

WORKING AND LIVING CONDITIONS OF BUILDING
CONSTRUCTION WORKERS AT SELECTED CENTRES

Introduction :

The National Buildings Organisation sponsored during the year 1977-78 studies on working and living conditions of labour engaged in building construction to five research Institutes to take up study at five centres spread in different parts of the country.

<u>Name of the Centre</u>	<u>Institute</u>
1. Delhi	Shri Ram Centre for Industrial Relations and Human Resources, New Delhi.
2. Ahmedabad	Sardar Patel Institute of Economics and Social Research, Ahmedabad
3. Poona	Gokhale Institute of Politics and Economics, Poona.
4. Madras	Department of Statistics, Govt. of Tamil Nadu, Madras.
5. KAVAL towns of U.P. (Kanpur, Agra, Varanasi, Allahabad and Lucknow)	Indian Institute of Public Administration, New Delhi.

The size of sample workers canvassed at above Centres was 845, 1000, 408, 469 and 703 respectively. The reports of the study prepared by the Institutes have gone into the details of different aspects of building construction workers and have suggested measures to be taken for improving the working and living conditions of these workers.

Objective of the Study :

The main objective of the study was to collect data on Socio-Economic background of the building construction workers: their migration pattern, recruitment system, prevailing working conditions, labour welfare and amenities, acquisition and development of skills, need and formation of labour cooperatives, enforcement of labour laws, etc. The study was also to probe into the measures which would lead to an increased labour efficiency.

The main findings and recommendations are given in the following paragraphs.

Importance of Building Industry :

Building construction workers are those persons who are gainfully employed by the employer directly or through an intermediary to do any skilled, semi-skilled or unskilled manual work in the construction of buildings. The building construction industry provides avenues of mass employment specially for the illiterate and unskilled of whom we have a large surplus. The building industry plays a role of transitional employer for unskilled labour moving from rural areas to urban centres and from agriculture to manufacture. Construction activities provide employment directly on site and indirectly through the supporting industries to a large number of skilled and unskilled workers, male and female, long term as well as short term, both in urban and rural areas.

The key determining factor regarding the employment control of the building construction industry is the question of technology and extent of mechanisation. In India most of the operations are manual and the industry is, therefore, highly labour intensive. In construction, labour is more important than capital in terms of factor elasticity output and marginal factor productivity.

In a growing economy building construction activity is bound to receive an important place in terms of investment for (a) employment creation, (b) income generation and (c) income redistribution.

Unique Characteristics of labour intensive building Industry :

A peculiar problem of the construction labour is that the industry is geographically dispersed over wide areas and for continuous employment the labour has to move from one place to the other. A considerable proportion of investment is made by the Government on public works and hence the building construction activity is affected by budgetary cuts or change in policy of the Government. The discontinuity arises from the fact that once the project is complete, employment on it except for maintenance of the project will come to an end and the maintenance personnel form only a fraction of the total employment of the project.

Construction work is carried on generally outdoors and the continuance of work is affected by bad weather and that imparts to it a distinct seasonal bias. Rain disrupts the continuance of work and consequently employment is affected. Due to very nature of the industry, there is intermittent unemployment and interruptions in earnings of workers.

A significant aspect of the building construction industry is its heavy dependence on the migrant labour. The migrant workers belong to the hordes of landless labour or agriculturists with very small holdings. Driven to the city to seek work after had harvests; or to free themselves from debt, their village ties are still strong. It is a constant movement between the village and the city.

Instability of employment and earnings of construction workers can be treated as a built-in characteristics of this industry. The labour is recruited at each site for the job on hand. Only a few workers are retained by the contractor on a long term basis. The workers are forced to move from place to place without permanent place of settlement. The limited opportunities available for employment of unskilled labour give rise to a buyers market for building construction labour.

