

CONSTRUCTION INDUSTRY IN INDIA

Mobile Creches, 2011

Indian cities are growing rapidly: Commercial sky – scrapers and residential complexes are mushrooming. Even today, it is a labour intensive activity: landless labourers and marginal farmers come into the cities in search of work in time of crises or year-to-year survival. Not having any skills suited to the needs of the city, they offer their labour wherever a building is being constructed. They camp down in rough shelters devoid of the simplest amenities. They work long hours and have no access to proper housing, sanitation, and electricity or even water. They move on when the works over – and they constitute a floating labour force. Their children grow up amidst this constant movement. The children are unable to go to schools and must fend for themselves as best as they can while both their parents work. Civic authorities accept no responsibility for them and they do not interest the politicians.

In India, the construction industry is the second largest employer, after agriculture. It constitutes of largely unorganized workforce (89%), of whom majority (3/4th) is unskilled. In terms of national investment, almost 40 to 50 per cent of the National Plan outlay is on construction. The industry contributes to 20 per cent of the GDP. The booming construction industry and real estate market provides a sharp contrast to the plight of the workforce involved in construction. The boom 'pulls' a large number of workers into the cities. The workers, mainly distress migrants, with low level of literacy and skill are organized by labour contractors called 'jamadars' whose motivation is a daily commission from the wages of workers he is bringing to the city. The migrants are approached by the jamadars or by other villagers and family members through informal information networks. The migrants continue to migrate in groups and most of them with the same or a different jamadar. The first time migrants are from villages, but after that they migrate from one city to another or from one site to another site within a city.

Although the pull factor is upward economic mobility, a deeper examination reveals that the definition of upward mobility is 'two square meals a day and work round the year'. Only a handful of migrants are able to save or build assets even after spending five or more years as construction workers. The money they earn is mostly spent in taking care of subsistence for the family in the city as well as in the village.

The working and living conditions of the workers in the construction industry have traditionally been severely exploitative. An attempt was made to regulate conditions through the Contract Labour Act 1970 and Interstate Migrant Workers' Act 1979. However, these failed to improve the situation, primarily, for two reasons: the model of the legislation was inappropriate for construction workers and the will to implement it was severely lacking. Among the workers, the women workers and the children who accompany them suffer greatly. In 1996, The Building and Other Construction Workers [BOCW] (Regulation of Employment and Service Condition) Act 1996 was passed specifically for construction workers. It sought to provide basic social security and improve working conditions. The Act was based on a tripartite model in which a cess was imposed on construction, a Welfare Board was set up and the registration of workers provided for. The registration was critical to establish the identity of the workers and their access to entitlements, independent of changing employers or sites. The Act has

improved the access to social security of workers in some states such as Tamil Nadu, Kerala and Madhya Pradesh.

Below we share the findings of two studies carried out in the Nation Capital Region by Mobile Creches and Commonwealth Games – Citizens for Children and Women (CWG-CWC), of which Mobile Creches was a member. The studies bring out their compromising conditions in every respect and the urgent need of intervention from the levels of State, Employer and the Unions.

Study 1: Distress Migration Identity and Entitlement, 2008

- **Push and Pull factors:** The shrinking employment opportunities in the agricultural sector have pushed the families outside their villages. The pull factor had been more employment opportunity through out the year for both husband and wife in the city and guarantee of two square meals a day.
- **High Mobility:** The group is a highly mobile one. We have observed that 62% of children in the construction site leave within a year. The average duration of stay in the centres is 3 to 4 months.
- **No Social Security, No Access to Services:** The workers, especially the female workers are outside any kind of social security net. They do not enjoy entitlements provided by Construction Workers' Welfare Board. They do not have access to maternity entitlements and hardly access any government services related to food security, childcare and healthcare.
- **Triple Burden on the Woman Worker:** The woman construction worker has the triple burden of working at home and on the site and also the responsibility of child raising. She is most of the time an illiterate or semi literate worker deprived of minimum wages and absolutely no opportunity to develop skills. Although the Act instructs equal wages, in most sites women are paid less than men. They bear the burden of exploitation of the production system as well as that of patriarchy.
- **Impact on Young Children :**
 - The new born misses out exclusive breast feeding and are left to the mercy of an elder sibling or are left in the dust and heat at the mother's work place.
 - 65-70% children on the sites are found to be malnourished; they miss out on their immunization.
 - Older children miss out education. They are drawn into child labour and child marriage.
 - Findings on health and child care practices indicates worse off conditions than that found for the country through National Family Health Survey III (2005-06) indicators.

