Women Workers and Employment Guarantee in Urban Rajasthan

Krishna Priya Choragudi *

Abstract

This paper examines women workers' participation in a recently introduced public works program in Rajasthan, India and its implications for urban labor markets. The Indira Gandhi Rozgar Guarantee Yojana-Urban (IRGY), introduced in 2022, is an employment guarantee program for urban areas of the state, drawing inspiration from the country's long-standing rural public works program- MGNREGA. Using logistic regression analysis on survey data, the study reveals that women—especially those with no formal education, older age, and engaged in housework or casual labor - demonstrate significantly higher interest and participation in IRGY compared to other working-age adults. By enabling women's entry or re-entry into the labor force and encouraging their sustained participation in a context where female labor force participation rates have historically been very low, IRGY represents a novel intervention in urban employment policy. Although the program cannot single-handedly resolve the structural challenges of the informal urban labour market, it holds potential to address certain gender-related concerns.

Keywords: employment guarantee, urban, women, labour force participation

*PhD Candidate, Economics, Department of Humanities and Scocial Sciences, Indian Institute of Technology Delhi, ckrishnapriya9@gmail.com

Introduction

Social safety nets in India have historically concentrated on rural areas due to the high incidence of poverty there. However, with rapid urbanization, there is evidence of growing poverty in cities (Datt et al., 2020), fueled by an increase in informal employment and livelihood precarity. These changes highlight the urgent need to focus on developing and implementing social protection measures tailored for urban contexts (Gentilini, 2015). One of the measures is ensuring livelihood security through an employment of last resort provided by the government such as a public works program. Rajasthan's Indira Gandhi Rozgar Guarantee Yojana (IRGY) was launched in 2022 with the aim of generating temporary wage employment for each household for a fixed number of days per year [1] along with promoting urban asset creation through the public works. Several other states launched similar programs after the COVID-19 pandemic (Anand et al., 2023), but IRGY is the largest such program in India yet with the highest budget allocation.

While the rural public works program in India (MGNREGA) has been extensively studied, urban labour markets are characterised by significantly more variable skill levels and lack the deep community ties of rural economies. So, there is a significant literature gap on the role and impacts of a job guarantee in an urban context. In addition, differences in extents of decentralisation and fiscal challenges compared to rural areas and requirements of different kinds of public works can create variations in the workings of such a program.

Ethiopia introduced a comparable initiative with the Urban Productive Safety Nets Program (UPSNP) in 2018 building on its long standing rural counterpart, the Productive Safety Nets Program (PSNP). The public works program significantly improved the welfare of the urban poor (Franklin et al., 2024). Similar to what was observed in Ethiopia (World Bank, 2021), IRGY and other programs across Indian states have seen majority participation from women workers (Chathukulam et al.,

[1] The number of days of work in the program was later revised to 125 days per year in 2023

2021;Choragudi, 2022). This predominant participation by women is crucial, given the exceptionally low female labour force participation rates (FLFPRs) in India, particularly in urban areas. Studies by Pande et al. (2017) and Afridi et al. (2022) revealed that there exists a substantial proportion of willing but inactive female workforce looking for suitable jobs. These women often prioritize proximity to home and part-time opportunities to balance household responsibilities, a need that IRGY addresses due to its design features.

Against this backdrop, this paper examines which workers participate in the program and why do women who previously did not participate in the labour force choose to enter it via IRGY. In doing so, the paper also offers insights on the implementation and challenges of the program. The results are from two rounds of surveys of 400 households in 20 urban slums in the cities of Jaipur and Udaipur in Rajasthan. The baseline survey was conducted just before the program implementation and the follow-up was conducted roughly a year after. This paper identifies a key benefit of IRGY for women: it facilitates labor force entry or re-entry through accessible, flexible work. The paper contributes mainly to two strands of literature. First, it improves our understanding of the dynamics of participation in and implementation of employment guarantees in urban contexts. Second, it illustrates the potential of such programs to influence female labor force participation. Although an urban employment guarantee may not offer a definitive solution to the structural challenges of job scarcity, informality, or low FLFPRs, this paper illustrates its potential to address certain gender-specific concerns in the urban labor market.

Public Works Programs in India

There have been previous experiments with urban self-employment and wage- employment programs in India though not exactly designed as public works programs. However, they have been small in scale and limited in employment generation. An urban wage employment programme (UWEP) as a part of Swarna Jayanti Shahri

Rozgar Yojana (SJSRY) was implemented in early 2000s to provide wage employment to urban poor in smaller towns and cities of the country. However, as stated by Chathukulam et al. (2021), it did not result in the anticipated amount of employment and the program was replaced by the National Urban Livelihoods Mission in 2013 which laid a greater emphasis on entrepreneurship and access to credit. Some state governments (Kerala (since 2010), Himachal Pradesh (from 2020-2023), Odisha, Jharkhand, Tamil Nadu, and Rajasthan) have announced/implemented urban employment guarantee programs (UEGs) in recent years. These programs assure a fixed minimum days of wage employment at statutory wages for unskilled work to households residing within the jurisdiction of an Urban Local Body.

In rural India, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), established in 2005, provides 100 days of guaranteed wage employment to one adult member of every household at statutory minimum wages. The long-running program's effectiveness in targeting the poor and impacting incomes and livelihood security has been well examined in studies like Joshi et al. (2017), Liu and Barrett (2012), Klonner and Oldiges (2022) while other significant works such as Khera and Nayak (2009), and Pankaj and Tankha (2010) showed the program's positive impact on the rural female workforce.

Decentralised Urban Employment and Training (DUET) proposal

In 2020, Jean Drèze proposed the Decentralised Urban Employment and Training (DUET) program, an urban public works program aimed at addressing urban unemployment (Drèze, 2020). The program would use 'job stamps'issued by the state government to recognized institutions like public schools and health centers, which would then convert these stamps into workdays. The institutions would arrange the work, and the government would pay the workers at statutory minimum wages. Eventually, the proposal was modifed to "a women's DUET" where the program gave priority to women and was run primarily by them as long as women workers are

available. According to Drèze, 2021, this is expected to have two benefits: enhance the self-targetting feature of the program, because women from relatively well-off households would be unlikely to take up public works and second, promote women's general participation in the labour force. Much of the results in this paper corroborate these expectations with respect to women workers.

