

**LABOUR RELATIONS IN CONSTRUCTION INDUSTRY:  
A STUDY OF NATIONAL CAPITAL REGION DELHI**

**Ph.D. THESIS**

*by*

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**DEPARTMENT OF HUMANITIES AND SOCIAL SCIENCES  
INDIAN INSTITUTE OF TECHNOLOGY ROORKEE  
ROORKEE-247667 (INDIA)  
MARCH, 2017**

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**A THESIS**

*Submitted in partial fulfilment of the  
requirements for the award of the degree*

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## CANDIDATE'S DECLARATION

I hereby certify that the work which is being presented in the thesis entitled **“LABOUR RELATIONS IN CONSTRUCTION INDUSTRY: A STUDY OF NATIONAL CAPITAL REGION DELHI”** in partial fulfilment of the requirements for the award of the Degree of Doctor of Philosophy and submitted in the Department of Humanities and Social Sciences of the Indian Institute of Technology Roorkee, Roorkee is an authentic record of my own work carried out during a period from July, 2011 to March, 2017 under the supervision of Dr. S.P. Singh, Professor, Department of Humanities & Social Sciences, Indian Institute of Technology Roorkee, Roorkee.

The matter presented in the thesis has not been submitted by me for the award of any other degree of this or any other Institute.

**(BALRAM RAO)**

This is to certify that the above statement made by the candidate is correct to the best of my knowledge.

(S.P. Singh)  
Supervisor

Date \_\_\_\_\_



## ABSTRACT

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This dissertation examines the conditions and dynamics of labour relations in construction industry in India. The study follows the labour regime approach (Bernstein, 2007) while examining the labour practices, conditions of labour, employment relations and labour standards in contemporary world of construction work. The study focuses on the informal workers who happens to be migrants and are mobilized through intermediaries to work at various organised construction worksites of India's five top construction companies (MNCs) in Delhi National Capital Region (Delhi NCR). The study is directly driven from the current debates about the impact of economic liberalization and neoliberal policies on the governance of labour market and employment relations in India. During the last two and half decades of post structural adjustment program, Indian economy in general and labour market in particular has witnessed a significant structural transformation. There is growing evidence that neoliberalism has not only served to increase the numbers of informal 'wage' workers but also has not secured the decent work conditions among the existing informal workforce. Amid growing informality, most of the comprehensive labour market surveys have highlighted the expansion of informal workforce, especially self-employment and casual workforce while most of the employment shift has been seen towards the construction sector. Construction workers now constitute the largest army of the non-farm informal workforce and the construction industry has emerged as the largest employer after agriculture in the country (GOI, 2011).

Traditionally, construction industry in India is most fragmented and unorganized in nature. The industry is labour intensive and employs contract wage workers. As Indian economy is general and informal labour market in particular has been social regulated, social institutions play an important role in mobilisation of the labour and governance of the informal labour markets. The construction activities are everlasting and continuously requires a huge informal or casual workforce. The intermediaries, and other social institutions such as caste, class, religion and social networks etc. play a significant role in mobilization of the workers from the rural or less-developed regions of the country. Most of the construction workers (including self-employed or casual wage workers) often lack social security and a large number of them belong to the poor as well as unprivileged groups of the society such as SCs/STs and

other backward classes etc. Thus in most cases, workers enter informal sector in general and construction sector in particular not by choice but out of a livelihood necessity. This could be due to poverty or the labour market conditions such as lack of adequate skill, social protection, inadequate alternate employment, persistent of underemployment or high unemployment, and other vulnerabilities in getting a formal work or job by them.

Moreover, mobilization or recruitment of the workforce through intermediaries' that is common in the construction industry often blurred the employment relationship and diminish the role of social dialogue as well as collective bargaining institutions. Such labour process and practices also limits the opportunities of the traditional trade unions to organize the workers in construction industry. These intermediaries such as agency of workers, mediators/agent, social network and other labour contractor often trapped the workers in the 'triangular' or some time 'quadrangular' employment relations. As most of the intermediaries are also to some extent informal workers and often employed with precarious relationship such a leader of the group, gang-leader or supervisor etc. These practices often serve to increase the complexity of labour relationship where most of workers often face deprivation of both human and workmanship rights. Most of India's recent comprehensive labour market surveys and reports have highlighted that 93 percent of the country's mass workforce (472 million) is employed beyond the formal sector without any kind of adequate social security (GOI, 2010:2012; NCEUS, 2008). Despite of a consistent high growth rate and rise of India as a soft power, during the last two decades, such a magnitude of insecure and informal workforce is more contradictory to both neo classical and development theories which argue that with the pace of development both the informal workers and the informal sector would diminish and make labour more free to exercise their participation in the labour market.

Though to some extent, the registered contractors provide an important source of work and income for unregistered contractors, the latter become an important supplier of labour to former. However, most often these own account informal workers or unregistered petty labour contractors generally excluded from the policy interventions. Further, most of the workers are seasonal, circular and frictional migrants who often left out from the large scale sample surveys and exposed to exclusion in terms of both workmanship as well as social benefits.



This brings the labour issues at the centre of labour market debates and the employment-work relations. In a developing cum surplus labour country like India, the continuous rise in informal workforce and concentration of poor, low human capital and historically marginalized as verbal contract wage workers, especially, migrants, women and other vulnerable workers from the unprivileged section of the society often posed serious challenge to balance the capital-labour relations. These labour market conditions and vulnerable dynamics of labour often put workers in deficit of decent work conditions and exploitative employment conditions.

Typically, most of the construction workers across worksites are employed as contract-workers beyond the standard employment relations, social security and effective legal protection whether hired as self-employed or temporary/casual labourers. Further, recruitment through intermediaries clearly limits the opportunity for traditional collective bargaining actions, social dialogue and social justice. Thus the labour relations, where they exist, are based mostly on casual employment, kinship or personal or social relations rather than contractual written arrangement. Thus the central questions posed by this thesis are; how the workers are mobilized and what kind of role of intermediaries play in mobilization of labour-force? What kind of employment contract workers involved and how such contracts ensure the adequate job, work, income and social security to the workers in relations to standard employment relations or decent work? Further, to what extent existing industrial, labour and welfare regulations provide the legal protection to workers?

The universe of the study is the India's National Capital Region, known as 'Delhi NCR'. The region happens to be one of the largest urban agglomerations and with accelerated construction activities attracts both the large scale domestic as well as international construction organization and thus become a magnet for migrant workers.

The contemporary dynamics of labour relations would be assessed by examining the process of labour mobilisation, conditions of labour, employment or work relations and compliance of the labour regulations. The study has used mixed methodology to collect both qualitative and quantitative fieldwork data via interviews, focus group discussions and case studies of about 500 migrant wage workers (including self-employed or casual) employed at six construction sites across Delhi NCR Region. These worksites belongs to India's top public and private sector construction organizations and have global partners at various level of activities from

planning designing of the project to contract out as well as execution of the work. These companies have not only pan-India construction activities but also have construction projects across continents. In this context, the main focus of the study remains on the workers' experiences as how the contemporary capitalism has restructure the mode of production to incorporate the traditional labour practices, conditions of work and employment relations etc. For a robust understanding of the contemporary labour relations, the study addresses following questions; how employers (contractors/ subcontractor in this study) strategically use the intermediaries, agency of workers and their social networks to mobilize workforce that has specific socio-economic characteristics? How employer or labour recruiters/contractor take advantage of workers' constraints, expectation and aspiration to exploit them with their own set of rules rather than standard regulations? To what extent the compliance of the existing labour and social regulations have improved the conditions of work in relations to decent work? And finally, to what extent diversity of workers and emerging employment configurations help them to resist or bargain to contain the deficit of workmanship rights and welfare benefits.

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(Balram Rao)

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## GLOSSARY

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BCI	Building and Construction Industry
BOCW	The Building, and Other Construction Workers (Regulations of Employment and Conditions of Service) Act.1996
BOCWCA	The Building and Other Construction Workers Welfare Cess Act
	BWIs- World Bank, IMF and their affiliated institutions
CBRI	Central Buildings Research Institute
CDS	Current Daily Status
CHO	Commercial and Housing Complex
CIDC	Construction Industry Development Council
CII	Confederation of Indian Industry
CITU	Central Industrial Trade Union
CLA	Contract Labour Act
CSO	Central Statistical Organization
CSR	Corporate Social Responsibility
CWS	Current Weekly status
DWA	Decent Work Agenda (ILO)
DWB	District Welfare Board
ESI	Employees State Insurance Act.
ESMA	Essential Services and Maintenance Act
FA	Factory Act
FDI	Foreign Direct Investment
FPRW	Fundamental Principles and Rights at Work (ILO)
GDP	Gross Domestic Production
GVC	Global Value Chain
ICLS	(ILO's) International Conference on Labour Statistics
IDA	Industrial Dispute Act
IIRA	Indian Industrial Relation Association
ILERA	International Labour and Employment Relations Association
ILO	International Labour Organization

IMF	International Monetary Fund
INTUC	Indian National Trade Union Congress
IR	Industrial Relations
IRS	Industrial Relation System
ISMWA	Inter State Migrant Workmen (RE&CS) Act
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
LB	Labour Bureau
LDC	Least Developed Countries
LPR	Labour Participation Rate
LR	Labour Relations
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MKSS	Mazdoor Kissan Shakti Sangthan
MNCs	Multinational Corporations
MWA	Minimum Wage Act
NASVI	National Alliance of Street Vendors of India
NCEUS	National Commission for Enterprises in the Unorganized Sector
NCL	National Labour Centre
NCO	National Classification of Occupations
NCR	National Capital Region (Delhi NCR)
NIC	National Industrial Classification
NPS	New Pension Scheme
NSSO	National Sample Survey Organization (office)
PMGSY	Prime Minister Grameen Sarak Yojna
PPP	Public Private Partnership
PWA	Payment of Wages Act
RSBY	Rastriya Swasthya Bima Yojna
SAP	Structural Adjustment Programme
SCL	Second Commission on Labour
SEWA	Self Employed Women Association
SEZ	Special economic Zone
STP	Software Technology Park

SVB	Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill
TUA	Trade Union Act
TNCs	Transnational Corporations
UN	United Nations
UNEP	United Nations Environment Programme
UNGC	United Nation Global Compact
UPSS	Usual Principle and Subsidiary (Secondary) Status
UPS	Usual Principle Status
UWSSA	Unorganized Workers Social Security Act
WDR	World Development Report (World Bank)
WEP	World Employment Programme (ILO)
WIEGO	Women in Informal Employment: Globalizing and Organizing

# CHAPTER ONE

## INTRODUCTION

---

### 1.1 Background

Since, 1990s, the last two and half decades of economic liberalisation and subsequent rapid economic growth, the construction industry in India has been a major beneficiary. With the increased demand of buildings for urban housings, commercial and hospitality services, factories, institutions to serve health, education, and governance, and other infrastructural developments, the construction industry in India has been a major recipient of both government development spending as well as private investment including foreign direct investments (UNCTAD, 2000). Most of the big cities, especially metropolitan areas such Delhi NCR, Mumbai, Bengaluru, Kolkatta, Chennai, Hyderabad, Pune etc. have reaped the benefits in terms of huge investments, especially in construction sector. Further, in recent years, the decline of agriculture and stagnation in manufacturing in terms of contributions of both GDP and employment generations, the industry has been emerged as a magnet for many potential workers seeking employment, especially low human capital rural-urban migrants as an alternate source of employment to contain long term unemployment and poverty. However, most of the construction workers including casual or self-employed, and women vulnerable, are employed as informal workers without any short of standard employment contract. The recent available studies (Himanshu, 2011; Thomas,2012) and primary field work have revealed that due to inadequate employment opportunities, the industry has become an only alternate for most of the low human capital rural migrants in India. More often construction work is often seen as difficult, low paid and decidedly un-decent (Lerche, 2011).

The fact that most of the migrants find construction industry as the ease of their entry into the urban wage labour market. They are largely employed through precarious job-work relations concentrated in low level or marginal jobs at the bottom of employment pyramid. Despite of many of the laws, and rules, the industry itself has developed a unique governance structure and labour mobilisation system to cope with demands as just-in-time or the economic fluctuation. In recent times, a number of research reports and studies in the field of emerging labour market trends and industrial relations such as growing flexibility and informality have received considerable attentions from economists and other disciplines such as management,

law, psychology etc. These labour market trends and labour practices are somewhat dissimilar or different to what other developed countries in West and East Asia never experienced during their stages of development. Over a period of times, the studies reinforce the need to build frameworks and theories of greater relevance about the industrial labour relations in a particular sector and industry.

In this context, the main focus of this study remains on analysing the contemporary labour relations, the informal workers involved in construction industry in India such as process of labour, labour practices, conditions of working and living, and compliance of rules and regulations workers. To better understand the issues pertaining the labour relations and dynamics of informality, the focus of the study and two major sections; Section 1 defines the problem statement of the study, brief methodology and limitation. Section 2 describes the concept of the informality at macro level and its evolving outcome in India.

