

## A study on the implementation of welfare programs for migrant construction workers with reference to Bangalore city, Karnataka

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### Abstract

India is witnessing a rapid urbanization due to the new economic policy (NEP) adopted in the year 1991. Privatisation of various sectors allowed huge industrialization and availability of jobs which is the main reason for rural population to migrate to urban areas. Though this has helped in increasing the standard of living of many individuals and overall growth in the GDP, big cities are facing huge problems like pollution, traffic, scarcity of resources, high prices etc. One problem which needs immediate attention is the construction workers. Rapid urbanisation is leading to high construction activity in the areas of infrastructure projects like roads, metro, flyovers, commercial space projects and residential complexes. This has created a huge demand for construction workers and there is huge migration of construction workers from smaller places to big cities. These construction workers lack any kind of social security and they are paid meagre amount as wages. They lead their lives in very tough conditions. This issue is creating two-fold problem; one construction workers are suffering a lot and their problems need to be addressed. Secondly because of huge number of construction workers and their poor living conditions, it is creating problems like outbreak of diseases and increase in crimes etc. This makes us to ask a question is there no system where construction workers problems are addressed? There is huge fund in existence which is meant for the welfare of construction workers which is unused. This paper aims at studying the issue of construction workers and suggest a suitable model for the funds to be utilised effectively for the welfare of construction workers.

**Keywords:** Urbanization, Migration, Infrastructure, Construction workers, Welfare schemes.

### Introduction

India is a country of villages and farmers. While the number of Indians living in urban areas has increased over the last two decades, about 67% of Indians still live in villages according to census 2011. Young population in India today is highly aspirational and they are chasing their dreams by acquiring higher qualifications and they aspire to get good jobs. Once they are well educated and qualified, the opportunities in the villages and small towns are limited and hence they move to big cities in search of jobs (Kumar, 2012). This trend of rural population moving towards urban areas began after the new economic policy was introduced in the year 1991. With the economy opening up, lot of private players entered the market which created huge job potential. This has resulted in many rural youngsters shifting to urban areas and settling down with their families. The Economic Survey of India 2017 estimates that the magnitude of inter-state migration in India was close to 9 million annually between 2011 and 2016. Census 2011 pegs the total number of internal migrants in the country (accounting for inter- and intra-state movement) at a staggering 139 million. States from where majority of rural population shifts to other states are Uttar Pradesh and Bihar, biggest source states, followed closely by Madhya Pradesh, Punjab, Rajasthan, Uttarakhand, Jammu and Kashmir and West Bengal. Major destinations to where the migration happens are Delhi, Maharashtra, Tamil Nadu, Gujarat, Andhra Pradesh and Kerala. This rapid urbanization is creating huge problems like traffic issues, resource shortages, pollution

and this is having a huge impact on the quality of life of the population in urban areas especially in big cities like Delhi, Mumbai, Bengaluru, Chennai, Hyderabad etc (Datta, 2006). Huge urbanisation and increased economic activities in big cities has created heavy demand for infrastructure. The demand is for public infrastructure like roads, flyovers, metro, commercial spaces like tech parks, office spaces, malls etc., and residential complexes. This has resulted in massive increase in real estate prices and heavy construction activity. The construction industry contribution to total GDP of the country is commendable and it is expected to grow for the next few years. The below chart (Fig. 1) clearly shows how the contribution of construction industry to the GDP is increasing from period to period. India's construction industry is expected grow at a stable rate over the next decade according to a research report by BMI research report. This is due to the current government's push towards big public infrastructure projects coupled with participation from the private infrastructure players.



(Source: Tradingeconomics.com)

Fig. 1

Though big investments and huge construction activity is adding up to the country's GDP and helping other dependent industries like cement, steel, and other home solutions companies to grow, there are various problems arising out of this. One problem which needs immediate attention is the construction workers.

Construction sector comes under unorganised sector of an economy. The term unorganised labour has been defined as "those workers who have not been able to organise themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishment etc." Construction sector is one of the largest employment generators in India and country will need approximately 76 million construction workers by 2022 according to a report by magic bricks. Majority of this work force will stay in urban areas without proper facilities and this is creating a huge problem for the urban eco system. There are 2 different set of problems because of the migration workers (Kumar & British, 2013). Firstly, negative impact of construction workers on the urban areas and secondly, construction workers being vulnerable are forced to work in inhuman conditions and they become target for various atrocities including low pay.