Indira Gandhi Rozgar Guarantee Yojana- Urban

In September 2022, the Rajasthan Government launched the Indira Gandhi Rozgar Guarantee Yojana - Urban, modeled after MGNREGA. Initially offering 100 days of work per year, the scheme was expanded to 125 days in 2023, with wage rates increasing from Rs. 259 to Rs. 285 per day in January 2024 to align with revised minimum wages for unskilled labor in the state. Key features of the program include providing work within 5 km of the worker's residence, ensuring job availability within 15 days of application, and paying wages within 15 days after completion of work. The program was reinforced by its inclusion in the Minimum Income Guarantee Act passed in 2023 (Dey and Roy, 2023). ULBs (municipal corporations and councils, *nagar panchayats* (for small towns)) assign work across eight designated categories, primarily focused on environmental conservation, sanitation, water management and maintenance of public property. Typical tasks include maintaining public parks, cleaning roads, and managing drainage systems, along with other activities such as painting road dividers and general cleanup.

Data

The results in this paper are from two rounds of fieldwork in Rajasthan: a baseline and a follow-up survey of nearly 400 households residing in 20 urban slums in Jaipur and Udaipur conducted between 2022 and 2023. Urban poor and informal workers are the target group to be provided social protection through the IRGY program as per its objectives. Therefore, this study was designed as a survey of slum residents

because slums primarily have the highest concentration of urban poor and informal workers. The selection of the cities of Jaipur and Udaipur was purposive based on the objective of the study i.e., to examine participation in the IRGY program. Jaipur is the largest and most populated city in the state (Census 2011). The second survey city, Udaipur, is the largest and most populated city in southern Rajasthan, one of the most backward regions of the state. In each city, the list of slums was obtained from urban local bodies and a sample of 10 slums was chosen in each. There are nearly 240 slums in Jaipur and 9 notified slums in Udaipur. Estimates of the size of the slums (population size) were collected through different sources (sources include Jaipur Development Authority, local NGOs, knowledge of local slum leaders and approximations from the slum census 2016). In Jaipur, multi-stage sampling was followed wherein the sample slums were selected through probability-proportional-to-size sampling method, then 25 households were surveyed in each of the selected slums. In Udaipur, 8 notified slums and 2 randomly chosen non-notified slums were selected, then 15 households were surveyed in each slum (please refer to Appendix A for list of slums).

While selecting the households to be interviewed in each slum, an interval k (k=number of sample households divided by total households in that slum) was maintained to the best extent possible between each house. This interval was followed using door number/UID number given to the house by an NGO/ address on *Jan-Aadhaar*[2] card. Due to the nature of informality in urban slums, address markers for households were not always available; therefore, the 'right hand rule' had to be followed when unavoidable, i.e. a house was randomly selected as a starting point. After that, every household after an interval of k on the right side of the route was selected until the required number of households was completed. Roughly 45 per cent of the households in the sample were selected using the 'right hand rule'.

[2]It is a family ID card used by the Rajasthan state government as proof of residence.

Surveys

A baseline survey was conducted between September and December 2022. IRGY implementation started on September 9, 2022. Each working-age member in a sample household was asked whether he/she was available for "manual work provided by the urban local body for 100 days in a year at the wage rate of Rs. 259 per day". 443 adults from 273 households in the survey expressed willingness to work in it, of which 70 per cent were women. In addition, detailed information on the employment situation, wage rates, work preferences, along with demographic data, was collected from every sample household. The follow-up survey was conducted roughly one year after the baseline, from September to October 2023. Only 341 households covered during the baseline could be interviewed in the follow-up. There was an attrition rate of 15 per cent. Though IRGY is universal in nature for all urban residents of the state, each household had to get a job card to get work in the program which was obtained upon enrollment. Enrollment largely depended on the household's awareness, digital hurdles in the enrollment process and the household's location (whether awareness camps and enrollment drives were held in its locality). Out of the 341 households in the follow-up survey, 70 per cent expressed interest in working in the program, of which 68 per cent went on to apply for job card and out of them, 73 per cent were successful in getting a job card. While the wage rates in the program were announced to be increased from Rs. 259 to Rs. 285 per day, the revision was not fully implemented by the time of the follow-up survey.

Characteristics of the sample

The baseline survey covered 400 households in total, 250 from Jaipur and 150 from Udaipur, comprising a total of 1,804 persons. The average household size was just under 5. However, caste composition varied across the two cities, with Jaipur having majority Scheduled Caste (SC) households at 55 per cent and Udaipur having majority Scheduled Tribe (ST) households at 51 per cent. Muslim households made

up 37 per cent of the sample households in Jaipur and 20 per cent in Udaipur. The profile of the 1046 working-age individuals in the sample highlights gender disparities in education and economic vulnerability, with women having lower formal schooling, lower labor force participation, and a significant portion engaged in unpaid housework (Table 1).

Women, particularly those who are less educated, older, or engaged in housework or casual labor, show greater interest and participation in IRGY compared to men, with notable variations across different socio-economic indicators. 19 per cent of working age men and 49 per cent of the working-age women in the sample expressed interest in IRGY when they were asked whether he/she was available for "manual work provided by the urban local body for 100 days in a year at the wage rate of Rs. 259 per day" during the baseline survey.

Interest to work in IRGY varies within social groups, age groups, education levels and marital status categories (Table 2). 51 per cent of working age SC women and 66 per cent of working age ST women were interested in IRGY compared to a lower percentage of Muslim and Other category women. Even though the share of interested men is lower, it is higher among SC men than others. Educational attainment appears to be another key determinant, with a higher share of women without formal schooling showing interest in IRGY than women with higher levels of education. Additionally, interest in IRGY increases with age for both genders, but women consistently show higher interest. Interest among women is lowest in the youngest group (18-25 years) and follows an upward trajectory with age. Particularly, among the divorced, separated, abandoned, or widowed persons, majority of the women show interest.

The work status of individuals interested in IRGY shows that majority of women engaged in housework (56 per cent) express interest (there are no men recorded in this category). Among casual wage laborers too, a much higher share of women workers show interest (72 per cent) than men or even self-employed women. Finally,

actual participation is higher among women than men, with 13 per cent of interested women having worked in IRGY by the time of the follow-up survey compared to 3 per cent of interested men.

