



IMPACT CASE STUDY

JULY 2023

Influencing the social protection agenda in Rajasthan to support urban informal workers

The Indian Institute of Human Settlements (IIHS) has developed a Framework for policy and practice which has influenced an emerging social protection agenda for Rajasthan¹

PEAK Urban Theory of Change - influencing policy and practice

Achieving sustainable cities requires a step change in the capacity of urban actors to anticipate and plan for the challenges and opportunities of the future. PEAK Urban's vision is that such a step change leads to future policy, practice, and investment decisions which enhance the development of 'inclusive, safe, resilient, and sustainable cities' (SDG11).

To contribute towards this outcome, our Theory of Change commits to share research with external stakeholders and engage with decision makers around the implications of research. Influencing the social protection agenda in Rajasthan to support urban informal workers is just one example across the programme of where PEAK research and engagement has helped strengthen the capacity of cities to deal with next generation challenges.

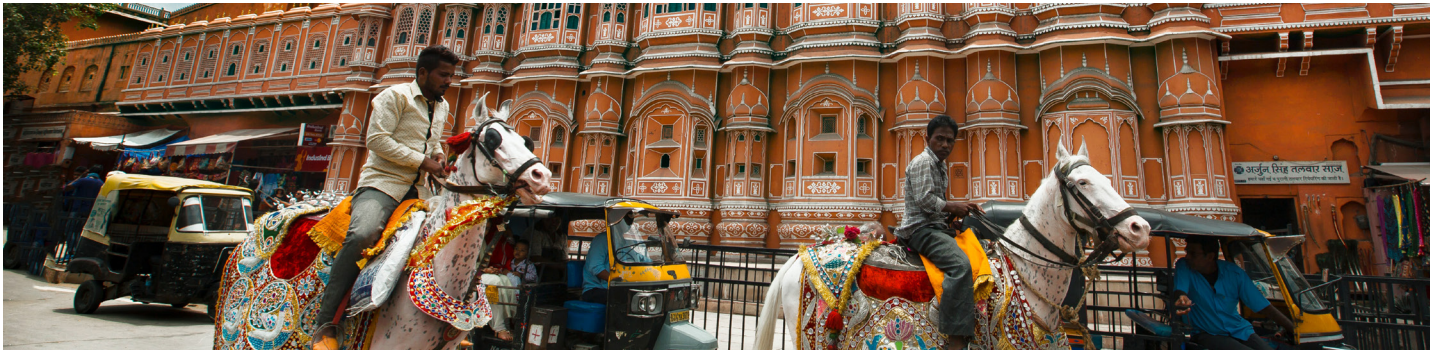
Pathway to impact - Research into Use

Output 1: Findings of PEAK Urban research are shared with and accessible to non-specialist audiences

Output 2: Relevant stakeholders are meaningfully engaged in PEAK Urban research

Outcome: Policy, practice, and investment decisions contribute to strengthening the capacities of cities to deal with 21st century development challenges

1. Towards a Different Future of Work: A framework for informal work and workers in urban Rajasthan. Submission to the Chief Minister's Rajasthan Economic Transformation Advisory Council, February, 2021
Indian Institute for Human Settlements, Bengaluru



Summary

PEAK Urban team leads in India, Shriya Anand and Gautam Bhan, based at the Indian Institute for Human Settlements, were commissioned by the Chief Minister's Rajasthan Economic Transformation Advisory Council in 2021 to develop a policy and practice Framework to support informal work and workers in urban Rajasthan. The analysis was undertaken by a team at IIHS, including several PEAK Urban team members.

The Framework, *Towards a Different Future of Work: A framework for informal work and workers in urban Rajasthan*², influenced the state government proposal in March 2022 for a Urban Employment Guarantee Scheme to support informal workers in Rajasthan. The scheme, and further measures to support the informal sector, could significantly improve living standards and quality of life for the six million informal urban workers across the State, and transform the informal economy contribution to economic and social development.

Background

Informal work and urban precarity in India

Eight of every ten workers in Rajasthan, and indeed the whole of India, are in informal employment, such as street vending, garbage recycling, casual labour, home-based industrial work, or domestic support. Historical failure to support informal work and provide pathways to formal employment, exacerbated by economic downturn over the last decade and a relaxation of employment law in Rajasthan since 2014, have all contributed to the current situation.