#### Negative Impact of Migration of Construction Workers on Destination (Urban)

These migrated workers generally come in small numbers and after settling down and discovering the opportunities summon other friends and relatives from their source location. This geometric progression leads to huge number migrant hence leading to excessive supply. In an unregulated and unorganized market, increase in supply leads to excessive labour and hence leads to lowering of wages. Excessive migration to urban areas leads to overcrowding of construction workers and increases their density. This leads to creation of

temporary and illegal dwellings, slums and theft of other facilities like water, electricity, natural gas etc (Tiwari & Gangopadhy, 2011). Migrated construction workers to urban cities come in large numbers and reduce the opportunities for local unskilled and poor workers who do their jobs as permanent employees. Since these workers are into an unorganized market, it is difficult for the government, agents and owners to keep detailed and correct records of every migrant. This makes it difficult for them to track the workers down in case of crime, fraud or theft. As these workers know that they are unaccounted for, they indulge in crime and other illegal activities as they know they can abscond at any point of time. They become drug dealers, henchmen, rapists, smugglers etc. to match the living standards of the city. Most of the migrating population of construction workers is illiterate. This leads to many problems for the city in terms of following rules and regulations, spreading filth roadside, non-usage of public toilets, disposing waste out in the open etc. These migrants come from rural areas where there is acute shortage of adequate medical facilities. These leads them to carry diseases from their hometown to the city. They live a very unhealthy and non-sanitized life in the city which leads to spreading of diseases. Also diseases are spread as they do not earn enough to find a cure for them. Increased migrants mean increase in the population of the city. This leads to heavy pressure on the transport network in the country. Public transport being the cheapest is overburdened and affects the comfort and convenience of the local commuters. Construction workers bring along their families and hence require welfare programs for women, children and the elderly. This increases pressure on the local government and they have to allocate huge amounts to these causes which hinders urban development.

### Problems faced by the Construction Workers

Construction workers face lot of problems as the sector is unorganised and no workers union to protect them. One major issue for them is no guarantee of employment. Once the construction is over in a particular place, they need to search for other sites. In seasons like monsoon when the construction activity is not in full swing, they may not get paid as most of them are daily wage labourers. Another problem is ignorance on rules and regulations existing which they can use to protect them. Most of the workers are illiterates and they are ignorant about their rights. Construction workers do not fall under minimum wage act and hence builders don't pay them proper wages. They will not get paid overtime as well. It is very common to see skilled construction workers are also getting paid minimal wages. Construction workers do not get any kind of social security and labour welfare schemes though in place, do not reach them. There are no medical facilities, unsafe working place and working conditions, absence of fair wages and insurance are very common in this industry (Devi and Kiran, 2013.) The work place and the place these workers stay are harmful and unhygienic in most scenarios. This may result in accidents and emergencies. Diseases and other health hazards are also very common due to poor hygiene and lack of medical facilities. Many construction workers get into bad habits like chewing tobacco, smoking, eating ghutka, alcohol which will have serious impact on their health, quality of life and relationships. Women workers along with all the above problems discussed are exposed to lower wages, exploitation and family problems like kids etc (Kumar, 2012).

### Objectives of the Study

1. To critically analyse the problems of the construction workers and problems due to them in Bangalore.
2. To critically evaluate the government policy initiatives to resolve the problems of construction workers.
3. To understand the reasons for the gap in the funds received and funds utilised for the welfare of construction workers.
4. To develop a suitable model to improve the utilisation of funds
5. To provide necessary suggestion and recommendations.

### Limitations of the Study

The study is based on the secondary data and is limited to Bangalore city.

### Problem Statement

People migrate from rural to urban areas in search of livelihood and better living conditions. Due to increasing urbanisation and fast expansion of the city, Bangalore has become an attractive destination for these

migrants from across the country. As revealed in most of the studies, more than 70% of the rural poor lack education and belong to backward communities. They naturally find more opportunities in the construction sector due to the tremendous increase in the construction activity in the last two decades. Construction workers face several problems like poor living conditions, lack of healthcare and education, gender bias, sexual harassment etc. The children of these construction workers also lack basic nutrition and hover around the hazardous construction sites. Since they don't have a proper shelter they occupy unconstructed lands in the urban areas. There are many crimes committed by the construction workers which have been reported the recent times. Government has taken several policy initiatives to address the problems of construction workers. As per the building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996, it is mandatory for the builders to contribute 1% of the construction cost for the welfare of the construction workers. Till date Karnataka government has collected 3388 crores through this act. However, there is a huge gap in the utilisation of funds. Only 205 crores have been utilised for the welfare of funds. In the current study attempt has been made to understand the reasons for the gap in the utilisation of funds and suggest suitable model to improve the utilisation of funds.