Logistic Regressions

Additionally, logistic regressions are run to substantiate the patterns of interest and participation in the program revealed from the descriptive analysis. I estimate the following equations using logit maximum likelihood estimations:

$$\Pr(\text{Willing to work} = 1) = F(\alpha_0 + \alpha_1 \mathbf{X_i} + \mu_i) \tag{1}$$

$$\Pr(\text{Participated} = 1) = F(\beta_0 + \beta_1 \mathbf{Z_i} + \mu_i) \tag{2}$$

In model 1, logistic regression is run on the survey data. The dependent variable is a binary indicator of whether an individual is willing to work in the program [3] (1 = Yes, 0 = No). Independent variables include demographic and socio-economic markers. Appendix B describes the covariates used.

To ensure the robustness of the findings, several checks were performed. First, multicollinearity among the independent variables was tested using Variance Inflation Factors (VIF). All VIF values were below 5, indicating no significant multicollinearity issues. Further, I employed bootstrapping alongside logistic regression to enhance the robustness of standard errors and confidence intervals. Both methods corroborate the impact of the predictors on the willingness to work. The overlap of confidence intervals, consistent odds ratios and similar patterns of statistical significance of the covariates affirm the robustness and validity of the findings (see Appendix B).

[3] Each working age adult was asked whether he/she was available for manual work provided by the urban local body for 100 days in a year at the wage rate of Rs. 259 per day.

In model 2, regression uses administrative data of the program in year 2023. The dependent variable is a binary indicator of whether an individual worked in the program for non-zero number of days among all who applied for work in the program (1 = Yes, 0 = No). Independent variables include the gender, age and the caste category of the individual and controls include the ULB of residence. Available administrative data did not have any more relevant individual level data that could be used for the regression. Table 3 presents results from survey and administrative data, while Figure 1 illustrates model 1's marginal effects (95% confidence intervals) on survey data for intuitive insights. An odds ratio > 1 indicates a positive, and $<$ 1 a negative relationship between socio-economic characteristics and willingness to work/participate in the program.

Controlling for the city of residence which may affect the implementation and awareness regarding the program, being female significantly increases the odds of willingness to work and actual participation in the program. Reasons for women's participation are discussed later. Age positively affects both willingness and participation but with diminishing returns as individuals grow older—likely due to younger adults seeking better-quality jobs and much older individuals avoiding manual work. Younger cohorts are also better educated. Belonging to SC/ST groups also significantly raises the odds of participation. One reason is that poverty continues to be concentrated among the socially disadvantaged groups and also that the sample has a disproportionate presence of SC/ST communities. They are also highly likely to be in the informal sector and more precarious jobs, resulting in them relying on such public works programs more than other social groups (Thorat and Mahamallik, 2007).

Model 1 (survey data) reveals a non-linear relationship between household size and willingness to work: additional members reduce willingness, but the effect diminishes as household size increases. Lack of formal schooling or a per capita income below 2701 significantly boosts willingness. Households reliant on casual wage work, self-employment, farming, or pensions are more likely to express interest than those with salaried incomes. Individually, casual wage workers and homemakers show higher

willingness compared to salaried workers, though this is not significant for the self-employed. Significant baseline odds highlight the importance of the covariates.

IRGY Wages versus Market and Reservation Wages

Wage disparities between men and women in various employment categories, with men generally earning more, partly explain the lack of interest of men in the program (see Table 4). PLFS (2022-23) estimates the daily earnings of urban casual wage workers in Rajasthan as: Rs 452 a day for men and Rs 300 a day for women. The wage rates for women workers in the sample are relatively consistent with PLFS, but the earnings for men are lower than those reported in the PLFS. For casual wage workers in the sample, men have an average wage rate of Rs. 390 per day, whereas women have Rs. 313 per day [4]. Similarly, among self-employed persons in the sample, men earn Rs. 280 per day on average, while women earn much less at Rs. 210. Domestic workers, who are predominantly women, on average have daily earnings of Rs. 223. In cases where workers did not have a fixed wage rate but quoted earnings on a monthly basis, their daily earnings were calculated by dividing their monthly earnings by 30. The revised daily wage for IRGY is uniform for both genders at Rs. 285 and is higher than the daily earnings of female domestic workers and female self-employed workers. However, both IRGY wages and average wages in the private sector (except for male casual wage workers) remain below the National Minimum Wage recommended by the Satpathy Committee (2019). The committee suggested a minimum wage of Rs. 380 for urban workers in Rajasthan, which is deemed necessary to meet the daily caloric needs of 2400 calories for a typical household of five members.

[4] In the casual wage construction work, women laborers are often denied certain jobs that men do, but there is generally no wage gap between men and women performing the same work. For instance, masons (*kaarigar or mestry*), who are semi-skilled/skilled workers, earn Rs. 500-800 per day, while helpers earn less, Rs. 300-500 per day. Women are rarely promoted from unskilled to semi-skilled jobs, keeping their wages lower. In the sample, all female construction workers were employed only as helpers to the mason.

Reservation wages, the minimum wage at which individuals are willing to work in IRGY-like work, also vary by gender and employment type. The working-age respondents were asked during the survey to state the minimum wages at which they would be willing to work in IRGY-like work. The reservation wage turned out to be Rs. 275 for men and Rs. 239 for women. For women engaged in housework, the reservation wages are slightly lower at Rs. 236 (with a range of Rs. 100- Rs. 260). Even though wages of men in self-employment and men's reservation wages for IRGY work are close to program wage rates, they may not choose such work due to its temporary nature.

The difference in reservation wages among women shows that the economic valuation of labor varies not just between men and women but also among women based on their status in the labour force. One explanation for women's low reservation wages could be that the women workers and especially women engaged in housework might be psychologically compensating lower wages with the value of the other non-pecuniary benefits from IRGY type of work, such as work close to home, government nature of work and flexibility offered in terms of timings and days of work. There are discussed further in the following sections.