While informal work is vital for households' survival, and indeed the economy, it is often unrecognised and precarious. Informal urban workers usually lack access to social protection, services, and decent housing – and have few opportunities to improve their circumstances through training or business support. Informal workers lack employment security (no protection against arbitrary dismissal); work security (no protection against accidents and illness at the work place); and social security (maternity and health care benefits, pension etc)³.

Impact of COVID pandemic

Since April 2020, the COVID pandemic has further exacerbated poverty and inequality in India, and increased reliance on the informal sector and precarious employment conditions. Around 100 million people lost jobs during the initial nationwide lockdown and around 15 million workers were still out of work at the end of 2020⁴.

Women have been particularly affected, leaving the workforce from every employment arrangement (formal-, informal- and self-employment). During lockdown and the months afterwards, only 19% of women remained employed while 47% suffered a permanent job loss by the end of 2020 (compared to 61% of men remaining in employment and 7% suffering permanent job loss)⁵. COVID also increased the burden of domestic work on women, with the India Working Survey reporting that the proportion of working women who spent more than two hours a day cooking in Rajasthan increased from 12 to 58%⁶.

After lockdown, workers came back into more precarious and informal forms of employment – with nearly half of formal salaried workers moving into informal work⁷. Those in employment often had to settle for lower earnings than before the pandemic with households borrowing to get by, cutting back on food, and selling assets.

The Indian Institute of Human Settlements (IIHS) research

IIHS has an established reputation for research and policy development on urban issues, including around informal work, social protection, and informal housing.

2. The report uses data from the National Sample Survey (NSS) from 2004 and 2011 and the Periodic Labour Force Survey (PLFS) from the latest round (2018-19).}

3. National Commission for Employment in the Unorganised Sector definition: Challenge of Employment in India (NCEUS, 2008)

4. **State of Working India 2021: One Year of Covid-19**. Azim Premji University, https://cse.azimpremjiuniversity.edu.in/wp-content/uploads/2021/08/SWI2021_August_WEB.pdf

5. *ibid*

6. *ibid*

7. *ibid*

Their work on informal housing has fed directly into national and state-level policy making, and they have extensive networks with civil society organisations, industry, NGOs, and community partners. Their Urban Informatics Lab works on analysing public datasets to understand employment trends and has authored several policy reports and papers on themes related to employment.

As part of UK government-funded PEAK Urban Programme (2019-2022), researchers at IIHS have been drawing on this research and analysis experience to look in more depth at current issues of employment and social protection in the Indian context.

Moves towards urban social protection in India

The IIHS Framework for informal workers is set within the context of a growing interest in, and commitment to, urban social protection among academics, policy makers, and practitioners in India over the last decade.

Recognising the impact of precarious urban employment on individuals, households and overall economic development, and given the dominance of the informal sector in the Rajasthan, the State government was interested in expanding social protection measures to urban areas.

The success of the National Rural Employment Guarantee (NREGA) programme, launched by the UPA government in 2005 and offering 100 days of guaranteed work to rural workers, had already demonstrated the role employment guarantees could offer in ensuring security for workers. The NREGA had already inspired similar urban employment guarantee programmes by other state governments. Kerala implemented the first scheme in 2011, while more recently Himachal Pradesh, Jharkhand, Odisha, and Tamil Nadu have implemented similar schemes to help workers cope with the impact of the COVID pandemic.

Proposals for wider urban employment support schemes have also been developed by several research and policy institutions. These include: *Strengthening Towns through Sustainable Employment: A Job Guarantee Programme for Urban India* Centre for Sustainable Employment, by Azim Premji University⁸; and DUET - A proposal for an urban work programme,

developed by Jean Drèze Ranchi University, Delhi School of Economics⁹.

IIHS researchers were also associated with the People's Action for Employment Guarantee (PAEG) which was formed in 2004 as a coalition of peoples' organisations, media professionals, lawyers and academics campaigning for the NREGA. More recently, the PAEG has been campaigning for an urban employment guarantee programme, inspired by the success of the NREGA and increased worker precarity due to COVID. Members of the coalition engaged directly with IIHS on the Framework.