### Literature Review

Transformation of rural economy into urban economy either due to the natural increase in the population of urban areas or due to the migration of people from rural to urban areas is called urbanisation. The rapid increase in urban population has contributed to the problems like increase in slums, lack of housing facilities, poor sanitation, water problems, increase in the crime rate etc. This is mainly due to the unpreparedness of urban cities to accommodate increasing population. Therefore, urbanisation in India is known as over or pseudo urbanisation. (Datta, 2006)

One of the most common reasons of urbanisation is the migration of people from rural areas to urban areas. The factors that influence the people to migrate from rural to urban areas can be classified as push and pull factors. The negative factors that force the movement of people from rural to urban areas are called push factors which include aspects like poverty, unemployment, crop failure, famine etc. The positive aspects that attract the people towards urban areas are Pull factors such as better employment opportunities, access to finance, political stability, social security etc. (Jewab, 2015)

Most of the people who migrate from rural to urban areas are absorbed in construction sector. There are about 80 million people who migrate from one state to another. About 50% of these migrants are in construction sector and women constitute one-third of such work force. Rapid urbanisation and development of IT sector has given a boost to the construction sector in Bangalore

and more than 15 lakh people from different parts of the country are finding their livelihood in the construction sector in the city (Tiwari and Gangopadhy, 2011).

Construction workers face several problems in cities like Bangalore. They are about 8.5 lakh construction workers in Karnataka who are deprived of any social security. They lack access to basic amenities like food, clothing, shelter, healthcare and education. They get very less wages and most of them are not only excluded financially but also socially. They are unaware of any schemes that are initiated for their welfare. (Kumar et al, 1991)

Rai and Sarkar (2012) revealed in their work that women in the construction sector are ruthlessly exploited. In an 8 hour shift they carry bricks weighing more than 30kgs on their head. They would walk more than 10 km on an average carrying heavy weights such as bricks and mud. Besides this the study also talks about gender bias, sexual harassment and discrimination in payment of wages.

Madhok (2005) opined that large percentage of people from rural India belong to SC/ ST community. Most of them lack basic education and assets like land, cattle. As a result, they migrate to urban areas at a very early age in search of better amenities and livelihood. Therefore, they consider construction sector as a suitable sector for them.

Government of India has taken several initiatives to address this problem. They have increased the number of primary health care centres and Anganwadi's. Most of the construction workers have not benefitted from such facilities either due to the lack of awareness from the side of construction workers or due to the inefficient functioning of those departments. (Devi and Kiran, 2013)

In the year 1979 government has introduced Workmen (Regulation of Employment and Conditions of Service) Act, 1979. In the year 1996, the building and other construction workers (Regulation of Employment and Conditions of Service) Act, has been introduced the building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996. As per the act, builder should contribute 1% of the construction cost for the welfare of the workers.

### Current Scenario

As per the building and other construction workers (Regulation of Employment and Conditions of Service) Act, 1996 it is mandatory for the builders to contribute 1% of the total construction cost to the welfare board constituted by the state government under section 18 of the act.

The main objectives/ functions of the welfare board are to:

1. Regulate the employment and work conditions.
2. Provide safety, welfare and healthcare facilities to the workers
3. Provide education facilities to the children of workers.
4. Provide Insurance facilities and social security benefits to the members.
5. Sanction loans for obtaining assets such as houses.
6. Provide maternity benefits to female workers.

The board should comprise of 12 members with equal representation from construction workers, contractors and government (4 members each). Labour minister will act as the chairman of the board. The act recognises construction workers as the beneficiaries to claim various benefits under section 12 of the act.

### Process to Claim Benefits

In order to claim the above mentioned benefits the members should register themselves as beneficiaries by applying in Form V and paying a registration fees of Rs. 25. They should submit their age proof, employment certificate from the employer or trade union with three photographs of passport size. Beneficiaries should fulfil the following conditions:

1. Should be employed in construction sites
2. Should be aged between 18-60
3. Should produce required documents

### Gap in the Funds Utilisation

Despite several policy initiatives, there is a very little difference in the living conditions of the construction workers. This is mainly because the fruits of these welfare programs are not reaching them in true sense. There is a huge gap in the funds collected and funds utilised. Utilisation of funds in south Indian states is shown in the table below:

**Table 1**

Name of the state	Amount Collected (in crores)	Amount utilised (in crores)
Andhra Pradesh	1153.61	205.46
Karnataka	3388	205
Kerala	1265.29	1195.88
Tamilnadu	1411.49	506.78
Telangana	231.02	39.31

Source: (Press release, ministry of labour, 2016)

It can be observed from table 1 that in almost all the south Indian states except in Kerala utilisation of funds is very low. In Karnataka, Rs 3388 crores have been

collected but only Rs.205 crores have been utilised. The situation is not different in other parts of the country also. All over India Rs.37400 crores have been collected and

only Rs. 9500 have been utilised. (Economic times, March 19, 2018)

In this context supreme court has intervened and directed government of India to come out with a model earliest by September 2018 to address issues like health, nutrition, safety and social security issues of construction workers (Economic times, March 19, 2018)