Women's Interest and Participation in IRGY

Out of the 330 interested adults in the follow-up survey, 80 per cent were women and out of the 39 participants, 92 per cent were women. In fact, the share of female person-days out of the total person-days is much higher in the IRGY program at 86 per cent compared to an already high share of 65 per cent in MGNREGA in Rajasthan during 2023-24. This greater share of women in IRGY than in MGNREGA is crucial given the lower FLFP rates in urban areas compared to rural areas. In 2023, the global female labor force participation (FLFP) rate was 49% (International Labour Organization, 2024). In rural India, the FLFP rate, based on usual status for 15 years and above, was 47% (Government of India, 2023a), which is close to

the global average. Whereas, urban FLFP rates at the national level have remained stubbornly low fluctuating between 23-27% in the past few years (Government of India, 2023a).

Historically, rural women tend to engage in agricultural work/animal rearing which includes them in the active workforce. Due to the unavailability of such employment, urban women are largely dependent on wage employment or self-employment, resulting in a significantly different situation for them. Not just is the FLFP rate low but female unemployment rate is also higher in urban India. It was 7.5% in 2022-23 compared to 1.8% in rural India (Government of India, 2023b). Furthermore, this unemployment rate is higher in urban areas than in rural areas even at lower educational levels- at not literate/ only up to primary education levels (Government of India, 2023b). Public works in IRGY could fill that gap for this segment of the unemployed.

In the sample, among all working-age women (n=550), 49 per cent expressed interest in working in the scheme. A larger proportion of interested women is older, received no formal schooling, belongs to SC/ST communities and is not economically active when compared to the group of not interested women (Table 5). Among the women interested in IRGY, 35 per cent were economically active and 65 per cent were not economically active i.e., they were either in education/ unemployed/ out of the labour force. Among them, a majority are those who are engaged in housework and have never previously been in paid employment. This group will be called 'first-time workers'hereon.

Female IRGY Participants

In the follow-up survey, 11% of households had at least one family member participate in the program, with 92% of participants being women. These women are categorized as first-time workers (51%), re-entrants (14%), and those already in the labor force (35%). An analysis of these categories based on their social groups shows

that while 67 per cent of the women workers from "Other "category households, 60 per cent from SC households and 50 per cent from Muslim households were first-time workers, only 20 per cent of women workers from ST households were first-time workers (Table 6). This is as expected, as tribal women have historically had high labor force participation rates due to more egalitarian family structures and the necessity to earn an income in poorer economic conditions.

First-time workers are relatively younger than the other two groups, with nearly a quarter having completed at least secondary education and over a tenth attaining graduation or higher. In contrast, none of the re-entrants had formal schooling, and almost all women already in the labor force had education limited to primary level. This marks a distinction between first-time workers and others. The pattern supports the hypothesis of a U-shaped relationship between education levels and female labour force participation rates, wherein women who are relatively higher educated show lesser participation in the labour force (Chatterjee et al. (2018)). In fact, this relationship between education and female labor force participation is found to be notably stronger in urban areas compared to rural areas (Gupta, 2023).

The majority of women across all categories are married, but 20% of re-entrants and 33% of those already in the labor force are widowed, divorced, separated, or abandoned, indicating greater social and economic vulnerability. This likely limits their choice to remain out of employment. Notably, among women from female-headed households participating in the program, 75% were already in the labor force, and 25% were re-entrants. Comparing household financial situations across categories supports the income effect hypothesis on FLFP (Klasen and Pieters, 2015), where higher income correlates with reduced participation. First-time workers come from relatively better-off households, with higher incomes, and 18% of their husbands are salaried—a segment missing from the other two IRGY participant categories.

Why out-of-labour-force women choose to work in IRGY

Re-entrants are on average much older than other categories of workers. Many of them had previously worked as casual wage labour, which could explain why they may have left the workforce early. The physically demanding nature of casual wage work could mean it becomes difficult to continue working as one grows older (20 per cent of the re-entrants reported "incapability "as their reason for being out of the labour force). Further, 60 per cent of the re-entrants and 37 per cent of the first-time workers reported "Childcare/ household responsibilities"as their reason for being out of the labour force. This phenomenon called 'motherhood penalty' is considered to adversely affect female labour force participation in urban households (Das and Zumbyte, 2017).

However, women's desire to join IRGY, few years after childbirth, suggests a nuanced motherhood penalty, where labor force participation increases as family size stabilizes and childcare demands lessen, as noted by Abraham et al. (2021). While Abraham et al. focus on rural households, this dynamic likely extends to urban settings, where absent IRGY, these women might have entered the informal sector. The relatively older age of female participants already in the labor force compared to first-time workers suggests the latter may eventually follow a similar trajectory if provided an opportunity. IRGY, in this case, provides an attractive entry point for reasons discussed below.

60 per cent of the first-time workers and 20 per cent of re-entrants reported "no suitable work available "as a reason for not working. Since they were not actively looking for work but joined the workforce when given a chance via IRGY, they can be considered to be "in waiting" i.e. those who are on the margins of the labour force and not counted as unemployed (Jones and Riddell, 1998). When the first-time workers in this category were asked about why they were not seeking work before IRGY, 71 per cent said they had gone through the job search process before, but they either could not find a job or it was not suitable to their preferences. 29 per

cent said they were unaware of how to start looking for a job. Thus, both first-time workers and re-entrants who had engaged in job searches but subsequently withdrew from the labor force can be considered discouraged workers, influenced by demand-side constraints in the labor market. This confirms prior studies on demand-side constraints which state that the nature of growth process has not been employment intensive resulting in scarcity of jobs and the displacement of women by men in available positions (Deshpande and Singh, 2021).

There is also a small but significant share of workers (both first-timer workers and re-entrants) in the "waiting "category, who said that though there was a desire for work, they "did not know how to start looking for a job ". In fact, past studies have established that job search and gathering information about jobs can be much more tedious for women (Pande et al., 2017; Menon and Nath, 2022). Prevailing social norms restrict network size which is crucial to finding jobs in the informal economy (Jayachandran, 2020). Author's qualitative observations suggest that migration after marriage, moving houses on account of husband's employment needs and lack of support from family to spend resources on job search were some of the reasons that contributed to this lack of information and social networks among the respondents.

