

INTRODUCTION

CHAPTER I

INTRODUCTION

In the process of growth of urban centers it is held that in India most of our towns and cities have failed to provide basic urban facilities and amenities to the growing urban populace. Thus, though in terms of income, the town and city dwellers have become richer over time and consequently proportion of poor people has declined, that is, though income poverty among urban population has declined, poverty in non-pecuniary terms like per capita availability of basic public services and facilities has probably not declined. This fact has been revealed to some extent by the macro level data and from several micro level studies done in this regard (Jha, 1989; Das, 1994; Gurumukhi, 2000; Kundu, 2000; Kumar and Agarwal, 2003). However, there are variations among the towns and cities in India about the magnitude, features and varieties of the problems involved. It therefore emerges that there is a necessity to undertake micro level studies on the problem of availability of basic services to the poorer stratum of the urban population, in addition to looking at their earning and employment to judge their well being.

In the post-reform period there has been a remarkable reduction in urban poverty (on a 7 days recall basis 21.6 percent people are below poverty line in 1999-2000) compared to the pre-reform period (it was 38.2 percent in 1987-88). But with an urban population of nearly 29 crores in 2001 the absolute number below poverty line is quite formidable. Since one of the main contributor of the rapid growth of urban population is migration of people from rural to urban areas and since all of such migrants do not belong to affluent group, rather a large chunk of them belong to poor group, therefore, it is expected that such perennial migration will continue to swell the rank of people below poverty line in urban areas. Most of the poor people migrating to cities and towns join one or another informal sector activity either in wage employment or self-employment and live in slums. Therefore the existing slums are extended or new slums are created in order to house the growing number of in-migrants. These additional in-migrant populations whether affluent or poor create pressure on the already scarce basic services like housing, health, sanitation,

education and other infrastructure facilities in addition to employment availability. With scarce resources it becomes difficult on the part of the urban local government to provide these basic urban facilities in adequate amount. As a result the quality of life deteriorates. These in migrant populations are mostly absorbed in informal sector. The construction industry is one of the largest employers of the informal sector workforce in the country, particularly in the urban scenario.

Migration from different states to other states in India has now become so rampant that its impact is felt in every aspect of life. Migration become a way of life to many, who are unskilled and semi skilled and find difficult to get better jobs within their natives and locality. These migrant workers are spread across the width and length of the country. The construction industry is the single largest employer of migrant labourers, the poorest of the poor. In Indian cities millions of unskilled porters, bricklayers and other low-caste labourers have left their native villages to escape extreme rural poverty and find a job in big cities.

Migrant construction labourers are labourers who are migrated from different regions and states leaving their native villages in search of daily job. These people in general are nomadic in their life and usually do not return to their birthplace or natives. They travel from one area of work to other area along with their families and live in a place, which is either provided by the owner of the construction company or somewhere near by, building temporary shelters for the duration of the construction project and then move to another site. They have maximum mobility because of the nature of their work. These labourers are engaged in huge industrial constructions, residential flat constructions and city beautification works. These construction labourers, as a part of unorganized work force remain the most exploited ones even after six decades of independence. In the recent past the trend shows that all big cities of country have become the centres to recruit casual labourers as construction labourers to cities and urban areas. Most of the construction labourers who migrate to cities and metros are from poor families and are illiterate. Their lack of education and skill make their choice very limited. When they come to big cities, they have to face number of problems because of their inexperience and lack of skill. They become easy victim of exploitation and have to work.

CONSTRUCTION SECTOR AS AN INFORMAL SECTOR

The National Sample Survey Organization (NSSO) carried out a sample survey in 1999-2000 and its results showed that out of total workforce of 397 million, only 28 million workers are employed in the organized sector and the remaining in the unorganized sector. It reveals that over a decade, the employment in the organized sector has been almost stagnant or slightly declined. As per the Survey, there were 44.35 million enterprises and 79.71 million workers employed thereof in the non-agricultural informal sector of the economy. Among these 25.01 million enterprises employing 39.74 million workers were in rural areas whereas 19.34 million enterprises with 39.97 million workers in the urban area. Among the workers engaged in the informal sector, 70.21 million are full time and 9.5 million part times. Percentage of female workers to the total workers is 20.2 percent. The contribution of the unorganized sector to the net domestic product and its share in the total NDP at current prices has been over 60 percent. In the matter of savings the share of household sector in the total gross domestic saving mainly unorganized sector is about three fourth.