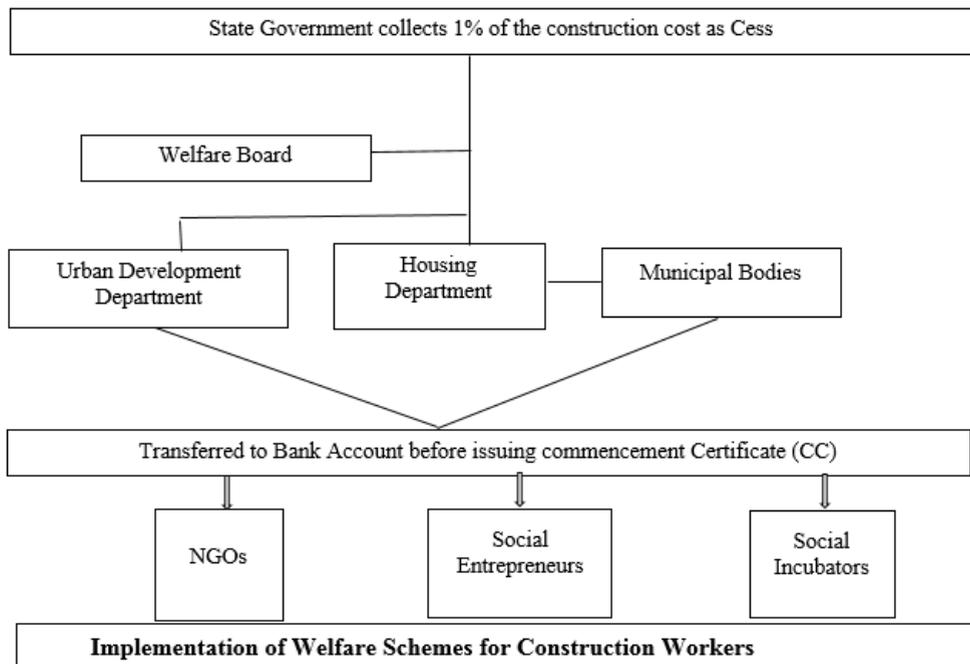
**Problems in the Implementation**

Though the policy is in place, there are several problems in the implementation as it is evident from the table 1, showing huge gap in the utilisation of funds. Besides corruption there are many other issues which are acting as stumbling blocks in the implementation. In order to claim benefits, it is mandatory for construction workers to get registered with the welfare board as beneficiaries. As a part of registration process, several documents like employment letter, age proof etc. should be produced. Most of these workers due to the nomadic nature of their jobs might not be able to produce any such documents. Moreover, some of the migrant construction workers are not aware of the welfare schemes that are meant for them and the process to be followed to claim those benefits due to illiteracy and lack of knowledge.

**Proposed Model for Effective Utilization of Cess Collected for the Welfare Schemes of Construction Workers**

In the existing model, the problem is with the spending of collected cess amount. Though there is lot of funds available which is collected in the form of cess, the

issue is with the spending of money for the construction workers’ welfare schemes. Most of the funds collected is unused and even courts are giving warnings to state governments to utilise these funds for the benefit of construction workers. This shows that the government is having trouble in implementation of schemes. Also there are corruption charges that the funds are not being used for the right reasons. In the proposed model, the suggestion is to include a third party like an NGO or a social entrepreneur or a social incubator to implement the welfare schemes for the construction workers. For e.g. the major problem with the construction workers is there is no proper data and records available. An NGO can be entrusted with the task of preparing a registry of construction workers with their personal details and pass it on to the government so that schemes like insurance reaches them. Skill development programmes can be arranged for them where trainers from outside can come and train them, regular medical intervention like health check-ups, vaccination drives can be organised with the help of third parties like NGOs or a social entrepreneurship. When a third party is engaged, it creates a cost and the government has to take account of this. Also, impact assessment must be carried out at regular intervals to ensure that these third parties are working towards the tasks assigned effectively. Accounting audit of the funds assigned by the government to third parties and social impact assessment at regular intervals must be carried out to ensure the effective implementation of schemes.



(Source: Authors own)

**Fig. 3**

## Conclusion

The study clearly shows funds availability is not the issue. The government is clueless on the effective utilisation of funds. There are lot of issues in spending the money as construction workers is an unorganised sector and it is difficult to maintain a proper data base. But that should be the reason for keeping such huge funds idle when thousands of construction workers are having a terrible life. Involvement of third parties like NGOs and social entrepreneurs to do the ground work like preparing a proper data base of construction workers and registering them in the government welfare schemes, spreading awareness about the schemes, implementation of the schemes etc. will help the government is properly channelizing the unused funds. But at the same time, involvement of third parties always comes with a risk. Proper due diligence while selecting the partners and regular audits both accounting as well as social audit will ensure the work is happening effectively and efficiently.

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