In addition, for several female participants, particularly those not in the "waiting"group, participation in IRGY had to do with not passing by an opportunity (especially because it is offered by the government) and the non-pecuniary benefits of such work rather than a necessity to earn a livelihood. Non-monetary benefits such as going out of home to work, the government nature of it *(sarkaari kaam)*, largely women-only worksites, earning one's own income (especially for the first time) and enjoyment of mobility were significant attractions (similar observations were made in studies on women workers in NREGA, see for example Khera and Nayak (2009)). In fact, the government nature of IRGY work is significant for almost all the IRGY workers, as it provides a sense of formal sector employment and inclusion into government administrative records. This inclusion raises expectations of future benefits, such as social security and welfare benefits, and greater support from family (es-

pecially for female workers) to pursue public sector employment[5]. This could also explain their choice to work in IRGY for re-entry or initial entry into the labor force instead of the private labour market.

However, the long-term impact of working in the IRGY program on women's labor force attachment and a permanent transition from being out-of-the-labor-force to in-the-labor-force remains uncertain. It has been found in different contexts that first-time female workers tend to quit employment early after joining (Ranganathan and Kuruvilla, 2008; Barry, 2016). According to the survey, although all female IRGY workers expressed a willingness to work year-round, their interest is contingent on the nature of the work. A third of the participants indicated they would be willing to work again only if it involved government generated IRGY work, and not any similar private sector jobs. Additionally, women's attachment to the labor force appears weaker than men's. Different factors can contribute to this weaker attachment. First, even when women take jobs outside the home, they usually retain primary household responsibilities thus increasing their work burden (Afridi et al., 2019; Deshpande and Kabeer, 2021; Afridi et al., 2022). Constant reinforcement of gender norms and cultural beliefs can often make the pursuit of employment secondary for women. Second, factors like household care-work burdens can pressure them to exit the labor force, with re-entry dependent on the employer and occupation. While IRGY work can still accommodate such exits and re-entries, other jobs rarely do.

Discussion

The share of female person-days in IRGY is much higher than even the NREGA in Rajasthan, with 86% of participants being women in 2023 as per the program's administrative data. In the absence of alternative employment opportunities, rural

[5]It has also resulted in misunderstandings and misconceptions regarding the IRGY program. Some workers and mates at the worksites visited by the author believed that participation in this program would eventually result in contractual or salaried employment with the local government.

women typically engage in agricultural sector (even if as distress employment). In contrast, urban women are limited to seeking wage employment or self-employment, and if these options are unavailable, they have to withdraw from the labor force. Furthermore, female unemployment rate in urban India is also higher than in rural areas, even at lower educational levels. In this context, the IRGY program offers two primary benefits to women workers. Firstly, it serves as a facilitator for their entry/re-entry into the labor force, by being an accessible avenue where work is flexible and ideally, on-demand. For women who may harbor uncertainties regarding employment outside of home (due to lack of suitable opportunities, household responsibilities or social norms/conditioning), the program acts as a preliminary exposure to a decent work environment. It's design features like work close to home, fixed timings, assured wages, largely women-only worksites and the government nature of work serves as a compelling incentive for the women contemplating labor force participation but unable to find an entry point. Secondly, for women who are already active in the informal labor market, IRGY can be a viable recourse during periods of employment instability or disruption, offering a reliable fallback option. For women already working, it is also an alternative wage employment opportunity to get out of unsuitable/exploitative work, as evident from the interest shown by female casual wage labourers who are ready to even take a pay cut for IRGY work. Therefore, the program not only introduces women to the labor force but also acts as an avenue to encourage their sustained participation in it.

Still, the IRGY program faces significant challenges and has yet to become the demand-driven initiative it was intended to be. In 2023, only 48% of those who requested work received it, and just 2% of them secured employment for at least 100 days, according to administrative data. Delays in wage payments and low wage rates further hinder the program's effectiveness. Although the daily wage rate was increased from Rs. 259 to Rs. 285 in January 2024 to align with new statutory minimum wages, it remains below the market rate for comparable work, such as grass cutting, sweeping, and soil leveling, in the private sector. This discrepancy discourages male participation and forces the predominantly female workforce—many

of whom struggle to find private sector jobs—to accept lower wages.

The IRGY program in its present form still has many challenges to tackle. It is not a demand driven program yet as envisioned. Only 48 per cent of all those who demanded work actually got it and only 2 per cent of them got work for at least 100 days. Additionally, there are delays in wage payments. To improve the program's scope for asset creation, there's a need to expand the kinds of public works it offers. This means greater decentralisation and giving local governments more power to initiate and fund projects. Furthermore, awareness among the public about the program remains low, with many still unaware of the program, and even among those who are aware, only a small percentage successfully navigate the enrollment process to get employment. Last but not the least important challenge is the low wage rates. Despite recent revisions to the program wage rates from Rs. 259 to Rs. 285 per day, they still fall below market rates (Rs. 300-500/day). Ensuring fair compensation requires establishing statutory minimum wages that reflect the market rates for similar work.

Conclusion

This paper has looked at the recent experience with urban employment guarantee programs in India by studying the IRGY program in Rajasthan. IRGY represents a critical response from the government to the challenges of informality, job scarcity and gender disparities within the urban labour market. Through an analysis of survey data from urban slums in Jaipur and Udaipur, this paper provides evidence that women workers are a majority in the program and they primarily constitute those who have never engaged in paid employment or those who withdrew from the labour market due to adverse conditions, showing the program's potential to improve female labour force participation rates. However, the program's limited implementation in terms of generation of work and low wages mean that its impact on livelihoods and other general equilibrium effects are constrained. Although IRGY has now been incorporated into state legislation through the Minimum Income Guarantee Act 2023, it's implementation is dependent on the government in charge and the budgetary

allocation by the state government. As of the writing of this paper, the state government has yet to announced a budget for the program for the 2024-25 fiscal year. In conclusion, it is further reiterated that while the IRGY program holds potential for addressing urban poverty and increasing female labor force participation, its limitations highlight the need for broader systemic measures. These measures should include creating more formal job opportunities, greater decentralisation at the local government levels, enhancing the coverage of social security, skill training, investing in infrastructure like public transportation and reducing the burden of unpaid work on women.

Acknowledgements

I express heartfelt thanks to Reetika Khera for guidance and mentorship in writing this paper. Earlier versions of this work benefited greatly from comments and discussions with Jean Drèze, Rahul Lahoti, Kunal Sen and Nikhil Dey. I also thank the attendees and participants at UNU-WIDER PhD fellows workshop, 63rd ISLE Conference, National Seminar at IDS Jaipur and YSI & NLSIU-IPP conference for useful comments. I particularly thank Ravikiran kumar Bokam, Astha Sansthan, Jan Daksha Sansthan, Udaipur Nagar Nigam and SR Abhiyan for their assistance with fieldwork in Rajasthan. Besides this, I thank the women volunteers in Jaipur and Udaipur for helping with the surveys.