Recruitment System :

The Jamadar/Mistry generally play a vital role in the recruitment of workers specially those belonging to unskilled category. The Employment Exchange plays an insignificant role in the recruitment of the building Construction workers. Jamadar/Mistries particularly act as recruiting agents of the contractors. In view of the risks in direct recruitment of labour, the employer generally prefers to adopt the alternative method of procuring the requisite labour through an intermediary agency who is specialised in that function. Workers getting employment through the institution of Jamadar/Mistry was 50% in Delhi, 97% in Ahmedabad, 43% in Madras, and 57% in KAVAL towns of U.P. The labour contractor is thus an important link between the worker and the employer and the relationship between them. The recruitment system in the building industry is designed to ensure that the employers are least affected by the problems peculiar to the industry. The contractors manage to minimise the total wage bill by eliminating from time to time the labour force found redundant but without relaxing their hold on the supply.

Migrant Workers :

The workers migrate due to the reasons like (a) unemployment at home (b) insufficient income and indebtedness, (c) expectation of better prospects in the city, (d) expectation of help from relatives and friends in getting jobs in the city, (e) family quarrels etc. Whether pushed by the acute pressure of poverty or pulled by the lure of better prospects and amenities in the cities

and hope of getting better wages, the economic factors behind migration are crystal clear. Unskilled or inexperienced labour coming from rural or other urban areas get employment easily on construction site because construction industry employs a large proportion of unskilled workers and new recruitments are often resorted to with every change of construction site/work place. 96% worker in Delhi, 69% in Ahmedabad, 78% in Poona, 70% in Madras and 59% workers in KAVAL towns were migrants from rural or other urban areas. Large proportions of migrants belonged to the rural areas. A greater proportion of the migrants from urban areas (65%) joined the ranks of skilled workers as compared to those from rural areas (27%) in Delhi. In other words, the proportionate contribution of rural areas to the work force decreases with (increasing) skill while that of urban areas increases with skill.

Workers with an urban background had a greater propensity to continue in Delhi with their construction jobs than those with a rural background. The latter consider their stay in Delhi merely as a stop-gap arrangement prior to taking up their 'permanent Jobs' in their villages. This is no doubt surprising because a majority of them do not have any thing to bank upon in their villages. Our two-thirds of the workers were either landless agricultural labourers or had no occupation in the village. Another 20% had small and uneconomical holdings. It was, therefore, inferred that more than the attraction of city life, the absence of adequate employment opportunities in the countryside was the main reason for the cityward migration of the workers.

Nearly half of the unskilled workers in Delhi with a rural background, leave the industry before completing five years because of occupational hazards of irregular employment. The skilled workers, however, have a relatively greater propensity to stay on in the building industry because in their case, security and tolerable emoluments compensate for the lack of prospects for upward mobility.

Employment of Women :

The building construction industry is predominantly a male-dominated economic activity due to the arduous nature of work to be performed by the workers. The proportion of women workers was 5.2% in Delhi, 25.5% in Ahmedabad, 19.8% in Poona, 25.4% in Madras and 2.3 % in KAVAL towns, and almost all of them were employed on unskilled jobs. The women workers generally remain unskilled inspite of their continuous employment in

construction for a number of years. These females are obviously either wives or working partners or other family members of male workers already working on the same site. The contractors also find the employment of women workers beneficial because they perform the same type of tasks as men and are sometimes paid wages at less rate.

Employment of Children :

Although the law as well as the C.P.W.D. Code forbid employment of labour below the age of 15 years, a few children are sometimes employed by contractors on the building construction sites. The proportion of child labour was of the order of 2.5 per cent. It was higher in Madras. These children are generally wards of the adult workers employed on the same worksite. The employment of children appears to be beneficial to the contractors in the sense that the children perform the jobs of adult workers as helpers etc. and are paid at less wage rates, sometimes at half the adult wage rates. The parents also think that their children are earning something instead of wasting their time. The employment of child labour prevails because of its being convenient and suitable both to employers as well as workers. Though the proportion of child workers is negligible, yet it may not be overlooked in view of its being contrary to the provisions of Rules and Labour Laws.