The IIHS Framework

Commission from the Government of Rajasthan

In 2021 officials from the Chief Minister's Rajasthan Economic Transformation Advisory Council (CMRETAC) approached IIHS, inviting them to carry out a study to provide inputs into a policy framework for better supporting informal workers in the State. The study involved three components:

- Estimating the size and distribution of the urban informal economy in Rajasthan.
- Developing a framework to improve the quality of work in the informal economy.
- Developing proposals to improve ease of living and access to social protection for informal workers.

Work started on the study in July 2021.



8. [Strengthening Towns through Sustainable Employment: A Job Guarantee Programme for Urban India](#) Centre for Sustainable Employment, by Azim Premji University;

9. [DUET - A proposal for an urban work programme, developed by Jean Drèze Ranchi University, Delhi School of Economics;](#)

The PEAK approach

The research was guided by the PEAK framework which offers an important new approach to help urban actors **Predict** and project aspects of city life, understand the interaction of **Emerging** systems, consider **Adoption** of appropriate technology and interventions, and facilitate **Knowledge** exchange to support urban inquiry and action.

The Framework was particularly useful in underlining a multi-disciplinary approach, bringing together people from different teams who hadn't worked together in the past. It was also useful in enabling work with government officials and elected representatives across the different departments, ministries and budget lines needed to identify innovative approaches to address the scale of the problem.

Estimating the level of informal employment

The team undertook a detailed statistical analysis of publicly available datasets to estimate the number and percentage of informal workers in the state. Key findings, which informed the development of the Framework, included that:

- Urban Rajasthan has a higher share of urban informal enterprises than the national share (67% in comparison to 61%), which may be due in part to 2014 changes in labour law¹⁰.
- Fewer urban workers receive at least one social benefit in urban Rajasthan than at the national level: while 69% of formal enterprises at the national urban level give their employees at least one social security benefit, only 56% of them do so in urban Rajasthan.
- Overall, there has been a fall in women working over the last decade, which could be partly due to a lack of appropriate employment options.
- Both regular and casual wages increased from 2004 to 2011 but stagnated from 2011 to 2018.

Developing the Framework

Developing the Framework involved consultations with external stakeholders, including academic experts, government officials and elected representatives, and those involved with policy and practice. Stakeholders included those with experience of working on social protection, others working directly with labour groups, and those with deep experience of Rajasthan. Individual and focus group consultations were conducted remotely because of COVID restrictions, which allowed the team to engage with a wider range of stakeholders.

The IIHS team aimed to develop ambitious new approaches and to balance realistic and implementable proposals with a long-term vision to transform the experience of informal workers. They therefore proposed a Framework with three key components.

- Five Vision statements presenting long-term goals on: Social protection, dignity and recognition for diverse forms of work, more opportunities for decent work, opportunities for mobility and growth, and building an institutional eco-system to work in partnership.
- A set of proposals within each vision that outline Pathways towards the vision.
- Examples of specific programmes or policies, known as Practices, which can be quickly adopted by decision makers.

Overall, the Framework sets out an ambitious vision in which informal work is better understood, valued and supported by policy makers through a range of practical policies from child care, health and housing provision to infrastructure and service development.

This will ensure that informal workers have not only incomes necessary to cover essentials, vital social protection and benefits, and dignified working conditions - but opportunities to access better jobs in both the formal and informal sectors and to achieve higher incomes.

Whilst the Framework was developed to inform policy and practice in Rajasthan it is relevant to other contexts in which policy makers are considering support for the informal sector.



10. Diti Goswami and Sourabh Paul, 2020, Labor Reforms in the Indian State of Rajasthan: A boon or a bane?, CSE working paper, Azim Premji University