Thus unorganized sector has a crucial role in our economy in terms of employment and its contribution to the National Domestic Product, savings and capital formation. Based on the Census establishment data of 1971, Viswakarama has observed that the size of informal sector employment in India is around 76 per cent. The size of the informal sector in terms of employment ranges from a minimum of 45 per cent to a maximum of 75 per cent in India. In terms of income generating, the informal sector also contributes substantially to the urban regional income. In Asuncion (Paraguay), San Salvadoe (El Salvador) and Lima (Peru) it was estimated to be 33, 25 and 30 per cent respectively. In Ahmadabad (India) the contribution of this sector to the total domestic product of the city was around 28 per cent. From this it is evident that the urban informal sector has been playing a major role in absorbing labour and in generating incomes for the poor. Labour earning in the informal sector are relatively very low compared to their counterparts in the formal sector. They are almost half or even less compared to the formal sector wages. But they are found to be still higher than what the migrants from rural areas earn at the place of their origin. Among the workers engaged in the informal sector, 70.21 million are full time and 9.5

million part times. Percentage of female workers to the total workers is 20.2 percent. The following table shows the estimates of employment in the formal and informal sectors in India.

TABLE 1
ESTIMATES OF EMPLOYMENT IN INDIA (1999-00)

INDUSTRIAL CATEGORY	NO. OF PERSONS (IN MILLIONS)	
	Formal Sector	Informal Sector
Agriculture	1.39	238.87
Non- Agriculture	26.68	131.5
Mining & quarrying	1.01	1.25
Manufacturing	6.71	37.07
Electricity, Gas And Water	1	0.04
Construction	1.17	16.36
Trade, Hotels And Restaurants	.49	40.37
Transport, Shortage & comm.	3.15	11.48
Financial services	1.65	3.29
Community services	11.4	21.64
All sectors	28.07	370.37 (93%)

Source: NSS 55th Round, 1999-00

As can be seen from the table, the informal sector in India provides income earning opportunities for a large number of workers. About 370 million workers constituting 93 percent of the total workforce in a country were employed in the unorganized sector as per the NSS Survey 1999-02. Further the importance of the informal sector in the Indian economy, in terms of its share in the national product can be gauged from the following table 2.

TABLE 2

**SHARE OF INFORMAL SECTOR IN THE NET DOMESTIC PRODUCT
(2001-2002)**

	Informal	Others	Unorganized	Organized	Total
i. Agriculture, forestry and fishing	25.5	-	25.5	0.9	26.4
ii. Mining and Quarrying	0.2	-	0.2	1.8	2.0
iii. Manufacturing	1.6	3.4	5.0	8.4	13.4
iv. Electricity, gas & water supply	0.1	-	0.1	1.0	1.0
v. Construction	3.9	-	3.9	2.5	6.4
vi. Trade, Hotel, Restaurants	9.3	2.5	11.9	3.8	15.6
vii. Transport & communication.	3.3	0.6	3.9	2.8	15.6
viii. Real estate, financial service and ownership of dwellings,	2.6	2.9	5.4	7.6	13.0
ix. Community, social and personal services	1.3	1.3	2.6	12.8	15.4
x. Total	47.7	10.7	58.5	41.5	100.00

Source: NSS 57th Round

The above table shows that, the contribution of informal sector in the net domestic product is 47.7 per cent. The contribution of the unorganized sector to the domestic product and its share in the NDP at current prices has been around 60 per cent. In the matter of savings the share of household sector in the total gross domestic saving mainly unorganized sector is about three fourth. The informal economy is growing and is not a short term but a permanent phenomenon; and not just a traditional or residual phenomenon but also a feature of modern capitalist development, associated with both global integration.

