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Bill No. XXXIX of 2025

THE NATIONAL URBAN EMPLOYMENT GUARANTEE BILL, 2025

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Bill No. XXXIX of 2025

THE NATIONAL URBAN EMPLOYMENT
GUARANTEE BILL, 2025

A

BILL

to provide for enhancement of livelihood security to individuals in urban areas of the country by formulation of an Employment Guarantee Scheme aimed at providing guaranteed wage employment in every financial year to every adult in the urban areas covered thereunder who volunteers to do skilled or unskilled work and for matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

- 5 **1.** (1) This Act may be called National Urban Employment Guarantee Act, 2025.

Short title and
commencement.

- 10 (2) 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 the 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:

Provided that this Act shall be applicable to the whole of India within a period of five years from the date of enactment of this Act.

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

- (a) "adult" means a person who has completed eighteen years of age;
- (b) "applicant" means any adult who has applied for employment under the scheme; 5
- (c) "Central Council" means the Central Employment Guarantee Council constituted under section 12;
- (d) "District Programme Coordinator" means an officer designated as such by the State Government under sub section (1) of section 18 for implementation of the scheme in a district; 10
- (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, any urban local authority or Government undertaking or non-governmental organisation authorised by the Central Government or the State Government to undertake the implementation of any work taken up under a Scheme; 15
- (g) "prescribed" means prescribed by rules made under this Act;
- (h) "Programme In-charge" means the officer designated as such by the State Government under sub section (1) of section 17; 20
- (i) "Programme Officer" means the person appointed by the Programme In-charge at the Urban Local Body under sub-section (1) of section 19;
- (j) "project" means any work taken up under a Scheme for the purpose of providing employment to the applicants; 25
- (k) "Scheme" means the Employment Guarantee Scheme notified by the State Government under sub- section (1) of section 4;
- (l) "skilled work" means any work that requires specific level of training or skills as notified by the urban local body; 30
- (m) "State Council" means the State Employment Guarantee Council constituted under sub-section (1) of section 14;
- (n) "unskilled work" means any physical work which any adult person is capable of doing without any skill or special training;
- (o) "urban area" means any area in a State which is covered by any urban local body of that State; 35
- (p) "Urban Local Body" means the body that administers or governs a city or a town such as Municipal corporation, Municipalities, Cantonment Boards or notified Town Area Committees; 40
- (q) "wage rate" means the wage rate to be determined by the Central Council for the States in consultation with their Governments as provided under section 7; and
- (r) "ward" means territorial constituencies in the municipal area.

CHAPTER II

GUARANTEE OF EMPLOYMENT IN URBAN AREAS

3. (1) **The State Government shall, in such urban areas in the State, as may be notified by the Central Government in the Official Gazette, provide to every adult, skilled and unskilled work for not less than**

ninety days in a financial year depending on the applicant's skill, qualifications, experience, aptitude etc. in accordance with the Scheme made under this Act.

5 (2) Every adult 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.

(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.

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

CHAPTER III

15 NATIONAL EMPLOYMENT GUARANTEE SCHEME AND UNEMPLOYMENT ALLOWANCE

20 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 in the Official Gazette, formulate an Employment Guarantee Scheme, for providing not less than ninety days of guaranteed employment in a financial year to every adult, in the urban areas covered under the Scheme as notified, who is willing to do unskilled or skilled work and applies for such work in the prescribed form and manner, subject to the conditions laid down by or under this Act and in the Scheme.

Employment Guarantee Scheme for urban areas.

(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.

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

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

Conditions for providing guaranteed employment.

35 (2) Every adult employed under the Scheme made under this Act shall be entitled to such facilities not less than the minimum facilities specified in the Second Schedule.

6. First preference in the employment opportunities under this Act shall be given to women, and persons belonging to Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities.

Preference in employment opportunities.

40 7. The Central Council, constituted under section 12, shall determine the wage rate for a State, after consultation with the Government of the concerned State:

Wage rate.