Study 2: Safety and Social Security for Construction Workers, 2009

Synopsis of findings from a study of working conditions of construction workers, living conditions for their families and health and education opportunities for their children, in the context of the Commonwealth Games 2010, Delhi

- **Profile of Workers:** In the sample flagship projects, a majority of construction workers are unskilled, migrant, casual, and male - 53 per cent of the respondents were unskilled workers, 30 per cent were semi-skilled and 17 per cent were skilled workers. Casual and contractual workers account for the bulk (64% and 10%) of workers employed in the CWG construction projects: '*malda mazdoor*', coming from West Bengal, is a special category, contracted to work for 50 days, for work up to an average of 12 hours a day, for a wage of Rs 5000-5500 for a 50-day period. Women workers were less than 2% of the entire sample!
- **Long working hours, wages below the legal minimum, late/non payment of wages** – More than 90% respondents work 9 hours or more (two modal values of 9 hours, at 64% and 12 hours, at 17%). Only 74 respondents mentioned that attendance register is maintained with details of overtime. Of 702 workers, 419 reported overtime, three-quarters of them doing overtime for three or more hours, and almost all overtime workers do not get paid an enhanced hourly rate, as per the rules, for the extra hours.
- **Inadequate amenities of sanitation, water, canteens and crèches on site** – Across sites, on an average, one toilet is available for 114 workers. At large sites, the airport for instance, the number falls as low as one toilet per 450 workers, made worse by only weekly or monthly cleanings. Only 86% respondents reported availability of drinking water at the site and only 5% availability of water coolers. Provision of canteen facilities – required by law - was reported by only 70 respondents. Creches are available at 7 of the 15 sites. The crèches are inadequate to cover all children, especially at the large sites, 5 of the 7 being run by a non-government agency, while the other 2 provide minimal, custodial care.
- **Compromises on Safety equipment, procedures and awareness** – In most of the sites the workers are provided the requisite safety equipment (e.g., helmets, gloves, boots) but often the quality is poor, it offers little protection from heat, lasts only for a few days, there are delays in issuing replacements and in a few cases the costs are deducted from workers' wages. This was the issue for instance, for the 571 of the 702 respondents who were provided with safety boots. Even though a large number of safety measures and guidelines are laid down in great detail by the BOCW Act, most organisations, supervisors, contractors and the workers themselves tend to take these lightly. Only 10 workers had heard about the BOCW Act, 1996 and only 2 were aware of the safety guidelines under it. Only 18 respondents replied that safety guidelines are put up at the worksite while 507 respondents mentioned that safety officers or inspectors have visited the worksite.
- Although safety committees are required under the BOCW Act, 1996, (at every establishment with 500 or more workers) only 4 respondents reported the existence of a safety committee at their worksite and only 2 reported monthly meetings of the safety committee. There were no

worker representatives in the safety committee. However, 523 workers responded that one or more safety officers have been appointed.