Wage Earnings :

Earnings of building construction workers fluctuate on account of discontinuity of employment which generally occur due to rains, non-availability of building materials and change of sites. In spite of hard work, the wages are close to bare subsistence levels. Earnings of skilled and unskilled workers, based on the findings of our research studies, had shown a certain correspondence between skill and income level. Whereas 90% of skilled workers were getting more than Rs. 200/- per month, the same percentage of unskilled workers were getting less than Rs. 200/- per month. The income seemed to be hardly sufficient for bare necessities. More than one earning members were often found in the family specially of unskilled workers. These were 1.75 workers, on an average, per family which improved the pecuniary condition of workers to some extent. The migrant workers, in addition to the household members living with them in the city, had a few dependents at their native home and they use to remit money to them. A considerable proportion of workers were always in debt due to socio-economic compulsion.

Literacy and training :

About one-half of the workers were illiterate. Only one-sixth of the workers had received education beyond primary level. The studies reveal that the literacy and acquisition of skill seem to be positively associated with each other. The availability of training opportunities in some of the technical trades useful for building construction industry is very limited. Therefore, most of the skills and techniques are acquired through the working-cum-learning process. In addition, the acquisition of skills in the industry appears to be the exclusive prerogative of males on account of very nature of work to be handled. With a few exceptions, the female workers remain merely carriers of earth, brick, cement etc. For most of the skilled workers, it is a traditional occupation and the skills are acquired by the youngsters through slow process under the practical guidance. Usually the sons of the skilled workers are employed alongwith their fathers, uncles, first as helpers; gradually rising to semi-skilled and finally skilled status. The workers expressed their desire for getting formal training as masons, carpenters and electricians. Majority of those who preferred to be trained specified a period of about 12 months duration. In Ahmedabad only a negligible proportion of workers (3%) of the sample were seen to have received any formal training in the construction skills.

Market Information :

Over 80% of the workers in Delhi were not aware as to how long they would be employed as contract labour, they could not even make a guess. Ignorance about the period of employment in the building industry adds to the inherent uncertainty of tenure in making the workers abjectly gullible and submissive leaving them fully at the mercy of the Jamadars and contractors. In Ahmedabad, there are no effective institutional mechanism in the labour market for dissemination and communication of job information, recruitment and training of workers. The craft association or trade union have not emerged in any effective manner to perform these functions.

Some information regarding the job opportunities in Gulf countries have been collected in Poona study. About 53% of the unskilled, 80% of semi-skilled and 86% of skilled workers in Poona seemed to be aware about the job opportunities in the Gulf countries. Well over half of the semi-skilled and skilled workers were willing to outmigrate to the Gulf countries. But only one-fourth of the unskilled workers showed their readiness to go abroad.

Mobility of Workers :

Ahmedabad study reveals that there is very little inter-industry, inter-occupational and inter-regional mobility among the building workers. The mobility measures in respect of the past inter-industry movement is only 0.15 which means a worker on an average takes about 7 years to change his job across industries. As between occupations, the post mobility (observed measure 0.38) is slightly better. The lack of mobility (measure 0.08) is conspicuous in relation to geographical movement. Worker tries for another job only when he loses it. Although construction workers are generally treated in the literature as an 'easily-entered' and 'easily-left' pool of workers, they do not seem to be a floating mass. Despite the frictional employment so characteristic of the activity, the building workers of the city constitute a somewhat 'stable' workforce.

The observed lack of mobility does not, however, imply workers' job satisfaction in the building construction activity. They do feel the need for a change in job, but they lack the perception of alternative opportunities and are also constrained to seek better earning jobs within or outside the city due to the absence of "enabling factors" like education and training. In Poona, a large number of building workers themselves did not express a positive dissatisfaction towards the building industry. But when pressed to state why they preferred to stay on in the building industry, a majority of them told that it was because of lack of alternative employments elsewhere. Majority of the workers in Madras were also satisfied with the job but reasons of satisfaction was that there was no other opportunity in sight.

Employer-employee relationship :

Employment relationship in the building industry is determined by a simultaneous interaction of a set of socio-economic variables with contextual factors. The discontinuous nature of employment prevents a direct and continuing relation between employers and employees and thereby inhibits the growth of uniform and collective bargaining in the labour marketing process. According to Madras study, workers maintain good relation with the mistries (Jamadars) who have recruited them, who is their supervisor and also the main arbitrator in problems and disputes, if any. In the absence of trade unions, the majority of the disputes are settled by voluntary arbitration than by mutual negotiation.