45 Provided that the wage rate may be determined using a scientific methodology, in such manner as may be prescribed, taking into account various input factors and may be revised every year to keep up with inflation:

Provided further that different rates of wages may be specified for different areas:

50 Provided also that the wage rate shall not be less than rupees six hundred and fifty per day.

8. The Central Government shall take all necessary measures to act upon the recommendation received from the Central Council, as mandated under

Social Security.

clause (a) of sub-section (1) of section 13 within thirty days of its receipt and provide social security to all job holders working under the scheme guaranteed under this Act.

Payment of unemployment allowance.

9. (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, his shall be entitled to a daily unemployment allowance in accordance with this section. 5

(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 Scheme and the economic capacity of the State Government, the unemployment allowance payable under sub-section (1) shall be paid to the applicant at such rate as may be specified by the State Government, by notification in the Official Gazette, in consultation with the Central and State Councils: 10 15

Provided that such allowance shall not 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. 20

(3) The liability of the State Government to pay unemployment allowance to the applicant during any financial year shall cease as soon as:—

(a) the applicant is directed by the Urban Local Body to report for work; or

(b) the period for which employment is sought comes to an end and the applicant had not turned up for employment; or 25

(c) the applicant has earned as much from the wages and unemployment allowance taken together which is equal to the wage for the length of employment he had sought during the financial year.

(4) The unemployment allowance payable to the applicant shall be sanctioned by the Programme In-Charge and disbursed by the Programme Officer. 30

(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. 35

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

Non-disbursement of unemployment allowance in certain circumstances.

10. (1) If the Programme Officer is not in the position to disburse the unemployment allowance in time or at all for any reason beyond his control, he shall report the matter to Programme In-Charge along with the reasons therefor in writing through a notice which shall be displayed on the notice board of the Urban Local Body. 40

(2) Every case of non-payment or delayed payment of unemployment allowance shall be reported in the annual report submitted by the Programme In-Charge to the State Government along with the reasons for such non-payment or delayed payment. 45

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

Disentitlement to receive unemployment allowance in certain circumstances.

11. An applicant who— 50

(a) does not accept the employment provided under a Scheme;

(b) does not report for work, or communicate the reason thereof, within

fifteen days of being notified by the implementing agency to report for the work; or

(c) continuously remains absent from work, without obtaining a permission from the concerned implementing agency for a period of more than three weeks or remains absent for a total period of more than three weeks in any month,

shall not be eligible to claim the unemployment allowance payable under this Act but shall be eligible to seek employment under any Scheme at any time.

CHAPTER IV

IMPLEMENTATION AND MONITORING AUTHORITIES

12. (1) With effect from such date as the Central Government may, by notification in the Official Gazette specify, there shall be constituted a Central Employment Guarantee Council to discharge the functions, and perform the duties, assigned to it by or under this Act.

Central
Employment
Guarantee
Council.

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

(3) The Central Council shall consist of the following members to be appointed by the Central Government in such manner as may be prescribed:—

(a) a Chairperson;

(b) five representatives of the Union Ministries including two from Niti Aayog not below the rank of Joint Secretary to the Government of India as may be determined by the Central Government – Members *ex-officio*;

(c) one representative from each State Government as nominated by the concerned State Government in such manner as may be prescribed – Members;

(d) fifteen non-official members representing Urban Local Bodies, organisations of workers and disadvantaged groups:

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

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;

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

(4) The salary and allowances and other terms and conditions of service of the Chairperson and members of the Central Council shall be such as may be prescribed by the Central Government.

(5) The Central Council shall meet once in every three months.

(6) The Chairperson of the Central Council shall address the media and public after every meeting of the Central Council and disclose the matters discussed.

(7) The Central Government shall appoint such number of officers and staff to the Central Council, as may be necessary for the efficient discharge of its functions and duties under this Act, in such manner as may be prescribed.

(8) The method of recruitment, salaries and allowances payable to, and other terms and conditions of service of, the officers and staff, so appointed under sub-section (7), shall be such as may be prescribed.

