

Assessing Centre's Relief to Construction Workers

Why in news?

The Centre recently directed the states to use the Rs 31,000 crore in 'Building and Construction Workers Welfare Fund' (BOCW) to provide relief to Construction Workers, amidst lockdown due to the coronavirus.

How effective will the move be?

- The aim is to provide assistance and support to the mostly casual workers (83.8% as per PLFS 2017-18) to protect them against economic disruptions.
- States collect a cess from construction projects, register construction workers, and design schemes to use the funds collected for their welfare.
- But states have not been very good at spending this money.
- The labour ministry had previously estimated that about Rs 52,000 crore was available with states.
- But, whatever the amount, this assistance is likely to be constrained in practice by -
 - i. low worker registrations
 - ii. limited capacity for expenditure
 - iii. significant variations across states
 - iv. issues of interstate migrants
- This will affect the ability of central and state governments to ensure wages to migrants, many of them construction workers.

What are the concerns?

- **Registration** - Only registered construction workers benefit from the welfare schemes.
- But the overall registration of workers itself has been unsatisfactory.
- Union Labour and Employment Ministry shows that 3.24 crore workers (estimated at 3.5 crore currently) were registered across the country as of end-2018.
- This represented about 60% of the construction workforce in India, as per PLFS 2017-18.
- Much of this progress is recent, after monitoring by the Supreme Court; registration increased by more than 50% between 2015 and 2018.
- Worryingly, field studies show that many workers remain unaware of the

benefits.

- **Allocation** - Even for the limited subset of registered workers, the benefit would depend on the state in which they are registered.
- Because, there is wide variation in the availability of cess funds across states.
- In 2018, half of the collected cess amount was in just six states—Maharashtra, Karnataka, Delhi, TN, UP, MP.
- Conversely, some 6 states have 54% of the registered workforce, but only 32% of cess funds collected.
- These include TN, UP, MP, Odisha, Rajasthan and West Bengal.
- **Capacity to spend** - Thus, welfare boards in states have differing capacities to offer assistance.
- E.g. Chhattisgarh's board would go bankrupt if they paid workers even the central minimum daily NREGA wage of Rs 202 for the lockdown period.
- On the other hand, Maharashtra's board would have surplus funds.
- By 2018, just six states - UP, MP, Odisha, Rajasthan, West Bengal and Kerala - accounted for 53% of the cess money utilised.
- Very few states are in the category with large numbers of registered workers, and a substantial expenditure per worker.
- Chhattisgarh is one of them, but its construction activity is too low for sufficient cess collection.

Does the move address the migrant workers?

- As is widely known, many of the migrant workers made desperate attempts to walk long distances home after the lockdown.
- These migrant workers constitute 42.7% of the urban construction workforce (Census 2001).
- Many workers walking home told that they had little access to social security at work.
- Fieldwork from several states shows that boards are reluctant to register migrants, and registration processes are arduous.
- Thus, it is unclear if migrant workers can access the finance minister's offered benefits in time.

How to deal with it?

- The Centre can use the expertise of the Central Building and Other Construction Workers' Advisory Committee.
- They could play a proactive role in coordinating amongst states, especially sending and receiving migrants.
- It can facilitate sharing beneficiary lists and funds between these states, perhaps through interstate MoUs.

- This can be used in combination with ground-level targeting, involving civil society and employers.
- Such an approach would ensure that all workers get access to some minimum sustenance for the period of the lockdown.
- States' labour departments and welfare boards must do much more to implement the law.
- Much remains to be done to convey the benefits of registration, and to make it easily accessible.
- The quarantine camps for migrants are, ironically, an opportunity to disseminate information, and even register such workers.

Source: Financial Express