## **1.2 Problem Statement**

Traditional the labour relations in construction industry had been very specific. The industry is different from other industry in a number of ways, including its nature of economic activities and specific characteristics such as cyclical and seasonal nature of work, immovable products. The building construction products are non-tradable in international market and largely serve to domestic market only. The industry has different labour regime than conventional and formal factory regime. As the construction ‘production’ units are temporary which start from under open sky and finished when the sky became invisible. Further, industry often has contractual system where intermediaries or labour contractors play an important role in mobilization of the workforce, especially migrants from rural areas and mobility of the workforce. Since last the two and half decades of economic liberalization, the Indian economy in general and labour market in particular has witnessed a significant structural transformation. While the economy has continuously experiencing the decline or stagnation of both agriculture and manufacturing in terms of contributions of GDP and employment generations. The boom in construction sector, the construction industry has become a magnet for circular migrant workers looking for employment across the sectors (GOI/NSSO, 2012). However, there is growing evidence that the neoliberal withdrawal of the state from the labour market has caused shrinkage in share of number of secure workers employed in formal sector and proportionally rises in informally employed insecure workforce. The increased



participation of the private sectors and MNCs have not only broken the dominant role of the government organizations but also transformed the governance of labour-management structure at large. The increased global competitions often described to exacerbate pressure to governments, especially developing countries to create business friendly environment and ensure economic survival while minimising the role of the state in governance of the labour market and reproduction of the capital (Harvey, 1990; Hyman, 1992; Tilly, 1995). Subsequently, with the pace of neoliberalism, the issues pertaining to labour protection have become target area for reforms in recent years. The role of the state has become a facilitator of capital and the flexibility rather than enforcing the labour standards (Harvey,2010; Tilly,2015a:2015b)

These emerging trends have raised the pertaining questions how such changes have affected the capital-labour-state relations. There is growing concerns that state no longer holds employers accountability for the welfare of their employees, the proportion of informally employed workers who do not receive secure wages or benefits from either state or employer is increasing world over. (Kundu & Sharma, 2001). This has weakened the role of the state and other traditional labour market institutions such as trade unions or workers' associations in compliance of regulations. Such transformation in the labour market has buttered the worker rights and curtailed the power of collective bargaining, social dialogue and social justice to a large number of informal workers employed in formal sector. Consequently, it has also caused the insecurity among the massive informal workers employed in existing informal sector, especially those who are working in non-unionized construction industry. In last decade, various studies commissioned by ILO (2000:2001) found that most of the construction workers are most vulnerable migrants and employed insecurely across developing countries.

Construction industry in India constitutes the largest segment of non-farm informal workers who does not have any social security. Most of the construction workers constitute the largest segment of casual and self-employed category of wage workers but less studied across the countries. In this context, this study focused on the informal workers of both categories employed in the organized construction firms. The industry is perfect example of dualism where formal-informal relationship can be visualized with the fact that from small scale to large scale construction activities are undertaken by organized or formal organizations in both the private and public sector. Traditionally, most of the construction workers across

developing countries are mobilized through various intermediaries and hired on contract basis (Wells, 2001: 2007).

In Indian context, the labour relations in construction industry could be traced in the report of India's First National Commission on Labour (NCL, 1968/1969) that highlighted that most of the construction workers were contractually employed through various intermediaries or mediators. Subsequently the same is reported by various research studies (Vaid & Singh, 1996:1999). The post economic reforms Second Commission on labour (NCL/GOI, 2002) highlighted the growing concerns and concentration of the plights of workers, especially rural migrants in unorganized /informal sector. Subsequently, following the earlier ILO's definition on enterprises based informal sector, the Govt. in 2004, constituted the National Commission on Enterprises in Unorganized Sector that described the poor working and living conditions of the workers employed in unorganized or informal sector who also lack social security (NCEUS, 2007). This could be further visualized with the recent most comprehensive National Sample Survey Round (68th) that found that 93 percent of the total workers ( 472 million) are employed in the informal sector and construction workers constitute the largest army of informal workers (GOI,2011).

The industry is most fragmented and has specific characteristics such as cyclical and seasonal nature of work that differentiate the industry from other industry in a number of ways. First, the production or economic activities in construction industry (BCIs) that takes place at temporary worksites are largely served the domestic demands, as final goods or products are non-tradable in international market. Second, the industry largely depends on the high mobility of the seasonal rural migrant workforce where intermediaries or agency of workers and their networks play an important role from mobilization of the workforce to execution of the work across the worksites (ILO, 2001; Mlinga & Wells, 2002).

Traditionally, most of the construction workers are employed as contract workers (including both self-employed or casual wage workers) without any kind of standard employment or job contract and social security. This could be seen in context of globalization that despite of huge capital flow including FDIs and direct or indirect (including PPP mode) participation of the TNCs in the sector, the labour market remained highly localized. Further, post liberalization participation of the MNCs and subsequent advancement of technology, the industry has certainly experienced new-form of division of work and labour where workers are employed

through multi-layered sub-contractual supply chains. These new division of labour in global production networks has further blurred the standard employment relations while outsourcing the specific work has further increased the precariousness in labour relations. This has caused both the positive and negative affect on the occupational mobility, hierarchy and employment relations in the industry. However, in comparison to standard formal labour relations where workers enjoy both employment and social security, there is little doubt that such labour relations often put labour in a much vulnerable and disadvantage positions.

Though, the search for alternative institutions or mechanisms to balance the state-capital-labour relations had been a long drawn process. Over a period of time, state has incorporated various industrial labour and welfare legislations to maintain a healthy industrial relations system (Vaid,1999; Shyam Sunder,2012).

Though ‘Labour as a subject’ falls under the concurrent<sup>1</sup> list of the Indian Constitution where both federal and provincial governments can enact laws pertaining to labour. Currently around 44 laws are equally applicable to industries including construction. Further, as per Industrial relations system, Indian labour is free to join any trade union or workers’ association to raise his or her concerns of labour rights. However, with the pace of neoliberalism and subsequent exaggeration of informalisation of the labour, union density is not only continuously declining but also missing among the informalised workforce especially the sectors like construction, bidi rolling, brick-kiln etc. Except a few, such typology of workers rarely found to engage in any labour struggle (Shyam Sunder, 2010).

Further, despite of a plethora of regulations from minimum wage to social security, there are ambiguities and slackness in implementing of most of the labour and welfare regulation in informal sector in general and construction sector in particular. The construction industry employs about 50 million workers that constitute the army of largest non-farm sector workforce without any adequate social protection. With such a magnitude of vulnerable workforce in the construction industry that tends to increase more rapidly with the flow of foreign capital or FDIs, the government enacted two legislations to govern the construction sector labour market in 1996. These sectoral specific labour and welfare regulations, i.e. the Building and Other Construction Workers (Regulation of Employment & Conditions of

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<sup>1</sup> See 7<sup>th</sup> schedule of the Indian Constitution

Service) Act, 1996, and the Building and Other Construction Workers Welfare Cess Act (BOCWWCA, 1996) and Rules (1998) incorporated to govern the labour relations i.e., conditions of employment, labour conditions, protection and welfare benefits for workers. Further, like the mandatory establishment of labour welfare Boards under the Act, has been a major landmark in this pursuit that provide both workmanship identity and labour rights. These changes at the governance level seem to more impressive and if implemented in right spirits, it could have had a major impact on the labour relations in the construction industry.

Moreover, many studies have described that a large number of construction workers, especially poor, women and other vulnerable workers often belongs to historically marginalized, and unprivileged<sup>2</sup> sections of the society such as Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), and minorities etc. Apart from these characteristics, construction labour market has also discriminated labour practices such as employment preferences of gender, migrants, low wages, and a poor history of both working conditions and compliance of the regulations at worksites (Harris-White, 2003:2014).

Further, mobilization of such vulnerable workers through various intermediaries in multi-layered subcontracted supply chains have put most of the workers beyond the standard employment relations in the industry. This has caused in re-enforcing of the informality in modern world of construction work. Most of the intermediaries serve the first direct employment relationship with the workers at the place of origin as well as destination. While at worksites, once they are inducted or employed at worksite, the control of the labour and the work activity is often self-regulated by the respective labour contractor or officials at contracted firms.

In this way, the labour process and labour practices often blurred the standard employment relationship and indirectly put the responsibility of the workers down the supply chain. Consequently, in most cases, workers lack both employment as well as workmanship identity and often trapped in precarious kinds of 'triplet or to some extent quadrat' labour relationship. They are not only exposed to poor working and welfare conditions but also deprived of decent work; (a) workmanship identity and labour rights; (b) right to organize; (c) collective citizenship right, (d) social dialogue; (e) social security. Further, poor compliance of the labour

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<sup>2</sup> As prescribed in Indian Constitution for affirmative action.

regulations and unwillingness or absence of traditional trade unions in construction sector labour market often gives free hand or more flexibility to both labour contractor as well as principle employer to exploit the labour maximum to accumulate more. There is no doubt that such labour relations often put labour in a much more vulnerable and disadvantage position in comparison of both decent work as well as standard formalized labour relations. These emerging practices and conditions of labour necessitate more focused empirical study to examine the contemporary trends in labour relations in construction industry.

The study area known as Delhi National Capital Region or Delhi-NCR is happened to be the most dynamics industrial as well as commercial region in the country. Since 1985 (GOI, 1985), the National Capital Region Planning Board (NCRPB, 1988) is responsible for planning of all infrastructural and developing activities in the region and a unique model of governance. The region spans over four provinces namely, Delhi and parts of Haryana (13 districts), Rajasthan (2 districts) and Uttar Pradesh (7 districts of 'UP'). Moreover, India, as an largest democracy have 3-tiers governance system and the subject of 'labour and governance' is regulated at the local government level, the governance of the industrial and labour relations seems to be more complex and vary within the region. Moreover, in recent times, the region has witnessed some major tensed labour relations in some of its automotive companies and a few construction projects. However, handlings of various labour issues, most of the subsequent governments of the concerned states have shown that they are more capital friendly and committed to capitalist to provide them safer and secure investment environment rather than enforcing the labour standards across the industries including Construction.

In this broader context of emerging market conditions, trends and transformation in the governance structure of the construction labour market have no doubt affected the labour relations such as labour process, employment and labour practices, conditions of work and compliance of the labour and welfare regulations etc. However, there is a scarcity of documentation about both the contemporary process of labour practices and the labour relations, the workers involved in construction industry. Thus this study attempts to fill such wide gap and tends to contribute significantly in the existing labour relations literature.

Thus the main argument of the study evolved around how the contemporary changes in labour market environment has affected mobilization of the labour and labour process, and employment practices in the liberalized construction industry. Further, to what extent the

changes in governance of the labour market have affected the labour standards and the compliance of the regulations i.e., the conditions of work, wages, social security, labour conditions and welfare for the workers in relations to Decent Work (ILO/DWA, 1999/2000: 2002).

In this way the study intends to contribute significantly in existing literature of labour practices and emerging labour relations in modern world of construction work for appropriate policy interventions.

### **1.3 Objectives of the Study**

In order to make comprehensive analysis about the labour relations in the construction industry, the following objectives were framed;

- (a) To investigate the dynamics of labour and governance in construction industry
- (b) To assess the socio-economic conditions of the sampled construction workers
- (c) To examine the conditions of work, welfare and employment relations
- (d) To analyze the compliance status of the labour regulations
- (e) To document the emerging dynamics of labour relations in the construction labor market

### **1.4 Rationale of the Study**

Labour relation is a complex phenomenon that cannot be explained merely through traditional economic theories. Karl Polanyi (1944/1957) challenged the neo-classical theoretical framework of economic analysis by describing that “economic system is embedded with social relationships”. That means, such relationship often driven from social relations in a particular socio-polity-economic context and affects the labour relations at worksites and beyond. From this theoretical standpoint, study on labour relations need a more holistic and interdisciplinary approach for an appropriate policy interventions.

### **1.5 Methodology and the Study Area**

The study has an exploratory and descriptive research design to capture the labour relations dynamics in a relatively less explored area of construction industry. The Delhi NCR was chosen as universe of the study. The study area is one the most attractive and active region in

terms of construction activities as well as to attract huge investment from both local as well as international capitalists. The region is the largest urban agglomeration and being a National Capital Region, have more sensitivity toward governance of the labour market.

The study used mixed methodology that provides a robust analysis and integrates both quantitative as well as qualitative methods into one research outcome (Bryman, 2008:603) and is best suited and applied for such type of research. The mixed methodology helps to combine both the labour regime (Bernstein, 2007) which primarily link to labour process and helps in study the labour mobilisation and its use. While the factory regime or case study (Burawoy, 1983:1985:1999) allowed involving entire spectrum of social relations relevant to the specific capital–labour relations. It involves analysis of attributes data, descriptive statistics, ethnographic observations, qualitative data and case studies etc. The analysis of the data was done in appropriate ways depending on the type of data. Apart from ethnographical collection of information and case study, the attribute data and descriptive statistical analysis was done using SPSS software. The research is undertaken in multiple stages and used multistage cluster sampling methods to conduct interviews, FGD and case study of 500 construction workers at six medium to large construction worksites spread across Delhi and Gurgaon region of the Delhi NCR.