- 13.** (1) The Central Council shall perform and discharge the following functions and duties:—
- (a) advise the Central Government on the ways to provide social security to the workers employed under the Scheme for the length of their employment within thirty days from the commencement of this Act; 5
 - (b) develop a scientific methodology to determine the wage rate for skilled and unskilled works for all States for each financial year after consultation with the Governments of the States, which shall be reviewed every year; 10
 - (c) establish a central evaluation and monitoring system and review it periodically;
 - (d) monitor the implementation of this Act;
 - (e) advise the Central Government on all matters concerning the implementation of this Act; 15
 - (f) promote the widest possible dissemination of information about the Scheme made under this Act;
 - (g) prepare annual reports to be laid before Parliament by the Central Government on the implementation of this Act;
 - (h) advise the Central Government on ways to improve the skill of workers through training and certifications, and; 20
 - (i) any other duty or function as may be assigned to it by the Central Government.
- (2) The Central Council shall have the power to undertake evaluation of the various Scheme 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 Scheme and recommend changes, as may be deemed necessary, to the State Governments. 25
- 14.** (1) **For the purposes of regular monitoring and reviewing the implementation of this Act at the State level, every State Government, shall by notification in the Official Gazette, constitute a State Council to be known as the "(name of the State) Employment Guarantee Council".** 30
- (2) **The State Council shall consist of a Chairperson and such number of official members, as may be appointed by the State Government in such manner as may be prescribed and with not more than fifteen non-official members, to be nominated by the State Government, from Urban Local Bodies, organisations of workers and disadvantaged groups, in such manner as may be prescribed:** 35
- Provided that not less than one-third of the non-official members nominated under this sub-section shall be women: 40
- 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.
- (3) **The salary and allowances and other terms and conditions of service of the Chairperson and members of the State Council shall be such as may be prescribed by the State Government.** 45
- (4) The procedure with regard to transaction of business of the State Council including the frequency and place of its meetings, quorum at such meetings etc. shall be such as may be prescribed by the State Government. 50
- (5) **The State Government shall appoint such number of officers and staff to the State Council, as may be necessary for the efficient**

discharge of its functions and duties under this Act, in such manner as may be prescribed.

(6) The method of recruitment, salaries and allowances payable to, and other terms and conditions of service of, the officers and staff, so appointed under sub-section (5), shall be such as may be prescribed.

15. (1) The State Council shall perform and discharge the following functions and duties:—

Functions and duties of the State Council.

(a) establish an evaluation and monitoring system and review it periodically;

(b) monitor the implementation of this Act;

(c) advise the State Government on all matters concerning the implementation of this Act;

(d) promote the widest possible dissemination of information about the Schemes made under this Act;

(e) prepare annual reports to be laid before the State legislature by the State Government on the implementation of this Act;

(f) advise the State Government on ways to improve the workers skills through training and certifications;

(g) advise the State Government on wage rate for different kind of works, and;

(h) any other duty or function as may be assigned to it by the State Government.

(2) The State Council shall have the power to undertake evaluation of the various Scheme 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 Scheme and Programmes in the State.

16. (1) The Urban Local Bodies shall be the principal authorities for planning and implementation of the Scheme made under this Act.

Principal authorities for planning and implementation of schemes.

(2) The functions of the Urban Local Bodies shall be to:—

(a) publish skilled and unskilled job requirements for the period of not less than ninety days on the notice board of the Urban Local Body and their respective website, if applicable;

(b) help register and approve micro, small and medium enterprises to be part of the scheme;

(c) get police verification of all the applicants who get employed under the scheme;

(d) link unskilled workers with the e-shram portal;

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

(3) The Urban Local Bodies shall ensure that the works taken up under the Scheme shall meet the required technical standards and measurements.

17. (1) The Municipal Commissioner or the Chief Executive Officer of the Urban Local Body or an officer of appropriate rank, as the State Government may decide, shall be designated as the Programme In-Charge.

Programme In-Charge.