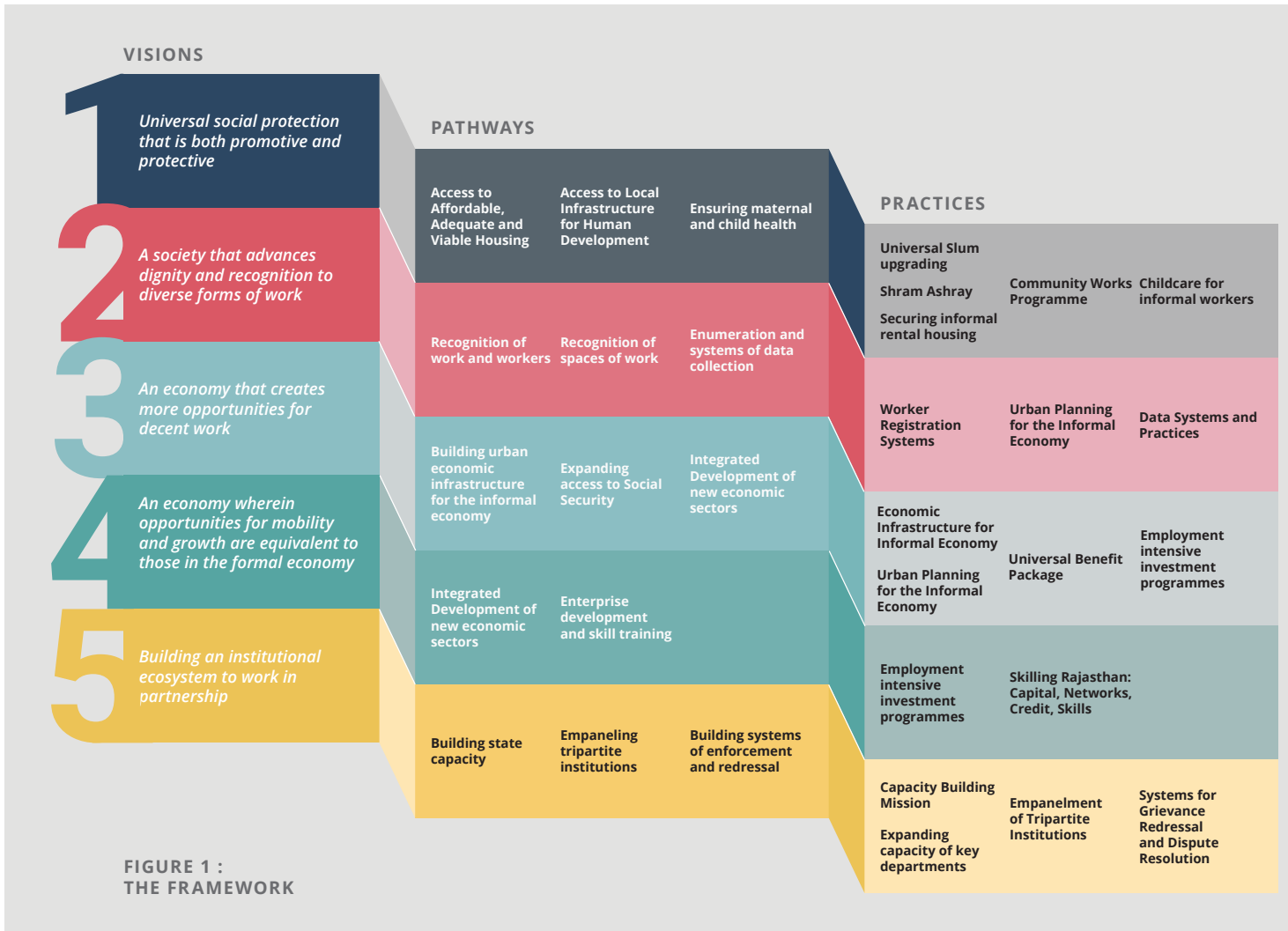


FIGURE 1 : THE FRAMEWORK

“The IHS Framework suggests that social protection measures should go beyond wage support to ensure workers can pay for food and essential expenses, to providing institutional support to develop public goods and infrastructure that should reduce inequality, protect workers’ rights, and ensure dignity and opportunity for urban Informal workers.”

Shriya Anand

Engagement with State Government

The development process started with a presentation at the inception of the study.

An interim presentation allowed officials to feed back on the shape of the Framework and the detail of measures proposed. This allowed the IHS team to develop certain parts of the report, such as urban employment, social protection, childcare, and a data policy as these were the areas that the State government was most interested in and concerned to address. The final Framework deprioritised work on areas such as skills and training, in response to government feedback about what was practically and politically possible at this time.

The final proposal was shared in a series of presentations in February 2022 including to the external advisors to the Commission, the Chief Minister, and the Council of Ministers. The proposal received extremely positive feedback and the government team asked IHS to provide detailed implementation proposals for some parts of the Framework.