References

Abraham, R., Lahoti, R., & Swaminathan, H. (2021). *'Childbirth and Women's Labour Market Transitions in India'* (No. 2021/128), WIDER Working Paper. https://doi.org/10.35188/UNU-WIDER/2021/068-9

Afridi, F., Bishnu, M., & Mahajan, K. (2019). *What determines women's labor supply? the role of home productivity and social norms* (No. 12666) [IZA Discussion Papers], Institute of Labor Economics (IZA).

Afridi, F., Dhillon, A., Roy, S., & Sangwan, N. (2022). *Social networks, gender norms and women's labor supply: Experimental evidence using a job search platform* (No. 15767) [Available at SSRN: https://ssrn.com/abstract=4294392 or http://dx.doi.org/10.2139/ssrn.4294392].

Anand, S., Bhan, G., Khandelwal, V., & Nagpal, S. (2023). *Urban employment programme: Policy brief* (tech. rep.) (Retrieved from https://iihs.co.in/knowledge-gateway/wp-content/uploads/2023/11/20231128_UEP-Policy-Brief.pdf?utm_source=upd&utm_medium=downloads&utm_campaign=upd_report_downloads_uep_policy_brief2023). Indian Institute for Human Settlements.

Barry, E. (2016). Young rural women in india chase big-city dreams. *New York Times*.

Chathukulam, J., Joseph, M., Rekha, V., Balamurali, C. V., & George, S. (2021). Ayyankali urban employment guarantee scheme in kerala [https://www.epw.in/journal/2021/15/special-articles/ayyankali-urban-employment-guarantee-scheme-kerala.html]. *Economic and Political Weekly*, *56*(15), 57–64.

Chatterjee, E., Desai, S., & Vanneman, R. (2018). Indian paradox: Rising education, declining womens' employment [Epub 2018 Mar 6. PMID: 30899196; PMCID: PMC6424343]. *Demographic Research*, *38*, 855–878. https://doi.org/10.4054/DemRes.2018.38.31

Choragudi, K. P. (2022). Examining himachal's urban employment guarantee [https://www.ideasforindia.in/topics/poverty-inequality/examining-himachal-s-urban-employment-guarantee.html].

Das, M., & Zumbyte, I. (2017, March). *The motherhood penalty and female employment in urban india*. https://doi.org/10.1596/1813-9450-8004

Datt, G., Ravallion, M., & Murgai, R. (2020). Poverty and growth in india over six decades. *American Journal of Agricultural Economics*, *102*(1), 4–27.

Deshpande, A., & Kabeer, N. (2021). *Norms that matter: Exploring the distribution of women's work between income generation, expenditure-saving, and unpaid domestic responsibilities in india* (wp-2021-130), World Institute for Development Economic Research (UNU-WIDER).

Deshpande, A., & Singh, J. (2021). *Dropping out, being pushed out or can't get in? decoding declining labour force participation of indian women* (No. 65). https://doi.org/10.2139/ssrn.3905074

Dey, N., & Roy, A. (2023). Separate rights from freebies [July 14. https://indianexpress.com/article/opinion/columns/separate-rights-from-freebies-8834778/]. *Indian Express*.

Drèze, J. (2020). Duet: A proposal for an urban work programme [https://www.ideasforindia.in/topics/poverty-inequality/duet-a-proposal-for-an-urban-work-programme.html].

Drèze, J. (2021). Duet re-examined [https://www.ideasforindia.in/topics/poverty-inequality/duet-re-examined.html].

Franklin, S., Imbert, C., Abebe, G., & Mejia-Mantilla, C. (2024). Urban public works in spatial equilibrium: Experimental evidence from ethiopia. *American Economic Review*, *114*(5), 1382–1414. https://doi.org/10.1257/aer.20220471

Gentilini, U. (2015). *Entering the city: Emerging evidence and practices with safety nets in urban areas* (Social Protection and Labor Discussion Paper No. 1504), World Bank Group. http://documents.worldbank.org/curated/en/656081467980515244/Entering-the-city-emerging-evidence-and-practices-with-safety-nets-in-urban-areas

Government of India. (2023a). *Key employment unemployment indicators, plfs, 2023* (tech. rep.) (January 2023 - December 2023).

Government of India. (2023b). *Periodic labour force survey, annual report 2022-23* (tech. rep.) (July 2022 - June 2023).

Gupta, V. (2023). Determinants of female labour force participation in india: Evidence from supply side. *Indian Journal of Labour Economics*, *66*, 203–223. https://doi.org/10.1007/s41027-023-00431-y

International Labour Organization. (2024). *Ilo modelled estimates and projections database (iloest)* (tech. rep.) (Accessed February 06, 2024). https://ilostat.ilo.org/data

Jayachandran, S. (2020, June). *Social norms as a barrier to women's employment in developing countries* (Working Paper No. 27449), National Bureau of Economic Research. https://doi.org/10.3386/w27449

Jones, S. R. G., & Riddell, W. C. (1998). Unemployment and labor force attachment: A multistate analysis of nonemployment. In *Labor statistics measurement issues* (pp. 123–155). National Bureau of Economic Research, Inc.

Joshi, O., Desai, S., Vanneman, R., & Dubey, A. (2017). Who participates in mgnrega? analyses from longitudinal data. *Review of Development and Change*, *22*, 108–137. https://doi.org/10.1177/0972266120170105

Khera, R., & Nayak, N. (2009). Women workers and perceptions of the national rural employment guarantee act. *Economic and Political Weekly*, *44*(43), 49–57.

Klasen, S., & Pieters, J. (2015). What explains the stagnation of female labor force participation in urban india? *The World Bank Economic Review*, *29*(3), 449–478.