(2) The role of Programme In-Charge shall be as follows:—

(a) appoint the programme officer(s);

(b) finalise and approve ward wise projects to be taken up under a programme under the Scheme;

(c) finalise and approve micro, small and medium enterprises that would be a part of the scheme;

(d) finalise and approve schools that would be a part of the scheme;

(e) supervise and monitor the projects taken up at the ward level and the area that comes under his/her jurisdiction; 5

(f) carry out such other functions as may be assigned to him/her by the State Council, from time to time.

(3) The Programme In-Charge shall prepare in the month of December every year, a budget for the next financial year containing the details of anticipated demand of the scheme and funds required for different works. 10

(4) The State Government shall delegate such administrative and financial powers to the Programme In-Charge as may be required to enable him/her to carry out the functions assigned under this Act.

District
Programme
Coordinator.

18. (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 in the district. 15

(2) The District Programme Coordinator shall be responsible for the implementation of the Scheme in the district in accordance with the provisions of this Act and the rules made thereunder. 20

(3) The role of District Programme Coordinator shall be to:—

(a) accord necessary sanction and administrative clearances, wherever necessary, in such manner as may be prescribed;

(b) coordinate with the Programme In-Charge and 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; 25

(c) review and monitor the performance of the Programme In-Charge and the Programme Officers; 30

(d) conduct periodic inspection of the works in progress;

(e) redress the grievances of the applicants;

(f) present a status report on the functioning of all the Urban Local Bodies in the district under this Act to the State Council in every one hundred and eighty days. 35

(g) ensure that regular social audits of all works within the jurisdiction of the Urban Local Body are carried out by the Programme In-Charge, in such form and manner as may be prescribed and that prompt action is taken on the objections raised in the social audit;

(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 the functions assigned under this Act. 40

(5) The Programme Officer appointed under sub-section (1) of section 19 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. 45

Programme
Officer.

19. (1) The Programme In-Charge shall appoint a person, who is not below the rank of a Block Development Officer, with such qualifications and experience, as may be prescribed by the State Government, as Programme Officer at the Urban Local Body level. 50

	(2) Not more than five Programme Officers can be appointed in an Urban Local Body.	
	(3) The Programme Officer shall be responsible for matching the demand for employment with the employment opportunities arising in the area.	
5	(4) The Programme Officer shall help the micro, small and medium enterprises to register and get them due approval to be part of the Scheme.	
10	(5) The Programme Officer shall be responsible for ensuring that clean and hygienic sanitation facilities, drinking water and first-aid for all the applicants who get employment under the scheme are available at the place of work.	
	(6) The Programme Officer shall prepare a plan for the ward under his jurisdiction by consolidating the project proposals received from the residents of that area, as per their feasibility.	
	(7) The functions of the Programme Officer shall be to:—	
15	(a) implement the projects taken up;	
	(b) allocate employment opportunities amongst the applicants and ask them to report for work;	
	(c) sanction and ensure payment of unemployment allowance to the eligible applicants;	
20	(d) ensure prompt and fair payment of wages to all applicants who are employed under the Act and are working in that urban area;	
	(e) deal promptly with all complaints that may arise in connection with the implementation of the scheme within the urban area; and	
25	(f) any other work as may be assigned to him by the Programme In-Charge or the District Programme Coordinator.	
	(8) The Programme Officers shall function under the direction, control and superintendence of the Programme In-Charge.	
30	20. The State Government shall make available to the District Programme Coordinator, the Programme In-charge and the Programme Officers, necessary staff and technical support as may be deemed necessary for the effective implementation of the Scheme.	Responsibilities of the State Governments.
	21. The State Governments, shall make a dedicated portal where citizens can choose the Urban Local Body and recommend projects:	Recommendation of Projects.
35	Provided that citizens with no internet access may recommend projects to the Programme Officer or the Programme In-Charge through a letter.	
40	22. The State Government, shall, by rules, prescribe an appropriate grievance redressal mechanisms at the ward level and the district level for dealing with any complaint by any person in respect of implementation of the scheme and the procedure for disposal of such complaints.	Grievance redressal mechanism.
CHAPTER V		
FINANCE AND AUDIT		
45	23. (1) The Central Government and the State Governments shall have concurrent responsibility for providing funds for implementing the provisions of this Act.	Sharing of financial responsibilities.
	(2) The Central Government shall prepare the estimates of capital and recurring expenditure for the implementation of the provisions of the Act.	