### **1.6 Scope and Limitations of the Study**

The scope of the study encompassed contracted construction workers in both public and private organizations' worksites spread across the India's national capital region known as 'Delhi NCR'. Moreover, the study is limited to migrant construction workers who are largely mobilized through the different intermediaries or social networks and brought directly at construction worksites either by agency of workers or sub-contractors. Further, to some extent, while conducting interviews with due permission, workers were asked to answer in the language they are more comfortable and familiar.

### **1.7 Theoretical and Conceptual Framework: The Dynamics of Informality**

After the World Wars, most of the newly emerging cum developing economies followed the neo-classic and modernization theories of economic development to speed up their growth and generate better employment opportunities across sector (Lewis, 1954; Harris & Todaro, 1970; Rostov, 1960/1971). In dualistic economy framework, these theories viewed characteristics of

informality including informal work and informal economy as an underdeveloped economy. The dualistic framework perceived that with the pace of economic development, surplus, underemployed and informally employed would be absorbed into formal employment and ultimately informal sector as well as informal economy would diminish (Lewis, 1954). However, over a period of more than half century now, despite of modest economic growth across the world market and high economic growth in developing countries, most of the countries have faced the rise in informality into labour markets that has not only questioned the relevancy of the existing traditional theories and industrial relations framework but has also emphasises on the new framework of policy analysis to deal with emerging labour relations in modern world of work.

### **1.7.1 Labour Relations: Understanding the Formal-informal Dichotomy**

Since the dawn of the civilization, labour has been the most important factor of all production of goods and services in every economy and the workers who performed it are recognized to be the most valuable treasure of a country. Labour relations refer to economic activities that define a contract or agreement of the terms and conditions between an employee and employer to perform certain tasks. While the term ‘labour relations’ often interchangeably used with the term of ‘industrial relations’ that is the composite result of the approaches of both employees and employers from planning, supervision and coordination of the production or service activities in a more systematic and regulatory frame-work to contain the conflicts between two. Over a period of times, in a continuously changing socio-economic environment, the concept of labour relations is could be conventionally traced dated from the publication of the Webb’s Industrial Democracy in United Kingdom (1897) and the work of United States’ John Commons in early 20<sup>th</sup> century which more specifically grow rapidly in post-World Wars settlement<sup>3</sup>. However, the post Wars ‘emergence of United Nations and its agency ‘the International Labour Organization (ILO), these work-relations have become objects of significant concerns of research in academia and focused government policies (Kaufman, 2006). Moreover, industrial relations environment is largely limited to the governance of the industrial regulations in formal kind of labour market i.e., Fordism and Taylorism kind of scientific management of both labour and production relations where workers enjoy both secure employment and workmanship benefits. However, most of the workers in non-formal

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<sup>3</sup> Commons, John R., History of Labour in the United States. vol.1. (New York: The Macmillan Company, 1921. 623 PP.)



sectors are largely excluded from such interventions. In contrast to dualistic and neo-classic economic theories, most of the workers across the developing economies continued to be employed in informal economic activities without any social protection and expose too many vulnerabilities. Moreover, the conditions of work and basis of on which labour is engaged, have profound implications on the production-labour relations including productivity, quality, skill development and job mobility. As per ILO's tripartite concept, for a better labour relations, every economy has three players i.e., the employee (workers), the employers (or their organization such as trade unions or employer's associations) and the respective governments. These are defined in the Fundamental Principle of Work and Rights at Work (ILO, 1998).

This is equally true for a huge Indian informal workforce which constitutes the 93 percent of the total workforce (472 million). More importantly, the emergence of the construction industry as the largest employer of both migrant and informal workers outside the agriculture is an emerging new reality in Indian labour market (NSSO, 2011-2012). This necessitates to theories and conceptualizes the terms and concept of informality and conditions of migration through which construction workers entered into contract or hired at construction worksites. These concepts and approaches provide us some definitional understanding used for official policies that will lead us towards systematically understanding of the dynamics of labour relations in contemporary world of work.

### **1.7.2. Conceptualizing of Informality: International Perspective**

From the point of neo-classical development, the concept of informality originated in the idea of dualism in the economy where urban informal sector was posited as 'transit in' before entering to formal sector (Lewis,1954; Harris & Todaro,1970). While the informal economy concept is much wider in which informal sector is subsumed. Before 1970s, the unorganized or informal sector was viewed as a 'backward' sector which with the pace of development and growth, was eventually perceived to be absorbed into the formal sector (Lewis, 1954). Moreover, these theories and practices that held prominence under various production regimes enable to understand the dynamics of labour-capital-relations, its processes, and consequences on production as well as social relations. Many theorists stressed on the independent existence of the two sectors while some other scholars described the interrelationship between the two. But the reality of the informality is too obvious to be ignored. In-fact, it has also challenged

the primacy of both neo-classic and modern theories of development as well as macroeconomic policies which largely focused on the relatively shrinking small formal economy (Kanbur,2009).

Despite of the overwhelming presence of informality in labour market across countries, especially in developing countries, the contemporary concept of formal-informal sector dichotomy could be traced to the work of K. Hart, (Hart, 1970/71), who coined the term ‘informal’ as unremunerated sector interchangeably while studying the urban self-employed workers on an International Labour Organization (ILO) sponsored mission in urban areas of Ghana. Since Keith Hart (ILO,1971/72:1973) used of the term ‘informal sector’ as the informal income generating opportunity in urban Ghana, most of the development economists and scholars pointed out the significance of the marginalized income-work opportunity in urban informal sector across developing world (Mazumdar,1976; Breman, 1996,). As the concept of informality has reflected a large scale economic and social change, these urban informal activities were subsequently integrated in International Labour Organization’s ‘employment mission’ to various third world countries to suggest regulatory framework (ILO, 1972). Subsequently, United Nations Development Programme (UNDP) Employment Mission to Kenya describe some unique characteristics of the informal sector such as; labour intensive, unregulated, small scale operation, family owned enterprises, easy entry for low human capital as well as informally acquired skill workers etc.

Simultaneously, it opened the debate on the necessity of revising the previous approaches on employment and development in third world countries. Though most of the related concepts of informal economic activities originated from different development paradigms but various schools of thoughts have often defined these activities in reference to mainstream formal economic activities which are regulated under the standard industrial relations system (IRS). Chen et.al (2002) summarizes these approaches under three schools of thoughts: dualistic, structuralists and legalists. While dualists view informal sector as a residual or a spare marginal sector that provides subsistence income or a safety net for the poor, and is not directly linked to formal sector (ILO, 1972). As, most of the dualists have expected the demise of the informal sector workforce with the pace of the economic growth (Lewis, 1954, Harris & Todaro, 1970). In their argument, informal sector persists because of the failure of the

economic growth and industrial development to absorb the workers employed beyond the formal sector.

Further Chen et al (2002) analyses that the structuralists focus mainly on the relationship of informal wage workers along with petty contractors or producers with their dominant economic interests and state has a role in regulating their employment-work relationship. On other hand legalists (De Soto, 1990) focus mainly on relationship of informal micro firm owner/ entrepreneurs or self-employed with the regulatory control or enforcement officials though powerful economic factors often influence both policy planners (politicians) and executors (enforcement officials). They often ignore informal wage workers while denying the existence of direct links between their activities whether that is formally regulated or managed informally.

However, mid 1980s with advent of globalization and subsequent rising of informality across developing and developed economies, it became clear that informal economy will not diminish, as perceived by neo-classic economists. Further, with easy mobility of capital towards urban centric locations and subsequent mobilisation of flexible and migrant workforce was in totality of the capitalist production in modern world of work across the regions (Harvey, 1998; Tilly, 1998).

Moreover, ILO made various efforts to conceptualise the concept for wider policy debates and implication. During the 15<sup>th</sup> International Conference for Labour Statistician (ICLS, 1993), ILO focused on enterprises based definition and described the employment in informal sector on the basis of characteristics of the enterprise instead of the characteristics of the workers employed. However, in 2002, almost a decade later by recognizing the continuum of the dichotomy, the 90<sup>th</sup> International Labour Conference suggested the employment based definition. Subsequently, the 17<sup>th</sup> ICLS (2003) adopted a more broader definition that describe informal employment as comprising the total number of informal workers whether employed in formal sector or informal enterprises including household, unpaid family workers, temporary, part time, own account workers and self-employed. Through this new definition, the ILO combined both the views of dualists and structuralists. The informal employment is now viewed as comprising marginalized economic units and workers who are exposed to serious deficit of economic securities in terms of income, work, skill production, job and representation security (Standing, 1998:1999). There is growing evidence that with the

expansion of the contemporary capitalism or neoliberalism, many countries specially developing countries have experienced a significant increase in footloose or precarious workforce i.e., atypical or non-standard employment relations (Breman, 1999: 2003:2008; Standing, 2014).

Although, the concept of informal work differs across countries but in larger context, it is considered as opposite of formal work. The informal work encompasses all those who work under conditions beyond the standard/formal laws and regulations including self-employed and casual 'wage' workers without social security and legal protection in both the formal and informal sectors of the economy (ILO, 2002:2003; NCEUS, 2007).

By combing of both structuralists and legalist framework, the study by Skinner (2008) reveals two broad traditions on the basis of emerging new global labour marker literature during the 1980s onwards. The study finds that on right side, there is neoliberalism position that has a celebratory view of informality which view the flexibility or informality as a process of deregulations from below. On left side, there are structuralists' positions that see informality as a crisis or failure of capitalistic development to absorb the mass unemployed or workers employed in informal sector. As most of the research often describe the exploitative relationship between formal-informal where informal economic activities are largely seen to serve in capital accumulation. The study emphasizes that in contrast to neoliberalistic view, the Marxian positions or framework provide better understanding about the continuity of the informal work relations in capitalist production. Further there are opposing views of structuralists that capitalists use informality as a strategy to protect their profits and accumulate more. The study pointed that although more recent literature often ignore these debates directly but these difference essentially remain (Skinner, 2008). Though, there exists both diversity and heterogeneity, as developed countries experience the informal employment in-between 20 to 40 percent of all non-farm/agriculture employment. On the end there are developing countries in Asia and Sub Saharan Africa where informal employment persist about 60 to 80 percent respectively among the non- agricultural workforce (Ratnam, 2003:2006; Sunder, 2010; Gottfried, 2013).

To such extent of growing informality and economic insecurities across the world labour market, ILO's push for Decent Work Agenda (ILO/DWA, 2002) framework promotes 'decent work' along the entire continuum of informal workers employed across sectors. This has

shifted the focus from standard employment relations or job creations to decent labour relations i.e., better conditions of work, welfare and social protection. These definition and conceptual framework provide the clarity on understanding of the contemporary dynamics of labour in modern world of work.

With these theoretical and conceptual thoughts, it become clear that in modern world of work, concentration of mass workforce beyond formal employment relations have blurred the boundaries between formal and informal. Therefore in present context of research on labour market where boundaries between formal and informal employment relationship is so blurred, it is now more important to examine labour relations in terms of work-employment relations conditions of work, welfare and social protection in relations to decent work (Srivastava, 2012:2013).

Thus in the next section, we will further describe about the concept of work and employment relations, forced/unfree labour, and decent work agenda (ILO, 2002). These will help us to understand the contemporary dynamics of work and labour relations in construction industry.

### **1.7.3 Work and Employment Relations**

The concept of ‘work’ refers to the actual process whereby the inherently asymmetrical employment relations are realized. While the concept of employment refers to socio-economic relationship under the terms of which labour is provided in exchange for money. Therefore by definition, employment relation is an unequal or asymmetrical in terms of power, as on one side, there is ownership and control of means of production and other side, labour power and means of subsistence. However, this power differential is neither a given phenomenon nor a static. It is a dynamic abstraction or instantiation of coercion and consent and thus it is both a context and an outcome of an on-going dialect of conflicts and cooperation between day by day labour deployment and work-management. Moreover, worksite or workplace provides a physical location of production and also effectively expose hierarchical dynamics of labour, employment configuration, social interaction and power struggles. Further, the prevailing industrial relations system i.e., legislative frameworks, socio-economic environment, process of governance of labour, labour practices and management techniques, and extent of trade union representation, etc. are important determinants of actual worksite relationship. (Dunlop, 1960; Hyman, 1989:2004).

