing scheme of unemployment allowance prevalent in a State or Union territory, as the case may be:

Provided further that in case an unemployed citizen has an earning from any other source which is less than the amount of unemployment allowance fixed under this Act, his unemployment allowance shall be reduced by the amount of his earning.

Constitution of corpus fund for unemployment allowance.

5. (1) **The Central Government shall, by notification in the Official Gazette, constitute a Fund for unemployment allowance with initial corpus of rupees sixty thousand crore and thereafter shall contribute to the fund, from time to time, along with the State Governments in such ratio as may be prescribed.**

(2) **There shall also be credited to the Fund such other sums as may be received by way of donation, contribution, assistance or otherwise from individuals, body corporate, financial institution, firms and partnership.**

(3) The Fund shall be managed by the Central Government in such manner as may be prescribed.

6. The Central Government shall, after due appropriation made by Parliament by law in this behalf, provide adequate funds for carrying out the purposes of this Act.

Central Government to provide adequate fund.

5 **7.** If any difficulty arises in giving effect to the provisions of this Act, the Central Government may make such order or give such direction, not inconsistent with the provisions of this Act, as may appear to be necessary or expedient for removing the difficulty:

Power to remove difficulties.

Provided that no such order shall be made after the expiry of the period of two years from the date of commencement of this Act.

10 **8.** The provisions of this Act and rules made there-under shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

Act to have overriding effect.

9. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

15 (2) Every rule made 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
20 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.

STATEMENT OF OBJECTS AND REASONS

India is projected to grow at eight per cent. *per annum* [Gross Domestic Product (GDP)] in the next two years and is the fastest growing major economy in the world. Jobless growth is an economic phenomenon in which an economy experiences growth while maintaining or decreasing its level of employment. The International Labour Organisation predicted that joblessness will increase from 17.7 million in 2016 to 18 million by 2018, even though the country's unemployment rate is expected to go down from 3.5 per cent. to 3.4 per cent. The trend of significant gap between the pace of GDP growth and that of employment growth has given rise to the phenomenon of "jobless growth" in India.

As per the survey by Labour Bureau, country's unemployment rate has shot up to a five year high of five per cent. in 2015-16. This figure is significantly higher, at 8.7 per cent, for women as compared to 4.3 per cent. for men. Equally tragic is the mounting unemployment among educated youth. The growing unemployment among educated youth (age group 15 to 29 years) in recent years is an outcome of such slow growth rate of jobs. At the all-India level, the unemployment rate among youth with secondary education unemployment rate increased from 2.6 per cent. to 3.2 per cent. and for those with higher secondary education unemployment rate increased from 3.3 per cent. to 4.4 per cent. In case of youth with a graduate degree unemployment rate increased from 5.8 per cent. to 8.4 per cent. and with a postgraduate degree it rose from 5.7 per cent. to 8.5 per cent.

About seventy-seven per cent. of Indian households do not have a regular wage/salaried person. India has no dearth of quality human resources at its disposal. As a long term measure, there is a need to boost entrepreneurial instincts within the demographic base by substantially investing in human capital *via* education.

Another vital area needing policy intervention is the increasing gender-gap in the labour force participation. The shortage of jobs is compounded by depressed wages, with 82 per cent. of men and 92 per cent. of women earning less than rupees ten thousand per month. The advantages of economic growth are futile if it is not able to create sufficient jobs in the economy. India has an advantage due to its demographic dividend. There is an urgent need to effectively implement policy measures to exploit the demographic dividend and ensure inclusive and sustainable growth which is not jobless.

The Bill, therefore, proposes to grant unemployment allowance through creation of a fund for unemployment allowance having a corpus of sixty thousand crore. The grant of unemployment allowance will help in curbing the increasing unemployment. The Bill also seeks to make right to work compulsory by imposing an obligation on the Government to provide gainful employment.

Hence this Bill.

NEW DELHI;
November 6, 2019.

SU. THIRUNAVUKKARASAR

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for right to gainful employment to every unemployed citizen. Clause 4 provides for unemployment allowance to be paid to every unemployed citizen. Clause 5 provides for the constitution of the corpus Fund for payment of unemployment allowance. Clause 6 makes it mandatory for the Central Government to provide requisite funds for carrying out the purposes of the Bill. The Bill, therefore, if enacted will involve expenditure from the Consolidated Fund of India. At this stage it is not possible to estimate the expenditure. However, it is estimated that a sum of rupees sixty thousand crore in addition to rupees sixty thousand crore as initial corpus, will involve a recurring expenditure per annum from the Consolidated Fund of India.

No non-recurring expenditure is likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9 of the Bill gives power to 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.

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(Shri Su. Thirunavukkarasar, M.P.)