Construction industry plays a major role in the economic growth of a nation and occupies a pivotal position in the nation's development plans. They are the backbone of the economy as they create establishments for industrial growth. India's construction industry employs a work force of nearly 32 million and its market size is worth about Rs. 2, 48,000 crores. It is the second largest contributor in the GDP after the agricultural sector. The contribution of construction to the GDP at factor cost in

2006-07 was Rs 196555 crore (XI Five Year Plan, 2007-12, vol II). The share of construction in GDP has increased from 6.1 percent in 2002-03 to 6.9 percent in 2006-07. Also Construction sector is viewed as a service industry. It generates substantial employment and provides growth impetus to other manufacturing sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles etc. whose combined value is Rs. 1, 92,000 crores annually. The construction industry today is a whirlpool of opportunities and advancements progressing at a very fast speed. It is vital because of the desperate need for infrastructure development. The level of a country's development is reflected by its infrastructure. It could be said that the construction industry is the infrastructure of the infrastructure industry. Combining in itself the potential for employment and providing the critical infrastructure for practically every economic activity, the construction industry should be able to play a decisive role in the development of the nation. Houses, apartments, factories, offices, schools, roads and bridges are only some of the products of the construction industry. The industry's activities include work on new structures as well as additions, alterations and repairs to existing ones.

There are over 10 million building and other construction workers in India. These workers are one of the most numerous and vulnerable segments of the unorganized sector in India. There are 1.7 crore in building and other construction workers in India. These workers are one of the most numerous and vulnerable segment of the unorganized sector. Young, married, illiterate and unskilled male dominant construction labour. Participation of female unskilled workers in the construction industry is about 30% of the total workforce.

No accurate figure exists on the number employed in the construction industry since it comprises activity ranging from building small houses to mega dams and bridges, roads and railway. It is evident that construction is a major employer. The following table 3 gives the number employed in the construction industry.

TABLE 3**EMPLOYMENT IN CONSTRUCTION INDUSTRY (IN LAKH PERSONS)**

Year	Public sector	Private sector
1981	10.89	0.72
1991	11.49	0.73
2001	10.81	0.57
2001	10.26	0.56

Source: (NCEUS).

Employment is considered the best way out of poverty. The construction industry has a very high potential of employment creation, especially for the uneducated and poor.

In a first-ever initiative to quantify the contribution of more than 340 million (close to 93 per cent) workers in the country's unorganized sector, a study conducted by the National Commission for Enterprises in the Unorganized Sector (NCEUS), under the Union Ministry of Small-Scale Industry, reveals that close to half of the workers are engaged in the construction industry. Although the development of technology with induction of sophisticated machinery has eased human beings in most sectors of working life, the construction work is still labour-intensive.

In the past few decades, relatively high and stable economic growth in India has led to a rapid increase in construction and influx of unskilled workers to major cities.. According to the National Sample Survey Organization estimate (1999-2000), out of the 36.9 crore workers, 1.7 crore were in the construction industry. In 2000, there were 0.23 crore rural construction workers and 0.32 crore urban construction workers in India. As per the XI Five Year Plan Report, there are about 31.46 million personnel employed in construction activities.

Modernization and industrialization has paved a good way to the construction industry. Small towns and cities become more urbanized and, the construction sector too has got a boost. Irrespective of occasional slumps in the economy or in construction works, the sector is going through a faster growth. Apart from old / traditional urban/ industrial centres, new industrial/urban centres have appeared on the

map where construction works are going on large scale. Expanding and fast growing construction sector and, in general, lack of greater employment opportunity elsewhere has drawn large number of workers in this sector. There are more than 20 million of construction workers in India at present. A city, like Delhi alone has around more than 600 thousand of them. Apart from metros other cities, like Jamnagar in Gujarat, Kuwait & Shillong in the Northeast are also expanding at fast rate.

MAIN CHARACTERISTICS OF THE CONSTRUCTION WORKERS

NOMADIC POPULATION

Construction is the largest economic activity in India. The generation of largest scale employment is a significant aspect of construction work for both male and female workers. The main features of the construction industry are employment insecurity, abusive practices, evasion of social security; taxation, accidental insurance; lack of training opportunities; inadequate law enforcement and poor relationships with regular employees on the site (ILO 1977).

Construction is a fundamental, integral part of economic development and provides many of the materials benefit of progress: housing, schools, hospitals, transport, infrastructure, irrigation schemes, power stations, industrial plant, etc. In consequence, a substantial proportion of national capital investment is annually absorbed by construction works. This proportion may be as high as 50 per cent in many developing countries, where it is often the largest single element of national expenditure.

1. INSECURE AND UNDERPAID JOBS

Construction workers are unskilled and illiterate workers, which make them very vulnerable to exploitation. Being part of an unorganized and fragmented sector their bargaining power is low and they could not easily fight against injustice. They are often not paid minimum wages and even the agreed wages are not paid in time. Moreover, their working time and hours are not well regulated and they do not get paid when they work overtime.