However, post 1990s, with the pace of neoliberalism and subsequent participation of MNCs and more easy flow of capital, emergence of outsourcing, subcontracting and informal labour work arrangement has pushed the workers towards the lower end or down supply chains. Most of the workers, especially poor, women and other low human capital employed at the lower ladder of the employment pyramid often exposed to economic insecurities such as employment, work, income, skill, representation etc. and thus face exploitation (Standing, 1999:2011). Further, there are evidences how the workers has been involved through coercion into the capitalism but never actually experienced as they never got experienced of a formal kind of employment relations mentioned in economic theories (Agarwal, 2013; Breman, 2014)

#### **1.7.4 Forced Labour**

In 1930, International Labour Organization (ILO) defined forced labour in its Convention (No. 29; Article 2 (1)) and has continued to elaborate upon it since (ILO, 2005: 2009). The ILO's notion on forced labour an attempt to translate the broad category of unfree labour into a more legal and institutional form. This is largely driven on Marxian basic argument of free labour within capitalism. As Marx has aptly noted that workers have the freedom to starve unless they contract their labour power rather than induced to work through poverty and other vulnerabilities. All ILO forced labour would be classified as unfree, but the terms used differ for historical and legal reasons. The characteristics of unfreedom are general but can be found in multiple combinations and contexts. In all, it could be describe as 'not freely entered into' or feeling of inability to relinquish that employment and more than simply taking employment because of economic necessity and poor conditions. Further other key indicator include retention of documents, physical or implied threat to self or family, isolation and often manipulation of pay and of debt in way that it not only become difficult to pay but impossible to not accept the coercive conditions of employment. In this way, there are many other ways in which one might consider unfreedom within general processes of contemporary capitalism as well as within specific regimes of production an accumulation. Brass (1995:1997) described that de-proletarianisation occurs as a result of workforce restructuring (a class composition/ decomposition) which accompanies the struggle between capital and labour and a process whereby employers introduce or reinforce unfree relations to prevent the emergence of specifically proletarian consciousness. Further, there could be a great deal of work on different ways in which to forced labour is produced and also transmitted from one socio-economic

context to another (Harris-white, 2003: 2010; Breman, 2007). Thus neo-liberalism clearly depicts both the characteristic of forced labour and unfreedom (Harvey, 2007:2011; Lerche, 2007; Strauss, 2012; Wells,2014; Morgan & Olsen, 2015).

### **1.7.5 Decent Work**

After recognizing and defining the growing informality in the labour market across globe, the International Labour Organization (ILO) in 1999, used the term ‘Decent Work’ to promote decent labour relations across sectors. The primary goal was to work with member states towards achieving productive employment and decent work for all. The concept ‘Decent Work’ constitute four specific objectives; (i) gainful employment which means people should have adequate income and employment opportunities; (ii) Social Protection system ( labour protection and social security) should be developed in such as that it can be accessible to all; (iii) social dialogue and tripartism to be promoted and encouraged to ensure the participation of workers in the decision makings; (iv) workmanship rights or rights at work regardless of the level of economic development and include migrant workers as well as unemployed labour force [as per ILO Declaration on Fundamental Principles and Rights at Work (ILO,1998)<sup>4</sup>]. These rights are universal and apply to all citizens without any discrimination of any race such as caste, gender, class, religion, region, gender and includes groups with special needs like unemployed, migrant or immigrant workers regardless of the level of economic development and irrespective of member states that have ratified or not. This goal was elaborated in the ILO’s Deceleration on Social Justice for a Fair Globalisation (ILO, 2008) and subsequently has been widely adopted by the majority of the member states. The Member State that has not ratified one or more of the ILO’s core conventions are asked each year to report on the status of the relevant rights and principles within their physical boundaries for further action and assistance as recommended by ILO’s Committee of Independent Expert Advisors. In 2008, the social security aspect of decent work received a backing form United Nation which committed itself to country specific social protection floor (SPF) encouraging at least basic rights and transfer enabling access to a minimum of goods and services for everyone ( ILO & WHO,

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<sup>4</sup> ILO Declaration on Fundamental Principles and Rights at Work (1998) commits member states to respect and promote principles and rights in four categories; (a) freedom of association and the effective recognition of the right to collective bargaining;(b) the elimination of forced or compulsory labour;(c) the abolition of child labour and (d) the elimination of discrimination in respect of employment and occupation. It recognizes that economic growth alone is not enough to ensure equity, social progress and to eradicate poverty.

2009). Moreover, these comprehensive and integrated perspectives to achieve decent work-labour relations are embedded in the Employment Policy Convention of 1964 (No.122), the Global Employment Agenda (2003) and Millennium Development Goals in 2006. In response to 2008 global economic crisis, it was further elaborated in Global Jobs Pact (2009) and been made part of other multilateral market institutions such World Bank, International Monetary Fund (IMF) in 2010. In 2011, ILO has entered into more specific bilateral 'decent work' agreements with 61 countries including India (Lerche, 2013).

More importantly, these initiatives largely called for assistance towards policies that support aggregate demand, productive investment and structural transformation for fair distribution of resources to have more sustainable decent-work environment while addressing the both growing informality and equality (Chandrasekhar & Ghosh,2007:2011; ILO, 2016).

Though, the much of ILO's efforts on 'Declaration of Fundamental Principles and Rights at Work' gone to contain the child labour and to some extent succeeded in creating a fair amount of public awareness about the social protection and decent work in this area, the actual impact is yet to be assessed (ILO,2009;Lerche,2007). Subsequently, knowing the importance of the decent work for all in achieving the sustainable growth and inclusive development, this has been incorporated in United Nations Sustainable Development Goals as Goal no 8. Further, the crucial aspects of decent work which raises concerns about the labour market conditions , widespread deficit of decent work and it linkages to poverty eradication, productive and full employment etc., are broadly integrated and rooted in the targets of many of other 16 goals including gender equality to good governance (SDG 2030 Agenda).

#### **1.7.6 Conceptualizing Informality in Indian Context**

Moreover, Indian context, informality is not new and informal workers were always existed in majority. However, it was seen neither as an important part of the economy, nor as any severe and vulnerable category that needed to be measured and focused upon. In post-Independence planning, it was assumed that such dualism existed due to backwardness and will diminish itself while following neoclassical development model (Lewis, 1954, Harris & Todaro, 1970). More importantly, India is a founding member of ILO and its post-independence interaction goes back to since the ILO's conference in Dec. 1948. This led to incorporation of some of the Fundamental Principles and workers' rights in Indian Constitution in 1950. Since then India's



interaction with the ILO has been noticeable. In recent times, government of India in February 2010 signed to decent work by agreeing a five year 'Decent Work Country Programme with ILO and aligned with Five Year Plan (2007-2012).

Over a period of last four decades and subsequent international debates (15<sup>th</sup> ICLS: 17<sup>th</sup> ICLS: ILO, 2002; Delhi Group), it became part of labour literature significantly when the final recommendation in 2002 at 17<sup>th</sup> International Labour Conference (ICLS) coined the term 'informal economy' to accommodate international characteristics of the term and recognized both self-employed and wage workers including insecure as well as unprotected nature of work to be part of this economy (Ghosh,2001; Chandrasekhar, C.P. and J. Ghosh (2007; Jhabvala, 2013). In this way, the concept become equally important in studies of labour beyond the developing economies, as developed countries also experienced a great deal of de-industrialization and declining of trade unions which has a caused a rapid restructuring of labour relations in modern world of work. These facts have been widely acknowledged as the standard norm rather than temporary or residual phenomenon in the 2002 report of the ILO titled 'Decent Work and the Informal Economy' (ILO/DWA, 2002). Therefore, these labour practices as the standard norms across the growing chain of production networks not only serve at margins but also incorporated across supply chain in modern world of work process and labour relations. In this way, informal labour relations seem to be the outcome of a process of marginalization of given workers where informal labour practices are fundamentally incorporated in the neoliberal process. These standard emerging characteristics surely challenges the deep rooted boundary between the informal work and the 'formal' (Mezzadri, 2008a:2008b).

Like in most of the economies, state has significantly influenced the labour relations in India. Under the influence of neoliberal growth policy, the state has shifted its role from employment generation to facilitator of capital rather than enforcing of the existing regulations in relations to labour standards (Jhabwala, 2002:2004). This has further worsened the employment relations and conditions of work rather than improving the economic conditions of a vast informally employed vulnerable class of working poor (Breman, 2004).

Moreover, in Indian context, the term 'unorganized' is used rather than 'informal'. Traditionally, unorganized sector in India is widely known to describe certain type of activity that is unregistered, irregular, unprotected and small in scale. In broader context, one of the

main defining characteristics of unorganized sector is its precarious nature of work, which is usually seen as more casual, temporary as well as seasonal in nature and thus far from a decent work. The informal sector is understood a transition that is in contrast to organized or formal sector, which is governed under the standard industrial relations system (IRS) such as industrial and labour laws, tripartite measures (trade union) and other legality of the formal system of exchange. Further, organized sector is characterized by capital intensive technology, relatively higher wages, better collective bargaining, worker's representation via trade unions, social protection, corporate governance (whether private or public firms) and have large scale operation. While unorganized sector is largely characterized as most labour intensive, lower wages, missing of collective bargaining or trade unions, and consisting of small units engaged in the production of goods and services at low level with primary objectives of generating employment and income to the person concerned (NCEUS, 2007:2009).

Central Statistical Organization in India describes enterprise rather than workers while referring the unorganized sector and insecure or unprotected workers. This has caused considerable confusion among scholars and policy debates as the term 'unorganized' implies a lack of organization. The unorganized enterprises are defined those units employing 10 or more workers with power supply and 20 or more workers without power supply (NCEUS,2007:2). Though, these attempts are collaborative efforts at both domestic and at international level, especially to some extent ILO to measure and define the characteristics of such formal-informal dualism and contain the deficit of decent work across the globe.

Moreover, unorganized sector offer an easier entry as well as exit for most of the low human capital migrant workers who exposed to lower earnings in contrast to workers in organized sector whose wages are usually protected by labour legislation and collective bargaining is supported by the traditional trade unions. That means, the major difference between the two sectors lay in the governance of regulations or the industrial relations system (IRS). However, with pace of neoliberalism and subsequent informalisation of the formal in lieu of efficiency and global competition, especially developing economies like India have experienced a rapid expansion of precarious cum informal work and non-standard or atypical kind of employment relationship.

Subsequently, National Commission on Enterprises in Unorganized Sector in India constituted in 2004-05 to study the workers in unorganised sector provided more clarity by conflating of

both the terms of 'informal' and 'unorganized' while defining that workers in unorganized enterprises, including the self-employment, and those in the organized formal sector without any employment or social security benefits. (NCEUS, 2007:2). Therefore expansion of informal sector from Ghana (Hart/ILO,1972:1973) urban self-employment to India's unorganized / informal sector that include unprotected work such as temporary or casual work; across sectors resulted in widening of the concept of informal labour and work relations (NCEUS,2008).

Finally, the National Commission on Enterprises in Unorganized Sector (NCEUS) defined the concept of informality on following two dimensions as follows:

*One, consisting of workers that describes that 'unorganized or informal workers constitute those who are working in informal sector or households, excluding regular workers with social security benefits provided by the employers and also the workers in formal sector without any employment and social security benefited provided by the employer';*

*while the other consisting of enterprises that defines 'the informal /unorganized sector which consists of those all unincorporated private enterprises owned by individual or households engaged in the same and production of goods and services operated on a proprietary or partnership basis and with less than ten (10) workers' (NCEUS, 2008: Ch.2).*

## **1.8 Summing Up**

This chapter has two sections, in first section we introduced the problem statement, objectives of the research and brief over the methodology for conducting the primary study. The second section discusses the dynamics of the informality concept in both international and India context of emerging market trends and evolving definitions and concepts about the informal activities based on both enterprise and employee. It gives pre-eminence to its organizational and institutional characteristics of the economic activities. By going these concepts, the core characteristics or important differences between the earlier and current dualism is one of the vulnerabilities arising from the absence of any form of institutional protection either. Therefore, for the purpose of this research, we use both ILO and NCEUS concepts and definitions about the informality. Further, as Indian term 'unorganised' is almost similar to informal term defined here, and both the terms (informal/unorganized) are frequently used

interchangeably with the same objective while discussing and analysing issues pertaining to informal workers through-out the thesis.

The informal workers in construction industry are the perfect case study of informality dualism either on enterprise based or employee based definition including casual, self-employed, own account workers and workers involved as petty contracts. To understand these dynamics, there is a scarcity of documentation about labour relations, these informal workers involved in organized construction industry. In such a context, this chapter lays a road map for next chapter to review the available literature related to emerging employment relations which will further help in understanding the about the dynamics of participation of labour in construction labour market and labour conditions in the construction industry.

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

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#### **2.1 Introduction**

This chapter analyses the findings of different available research reports and thoughts of the various scholars on the condition of labour and employment relations of the construction workers and related similarities across the regions. The study of related literature and evaluating reports of different opinions and observations that are related to the intended research work help in understanding and describing of the evolving dynamics of labour in modern world of construction work.

#### **2.2 Review of Literature**

In contrast to other developed and developing countries in West as well as East Asia, Indian labour market illustrates something more. Traditionally, most of the Indian workers have not experienced the formal labour relations. In contrast to a fraction of the formal workforce (constitute only seven percent of total 472 million) who enjoyed decent work and standard social protection, the rest of the 93 percent workers employed informally across the sectors continue to expose to more insecure labour relations while facing the challenges of neoliberal reforms i.e. informalisation (flexibilisation, or casualisation), privatization and globalization (ILO, 2001; NCEUS, 2008).