The IIHS team also held meetings with the Principal Secretary, Ministry of Housing and Urban Development, and the Principal Secretary, Ministry of Local Self Government. Government officials appreciated the implementation readiness of the recommended practices and asked for detailed notes on:

1. **Worker housing**, developing pre-fab housing for migrant workers on urban land.
2. **Creche facilities for informal workers**, particularly on construction and public sites (such as vending zones) to help women in particular enter the workforce.
3. **Planning for the informal economy**: This may include planning for a ‘coaching hub’ to promote skills development; and for waste infrastructure within the city to ensure that waste workers have spaces of work.
4. The IIHS team were also asked to prepare a **rent-to-own policy** to allow renters to use rent payments as incremental deposits towards full home ownership, easing access into the housing market that may otherwise be unaffordable for low-waged informal workers.

Announcement of the Urban Employment Guarantee Scheme

The Rajasthan Government announced the introduction of the Indra Gandhi Urban Employment Guarantee Scheme on 23 February 2022. This scheme guarantees 100 days of employment a year to those urban families who seek work and was officially **launched in September 2022**,¹¹ after a period of preparation including building an online portal for beneficiaries, and creating job cards as the basis for entitlements.

The announcement reflects many sections in the IIHS Framework, particularly:

- The proposal echoes ‘Vision Statement 1’ - Access to Social Protection which is both Promotive and Protective’ (offering both a safety net and a springboard to opportunity and better living standards). The Urban Employment Guarantee proposal will help mitigate the risk of unemployment and ensure a basic income for urban workers.
- The proposed ‘Community Works Programmes’ (CWP) reflects one of the recommended ‘Practices’ to achieve Vision 1 on social protection. The scheme will combine community infrastructure provision (such as health centres and social infrastructure) with employment generation through construction. The IIHS team’s recommendations on the number of work days that should be allocated to particular forms of infrastructure under the Common Works Programme have been accepted.
- The Framework’s Vision Statement 2, ‘A society that advances dignity and recognition to diverse forms of work’ includes a Pathway on ‘Enumeration and

systems of data collection’ and a Practice on ‘Data systems and practices’, reflecting the importance of understanding the scale and nature of informal work in making the sector visible and valued, and ensure informal workers are treated with dignity and respect. The data collected by IIHS for the Framework on informal work in Rajasthan will contribute to this understanding, and the research team are advising the government about the ongoing collection of such data to underpin the Urban Employment Guarantee scheme.

Since the announcement of the employment support programme, a small group of experts including IIHS’s Gautam Bhan have been advising and supporting the Ministry on how to structure and implement the programme, including looking at eligibility criteria.

Potential impact of the scheme

The proposed Urban Employment Guarantee Plan has the potential to support the roughly six million informal workers in the state of Rajasthan, particularly women, and young people, with guaranteed work which will provide a vital basic income for themselves and their families.

Further, by developing vital infrastructure to support the informal economy, including community buildings, workspaces (such as informal vending zones and waste processing sites), and health, education and social services (such as creche provision or skills development support), the scheme has the potential to maximise the productive potential of the informal economy, and allow workers to access new economic opportunities.

These measures could improve living standards and quality of life for millions of urban workers and transform informal economy contribution to economic and social development - increasing tax revenues, boosting profits and investment returns, and supporting more stable employment.

On the Urban Employment Guarantee Scheme:

“The [announcement of the Urban Employment Guarantee Scheme] is a good thing. There are versions of urban employment schemes in states like Kerala, Odisha, Himachal Pradesh, Jharkhand, and recently in Tamil Nadu. Most of these budgets are around 100 crore (roughly 1.15Bn US\$), while the Rajasthan government has announced 800 crore (roughly 9.2Bn US\$), significantly more than other states. Moreover, it has been phrased as a guarantee which is not the case in every other state programme.”

Amit Basole, Faculty, Azim Premji University, quoted in The Leaflet

11. [Rajasthan gets urban employment guarantee scheme](#), The Hindu, 9 September, 2022

On the IIHS Framework:

“IIHS has carried out an incredible study and developed a holistic pathway to manage urban informality in Rajasthan. Their work has brought out not only a template for the State but a model for the entire country. As the policy frame (in India) is beginning to shift towards addressing ‘quality of life’, the IIHS framework on urban informality for Rajasthan makes for an unparalleled and much needed study that all policy planners across the country must give adequate heed to.”