2. HAZARDOUS WORKING CONDITIONS

The working conditions and the facilities provided at the sites are far from satisfactory. Most of the companies do not even provide safety belts, protection eye

wears, hand gloves, shoes or helmets to their workers. India has the world's highest accident rate among construction workers. According to recent study by the International Labour Organization (ILO) that cited one survey by a local aid group showed that 165 out of every 1,000 workers are injured on the job. Moreover the companies are not ready to compensate employee's having injuries who are not covered by life insurance. In case of accident, there is, in general, no provision for financial and medical aid. It is up to the workers themselves to arrange for the treatment.

3. LACK OF BASIC AMENITIES

The living conditions are no way better than the working conditions. Construction workers live with their family in temporary shelters built on the construction site. They live in tents built out of rubber and metal sheets. Most of the time the construction companies do not provide any electricity or sanitation facility. Majority of the sites neither have toilets nor bathroom facilities and drinking water is often not available.

4. NO CRÈCHE FACILITY ON THE CONSTRUCTION SITES

There is no system at all to take care of these children at work site despite the “Building and other Construction Workers (Regulation of employment and Conditions of service) Act, 1996, that stipulates that if more than fifty female workers are employed, rooms should be provided for the use of their children. According to the Act, these rooms are supposed to be suitably large, well lit and ventilated, clean and sanitary and under the charge of women trained to care for young children but builders find various lacunae to get around these requirements. Because of their family’s extreme poverty and also since their parents are constantly working – sometimes mothers go back to work a few hours after delivery – small children are left to fend for themselves and are wandering around the site all day long.

Although the provisions of various Labour Laws i.e. Minimum Wages Act, 1948, Contract Labour (Regulation & Abolition) Act, 1970 and Inter-State Migrant Workmen (Regulation of Employment & conditions of Services) Act, 1979 etc., are applicable to the building and other construction workers, a need was felt for a comprehensive Central legislation for this category of workers. Towards the above

goal the following two enactments have come on the Statute Book W.E.F. 20.8.96, initially brought in as Ordinances on 03.11.95.

- a) The Main Act- The Building & Other Construction Workers (Regulations of Employment and Conditions of Service) Act, 1996 : and
- b) The Building & Other Construction Workers' Welfare Cess Act, 1996.

Besides the above, the National Building Code (NBC) of India, 2005 is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a model code for adoption by all agencies involved in building construction works be they public works departments, other government construction departments, local bodies or private construction agencies. The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety); and building and plumbing services.

Construction workers may be broadly classified as skilled and unskilled. Though child labour is prohibited, children are engaged for unskilled jobs. Most of the workers in this sector are employed on a casual basis. Unstable employment/ earnings and shifting of workplaces are the basic characteristics of work for construction workers. Employment in construction is usually interspersed with periods of unemployment of varying duration, mainly due to fluctuating requirement of labour force on each worksite. The nature of work is such that there are no holidays. It is established that female workers do not in general get minimum wages. Though skilled workers secure jobs directly from employers, unskilled workers by and large, are engaged through intermediaries who introduce the workers to contractors on a commission basis.

Since workers are generally recruited on contract basis, failing to achieve the required quantum of work results in either deductions or uncompensated overtime work. In return for providing jobs, the intermediaries often collect commission from each worker at a fixed rate for each working day. Women engaged in construction works, are the most exploited. What is worse, the contractors remove sick and injured workers from sites and pay rolls without giving them adequate compensation.

Unorganized construction workers can truly be described as sweat labour, and violation of laws on minimum wages, equal wages, child labour, contract labour, and interstate migrant home-based occupations. Unionization is not allowed or encouraged, and construction workers like many others in the unorganized sector remain invisible and vulnerable, voiceless and un-unionized.

The existing labour laws applicable to construction workers are based on inspection, prosecution, fines, etc. However, legal processes are so time consuming that the aggrieved worker may be out of employment or employed elsewhere by the time redressal materializes. He/ she cannot leave his/ her worksite, forgoing his/ her daily wages to go elsewhere to pursue complaints against violation of laws. The existing laws do not give adequate protection to workers against victimization.