##### **2.2.1 Pre 1990s Conditions of Labour and Employment**

The construction industry in India is one of the largest industry and an important economic activity. Since Independence, the industry has played an important role from construction of buildings to laying of the physical infrastructure across the sectors and development of economy as well as society at large. The industry illustrates a classic case of dualistic labour relations where not only both public and private sectors exist but also have formal and informal system to operate. Moreover, the factors effecting the labour relations such as the condition of work, employment and regulations in construction sector labour market could be traced back to its earlier colonial era. During colonial India, publication of reports of Royal commission on labour in 1931 and the Labour Investigation Committee of 1946 highlighted

the conditions of work, payment of daily wages and employment relations in the construction sector.

After a long struggle of independence where many revolutionary freedom fighter were associated with the movements of the workers and their associations and played an immense role in getting India freed on 15 August 1947. After adoption of People's Constitution in 1950s, focus shifted towards development of the society and industrial relations to improve the both conditions of work and livings across sectors. Subsequently, construction sector got almost 50 percent of the budgetary fund allocation to boost the development infrastructure, especially related to industrial and agriculture while creating millions of direct and indirect employment opportunities. This in-fact accelerated the migration across the regions. While most of the informal workers seek their livelihoods in urban locations but the rural industrialization such as plantation, mines, quarries, brick kilns, food processing etc. have also spread non-farm informal wage work into rural areas and small towns. Further, apart from construction, these industries had not only recruited migrant workers but commanded a strong rural presence in India.

In 1954, the Labour Bureau under the Ministry of Labour and Employment (MOLE), Govt. of India, conducted an adhoc survey of labour conditions in the building and construction Industry (GOI, 1954). Further, labour bureau also conducted a survey about the contract labour in some selected industries during 1957-1961 (GOI, 1961). These twin surveys were the first attempt to identify and assess the population of workers engaged in India's construction sector. Moreover, both of these surveys were conducted in and around the organized construction sites and the reports were largely prepared from the opinion of the contractors and subcontractors rather than the mass workers involved in the sector. Therefore, the reports even did not provide much detailed analysis about the conditions of construction labourers, employment and wages practices, and their working conditions. Thereafter, numerous studies have also described the work and wage conditions in the industry.

The study by Vaid and Singh (1966) finds the poor conditions of work and wages in the construction industry. The study was concentrated on the contractual labourers and collected data directly from a sample of 450 construction workers in Kota, an upcoming Industrial cluster that time in the state of Rajasthan, one of the biggest states in India's western part.

However, their study was again limited to the extent of wages and working conditions of the construction workers.

As the workers in construction sector fall in informal or unorganised sector category of workers, the study by World Bank (1975) finds that most of the workers and especially the women workers in India's informal sector are uneducated and most of them receive low wages. Further the study also pointed that informal sector in general and urban construction sector in particular serve as an entry point of migrants, especially rural workers with low human capital. But the average income of the urban construction workers is increasing faster than average rural agriculture worker.

Some earlier studies on migrant labourers have documented about the important role of kinship or social networks in labour market. Breman (1978:1985) describes such intermediaries as 'mukadams' who were in charge of recruiting and supervising the work of migrant cane-cutter working for sugar factories in Gujarat. His study reveals that 'mukadams' acted as a link between the management of factory and the migrant cane-cutters under them.

The various studies by Thakurta in early 1980s (1970:1972) in Tripura (eastern part of India) focused on the conditions of employment and wage determination of contract construction workers. The study revealed about the non-compliance of labour welfare and social security measures by the concerned construction agencies. However, the study was confined only to road construction agencies that describes the volatile and poor conditions of contract workers engaged with respective agencies.

The study by World Bank (1984) describes informality in construction sector with the extent that it is largely related to the developing countries context. It describes construction sector as self-help activity by self-employed and family labour assisted by individual jobbers and builders, who are small enough to escape legal regulations and statistical enumeration.

The study by Mitra and Mukhopadhyay (1989) finds that despite of low returns and poor working conditions, construction sector has emerged as the largest absorber of low human capital cum migrant workers, especially women workers.

### **2.2.2 The post 1990s' Conditions of Work and Employment Relations**

With the pace of neoliberalism and subsequent participation of multinational companies as well as flow of foreign capital, especially FDI's, have to some extent also changed the discourse of the state-capital-labour relations across the sectors. However, as various studies (Shivakumar et al, 1991; Van der Loop, 1992:1996) have found that in case of construction industry, the mobilization of both capital and labour are quite different from other industries as both capital and labour remain highly mobile across worksites.

Further, in Indian context, the study by Shivakumar et al. (1991) focus on migrant workers in construction industry in Bengaluru, the capital city of India's Southern Province, Karnataka that highlight the important role played by the social networks in mobilisation of labourers in the construction industry.

The study by Vaid (1999) finds that the recruitment of labour through intermediaries, often referred as labour contracting, has been a long established practice the across developing countries, especially in India. These intermediators, who mobilize and control the workforce, are known by a variety of names such as 'mistry' or 'jamadar' or 'thekedar' ('sardar' in during British period) in India.

Moreover on migrants and their rural labour relations, the various studies by (Breman, 1994:1996:1999), reveals that most of these rural migrants keep their rural relations continues. However, over the period of time, its magnitude, locations and distances of such circulatory migration or 'labour nomadism' has significantly changed as well as increased.

The detailed studies by (Vaid, 1999; ILO, 2001) find that the recruitment of labour through intermediaries often refereed as labour contracting has been a long established practice across developing countries including India. These intermediators who mobilize and control the workforce are known by a variety of names such as 'Mistry' or 'jamadar' or 'thekedar' ('sardar' in during British period) in India. They bring labour to construction sites when required and take it away if or shift to other site if no longer required. In this way they constitute a bridge between the labourers seeking job or work and the contractors or subcontractors who can offer work in construction industry. In most cases, the client would enter into a verbal agreement on the rates for various items of work, so payment would be on piece or task rate basis and payments are made by the main contractor or client to the



intermediaries as each item is completed. Workers were only provided rudimentary without any proper drinking water and toilet facilities, especially for conditions for women workers had been worst.

The study by SEWA (2000) which is the largest informal workers' organisation, specifically women's workers in India focuses on female construction workers in Ahmedabad city in state Gujarat in India described that women account for half of India's construction workforce. The 97 percent of the female construction workforce is informally hired either on short-term or as a day labour and thus denied regular livelihood. They remain marginalized and concentrated at the bottom of the industry employment hierarchy. Further the study (SEWA, 2000) also finds that discrimination in the construction industry is rampant. Women are forced to accept lower wages and if working in a family unit or as an attach labour (with husband labour or mistry), are sometimes even denied wages. They do not have access to training and cannot develop skills to improve their income and mobility in job. More irony is that, construction work sites are rarely sensitive to women's needs. They are forced to use exposed places as toilet facilitates, have no safe area for their children, and are not given maternity benefit payments etc.

Various studies on Indian labour market by (Harris White, B & Gooptu, 2001, Harris White, 2003:2004:2010) highlighted the role of social institution in mobilisation and employment of the labour in India. These studies emphasizes that Indian labour market is social embedded and caste and class play a bigger role in determining wellbeing of the labour and the labour relations as a whole, especially in informal labour market across region.

The study by Pais (2002) reveals that the share of casual workers increased in India and 96 percent of the women workers in urban construction are employed as casual wage basis. They also find that if all self-employed workers were included, that around 89 percent of the male and 97 percent of the female workers are informally employed as casual wage workers.

The study by (Wells, 2001; ILO, 2001) reveals that the construction industry has predominance of labour outsourcing in most of the developing world. Further, there has been an increase in labour practice where regular workers have been laid off and re-employed through subcontractor. Further in some developing countries, it has been observed that registered employment in construction sector have stagnated or declined while there has been a proportional increase in number of construction workers in enterprises with less than 10 employees or informal construction sector.

Some recent studies from Africa to Asian countries have shown a similar trends in decline of directly employed workforce and a proportionally increase in the number of workers employed by subcontractors. These studies have also found the emerging trends where previous employed workers are becoming labour only contractors and supplying labour to the previous employer (English, 2002, Jha, 2002; Mlinga & Wells, 2002).

The post 1990s studies across development countries (Wells, 1998:2001; Wells and Wall, 2003) describe that increased global competition, use of technology and restrictive employment regulations have caused the contractors across the world to replace their permanent labour force by contract workers or on casual basis. These studies focus on Sub Saharan countries of Kenya and Tanzania, and find that there has been a significant rise in informal employees working for formal enterprises, because casual and temporary workers recruited even directly by principal /employer receive no protection from law in the construction sector.

The comprehensive studies on construction labour market across continents by (ILO,2001; Wells &Wall, 2003) find that labour mobilization or recruitment of the workers and varies according to the size of the projects but the main commonality are that most of the workers are rural migrants and mobilized through different intermediaries and with extreme precariousness of employment relations. In developing country context, the industry is one of its kind that provides employment opportunities to a vast populations of unskilled migrant workers in urban locations. However, it is worth to mention that without mediators or networks, hardly any migrant can access the construction market, especially at organized or large scale construction projects.

In similar way, the various studies (ILO, 2001; Mlinga & Wells, 2007: 2010; Jha, 2002) also find that the intermediaries play an important role in the construction industry across the continents. They are known with various terms such as ‘maestro’ in Mexico, ‘Naikea’ in Nepal, ‘Oyaji’ in Korea, ‘Gato’ in Brazil, etc. Though, they may have different type of responsibility, their function remains the same. They bring labour to construction sites when required and take it away or shift to other site if no longer required. In this way, they constitute a bridge between the labourers seeking job and the contractors or subcontractors, who can offer work in construction industry. In most cases, the client would enter into a verbal agreement on the rates for various items of work, so payment would be on piece or task rate basis. Payments are made by the main contractor or client to the intermediaries as each item is

completed. The study finds that the industry completely lacks in compliance of the regulations.

Some other case studies (OECD, 2008) find that labour contractors are central to contemporary organized construction industry across regions. It also point out that migrant workers dominate in large construction projects, but poor compliance of regulations are major concerns for poor labour and work conditions. The various studies (Mlinga & Wells, 2002; English 2002) which focused on the workers in construction industry around the developing world found the growth of specialized enterprises ( occupational or skilled based networks) offering labour for common tasks such as concreting or block laying across Sub-Saharan countries. These studies also found that most of these enterprises were not registered.

The study by (Wells & Jason: 2010; Wells, 2014) finds that the production sites are often temporary in nature and with each project, the construction contractors start mobilisation of labour from hiring from the scratch. Moreover, the industry has been found predominance of labour outsourcing in most of the developing world. Further, there has been an increase in informal labour practice where regular workers have been laid off and re-employed through subcontractor. Further, in some developing countries, it has been observed that registered employment in construction sector have stagnated or declined while there has been a proportional increase in number of construction workers in enterprises with less than 10 employees or informal construction sector.

Further the study (BWI, 2006) on labour mobilization and growing informality in construction sector labour market across continents finds that it is becoming more common to find contractors' outsourcing' their labour supply by recruiting their workers through intermediaries. This has opened up new opportunities for small enterprises and workers in the role of subcontractors and labour suppliers to the formal sector. These labour practices have weakened the role of the traditional trade unions and undermined the collective bargaining for a vast army of workers engaged in the industry. This has a profound negative impact on job security, safety, health, training and skill, wages and social protection. The outsourcing of labour often not only reduce the cost of the construction but also by passing responsibility to downward supply chains or sub-contractors help in avoiding any legal discourse of social cost such as health, safety, maternity benefits, accident or death etc.

The study by (Wells & Jason, 2010) that focused on labour mobilization and growing informality in construction sector labour market across continents found that it is becoming

more common to find contractors' outsourcing' their labour supply by recruiting their labour through intermediaries across the countries. This has opened up new opportunities for small enterprises and workers in the role of subcontractors and labour suppliers to the formal sector. The study by ILO (2008) finds that there is a growing concern that international competition, especially MNCs with large and efficient infrastructures pushes bidding contracting firms in their supply or contracting chain to compress labour costs. This often resulted in exploitative labour relations in terms of in reduction in wages, long working hours, poor working and living conditions. These are even worse in most of the public or government sector enterprises and their contract bidding process.

The study (SEWA, 2011) finds that global competition and advancement of technology has caused the reduction in employment opportunities in the construction industry. The study estimates that around 1.5million jobs are reduced annually because of heavy use of machines. It has a worst effect on women workers, as most of women workers are involved in digging or as a head load carrier and other related tasks that have been continuously replaced by machines.

The study by WIEGO (2011) finds that construction industry provides employment opportunities to workers of some of the much needed or some of the poorest and most marginalised section of the society. The industry employs large numbers of rural to urban migrants, especially low human capital, and landless poor and women workers.

The recent study by Swider (2015) focuses on the Chinese construction workers found that most of the workers in Chinese construction industry are employed precariously. These workers what Guy Standing called 'denizens' are not registered under the 'Hukou system' and does not have both workmanship and citizenship rights (Standing, 2011:2014).