Klonner, S., & Oldiges, C. (2022). The welfare effects of india's rural employment guarantee. *Journal of Development Economics*, *157*, 102848. https://doi.org/10.1016/j.jdeveco.2022.102848

Liu, Y., & Barrett, C. (2012). Heterogeneous pro-poor targeting in india's mahatma gandhi national rural employment guarantee scheme. *SSRN Electronic Journal*, *48*. https://doi.org/10.2139/ssrn.2198460

Menon, R., & Nath, P. (2022). A dynamic analysis of women's labour force participation in urban india. *The Economic and Labour Relations Review*, *33*, 103530462211361. https://doi.org/10.1177/10353046221136190

Pande, R., Moore, C. T., & Fletcher, E. K. (2017). *Women and work in india: Descriptive evidence and a review of potential policies* (No. 339), Center for International Development, Harvard University.

Pankaj, A., & Tankha, R. (2010). Empowerment effects of the nregs on women workers: A study in four states. *Economic and Political Weekly*, *45*, 24–30.

Ranganathan, A., & Kuruvilla, S. (2008). Employee turnover in the business process outsourcing industry in india. In D. Jemielniak (Ed.), *Management practices in high-tech environments* (pp. 110–132). Information Science Reference.

Thorat, S., & Mahamallik, M. (2007). Chronic poverty and socially disadvantaged groups: Analysis of causes and remedies. (33). https://doi.org/10.2139/ssrn.1756784

World Bank. (2021). *Towards an inclusive and empowered ethiopia: Improving social safety nets to reduce urban poverty* (tech. rep.). World Bank. https://www.worldbank.org/en/results/2021/01/14/towards-an-inclusive-and-empowered-ethiopia-improving-social-safety-nets-to-reduce-urban-poverty

A Sample slums

Estimates of total number of households in the sample slums

Settlement name	**Households**
Jaipur	
Transport Nagar	650
Ganeshpuri	1400
Rana Colony	1300
Balai Basti	250
Bapu Basti	600
Vijay Nagar 2nd	700
Jhalana Baiji Ki Kothi	270
Harijan Basti (Manohar Pura)	300
Nayak Basti	250
Shahid Indra Jyoti Nagar	250
Udaipur	
Shivaji Nagar	230
Bhilurana Kachchi Basti	350
Kishanpole	350
Machla Magra	750
Neemuch Kheda	430
Ratakhet	400
Sajjan Nagar (Harijan Basti)	350
Naal Ka Bhilwada	250
Bedwas Kachhi Basti	400
Manohar Pura	300

B Regression Covariates

Description of Variables Used in the Regression Models

Variable	Description
WTW	Binary: 1 = Willing to work in IRGY, 0 = Not willing
Applied	Binary: 1 = Applied for IRGY job card, 0 = Not applied
Participated	Binary: 1 = Worked in IRGY in the past year, 0 = Did not work
Female	Binary: 1 = Female, 0 = Male
Age	Continuous: Age of the respondent in years
Age sq	Continuous: Age squared
HH size	Continuous: Number of members in the household
HH size sq	Continuous: Household size squared
SCST	Binary: 1 = Belongs to SC/ST, 0 = Otherwise
No School	Binary: 1 = No formal education, 0 = Some education
Poor	Binary: 1 = Monthly per capita income below Rs. 2701 (inflation adjusted poverty line), 0 = Monthly per capita income above Rs. 2701
Main Occupation	Categorical: Occupation of the primary earner of the household
Casual wage	Dummy: 1 = Casual wage worker, 0 = Otherwise
Self-employed	Dummy: 1 = Self-employed, 0 = Otherwise
Others	Dummy: 1 = Other occupations (farming, disability, pensioner), 0 = Otherwise
Work Status	Categorical: Employment status (based on usual principal status)
Engaged in housework	Dummy: 1 = Engaged in housework, 0 = Otherwise
Self-employed	Dummy: 1 = Self-employed, 0 = Otherwise
Casual wage	Dummy: 1 = Casual wage worker, 0 = Otherwise
In education	Dummy: 1 = Currently studying, 0 = Otherwise
Seeking employment	Dummy: 1 = Actively seeking employment, 0 = Otherwise
Incapability	Dummy: 1 = Unable to work due to incapacity, 0 = Otherwise
City	Dummy: 1 = Udaipur, 0 = Jaipur
Camp	Binary: 1 = Enrollment camp held in slum of residence, 0 = Otherwise
Constant	Intercept term in the regression models

Logistic and Bootstrap Results from Model 1

Variable	Logistic regression estimates	Bootstrap logistic regression estimates
Female	2.0839935	2.0839935
Age	0.10254026	0.10254026
Age squared	-0.00124967	-0.00124967
SCST	0.48328735	0.48328735
Household size	-0.41497067	-0.41497067
Household size squared	0.03200227	0.03200227
No school	0.38169294	0.38169294
Poor	0.47218552	0.47218552
Main Occupation of Household		
Casual wage work	0.58009254	0.58009254
Self-employment (non-agri)	0.6177298	0.6177298
Salaried work	0	0
Farming/ no primary earner	1.2803795	1.2803795
Work status of the individual		
In housework	1.2504222	1.2504222
Self-employed	1.0072134	1.0072134
Casual wage worker	1.7271623	1.7271623
Salaried worker	0	0
In education/seeking work/others	-0.07409776	-0.07409776
City	0.07889541	0.07889541
_cons	-5.3526653	-5.3526653
Observations	1004	1004

Tables

Table 1: Characteristics of working-age men and women in the sample (Baseline)

	Men	**Women**	**All**
	n=496	n=550	n=1046
Proportion of total persons in the sample	50	51	
	Percent	Percent	Percent
Education levels			
Received no formal schooling	30	41	36
Studied up to primary school	38	32	35
Studied up to secondary school	22	19	21
Studied up to graduation or above	10	8	8
Age-groups			
18-25 years	33	36	34
25-35 years	26	27	27
35-45 years	23	20	21
45-60 years	18	17	18
Marital status categories			
Married	74	69	72
Unmarried	24	19	22
Divorced/separated/abandoned, widowed	2	12	6
Work status			
Casual wage workers	46	10	27
Self-employed workers[@]	23	11	17
Salaried workers	13	2	8
Domestic workers	0	7	4
In education	11	14	12
Seeking work	2	4	3
Engaged in housework	2	48	26
Others (Pensioners, Incapable)	3	4	3
Labour force participation rate	70	31	50

[@] Includes unpaid workers in household enterprises (n=17, all are female)