Unskilled and semiskilled workers have no option in regard to their working hours. They have to do what the mastery expected them to do. In excavation, earthwork, stone breaking and stone and marble dressing, the work unit is generally, the family or the gang, and they normally work 12 hours a day; all seven days of the week.

The social safety network of building workers is built around kinship and tradition, and trade unions have not yet found a place in this system. Contractors are paternalistic; their style of management may be authoritarian. A contractor may be tight-fisted in fixing rates of payment and may not have latrines, urinals and other facilities at worksite. But he would be generous when a worker sought help from him for celebrating his daughter's marriage, attending to illness in the family etc. One of the statutory obligations of a contractor is that he should provide workers, at his own cost, with living accommodation to workers.

CONSTRUCTION SECTOR IN THE FIVE YEAR PLANS

Construction has substantially contributed to the gross fixed capital formation in the country. During the period of the first three five year plans, its contribution to the gross fixed capital formation in the country was over 60 per cent and averaged 66 per cent. During the 4th and 5th plans, the contribution averaged 56 per cent and during the eighties, its contribution averaged 48 per cent. In absolute terms, the contribution of construction to gross fixed capital formation went up from Rs. 633 crores in 1950-

51 to Rs. 1337 crores in 1960-61, Rs. 3960 crores in 1970-71, and to Rs. 7340 crores in 1987-88.

The National Committee on Science and Technology and the former Construction Division of Planning Commission worked out approximate construction component of various sub-sectors of the economy. It is found that construction makes its contribution to almost each of the sub-sectors ranging from almost 12 per cent in the welfare programmes for backward classes to 100 per cent in the housing sector.

To judge the impact of construction component on sub-sectors, it is necessary to know the plan outlets for each of the sub-sectors. The approximate construction content as percentage ranged from 36 per cent to 50.4 per cent of the total outlay. The investment in construction in the public sector alone was Rs. 988 crores in the first plan, Rs. 1990 crores in the second plan Rs. 3032 crores in the third plan Rs. 7841 crores in fourth plan, Rs. 16,327 crores in the fifth plan, Rs. 48,359 crores in the sixth plan and Rs. 69,160 crores in the seventh plan. The construction component of Rs. 69,160 crores in the seventh plan referred as to above relates to public sector only. The seventh plan outlay on private sector is Rs. 3, 20,000 crores and the construction component works out to Rs. 1, 22,000 crores.

The importance of construction industry in economic development has been often overlooked, but it should be recognized as a potentially useful instrument for achieving various development goals. Several studies using the cross-sectional data have attempted to establish a quantitative relationship between construction output and economic development. Any attempt to further the above mentioned relationship amounts to testing the constancy of the relationship already observed in the earlier studies. However, these studies have not touched upon the so availability of social security among construction workers. Further a detailed study on the socio-economic status of the migrant as compared with the non-migrant construction workers have not yet been carried out.

The current study on "Poverty among the Construction Workers in the Informal sector: A comparative analysis" is an attempt to find out whether the migrants absorbed in the construction activities could lead a 'decent life' with basic amenities available to them. Further the study made an attempt on finding out whether

compared to the non-migrant construction workers (who constitute the control group), the migrant construction workers are economically better off or not. The study has the following objective

The Objectives of the study

1. To study the socio-economic and demographic profile of the sample respondents.
2. To assess the work atmosphere of the respondents.
3. To estimate the inequalities in the income, expenditure and assets distribution of the sample households.
4. To estimate the prevalence of poverty among the selected construction workers.
5. To know the awareness of the construction workers on the availability of social security measures and
6. To construct quality of life index for the migrant and non- migrant construction workers.

The following hypotheses were tested in the study

HYPOTHESES:

1. Inequality prevails in the income / expenditure / assets distribution among the respondents.
2. Construction worker met with hazardous accidents.
3. Construction workers are not aware of the availability of social securities.
4. Migrant construction workers are 'extremely poor' compared to the non-migrant construction workers.

In the globalizing economy, it is the construction workers who are constructing the new economic zones, the IT cities, the call centers and mega malls that are creating new forms of wealth to-day. It is they who are laying the cables for a rapidly expanding country-wide telecommunications network. Yet, these workers, who are creating the bare of the new economy, live in a time warp, trapped in low skilled, low paid and insecure 'working condition'. Hence this study will bring out the environment under which the construction workers live and work and how they could be promoted to lead a healthy life