The various other studies (Drèze & Khera, 2009; Chandershekhar & Ghosh, 2011) focused on implementation of world's largest public employment programme (MNREGA, 2005) found the spill over effect of NREGA on informal sector labour market.

The more recent studies by (Rao & Singh, 2014:2015) describes that 'NREGA Job Card' in fact has become a tool for bargaining in the construction sector, as most of the workers will not only work less than NREGA wage rate but also demanding more facilities at worksites.

### **2.2.3 Convergence with Contemporary Labour Market**

More importantly, informal work is so diverse that there is a growing body of literature or case studies which show the convergence of other sector's labour practices similar to construction industry. Papola (1981) studied the characteristics of the workers in the urban informal sector in Ahmadabad city of Gujarat. The concentration of the study was on income and employment generation while analysing the structure of the city's economy by focusing on the enterprise units as well as (self-employed) or independent workers in the informal sector.

Further the study by (Duraismy Malathy & Duraismy, 1995) finds that the neoliberalism has widened the public-private wage differential across India. However, the study largely limited to formal sector workforce. Similarly various other studies by (Malathy & Duraismy; 2005; Duraismy M. and P. Duraismy, 1998:2005; Singh & Nauriyal, 2006) find that there exist a human capital differential in return of human capital on gender that has caused the discrimination in labour market.

On conditions of labour in informal economy, a number of studies (Mazumder, 1995: 2004; Sharma & Papola 1997;:1999 Standing, 2012; Upadhyay, 2013) focused on globalisation effect on the labour market and highlighted the growing informalisation, outsourcing and subsequent demand for more flexi-workforce across the sectors. This has pushed a vast population of workforce into more exploitative and vulnerable employment relations. The study by (Mazumder, 2006) on Rickshaw pullers in Allahabad finds that conditions of migrants are dismal and un-sustainable. They remained most vulnerable and excluded from all social security measures.

The study (Gill & Ghuman, 2001; Ghuman, 2005) reveal the proportion of agricultural workforce in Punjab has declined. The study finds the decline of agriculture and failure of the government to address the concerns of agrarian relations has caused a major shift of workforce from agriculture to non-farm sector. Further long drawn studies on changing labour market by scholars like Harvey (2003:2006) and Breman (2003:2007:2010: 2011) describe the myth of the contemporary capitalism to be un-compatible to unfree labour, as the neoliberalism has inbuilt process of producing the informality in the structure itself.

The studies on labour market discrimination (Thorat, 2002:2008; Carr & Chen, 2004; Paul and Thorat, 2007; Despande,2014) highlight the segregation and discrimination of the workers on the basis of their caste, gender and other social group affiliation in labour market across India. They find that labourers in informal sector are still mobilised on the basis of caste, gender,

region etc. The extensive studies on informal labour market by TS Papola and A.N Sharma (Sharma & Papola,1999; Sharma, 2005:2006) find that post 1990s market reforms and subsequent demand of migrant labourers are changing both employment trends in urban areas and agrarian relations in rural India. They find that these dynamics are changing due to socio-economic change in last three decades. The study by Ghuman (2008) examines the socio-economic conditions of rural non-farm employment in Punjab. The study finds that most of the marginal farmers are now no more sustainable. Farmer's indebtedness and suicides have become very serious problems. About 37 percent of farmers have already expressed their willingness to opt out of agriculture in Punjab and many have moved in distress to non-farm activities.

The various studies by Sumangala Damodaran (Damodaran, 2005:2008) focused on informality in the Indian leather industry. She find that there is a mismatch of demand and supply of labour due to failure of both state and market to provide adequate skill development program for workers in informal sector. On industrial relations, study by Sunder, KR Shyam (2009) finds that neoliberal policies such as flexibility and privatization have shifted the responsibility of managing the workers and their welfare from state to market forces. The workers are now regulated by the market forces and thus resulted in commodification of labour. Consequently, this has made labour unfree not only at the workplace but beyond also. Another study by Sunder, KR Shyam (2010) focuses on the changing employment relations during the post reform period. The study finds that the process of economic liberalisation has to some extent changing the industrial relations system where state, employers and trade unions are responding in different ways. These changing at macroeconomic level have affected the employment relations in significant ways. Further, the study reveals the outsourcing has caused the weak compliance of the labour regulations and deprived the workers the social dialogue and social justice across the industries.

Further, (Shyam Sunder 2011: 2012) finds that the union membership among the informalised workers across sector is absent or diminishing. They also finds that the workers engaged in informal sector hardly have participation in any labour struggle.

Amid post liberalisation growing informality across sectors, the recent studies on informal workers in India have found that in the absence of social dialogue and collective bargaining, instead of raising the concerns of wage related issues with the employer/contractor, the workers often mobilize as a class to access the government social schemes i.e. social security,

food security, and demand for their rights from the state rather than employers at the workplace (Harris White, 2003:2010; Agarwala, 2006: 2008; Lerche, 2010).

Many scholars (Papola, 1980; Harvey, 2008; Standing, 2011; Lerche, 2013; Breman, 2008) have studied across sectors and find that despite of many industrial laws and sector specific labour and welfare regulations, most of the employers in modern world of work use flexi-employment practices to avoid perceived cumbersome of such regulatory framework. Similarly, a number of other studies (Mazumdar, 2004:2006 Papola & 1997; Sharma, 1996; Standing, 2012; Upadhyay, 2013) have highlighted the growing outsourcing and subsequent demand for more flexi-workforce across the sectors.

The study based on sectoral differential development (Singh & Upadhyay, 2010; Singh & Hadi, 2004; Srivastava, 2009:2011) find that there has been significant variation in the rural development process which has become constrain for the mobility of the workforce and inclusive growth. This has axcerbated more migration from rural to urban areas. Other Study by Sharma & Singh (2012) focus on the growing rural-urban disparity in Uttar Pradesh, finds that growing disparity across regions push the workers towards non-farm sector, especially in urban informal sector. The study describes that most of the rural migration towards urban informal sector is often distress driven.

Seminal study by (Mezzadri, 2014) on Delhi NCR garment workers, describes that most of the workers were migrant and employed in the sweatshop kind of production and deprived of their workmanship rights. The more recent study by Mujumdar (2015) finds that migration of workers to brick kilns is a clear distress driven and the workers continue to exposed poor work conditions and vulnerability due to poor or misuse of labour laws by respective enforcement agencies in the state of Uttar Pradesh. Most of the migrants often end up vicious circle of debt.

The plan document (GOI,2011) highlighted that that due to lack of awareness most of the unorganized workers, especially migrants employed in informal sector such as construction, brick kilns and other workers engaged in home-based production largely remained marginalized and excluded from those initiatives including the recent enacted Social Security Act and Decent Work Guidelines. Ironically most of informal workers not only lack social protection but also continue to expose to more vulnerabilities such as discrimination within the low than minimum wages, long working hours, atypical payment of wages, poor work conditions and welfare benefits, etc. Some other studies on growing informal sector also highlighted the important role of kinship type of network in gaining labour market information

and mobilization of labour migrants in informal sector (Tiwana, 2009; Tiwana & Upadhyay, 2011).

Similarly, study by Surendra, P and Annavajhula J.C. Bose (2015) focus on Delhi NCR' automotive industry's supply chains find that workers are employed through sub contractual chains. They observe that state is favouring the capitalist while workers continue to face volatile employment relations and are paid less wages and denied for other benefits.

In such a changing context of current labour market of continuous blurring of boundary between informal-formal, informality has become the standard norms rather than exception across sectors. The contemporary studies questioned the debate on dualistic formal-informal labour relations. The scholars, like Srivastava (2013) and Standing (2014) who are working on comparative labour markets necessitate the need to study the labour relations in terms of condition of work, employment, income, welfare, social protection and labour standard in relations to decent work rather than formal employment relations.

### **2.3 Summing Up**

This chapter reviewed both the pre and post liberalisation trends and conditions in labour market related to construction sector and similar trends across sectors to understand the emerging labour relations environment in modern world of work. Most of the studies reviewed above focused on workers' conditions and lacks of compliance in the construction industry. The pre liberalisation studies largely highlighted the poor conditions of work, wages and regulations in the construction sector. The post liberalisation studies emphasizes on the weakening role of state and other collective bargaining institutions such as trade unions of agency of workers due to flexible work conditions and poor compliance of the regulations. Moreover, these studies help in understanding the conditions and problems of enumeration due to circular, seasonal and frictional nature of participation of labour who often excluded from the large scale sample surveys. Further, most of these studies remained focused on labour conditions rather than labour process, practices and labour relations they involved in. There is a scanty of studies available on the informal workers and the labour relations, they involved in the organised construction industry. However, these studies would help in understanding the contemporary labour market perspective and the dynamics of labour relations while analysing the primary field work data in construction industry in subsequent chapters of this study.



## **CHAPTER THREE**

### **METHODOLOGY AND DATA SOURCES**

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#### **3.1 Introduction**

The study of complexity of labour relations in construction industry requires a holistic approach of research. The study is largely descriptive in as well as exploratory in nature. This chapter discusses about the universe of the study and the detailed methodology adopted while collecting information and analysing the data related to the objectives of the study.

#### **3.2 Universe of the Study**

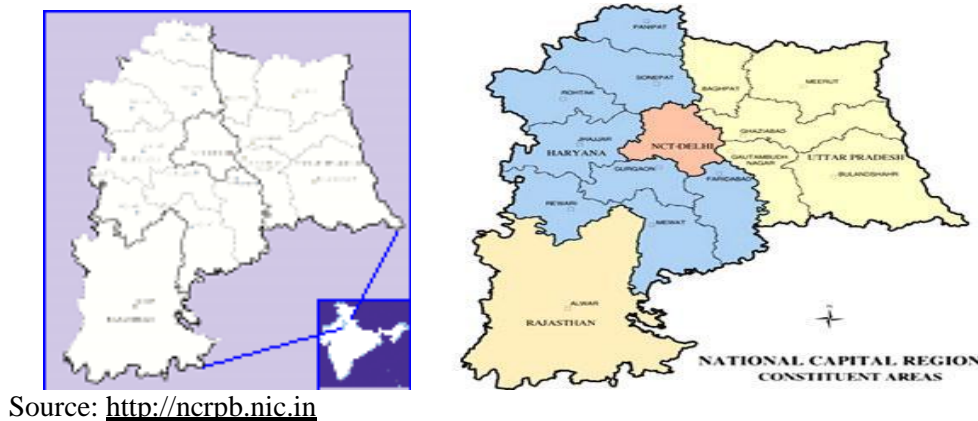
Selection of the topic and the universe of the study was not an incident to have a research question for a doctoral study. But it was a direct outcome of the region (from where I belong) which landscape has completely changed since last two and half decades. Since early periods of liberalization (1980s) and simultaneously with enactment of National Capital Planning Board Act (NCRPB, 1985), National Capital Region (NCR) has been emerged as the largest conurbation (metropolitan area) in India and one of the largest urban agglomeration in the world. Delhi NCR region comprises the entire National Capital Territory of Delhi and the surrounding notified areas of 20 districts of neighbouring three provinces namely Haryana, Uttar Pradesh and Rajasthan with an total area of 51,109 km<sup>2</sup> and a population of 54 million (Census, 2011). The region contributes around 7.5 percent (\$128.9 billion in 2011-12) of the India's total GDP (CIDC, 2013).

The NCR region happens to be the world's third most populated urban agglomeration and rapidly expanding geographically in all directions to meet the growing demand of development of space for both public and private use. Thus, the region is full of construction activities from construction of buildings to development of infrastructure and hence becomes a magnet for workers. Construction industry of the region attracts both the large scale domestic as well as international construction organizations and thus it has become a magnet for migrant workers. The region where apart from small construction organizations, a large numbers of domestic, multinational and the transnational companies are active in developing and construction of large scale housing building projects, commercial centres and

industrial-SEZs complexes etc. The selected organizations not only have a presence in Delhi NCR but also highly active with multiple construction sites across the regions as well as beyond the boundaries of continents.

NCR, the National Capital Region, is also called a mini India and is seen as a unique example of inter-state regional development planning for a region with NCT-Delhi as its core. As per the National Capital Region Planning Board (NCRPB) Act, 1985, The NCR covers an area of about 51,144 sq. kms and constitutes about 1.75 percent of the country's land area. Though the developmental activities across are monitors by NCRPB but the region fall in the territorial jurisdictions of four provincial (states) Governments namely, National Capital Territory of Delhi, Haryana, UP, and Rajasthan. (Fig. 3.1).

**Fig. 3.1 The Map of the NCR**



As single geographical area, the Delhi NCR region is one of the largest areas for construction industry. Thus, it attracts a huge migrant workforce from neighbouring states. Though NCR region is a major area of agglomeration, due to seasonal and circular movement of migrants, it is very difficult to know the absolute number of construction workers in the region. As per an estimate, the construction industry in Delhi NCR has employed about 400,000-500000 workers or more. The present study covers six construction worksites spread across Delhi and Gurgaon area of the Region. These worksites consist of both the public and private construction companies having housing projects across the Delhi NCR as well as Pan India and beyond.