Funding Pattern.

(3) The Central Government shall provide to the State Governments, as grants-in-aid of revenues, such percentage of expenditure referred to in sub-section (2) as it may determine, from time to time, in consultation with the State Governments.

24. (1) Subject to the rules as may be made by the Central Government in this behalf, in consultation with the State Governments, the Central Government shall meet the cost of the following, namely:— 5

(a) the amount required for payment of wages for skilled and unskilled applicants employed under the scheme;

(b) up to three-fourths of the material cost of the scheme; 10

(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 supporting staff, and the administrative expenses of the Central Council. 15

(d) such percentage of the total cost of the scheme as may be determined by the Central Government as grants towards Urban Local Bodies with more than twenty thousand applicants.

(2) The State Government shall meet the cost of the following, namely:—

(a) the cost of unemployment allowance payable under the Scheme; 20

(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 the Second Schedule;

(c) the administrative expenses of the State Council. 25

Transparency
and
accountability.

25. (1) The Programme In-Charge and all Programme Officers in the Urban Local Body shall be responsible for the proper utilisation and management of the funds placed at their disposal for the purpose of implementing the scheme.

(2) The State Government, may prescribe the manner of maintaining proper books and accounts of employment of the applicants employed under the scheme and the expenditure incurred in connection with the implementation of the provisions of this Act and the rules and scheme made there under. 30

(3) The State Government, may by rules, determine the arrangements to be made for the proper execution of the scheme and programmes under the Scheme and to ensure transparency and accountability at all levels in the implementation of the Scheme. 35

(4) All payments of wages and unemployment allowances shall be made directly to the adult concerned either digitally or through cash as per the rules made by the State Government: 40

Provided that applicants may be encouraged to choose digital payment methods and in case of cash transfers, at least two witnesses for each payment so made should be recorded in addition to the procedure prescribed by rules made by the State Government, as the case may be. 45

(5) If any dispute or complaint arises concerning the implementation of the Scheme, the aggrieved person may file a complaint in this regard to the Programme Officer in such form and manner as may be prescribed.

(6) The Programme Officer shall enter every complaint in a complaint register maintained by him in such form and manner as may be prescribed 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 50

authority it shall be forwarded to such authority under intimation to the complainant:

Provided that if the Programme Officer is unable to find a suitable resolution within the stipulated seven days, the matter shall be referred to the Programme In-charge:

Provided further that if the Programme In-Charge is unable to find a suitable resolution within thirty days of receipt of the complaint, the matter shall be referred to the District Programme Coordinator.

26. (1) The Central Government may, in consultation with the Comptroller and Auditor General of India, prescribe appropriate arrangements for audit of the accounts of the Scheme at all levels.

Audit of Accounts.

(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

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

Penalty for non-compliance.

28. (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.

Power to delegate.

(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.

29. (1) 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.

Power of Central Government to give directions.

(2) Without prejudice to the provisions of sub-section (1), the Central Government may, on receipt of any complaint regarding the issue or improper utilisation of funds granted under this Act in respect of any Scheme if *prima facie* satisfied that there is a case, cause an investigation into the complaint made, and can suggest changes to the State Government:

Provided that the Central Government shall not stop the release of funds to a State Government in any case.

30. (1) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by notification in the Official Gazette, amend the First or the Second Schedule and thereupon the First or the Second Schedule, as the case may be, shall be deemed to have been amended accordingly.

Power to amend Schedules.

(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.

31. No suit, prosecution or other legal proceedings shall lie against the District Programme Coordinator, Programme In-Charge and Programme Officer or any other person who is, or who is deemed to be, a public servant within the meaning of sub-section (2) of section 28 of the Bharatiya Nyaya Sanhita, 2023, in respect of anything which is in good faith done or intended to be done under this Act or the rules or Scheme made there under.

Protection of action taken in good faith.

Power to make rules.

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

(2) Each State Government may, by notification in the Official Gazette, and subject to the conditions 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.

5

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 have 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.

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(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 it consists of two Houses, or where such legislature consists of one House, before that House.

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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:

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Provided that no order shall be made under this section after the expiry of two 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.

THE FIRST SCHEDULE

[See section 4(3)]

MINIMUM FEATURES OF URBAN EMPLOYMENT GUARANTEE SCHEME

1. The focus of the Scheme shall be on the following works:-
 - (i) provide micro, small and medium enterprises skilled labour;
 - (ii) use skilled labour to improve learning outcomes or skill development of students in schools;
 - (iii) help assisting works carried out by urban local bodies;
 - (iv) help conduct different surveys by central and state governments;
 - (v) water conservation and water harvesting works;
 - (vi) drought proofing (including afforestation and tree plantation);
 - (vii) land development;
 - (viii) flood control and protection works including drainage in water logged areas;
 - (ix) rural connectivity to provide all-weather access; and
 - (x) any other work which may be notified by the Central Government in consultation with the State Government.
2. Ensure the social rights of urban poor.
3. Creation of durable assets and strengthening the livelihood resource base of the urban poor.
4. Provide decent working conditions with livable wages which shall be reviewed every year to counter inflation.
5. The State Council shall prepare a list of preferred works for different areas based on their ability to create durable assets.
6. 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.
7. Under no circumstances shall the labourers be paid less than the wage rate as determined by the Central Council or as provided in the Act.
8. The Scheme shall not permit engaging any contractor for implementation of the projects under it.
9. Every Scheme shall contain adequate provisions for ensuring transparency and accountability at all level of implementation.
10. Provisions for regular inspection, supervision and feedback from owners of micro, small and medium enterprises, school principals and residents of works taken up and done by the applicant employed 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, quantity and satisfaction of work done.
11. The District Programme Coordinator, the Programme In-Charge and the Programme Officer shall prepare annually a report containing the facts and figures and achievements relating to the implementation of the Scheme within their 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.

THE SECOND SCHEDULE

[See sections 5 and 24(2)]

CONDITIONS FOR GUARANTEED URBAN EMPLOYMENT UNDER A SCHEME AND MINIMUM ENTITLEMENTS OF LABOURERS

1. The adult members of every household who:-
 - (a) reside in any urban areas; and
 - (b) are willing to do unskilled and skilled work,may submit their names, age and the address of the household to the Urban Local Body of which they reside for registration and issuance of a job card.
2. First preference regarding the employment opportunities shall be given to women, Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities.

Provided that priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work under this Act.
3. It shall be the duty of the Programme Officer to register the applicant and get police verification done, 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 and Aadhar card number, as may be specified by the State Government in the Scheme.
4. The registration made under paragraph 3 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.
5. Every adult member of a registered household whose name appears in the job card shall be entitled to apply for unskilled and skilled work under the Scheme.
6. All registered adults 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.
7. The Programme Officer shall ensure that every applicant referred to in paragraph 6 shall be provided skilled or unskilled 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:
8. Applications for work must be for at least fourteen days of continuous work.
9. Applications for work may be submitted in writing either to the Programme Officer, as may be specified in the Scheme.
10. The 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 Urban Local Body.
12. As far as possible, employment shall be provided within a radius of five kilometres of the place where the applicant resides at the time of applying.
13. In cases the employment is provided outside such radius, it must be provided within the jurisdiction of the Urban Local Body, and the worker

shall be paid ten per cent of the wage rate as extra wages to meet additional transportation expense.

14. In all cases where unemployment allowance is paid, or due to be paid, the Programme Officer shall inform the Programme in Charge and the District Programme Coordinator in writing the reasons as to why it was not possible for him to provide employment or cause to provide employment to the applicants.
15. The District Programme Coordinator shall, in his half yearly report to the State Council, explain as to why employment could not be provided in cases where payment of unemployment allowance is involved.
16. 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.
17. The Programme Officer in the Urban Local Body 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 particulars of job cards and passbooks issued, name, age and address of the applicant.
18. A list of adults, who are provided with the work shall be displayed on the notice board of the Urban Local Body and at such other places as the Programme in Charge may deem necessary and the list shall be open for inspection by the State Government, and any person interested.
19. If the Programme Officer is satisfied at any time that an adult has registered with it by furnishing false information, it may direct the Programme In-Charge to direct his name to be struck off 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 concerned has been given an opportunity of being heard in the presence of two independent persons.
20. If any personal injury is caused to any adult 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
21. 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.
22. If an adult 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.
23. In case the number of children below the age of six years accompanying the worker at any employment area are five or more, provisions shall be made to depute one worker to look after such children.
24. The person deputed under paragraph 23 shall be paid wage rate.
25. In case the payment of wages is not made within the period specified under the Scheme, the workers shall be entitled to receive payment of compensation as per the provisions that shall be created by the Central Council.
26. The wages under a Scheme may be paid by the method decided by respective State Governments.

27. If any personal injury is caused by accident to a child accompanying any adult, who is employed under a Scheme, such adult 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.
28. In case of every employment under the Scheme, there shall be no discrimination solely on the ground of gender and the wage rate determined by Central Council, shall be complied with.
29. The applicants who shall be employed under the Scheme can take two leaves per month other than the National holidays after informing the Programme Officer and their concerned supervisor.
30. The Programme Officer should ensure that Workplace benefits tailored to job requirements, including rest areas, sanitation facilities, drinking water, first-aid stations, and child-care support, if applicable are provided.
31. No worker shall work for more than eight hours and six days a week continuously.

STATEMENT OF OBJECTS AND REASONS

Unemployment remains one of the most pressing and persistent challenges, affecting the livelihoods of millions and constraining the economic growth of the country. According to the International Labour Organisation, one in three young people is neither in education, employment, nor training, with women constituting ninety-five per cent. of this group. Further, the Economic Survey 2023-24 highlighted that half of college graduates are not immediately employable, and only 4.4 per cent. of the youth workforce possesses formal skills.

This persistent problem has become highly sensitive and severe. A testimony to this, is the fact that over forty thousand graduates and postgraduates, along with more than one lakh individuals with education up to Class XII, applied for contractual sanitation worker positions in Haryana. Data from the National Crime Record Bureau indicates that a person commits suicide every three hours due to unemployment in the country. While seventy to eighty lakh youth enter the labour force every year, India is said to be experiencing a demographic dividend. However, this demographic dividend may soon turn into a demographic liability if enough jobs are not created.

The Periodic Labour Force Survey (PLFS) 2023-24 reveals a disheartening reality: the youth unemployment rate has stagnated at ten per cent. country wide since last year, but urban areas are facing an even graver crisis. Urban youth unemployment stands at 14.7 per cent.

While there is a policy that seeks to provide hundred days of guaranteed employment in rural areas, there is no comprehensive national policy to address urban unemployment. The Union Government introduced an Employment Linked Incentive (ELI) scheme to deal with the problem in this budget session. However, the per company load of hiring four thousand interns every year and training them may not lead to desired results. Further, ELI as a scheme neglects the role of the States and the spirit of cooperative federalism. Thus, there is a need to create a comprehensive national policy addressing urban unemployment with States actively involved in the process.

Considering the complexities of urban areas, the policy needs to take into consideration different factors like implementing agency, work permitted, worker registration and police verification, grievance redressal, eligibility criteria keeping in mind the fluid movement of people from rural to urban areas and vice versa, length of contract, wage rates, benefits, learning aspects, contract termination, working conditions, and most importantly providing the job seekers with a fair chance for a more long term sustained employment.

Eleven states in India have implemented schemes that aim at generating urban employment, either through employment guarantee programs or community work initiatives.

Various academicians and the 25th report of the Parliamentary Standing Committee on Labour recommended that “There is an imperative need for putting in place an Employment Guarantee Programme for the urban workforce in line with MGNREGA.” Further, this would be in line with the Article 41 of the Constitution. Even though the article is a Directive Principle of State Policy, it urges the State to make effective provisions for the right to work, education, and public assistance within its economic capacity in cases of unemployment, old age, sickness, disablement, and in other unwanted circumstances. Introducing an urban unemployment guarantee program would support the Right to Livelihood, which the judiciary has interpreted as an essential aspect of the Right to Life.

This Bill aims to offer flexibility to both skilled and unskilled workers. Different types of work will have different length of contracts. This will help both unskilled and skilled workers to maintain fluidity of movement as well as provide them with the option to learn a new skill while performing their jobs. Moreover, the workers will have the option to work with micro, small and medium enterprises (MSMEs) and schools for a year to enhance their long term employment opportunity.

The Bill further seeks to empower women, Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities by prioritising their employment and representation in Central as well as State Councils. The bill features broad eligibility criteria to ensure accessibility for all and requires the Central Council to develop a scientific methodology, considering various input factors, in consultation with the states to determine wage rates. These rates will be reviewed annually to keep pace with inflation.

Additionally, the Bill mandates the Central Council to propose methods for converging different government schemes to provide social security for workers registered under this scheme. It also requires the Union government to act on the recommendations made by the Central Council within thirty days.

The Bill includes provisions for compensation if the sought employment is not provided and establishes checks and balances at the district level through district coordinator, along with rules set by the states. Additionally, it outlines specifications for working hours, holidays, working conditions, and terms for contract termination.

The Bill seeks to achieve the above-mentioned objectives.

DEREK O'BRIEN.

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides that the State Government shall, in such urban areas in the State, as may be notified by the Central Government, provide to every adult skilled and unskilled work for not less than ninety days in a financial year in accordance with the Scheme. Clause 9 provides that if an applicant for employment under the Scheme is not provided employment within fifteen days of receipt of his/her application, he/she shall be entitled to a daily unemployment allowance. Clause 12 provides for the constitution of a Central Employment Guarantee Council with a Chairperson and Members and for the appointment of officers and staff thereto as deemed necessary by the Central Government as well as for the salaries and allowances payable to them and the terms and conditions of their service. Clause 14 provides for the constitution of State Employment Guarantee Council with a Chairperson and Members and for the appointment of officers and staff thereto as deemed necessary by the Central Government as well as for the salaries and allowances payable to them and the terms and conditions of their service. Clause 19 provides for the appointment of a Programme Officer at the Urban Body level. Clause 23 of Bill provides that the Central Government and the State Government shall make available funds for implementing the provisions thereof and that the Central Government shall prepare the estimates of capital and recurring expenditure and provide to the State Governments, as grants-in-aid of revenues, such percentage of expenditure as it may determine from time to time, in consultation with State Governments. Sub-section (1) of Clause 24 provides that the Central Government shall meet the amount required for payment of wages for skilled and unskilled applicants employed under the scheme, up to three-fourths of the material cost of the Scheme, administrative expenses of the Programme Officers and his supporting staff and of the Central Council and grants towards Urban Local Bodies with more than twenty thousand applicants. The expenditure in relation 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 both recurring and non-recurring expenditure from the Consolidated Fund of India. However, it is not possible to estimate the exact quantum of recurring and non-recurring expenditure likely to be involved at this stage.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 32 of the Bill empowers the Central Government and State Government to make rules for carrying out the purposes of the Bill. Clause 34 provides that the Central Government may, make such provisions, by order, as may be necessary for removing any difficulty to give effect to the provisions of this Bill.

As the matters in respect of which rules or orders may be made are matters of procedure and administrative detail only, the delegation of legislative power is, therefore, of a normal character.

RAJYA SABHA

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BILL

to provide for enhancement of livelihood security to individuals in urban areas of the country by formulation of an Employment Guarantee Scheme aimed at providing guaranteed wage employment in every financial year to every adult in the urban areas covered thereunder who volunteers to do skilled or unskilled work and for matters connected therewith or incidental thereto.

(Shri Derek O'Brien, M.P.)