Table 2: Characteristics of men and women interested in working in the IRGY program (Baseline)

	Interested men	**Interested women**
Proportion	n=94 19%	n=270 49%
	Percent of men interested	Percent of women interested
Within social groups		
SC	26	51
ST	15	66
Muslim	15	37
Others	3	41
Within education levels		
Received no formal schooling	19	64
Studied up to primary school	21	46
Studied up to secondary school	16	31
Studied up to graduation or above	16	33
Within age-groups		
18-25 years	13	33
25-35 years	25	57
35-45 years	20	60
45-60 years	20	62
Within marital status categories		
Married	21	54
Unmarried	12	24
Divorced/separated/abandoned/widowed	13	54
Within work status categories		
Engaged in housework	0	56
Casual wage labourers	27	72
Self-employed workers	12	48
In education	0	5
Seeking work	60	65
Share of those who participated in IRGY	3	13

Table 3: Logistic Regression Results

	Odds Ratio (Standard Error)		
Variable Variable	*model 1* *(willingness to work)*	*model 2* *(participation)*	*model 3* *(participation)*
Female	8.0364***	4.5675***	1.7698***
	(1.8791)	(3.0252)	(0.0876)
Age	1.1080**	1.0294	1.0813***
	(0.0531)	(0.1359)	(0.0075)
Age squared	0.9999**	1.0000	0.9990***
	(0.0006)	(0.0016)	(0.0001)
SCST	1.6214***	1.4364	1.2639***
	(0.2991)	(0.2918)	(0.0374)
Household size	0.6604**		
	(0.0976)		
Household size squared	1.0325***		
	(0.0108)		
No school	1.4648**		
	(0.2594)		
Poor	1.6035**		
	(0.3357)		
Main Occupation of household			
Casual wage work	1.7862*		
	(0.5466)		
Self-employment (non-agri)	1.8547*		
	(0.5890)		
Farming/ no primary earner	3.5980***		
	(1.5978)		
Work status of the individual			
In housework	3.4918**		
	(2.1458)		
Self-employed	2.7380		
	(1.7087)		
Casual wage worker	5.6247***		
	(3.5754)		
In education/seeking work/others	0.9286		
	(0.6038)		
Constant	0.0047***	.01698	0.0554***
	(0.0052)	(0.0455) (0.0085)	
Controls	Surveyed cities	Surveyed cities	All cities
Observations	1004	119	52721

Note: *p<0.1; **p<0.05; ***p<0.01.
Base categories: Main occupation of HH= salaried work, Work status of individual= salaried worker. Robust standard errors (clustered at the district levels in model 3)

Table 4: Wage Rates in the sample by Employment types

Wage rates by employment	**Male**		**Female**		**All**	
	(in Rs.)	% of NMW	(in Rs)	% of NMW	(in Rs.)	% of NMW
Casual wage work*	390	103	313	82	361	95
Self-employment*	280	74	210	55	242	64
Domestic work (salaried)			223	59	223	57
IRGY revised daily wage	285	75	285	75	285	75
RW#	275		239		242	
RW of women in housework			236			

NMW stands for National Minimum Wage recommended by Satpathy Committee (2019) which is Rs. 380 for urban Rajasthan.

* Includes unskilled, semi-skilled and skilled work

Reservation Wages. After explaining the IRGY work details, the respondent was asked "At what minimum wage would you be willing to work in IRGY kind of work? "The program wage was Rs.259/day when this question was asked.

Table 5: Women sample- Interest and Participation in IRGY

	Not interested	Interested (not yet participated)	Participated
Proportion of women	51	42	7
Among social groups			
SC	44	47	9
ST	30	65	5
Muslim	58	40	2
Others	53	37	10
Among education levels			
Received no formal schooling	31	61	8
Studied up to primary school	47	48	5
Studied up to secondary school	66	31	3
Studied up to graduation or above	67	26	7
Among age groups			
18-25 years	66	31	3
25-35 years	45	50	5
35-45 years	36	51	13
45-60 years	36	56	8
Among marital status categories			
Married	42	52	6
Unmarried	67	31	2
Widowed/Divorced/separated/abandoned	26	63	11
Among work status categories			
Casual wage labourers	25	70	5
Self-employed workers	36	57	7
Salaried workers	86	14	0
Domestic workers	33	60	7
Engaged in housework	40	53	7
In education	90	9	1
Seeking work	23	70	7

Note: Each row adds up to 100.

Table 6: Female IRGY participants by labour force participation categories

	First-timers	Re-entrants	In labour force
Share of all female IRGY participants	**51**	**14**	**35**
By age-groups			
18-25 years	29	0	0
25-35 years	30	0	44
35-45 years	41	0	22
45-60 years	0	100	34
By education levels			
Received no formal schooling	47	100	45
Studied up to primary school	29	0	44
Studied up to secondary school	12	0	0
Studied up to graduation or above	12	0	11
By marital status categories			
Married	88	80	67
Unmarried	12	0	0
Divorced/separated/abandoned, widowed	0	20	33
By husband's employment			
Casual wage labourer	58	90	45
Self-employed	24	10	55
Salaried worker	18	0	0
Household financial situation			
Average monthly HH income (in Rs.)	12261	10424	9657
Average monthly HH per capita income (in Rs.)	2169	2133	2069
Employment type		(prev. employment)	
Casual wage worker		64	22
Salaried (Domestic worker)		18	34
Self-employed		18	33
Self-employed (unpaid)		0	11
Average daily earnings (in Rs.)			290
Reservation wages for IRGY-type work			
Average Reservation wages (in Rs.)	230	245	260
Average preferred wage rates (in Rs.)	335	400	350
Present reasons for being OoLF			
Childcare/ household responsibilities	37	60	
No suitable work available*	60	20	
Incapability	3	20	
Reasons for being "in waiting "			
Had searched for work earlier, could not find	34	0	
Preferred type of work not available	37	50	
Don't know how to start looking for job	29	50	

OoLF stands for Out of Labour Force

* This category is considered as "in waiting "for work, indicating a desire to work but no corresponding job search (see Jones and Riddell (1998))

Figures

Figure 1: The plot shows the marginal effects (dy/dx) with standard errors and significance levels of the determinants of willingess of individuals to work in IRGY