### **3.3 Methodology and Data Sources**

The study about the labour relations is more a qualitative research enquiry and less quantitative analysis. Thus it is an exploratory in design and descriptive in nature. The main focus of the study is on the analysis of primary fieldwork data, it also examines the secondary data such as various NSSO rounds and other available reports. Analysing the labour relations is more of a field work study research and requires a mix methodology approach to collect the required information (Breman, 1999:2007).

Thus, the main emphasis of the study remains on how to collect empirical field work data and analyse it for robust outcome. The extensive field survey was carried out during August 2014-December 2015 to interview 500 workers at six large to medium sized construction worksites spread across 'Delhi NCR'. These worksites (3 each from public and private sectors) belong to India's top five construction companies, which are, in fact, home grown multinationals and operate across continents. The primary data was collected in four stages through semi-structured questionnaire, interviews, and focused group discussions (FGDs) as well as some case studies. To validate field data, the respondents were cross examined by repeated visits in the region and more emphasis has been given on descriptions rather than hypothesis testing. The focus of the study throughout the data collection remains on getting maximum information from individual workers' experiences, interaction with the concerned officials at company site, welfare boards and enforcement agencies responsible to implement the regulations especially i.e. Inter-State Migrant Workmen Act (1979), The Building and Other Construction Workers (Regulations of Employment and Conditions of Services) Act (1996), and The Building and Other Construction Workers Welfare Cess Act.1996.

First a pilot survey was designed and carried out in the Delhi NCR region to locate the large and medium construction projects by both private sector and public sector organizations. In following of that, the study identifies five large to medium (Three large sites (having more than 500 or more workers) and (3) medium sized (having workers more than 250 but less than 500) construction projects to serve as the field work sites. This was, in fact, done with the help of District Assistant Labour Commissioner Office (South Delhi and Gurgaon region of NCR) to whom I approached officially with a letter forwarded by out head of the department at the Institute and consent of my supervisor to carry out the fieldwork study. The officials then introduced me some contractors and company officials who used to come frequently at

respective labour offices. That helped me a lot to take the concerns of the contractors and respective company officials across sites. Further we used snowballing technique to find other similar sites and contact persons to access the other project sites. These projects are construction of buildings for housing, commercial and official-cum institutional use in Delhi NCR are in both public and private sectors. (Table 3.1).

Number of workers interviewed	Public sector client / developers			Private sector client/ developers		
	PB-NH-8 MPur Office cum residential	PB- 37D Housing complex	PB- 89/90c Housing complex	PBIB101/1 03 Housing complex	PB-SDL Project	PB-TDL-5 housing Project -
Male	111	30	58	69	50	100
Females	34	6	21	21	0	0
Sub Total	145	36	79	90	50	100
Category Total	260			240		
Grand Total	500* ( it also include agent/ gang leader supervisors (11) and self-employed/petty contractors/ own account workers (7)					

Source: Primary Survey

These construction projects are among the various projects undertaken by these companies countrywide and have a great socio-economic significance to a developing cum democratic country like India.

Further the collection of data focuses on a number of key issues related to labour practices, employment relations and compliance of labour standards, including labour mobilization process, conditions of work, wages, hours of work, discrimination, freedom of association, collective bargaining, health, safety, migrants and workmanship identity and rights etc. Consideration is given to both de-jure (legal and regulatory framework on each issue) as well as de-facto (compliance status or real practices). The standard contracts used or claimed on paper (or websites) and practices at the worksite have also been reviewed to capture the obligations at worksites and awareness of the contractors/ companies about the legality as well as compliance of the regulatory framework.

With this background, the study has collected both qualitative and quantitative fieldwork data via interviews, FGDs and case studies of about 500 migrant wage workers (including self-employed or casual) employed at various construction sites across Delhi NCR Region. These worksites belong to India's top public and private sector construction organizations and have global partners at various levels of activities from planning and designing of the project to contract out and execution of the work. These companies have not only pan-India construction activities but also have construction projects across continents. In this context, the main focus of the study remains on the workers' experiences as how the contemporary capitalism has restructured the mode of production to incorporate the traditional labour practices, conditions of work, and employment relations, etc.

For a robust understanding of the contemporary labour relations, the study addresses following questions: How do employers (contractors/ subcontractor) strategically use the agency of workers and their social networks to mobilize workforce with same socio-economic characteristics? How do employers or labour recruiters/contractor take advantage of workers' constraints, expectation and aspiration to exploit them with their own set of rules rather than standard regulations? To what extent the compliance of the existing labour and social regulations has improved the conditions of work in relations to decent work? And finally, to what extent diversity of workers and emerging employment configurations help them to resist or bargain to contain the deficit of workmanship rights and welfare benefits?

With informality at large and changing context of labour market environment, the research approaches are also multiplied to some extent and have given choices to investigators/researchers further to look beyond the traditional approaches of research namely qualitatively and quantitatively (Creswell, 2003). With the fact, that research is the process of developing relevant true statements, which can explain the situation that is of study's concern of emerging casual relationships. In practice, apart from participatory observations, the researcher collects information on specific measurable instruments in either of research approach i.e. Qualitative or Quantitative. While the context of the meanings of their labour relations, with world of work are more often based on their historical and social perspectives.

As most of the construction workers are migrants, thus in order to study the context of the migrants and their work relations, their demographic profile, conditions of work and welfare, compliance of regulations in labour process and address their employment-work relative

vulnerabilities, a comprehensive methodology is needed. In this perspective, while conceptualizing the objectives of this study, the qualitative research gives some edge to better understand the context of the participants and collecting the required information while the interpretation is shaped by the researcher's own level of knowledge, concept clarity, experience and background. Moreover, the basic interpretation of any economic meaning is always social, or to target a particular human community and thus the process of qualitative research is largely inductive, with the researcher generating meaning from the data collected in the field. However, in this situation, it is less quantitative versus qualitative and more how research practices converge somewhere on a continuum between the two. As only quantitative and qualitative methods falls short of capturing much pragmatic information in today's changed scenario, the mixed methods research (Bryman, 2008; Creswell, 2003:2008) that integrates both quantitative and qualitative methods into one is best suited for this type of study. The study is undertaken in multiple stages and includes both ethnographically collected fieldwork data across construction sites as well as data collected through the semi structured questionnaire, and Case studies, which allow to collect the data both quantitative and qualitative attributes of labourers in relations to construction work and their socio-economic context. The worksites include both public and private housing cum commercial building projects spread across Delhi NCR region. The empirical analysis is based on the interviews of 500 workers including casual wage workers, self-employed or petty contractors with or without family labourers.

With these ideas, this study adopts the mixed methodology framework to address three central questions to the design of research namely, theoretical cum conceptual perspective (knowledge claims), methodology strategy, (like survey research as plan of action that links methods to outcomes), and methods of data collection and analysis (techniques & procedures e.g. questionnaire, interview, Focus group discussion, or case study etc.). As the exact populations of the construction workers are difficult to get due nature of work and precarious deployment process, a 'quota sampling' was used to conduct the interviews, FGDs, and case studies at respective sampled worksites of the selected companies. For a better understanding between public and private sector labour relations, the quota sampling was applied to interview the equally number of respondents to conduct the study. With these perspectives, a primary survey with the help of a semi-structured questionnaire was administered to conduct

the interviews and FGDs, the data was collected from the sampled respondents/stakeholders from various construction sites and offices spread in the Delhi NCR.

Moreover, the interviews at worksites conducted beyond the confines of the questionnaire itself. This was in particular to gain qualitative data to better understand the process of labour mobilization, conditions of work and labour relations. As stated by Fox and Melbourne (1999), the strength of the qualitative data is that it focus on natural occurring and provides more descriptive analysis, ordinary events in natural settings. Therefore the collected data is not only statistical but is weighted in the real world and provides a more holistic view of the study. The analysis of the data is done in different ways depending on the data. The data has been analysed using SPSS software and subsequent descriptive statistical analysis is made.

### **3.4 Validity of the Data**

The validity of the data could be defined as the accuracy with which the account of the participants in the research represents the ground realities of the demographic or social phenomena which is taken as the research (Creswell et al., 2000). Moreover, researchers use several dimensions or ideas to determine the credibility of the undertaken study. The validity of this study on labour relations in the construction industry in the Delhi NCR region is ensured by using five core dimensions to capture the realities of the emerging labour relations:

1. **The Judgment of the Researcher:** The researcher has tried his maximum by visiting again and again and collecting the data from the various construction worksites to make sure that the attribute data, relational data and the qualitative data of the migrant workers engaged in the construction industry of Delhi NCR Region could be represented more accurately
2. **Construction Workers:** A construction worker is an individual person who works on construction worksites. The sites can be small or big, private or public, but do not include mining sites (International Standard Classification of Occupations list or ICSO08: ILO, 2014b).
3. **The Migrant Worker:** The study started to assume that reality of the construction workers as a migrant is socially constructed which led to the perception of the

respondents, where researcher has examined the consistency of the responses in different ways to ensure that there were no contradictions in the account of the respondents. For example, firstly, the collected information from the migrant worker was checked for inconsistencies and contradiction which led to further necessary clarification. Secondly, the responses of each migrant worker were contrasted with the response of the other migrant workers to find out whether there were any inconsistencies or contradiction among the migrant workers.

4. **The Other Key Stakeholders:** The credibility of the information or the collected data from the migrant workers was further checked with the other key stakeholders in the Delhi NCR construction labour market such as real estate developers, builders, large construction contractors, local state officials such as labour inspector, BOCW office and Labour commissioner of the respective zones.

**Note:** Further, after completing the interview schedule and FGDs, the information obtained from the respondents were verified by cross checking. Reliability of data was ensured by crossed questioning the respondents subjected to the editing of the data. Afterwards, putting all information in a table, a master table was prepared for further use.

### **3.5 The Ethical Consideration for the Study Involved the Following Points**

#### **3.5.1 Permission at the Sites**

In order to ensure a cordial research environment, first of all, with the consent of supervisor, a letter for permission was forwarded by the Head of the Department, Humanities and social Sciences, IIT Roorkee, to concerned authorities about the intended survey. The permission of the respective local zone's labour Commissioner was sought to conduct the research. In second stage, permission was sought from the Builders /Developer /Main Contractors including subcontractors at various construction worksites in order to conduct the interviews, FGDs with the migrant workers as well as self-employed migrant employers. In third stage, permission was sought at each level in order to examine the different views of labour practices and the migrant labour networks in the construction labour market such as from the project official of respective organizations/ builders, developers, main contractors, sub-contractor, and the construction worksite in-charge official etc. to create a congenial research atmosphere with the different stakeholders and a robust outcome of the study.



### **3.5.2 Informal Consent**

Before conducting the interviews, FGDs and Case studies, the consent<sup>5</sup> of the respondents was taken.

### **3.5.3 Confidentiality**

It was informed to the workers and other stakeholders of the construction labour market that all the collected data would be kept confidential by the researcher and were used only for the research purpose of this study. Further, the anonymity of the workers, who participated in the study, was strictly maintained and not be shared without their written permission (if, desired in future).

### **3.5.4. Right to Withdraw**

The construction worker has variety of the pressure, thus, each worker was given due respect during the whole process of the interviews. On many occasions, due to the work pressure of the workers and various other constraints of fear, the interview spread out to more than one session. The workers were asked to feel free to be part of interaction inquiry.

## **3.6 Defining Concepts**

The dissertation involves several concepts that need to be defined. The study involves and discusses the labour relations of the construction workers, who, by and large, are migrant workers employed informally across construction industry. Thus, the concepts such as migrant workers, skilled, semiskilled and unskilled workers, category of mediated, social embeddedness and individualistic workers, self-employed and petty contractors etc., are need to be defined.

### **3.6.1 Migrant Workers**

Traditionally, construction industry has been benefited with the mobility of migrant workers and often attracts inter-state migrant workers. The Census of India (Census, 2001; 2011) defines migrants in two ways; first, by 'place of birth' are those who are enumerated at a village/ town/city at the time of the Census other than the place of the birth. Second, migrants

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<sup>5</sup> Through verbal as well as written as a paragraph was written to inform them about the interview and their voluntary participation in that (appendix attached)

by 'place of last residence' where a person is considered as migrant by place of last residence, if place in which he is enumerated during the Census is other than his place of immediate residence. More specifically, the study purposefully defined migrants as individuals or group of people who have moved either Inter-State or intra-state. Though there are different reasons or factors affecting the migrants to migrate from marriage like education, and training or skill development etc., the most common reason is employment. Thus, inter-state migrants have clearly cross the political boundary of their origin state or union territory to get benefit under the regulations (Inter-State Migrant Workmen Act, 1979). However, as the study examines the labour relations and has preferred to restrict the concept of Inter-State Migration in discussing the labour mobilization process, their conditions of work and employment in the construction industry in Delhi NCR Region.

### **3.6.2 Skilled Workers**

Skilled workers include Mason, Mistry, carpenter, blacksmith, drivers & operators of machines, /stone/tile /marble cutter/plumber/sarya binder ( bar binder) etc.