Abhishek Kumar, INDICC, state government partner responsible for coordinating all the CMETAC studies

On the need for an urban employment guarantee scheme:

“The complexity of urban labour markets and governance structures means that the rural employment guarantee scheme cannot simply be transplanted to cities and towns. What is critical in designing a new scheme is to dare to be expansive; to take on the multi-faceted nature of urban inequality by thinking not just about wages and work, but about skills, housing, public infrastructure and municipal capacity.”

Gautam Bhan, Op Ed in The Economic Times



Value for money

Research and analysis undertaken by the PEAK research team and other colleagues at IHS, helped inform the decision to create an Urban Employment Guarantee Scheme in Rajasthan and has helped guide implementation planning.

Economy test

Research and analysis for the Framework has built on IHS's existing research and reputation around social protection and has therefore been economic to develop. Responding to the opportunity to tender for the commission to develop a Framework ensured it was developed in a context with the political appetite to build policy around it.

Efficiency test

The Framework build on pre-existing research, knowledge and understanding of the Rajasthan context, and constant engagement and feedback from the government team, making it efficient to develop within the timescale.

Equity test

The proposals in the Urban Employment Guarantee Scheme will support women, youth, and vulnerable workers, and afford social protections for informal workers to match those offered to formal workers - improving living standards and quality of life and building equity between citizens.

So what?

The Urban Employment Guarantee Scheme has the potential to transform the status and productive potential of the urban informal sector in Rajasthan and make a major contribution to social and economic development in the State.

Research team

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Written by Shriya Anand, Gautam Bhan, and Louie Fooks.

Further information:

Interview with Gautam Bhan, *Urban Employment Guarantee Scheme: Boon or Bane*, on *The Express Economist*

An urban employment programme should not be just about wage and work but about skilling too. Op Ed in *The Economic Times*, by Gautam Bhan and Shriya Anand

About us

The PEAK Urban programme aims to aid decision-making on urban futures by:

1. Generating new research grounded in the logic of urban complexity;
2. Fostering the next generation of leaders that draw on different perspectives and backgrounds to address the greatest urban challenges of the 21st century;
3. Growing the capacity of cities to understand and plan their own futures.

In PEAK Urban, cities are recognised as complex, evolving systems that are characterised by their propensity for innovation and change. Big data and mathematical models will be combined with insights from the social sciences and humanities to analyse three key arenas of metropolitan intervention: city morphologies (built forms and infrastructures) and resilience; city flux (mobility and dynamics) and technological change; as well as health and wellbeing.

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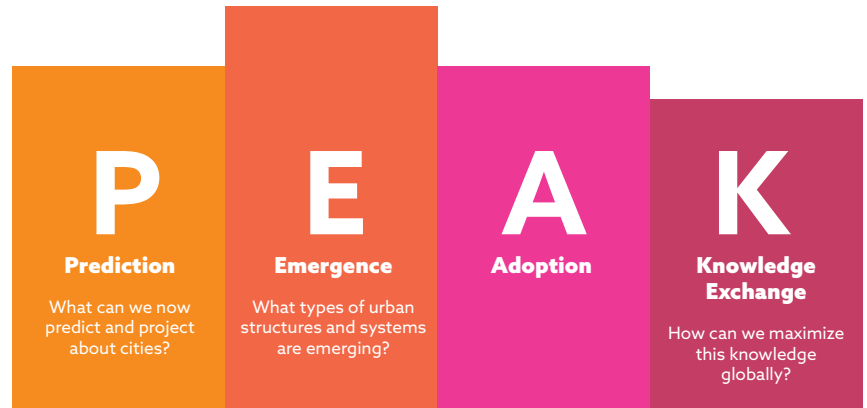
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Our framework



The PEAK Urban programme uses a framework with four inter-related components to guide its work.

First, the sciences of **Prediction** are employed to understand how cities evolve using data from often unconventional sources.

Second, **Emergence** captures the essence of the outcome from the confluence of dynamics, peoples, interests and tools that characterise cities, which lead to change.

Third, **Adoption** signals to the choices made by states, citizens and companies, given the specificities of their places, their resources and the interplay of urban dynamics, resulting in changing local power and influencing dynamics.

Finally, the **Knowledge** component accounts for the way in which knowledge is exchanged or shared and how it shapes the future of the city.

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PEAK Urban is a partnership between:

