

Decentralised Urban Employment and Training (DUET) Scheme: A Proposal¹

Jean Drèze²

29 August 2020

Abstract: This note presents a proposal for a simple scheme of subsidised public employment in urban areas, generated by multiple public institutions on their own initiative.

Context

1. There is a crisis of employment in the urban informal sector, as millions of workers have lost their job due to periodic lockdowns, and may or may not retrieve it soon.
2. Our public institutions and public spaces (schools, colleges, health centres, bus stands, jails, shelters, hostels, parks, museums, offices, etc) have a chronic problem of poor maintenance.
3. As public institutions reopen after months of lockdown, much work will be needed to restore the premises (cleaning, sanitizing, white-washing, weeding, repairing, painting, plumbing, etc).
4. There is growing interest in an employment guarantee act, but little experience of relief works in urban areas. DUET could act as a step towards urban employment guarantee.

The Basic Idea

5. The state government issues “job stamps” and distributes them to approved institutions – schools, colleges, government departments, health centres, municipalities, neighbourhood associations, ULBs, etc. Initially, the approved institutions will be public institutions (private non-profit institutions could be considered later).
6. Each job stamp can be converted into one person-day of work within a specified period, with the approved institution arranging the work and the government paying the wages (statutory minimum) directly to the worker’s account on presentation of job stamps with a due-form work certificate from the employer.
7. Employees are to be selected from a pool of registered workers by the approved employer, or, better perhaps (to avoid collusion), by an independent “placement agency” – see below.

Rationale

8. Activating a multiplicity of approved employers will help to generate a lot of employment.
9. The approved employers will have a stake in ensuring that the work is productive.
10. The scheme requires little staff of its own since existing institutions are the employers.

¹ The views expressed in this policy brief are those of the author and do not represent the views of NCDS or of the organisations that the author is affiliated to or is associated with. Usual disclaimers apply.

² Jean Drèze is a Visiting Professor at Ranchi University and an Honorary Professor at the Delhi School of Economics.

11. Workers are assured of timely payment at the minimum wage, and possibly other benefits.

Further Possibilities

12. To avoid abuse, the use of job stamps could be restricted to a list of permissible works. But the list should be fairly comprehensive, and not restricted to maintenance.³

13. The list of works should not be so broad as to displace existing jobs in public institutions.

14. All DUET employment should be subject to worker safety and welfare norms specified in the scheme and existing labour laws.

15. All urban residents above the age of 18 should be eligible to register under DUET, but special registration drives or placement agencies could be located in low-income neighbourhoods.

16. The scheme would cover both skilled and unskilled workers. Whenever a skilled worker is employed, an assistant (unskilled) worker could be mandatorily employed as well, to impart an element of training and skill formation in the scheme. Further training facilities could be developed or explored over time, e.g. by some of the non-profit placement agencies if any.

17. Some cost-sharing could be introduced, with the approved employer paying a small portion of the wages, or paying for the job stamps instead of getting them for free. That would help to ensure that work is productive. However, it would reduce employment generation. Also, cost-sharing is a complication, perhaps best avoided initially.

18. Simple norms will be required for allocation of job stamps among public institutions. Some limited transferability of job stamps among these institutions can be considered.

19. An independent authority could be appointed or designated at the municipal level to monitor, inspect, audit and evaluate the works.

20. The National Urban Livelihood Mission (NULM) could possibly play a role in DUET as well.

21. DUET could easily be initiated on a trial basis in a particular district or even municipality.

The Placement Agency

22. The primary role of the placement agency is to assign registered workers to approved employers as and when required. But it could also serve other purposes, e.g. certifying workers' skills, protecting workers from exploitation and arranging social benefits for them.

23. Various options could be considered for the placement agency, such as: (1) a single agency for the municipality, run by the local government; (2) a worker cooperative; (3) multiple placement agencies, run as non-profit organisations or cooperatives.

³ Elements of a possible list can be found at https://cse.azimpremjiuniversity.edu.in/wp-content/uploads/2019/04/SWI2019_Urban_Job_Guarantee.pdf (a useful complement to this note).

Precedents

24. Some countries have employment-subsidy schemes of similar inspiration, e.g. “service voucher schemes” (SVS) in several European countries. Belgium has a very popular SVS for domestic services such as cleaning and ironing. It was used by 1 out of 5 households in 2016.

Towards Employment Guarantee

25. It would be relatively easy to move from DUET towards demand-driven “employment guarantee”. That would require the municipality to act as a last-resort employer, committed to providing work to all those who are demanding work but not finding any with other approved employers. Alternatively, DUET could become part of a larger employment guarantee programme in urban areas.

This is the twelfth NCDS policy brief in the COVID-19 series and the second on re-purposing economy. The other eleven have been on analysis of cases across countries and provinces of China ([PB12NCDS](#), 20 March 2020), on behavioural biases that could lead to panic like asking health care professionals to leave rented premises ([PB13NCDS](#), 25 March 2020), on strengthening COVID hospitals and concerns of community transmission in Odisha ([PB14NCDS](#), 28 March 2020), କୋଭିଡ-୧୯ ମହାମାରୀ ସମୟରେ ପୁଷ୍ଟିକର ଖାଦ୍ୟର ଉପଯୋଗିତା ([PB15NCDS](#), 7 April 2020), which is an Odia translation of “Maintaining a healthy diet during COVID-19 pandemic” prepared by the Food and Agriculture Organization of the United Nations, a cross-country analysis of positive cases and testing ([PB16NCDS](#), 11 April 2020), frequently asked questions on rapid antibody test ([PB17NCDS](#), 20 April 2020; ଯାହାର ଓଡ଼ିଆ ସଂସ୍କରଣ, [PB17aNCDS](#), 23 April 2020), on movement of migrant labourers ([PB18NCDS](#), 27 April 2020; ଯାହାର ଓଡ଼ିଆ ସଂସ୍କରଣ, [PB18aNCDS](#), 3 May 2020), on implications for malaria ([PB19NCDS](#), 15 May 2020; ଯାହାର ଓଡ଼ିଆ ସଂସ୍କରଣ, [PB19aNCDS](#), 28 May 2020), on କୋଭିଡ-୧୯ର ମୁକାବିଲା: ଖୋରାକ, ପୁଷ୍ଟିସାର ଓ ସୁସ୍ୱପୁଷ୍ଟିସାର (ମାଲକୋନୁଟ୍ରିସନ୍)ର ୧୦ ଦମ୍ପା ସମ୍ବଳିତ ସଂକ୍ଷିପ୍ତ ବିବରଣୀ ([PB20NCDS](#), 25 May 2020) which is translation of a 10-pointer on [diet and nutrition](#) from NNEdPro, Cambridge), on dos and don'ts for media ([PB21NCDS](#), 16 June 2020; ଯାହାର ଓଡ଼ିଆ ସଂସ୍କରଣ, [PB21aNCDS](#), 26 June 2020) and on life and livelihood as key to a post-pandemic economy ([PB22NCDS](#), 16 June 2020).

-O-X-O-



Nabakrushna Choudhury Centre for Development Studies (NCDS)
(an Indian Council of Social Science Research (ICSSR) institute
in collaboration with Government of Odisha)
Bhubaneswar-751013, Odisha, India

Phone: +91-674-2301094
Email: ncds_bbsr@dataone.in
Web: ncds.nic.in
Facebook: [@ncdsbhubaneswar](https://www.facebook.com/ncdsbhubaneswar)
Twitter: [@ncds_bbsr](https://twitter.com/ncds_bbsr)
YouTube: [NCDS Bhubaneswar](https://www.youtube.com/channel/UCDSBhubaneswar)
Google Maps: [NCDS Bhubaneswar](https://www.google.com/maps/place/NCDS+Bhubaneswar)