In Poona, an interesting feature of the building industry is the near harmonious relations between the employers and the employees. This could be partially explained by an element of contentment with the existing conditions which are probably better than those, the workers experienced in the pre-migration period. Further, it should be noted that building industry does not call for a rigorous industrial discipline and supervision as in the

manufacturing industries. The work is hastened only at the time of concrete reinforcement work.

Working Conditions :

Rules have been framed to improve the working conditions of workers at building construction sites, but they are hardly implemented. The construction of high-rise buildings, which are in vogue now-a-days due to scarcity of land specially in metropolitan cities, has added to the arduous nature of building construction activities. The working conditions refer to daily hours of work, shifts, period of rest, shelter, drinking water facility, washing and bathing facilities, latrine and urinals, canteens, leave and holiday with pay, safety measures etc.

The working conditions of workers, according to findings of the studies, were most unsatisfactory. Construction labour is primarily covered by three acts :

- (a) Payment of wages Act, 1936
- (b) Minimum Wages Act, 1948
- (c) The Contract Labour (Regulation and Abolition) Act, 1970.

In addition, the Public Works Department has also laid down certain conditions to provide for better working conditions for the workers. By and large, the important provisions of the Payment of Wages Act, 1936 are implemented by the employers in the building industry. The Act basically seeks to stop irregular payment of wages and illegal deductions therefrom by the employers. However, the contractors do not maintain all the registers required under the Act, and rarely issue Employment Cards and Service Certificates to their employees. Similarly, the major provisions of the Minimum Wages Act (1948) are left unimplemented. The minimum wages under the Act. The contract Labour (Regulation and Abolition) Act, 1970 requires that the contractor should provide sanitary, washing, drinking water, and first aid facilities. The contractors rarely adhere to such provisions under the Act. Only big construction firms provide some first-aid, washing and drinking water facilities. In Poona, about 2% of the workers have a provision for weekly holiday with wage, about 88% have holidays without pay and about 10% have no provision for holidays at all. This is because of the very nature of the industry which keeps moving from place to place with no regular employees on its role. Rules and regulations prescribed by the PWD or by legislation were not known to the workers.

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are not revised periodically as required.

Living Conditions :

Rules prescribed that the contractor shall at their own cost provide their labour with a sufficient number of huts of approved specifications on a suitable plot of land. On every new construction site, the contractor is required to make temporary arrangements to be demolished on the completion of the work. In actual practice these temporary hutments are usually built by the workers themselves with the materials supplied by employers on the vacant land or nearly the worksite. The huts are just a row of make-shift huts - brick walls piled without mortars, old tin sheet or meagre thatch roofs, an opening slung with sacking for a door and the earth for flooring. These temporary huts are quite congested, dingy and lack ventilation, sanitation, hygiene and other essential facilities. Some of the migrants to the city make their kutcha huts near the project sites or in other localities on vacant public land at their own cost and labour. These develop as slum and squatter colony later on. These units lack almost all the facilities required for human settlement and are hardly enough to accommodate the family of building workers.

It is somewhat ironical that those who build houses for others have no houses for themselves. A number of construction workers have continued to live at the same place for long and for them a subsidised housing programme could be undertaken as for the industrial workers.

Causes of dissatisfaction of workers :

The study in Madras reveals that uncertainty of work and low wages were main reasons for dissatisfaction of workers. In view of peculiar nature of the job and insecurity of tenure only 42% wanted to continue to work in the building industry. The low level of income obtaining in the building industry preclude any possible attachment of the workers to the industry. Bargaining plays a very insignificant role in wage determination in building industry. There is not even a single trade union of building workers in Poona.

Construction workers below poverty line :

In Ahmedabad, the average monthly income of building workers is only Rs. 195/-. The study estimates that 78% of the households and 73% in terms of persons of the sample are poor. They are living below the urban poverty line of a per capita expenditure of Rs. 80.34 at 1977-78 prices, or in terms of nutritional norms below 2250 calories per capita per day.

Productivity of building construction workers :

The study in Ahmedabad reveals that the labour productivity in the building construction is relatively higher in comparison to the large scale manufacturing sector. It is the average wage rate that is relatively lower due to the nature of labour market. The wage rate is never equal to marginal productivity of worker rather it is much lower.

The productivity in the building construction activity is not lower than in certain other activities which pay much higher wages. Further, wages to value-added ratio is found to be highly unfavourable in this industry as compared to most of the other activities suggesting a higher degree of exploitation of workers.

In sharp contrast, the building contractors are placed in a very favourable position. With the lower capital intensity and higher surplus-share in value-added, the return to capital is relatively higher. Probably the building contractors are able to do well enough by recruiting from a large pool of unemployed, unskilled and hence, insecure labourers at a low wage rate. The ability to do so is enhanced by the fact that the mutual contact among employers (contractors) operating in a localised market setting enables them to function somewhat like an oligopolist vis-a-vis the unorganised labourers.

Suggestions :

The officers of the State Labour Department should inspect the construction works and see that the provision of the Minimum Wages Act (1948) and the Contract Labour (Regulation and Abolition) Act, 1970 are properly implemented for welfare of the construction workers. More than any facility under any Act, the payment of minimum wages would go a long way in keeping the labour above starvation levels.

It is baseless argument that social security and welfare measures cannot be provided to construction workers at a place and are a floating mass. Most of the building construction workers in Ahmedabad have been in the city for long time, they do move from one site to another, but within the city. Most of them do not change their residence, which they have on a permanent basis within the city. There is no reason why provision of accident and sickness benefits could not be applied to them by extending Workmen's Compensation or Employees Insurance Scheme to them. Many workers do not change the contractor but remain casual workers; contributory social Security Scheme can be applied to them.

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because they are not permanently settled

There is need of planning of investment programme for the public sector, Cooperative sector, and private sector in a coordinated way on a regional basis. The aim should be to make construction a continuous rather than a project-oriented activity to the extent possible, so as to make the industry somewhat stabilised for providing continuous employment to the workers in given areas and thereby building up mutually responsible employment relationship between the builders and building workers.

The recruitment system is such that the labour contractor picks up workers from a large pool of readily available workers and is therefore in a position to dictate terms and conditions of employment. It seems necessary to ensure that the free play of market forces is not allowed to exploit the excess supply position in the labour market and necessary institutional arrangements are introduced to prevent cut-throat competition among workers for a few jobs controlled by powerful labour contractors. An organisation like Labour Cooperative combining the functions of labour exchange and trade union seems an appropriate instrument for dealing with the problem. The proposed Organisation could operate a Decasualisation Scheme for construction workers, also negotiate wages and conditions of employment with contractors.

For removing the dissatisfaction of workers, two steps are necessary :

- (i) Stabilisation of employment, and
- (ii) Increase in wages/earnings

Wages can be increased in the industry by

- (a) raising productivity,
- (b) removing any imperfection in the organisation of labour market that would impede the free flow of available labour to the most remunerative jobs within the industry.
- (c) by making available some of the states' planned welfare activities specifically for building construction labour.

For raising productivity, the best avenue for investment is in providing training in new and useful skills to workers at subsidised rates and convenient timings and locations to fit in with their work schedules. Further, labour which is laid off reasonably during the rains could be offered special courses of a few weeks duration. The acquisition of skills will improve a workers' earnings not only by increasing the marginal productivity on the same

job but also by making the worker better able to avail of opportunities in other places. The workers have shown a desire for training but they do not have the means or opportunities. The training schemes could be offered during the slack building seasons and then could be tied up with some scheme for provision of food at subsidised rates or on easy credit terms for the duration of the training.

The two great weaknesses of building construction labour are (i) lack of knowledge of opportunities for work and the consequent monopolistic position of the contractor in recruitment, and (ii) lack of holding power during periods of unemployment. The dissemination of market information can be undertaken by the employment exchanges. However, the employment exchanges should not be expected to take on the function of assigning jobs to the applicants. Market information could be of great help to both job seeker and prospective employers. The second problem can be tackled by offering cheap insurance of unemployment benefits along the lines of Janata Insurance Scheme of the L.I.C. Alternatively, if this proves uneconomic, reliance could be placed on using the States Welfare funds to provide ameliorative measures.

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