- **Nearly 70% of the accidents** take place due to falling from a height or due to collision with machines, rods or other objects. Compensation as required by law was, reportedly, paid only in a few cases; in most cases the contractors pay the bare minimum medical costs. In almost all cases, *paid leave is not provided for the days of absence due to injury.* Respondents reported 8 accidents resulting in death, 9 involving serious injuries and 73 involving minor injuries (requiring only first aid). This indicates great scope for improving the safety provisions and reducing the rate of accidents.
- **Inadequate health/medical coverage** - Only 52 workers reported a medical check-up held during the last three months. 50 of these were organized by the employer, two by government agencies. *Most of the sites do not conduct health check-ups of the workers. Availability of sufficiently equipped first-aid boxes was reported by 446 workers, about two-thirds of the total sample. Most sites do not have any qualified doctor for treatment of the injured workers.* In case of minor injuries treatment is given at the site while in case of major accidents the injured are taken to hospitals for treatment. Some of the big sites have ambulance as well, while at other sites office vehicles are used for this purpose
- **Inadequate sanitation, water and cramped, make-shift living quarters** – *94 per cent of the respondents stay in kachcha houses, made up of tin sheets, mason board, tarpaulin, bricks, etc.* While 626 respondents reported availability of water, *lack of water was one of the commonest complaints made by workers in this study.* There are no bathing facilities on most of the sites, only taps to take a bath in the open.
- On an average, where toilets are available, 69 workers or individuals use one toilet. At sites without toilets workers are forced to defecate in the open. The cleaning of toilets sometimes is only weekly or monthly. However, the Games Village had its sanitation services maintained by Sulabh International. Although 565 workers reported that electricity is available, a large number of workers complained that the rooms are over-crowded with few fans – 50-60 people in a dormitory with 2 fans. Often, therefore, the workers preferred to sleep outside rather than inside on the bunk beds.
- The study also came across a group of migrant workers from Bihar and Jharkhand who live at a "Tree House" near Centaur hotel at the airport construction site. These unrecognized, 'invisible' workers work directly with truck drivers to unload trucks, preferring this to working through any contractor or company, so they are not exploited and can earn better. Since the police and authorities do not allow them to build any kind of shelter, they live under a tree, braving heat, rain, insects and the occasional snake from the shrubs, with absolutely no amenities.

- **No awareness of nor access to legal entitlements** - Hardly any of the workers have heard of The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act) or The Delhi Construction Workers' Welfare Board (DCWWB) and the benefits that workers registered with the Welfare Board are supposed to get. *Nine had been registered under the Board but no worker had been renewing the registration regularly as required. Only four workers in this study had been informed by the employer or contractor about the registration required with the Welfare Board and the benefits available to the workers.*
- **Workers rate low wages, long hours, poor sanitation and lack of water as the worst problems** – 46% voted low wages and late payment of wages along with long hours of work as their biggest concern. The next big problem, mentioned by 23 per cent respondents, is inadequate number of toilets or dirty toilets and lack of other facilities at the labour camps. *Almost equally important is the problem of water shortage at the worksite or the labour camp.* The next set of problems mentioned by workers is about poor living conditions, no fans in rooms and also lack of rest at work. Only 3 to 4 per cent workers mentioned safety issues and violation of safety guidelines as a concern.

Acknowledging the vastness of the construction industry and its labour intensive nature (labour cost is 12-16% of the entire cost of production!), India's thrust on building infrastructure with indigenous and foreign investment flowing in, it is important that the State takes initiative to protect the interest of the workers and their family. This is possible through a proper tripartite arrangement which is expressed through the BOCW Act, where the State, the employer and the worker, each has a stake. With no political will to regulate the industry and indifference of the Unions towards this mobile workforce, the workers find themselves at almost the dead end when it comes to negotiating their employment terms or accessing social security net. The multilayer construction industry also creates confusion in identifying the 'accountable' partner.

Presently the trend of the industry (specially the large projects) is leaning towards mechanisation with few technical institutes providing this kind of training, the industry would slowly replace workers through machines in order to increase productivity that would ensure the a steady growth in profit. This will have adverse impact on the rate of employment. The situation may slowly shift from 'poor condition of employment' to 'no employment' – especially for women. The situation demands strong intervention by the State and the employer in terms of ensuring on the job training for both men and women. The rate of mechanization needs regulation too.

In terms of macro situation this trend is threatening. In a country of hundred crore people, the biggest employers – agriculture and construction sector are shrinking their demand for workforce. With distress in agriculture and mechanization of the construction sector, the country may in future have to face severe problem of unemployment. This large group who may remain jobless would mainly consist of landless poor, especially women. A holistic, proactive, planned intervention by the State and the employers of this sector can only be able to make a difference.