### **3.6.3 Semi-skilled Workers**

All categories of workers as stated in skilled category, if they were working under a mistry and follow his instruction.

### **3.6.4 Unskilled Workers**

Workers/Mazdoor engaged on load carrying, earth digging, doing helper work, stone/brick-kiln loading-unloading/ watchman, / kuli /attachee (women workers) etc.

### **3.6.5 Petty contractor/ Self-employed**

Own account workers with other hired workers for a specific task.

### **3.6.6 Mediated Category of Workers**

Workers recruited directly by mediators directly from their home of origin

### **3.6.7 Socially Embedded Category of Workers**

Workers mobilized through networks, family-friends, kinship etc.

### **3.6.8 Individualistic Workers**

Workers who came and join construction sites by themselves.

## **CHAPTER FOUR**

### **LABOUR DYNAMICS AND GOVERNANCE STRUCTURE**

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#### **4.1 Introduction**

The construction industry employs the largest portion of the non-farm employment in India. Mobilization of the labour through intermediaries is common in the industry. Most of the labours in the industry are found to be migrants, who often belong to marginalised and another venerable sections of the society. The construction industry is the single biggest industry and the largest employer in the contemporary capitalist world (Agarwala, 2009). Historically, ‘construction work’ constitutes a major component of global economic activity. Ever since the dawn of civilization, man has indulged in some or other forms of construction activities for the socio-economic development of the individuals and society at large. Thus, the importance of the industry and its workforce could be traced back to the times when man gave up cave dwelling, and started building a shelter for himself. The recent decadal censuses in India (GOI, 2001 and 2011) have highlighted the rise in rural to urban migration for both short and long term periods. Much of this migration is seasonal, circular and frictional. Even, when it is for long periods, the status and condition of those who migrate for work to urban areas are often found to be beyond both the decent work and formal standard of workings and livings (Breman, 2008:2016). Most of the contemporary reports and surveys highlight the rise of insecure workforce across the sectors (NCEUS, 2007; NSSO/GOI, 2011).

#### **4.2 Labour Dynamics in Construction Industry**

The construction sector as a whole has always been characterised as a labour intensive. The most of construction workers are poor migrant labourers having low human capital. The sector is often viewed as an unattractive to a large section of workforce in the labour market (Piore, 1979). Historically, hiring of migrants for work in the construction industry has been more common phenomenon. Moreover the more recent past antecedents are found to be associated with colonialism history of Global South in general and Asia and Africa in particular. During that time, slave trade was one of the largest mass migrations in human history where an estimated 15 millions<sup>6</sup> of workers forcibly transported from Africa to

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<sup>6</sup> P. Stalker, *The Work of Strangers: a Survey of International Labour Migration* (International Labour Office, Geneva, 1994).

America and other part of Europe for various construction activities and other labour intensive sectors across the globe. When slave trade was abolished, indentured labour took its place. Indentured workers were recruited, (more often through invisible hands or sometimes by force) by all the major colonial powers. As an estimated 37 million<sup>7</sup> workers (mostly from India and China) were recruited mostly to work on plantation, mines and construction projects in 40 countries during 1834 to 1941( Wells, 1996).

During post-World War period, mobilization of migrant workers through intermediaries for re-construction and development activities has become a common phenomenon throughout the world. Most of the workers are usually employed as contract labourers. Except a few, most of them are often mobilized from rural or less developed areas through various intermediators, social networks and agency of labourers etc. In fact, such expansion of contemporary capitalism and subsequent acceleration of migration bring back the Marxian conception of the inner dynamics of the capitalist mode of production (Tilly, 1995: Harvey, 1998). In political economy, Marxian theoretical impetus known as ‘the law of capital accumulation’ describes such mobilization of large numbers of proletariat seeking employment into capitalist mode of production as ‘wage’ labourers (Marx, 1958). Moreover, in context of a developing economy like India, the rate of capital accumulation differs from region to region. As a significant size of population is still facing the irony of inadequate livelihood opportunity and backwardness, most of the working age population in these regions are facing unemployment or underemployment. These severe conditions i.e. pertaining poverty, lack of adequate livelihood opportunity, low wage or other intervening factors push people out of their native place towards urban industrial or informal sector. In dualistic economy model (Lewis, 1954), the modern sector has capacity to attract most of such migrant seeking employment and provide immediate cash wage income opportunity. However, due to wide spread open urban unemployment and lack of modern skills, most of the migrant labourers have limited choice and often join urban informal sector. There is a little reliable data on the numbers of workers who enter informal workforce, as the demand of labour in informal sector is often sector specific and depends on a combination of factors beyond the ‘Push-Pull’ dichotomy. Traditionally, the theoretical framework of ‘Push-Pull’ analysis is often derived from the demand and supply in the labour market and emphasizes on the importance of individual choices in work-wage relationship. However, the neo-classical growth theories shift the

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<sup>7</sup> L. Potts, *The World Labour Market: a History of Migration* (Zed Books, London, 1990)

paradigm of capital accumulation with surplus labour to utility maximization and production efficiency. The neoclassic theorists emphasize that utility maximization and efficient production ultimately balance the labour-capital relations where labour is free to exercise its choices and can bargain better. The neo-classical approach (Lewis, 1954) considers migrant labourers as individual rational actors who do their own cost-benefit analysis and take decision on economic factors such as wage differentials while moving and participation in the labour market (Harris & Todaro, 1970).

Moreover, in modern theories, the classical economic dogma of market's self-adjustment and balancing of the capital-labour relations has been criticized severely as a 'misguiding' (Polanyi, 1957:p.46). He describes that economic systems or relations are embedded in social relationships. Such embeddedness was further acknowledged with the existence of the migrant networks based on interpersonal ties or social capital that is derived through friendships, kinship, place of origin, family, friends, and other earlier or former migrant workers and their occupational networks. Massey (1994) finds that these ties are socially embedded in context of rural migrant workers and often lower the cost and risks of migration. After a critical threshold limit, such mobilization of the migrants becomes self-perpetuating as each act of migration itself creates social structure needed to sustain and needs for a decent livings. Further, beyond the traditional push-pull factors of migration, the cumulative causation (Myrdal, 1944:1957) also exaggerates the mobilization of the migrant workers in the construction industry. The cumulative causation has two inter-related process. In the first process, mobilization of more migrants often labels the construction job as a 'job' of 'migrant' (Piore, 1979). The local workers often take these jobs as the culturally unacceptable and often withdraw in short durations. Such withdrawal of native labourers only exaggerates the demand for migrant labour in the construction labour market. Secondly, labour contractor or the employer strategically pushes for mobilization of more or surplus migrant workers to bring down the wage rate (NCEUS, 2007). The native labourers could have local connections and raise their voices in case of non-compliance of the labour and welfare regulation. Thus, the management as well as labour contractor often try to keep them out by offering long working hours and low wages. Most of the local workers more often not ready to work in such conditions and thus leave open the construction labour market entirely for migrants. Traditionally, earlier migrants working in the industry acquired some short of skill and often work as an agency of labour or become labourer contractor to mobilized the required workforce from their place of origins or

nearby areas. As most of the current GDP contributions now come from big cities, the neoliberal flow of the capital to specific urban areas that has become the growth enclaves in recent times which also hunt migrant labourers as cheap labour to accumulate more benefits (Tilly, 1995; Harvey, 1998). It shows the neo-liberalism myth about its non-compatibility with unfree labour and brings the Marxian thoughts that capitalism itself reproduces or maintains cheap labour force (Harvey, 2003:2010).

As the products of the construction industry are immobile, production sites cannot be outsourced or offshored to save on wage costs. The inflow of migrant labour usually serves as a function equivalent to be more competitive and accumulate more. Like the most of the economies across the globe, migration has always been a feature of the Indian construction industry. Further, there is rarely or very little customer interaction where migrants from across socio-economic-culture groups are deployed across construction sites, facilitated by the fragmented work process with the widespread usages of outsourcing individual through precarious as well as traditional labour practices, involving local as well as indigenous agency of workers, petty contractors and gang leaders at large. Many of them are often migrants who migrated earlier and registered as self-employed or work as supervisor, often working effectively as dependent employees across the building construction worker sites (Chan et al., 2008).

Ironically, over the years, despite of several policies or interventions, some sectors and backward regions of the country not only fall behind in their capacity to provide or generate decent employment, but also perform badly in relations to generate adequate alternative employment opportunities in proportion to its labour force growth. Further, with a deficit of work at large, a large army of economically active people with poor socio-economic assets are often trapped in feudalistic kind of agrarian labour relations. Consequently many of them cannot afford even the short-term unemployment and continue to seek migration to get alternative livelihood opportunities to contain poverty, exploitation and survival vulnerabilities etc. (Srivastava and Sashikumar, 2003). Most of the recent reports and the comprehensive surveys (NSSO, 2011-12) on movement of workers have highlighted that significant populations of such typology of migrant workers are engaged in the construction industry (Himanshu, 2011).

### 4.3 The Changing Structure of the Industry and Construction Labour

The construction industry in India has played an important role in the socio-economic development and buildings the nation at large from earlier times to modern times. It is the most labour intensive and employs contract workers (Vaid & Singh, 1966). With its wider role in the development of the economy, it has been widely acknowledged not only as a necessity, but also a socio-economic need that permeates all other sectors of the economy to provide the forward-backward infrastructural linkages, shaping every society's physical environment, stimulating the economic growth, generating millions of direct or indirect employment opportunities and building the nation at large.

Over a period of times, the industry has played a vital role in the material progress of the world and is the largest industry in the world with immense employment potentials. In post reform period, after reducing the barriers of financial flow, the construction industry has emerged as one of the fastest growing and become more organized in terms of capital investment. Today around 45 construction companies are in top 500 ranking as per their capital holdings (Economic Times, 2014). The increasing scale of business beyond national or geographical boundaries, employing a huge army of labour, and growing economic power of corporate sector, construction industry has become very significant player in the development of Indian economy.

In contemporary times, the industry employs about 50 million workers and is the 2<sup>nd</sup> largest employer after agriculture. It is valued at over US\$ 157 billion<sup>8</sup>. With 100 percent FDI permitted through the automatic route, the industry accounts for second highest inflow of FDI<sup>9</sup> after the services sector. Further, with around 8 percent of GDP contributions consistently in last two decades and 8-10 percent of total employment, the industry has emerged as one of the key driver of the economic growth in India as per the GOI, 2011. During 2000-01 to 2011-12, industry grew at an average annual rate of 10.6 percent and it was the third fastest growing industry after finance, trade, hotel, transport and communication (Soundararajan, 2013). The industry is a mix of public sector, joint ventures and private sector corporate institutional players such as the Confederation of Real Estate Developers Associations of India (CREADI),

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<sup>8</sup> Infrastructure accounts for 49 percent, housing and real estate 42 percent and industrial projects 9 percent.

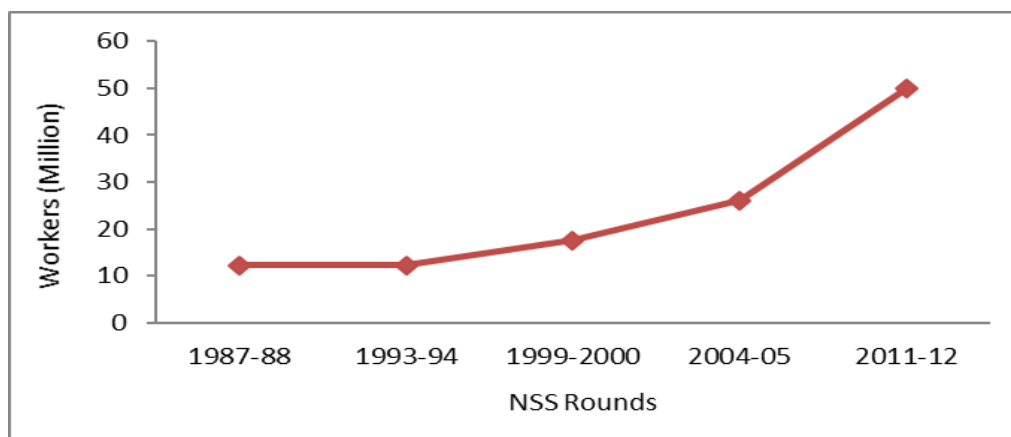
<sup>9</sup> 100 percent FDI through the automatic route is permitted in townships, housing, built-up infrastructure and construction-development projects (including, but not restricted to housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)

the Builders Association of India (BAI), the Construction Industry Development Council and others.

Moreover, contrast to all other economic activities around the world where technological intervention rapidly changes the production process, the construction industry has, by and large, remained the most labour intensive. In such an evolving scenario, ‘labour’, especially mobilization of the migrant workforce has been always a ‘key’ factor of smooth operation in the construction industry. From the historical point of view, most of the architectural marvels as well as heritage buildings of ancient periods to modern construction activities, provide ample testimony to this magnificent labour power.

Moreover, building construction industry is often associated with both residential housing projects as well as non-residential (office, institution, hospital etc.) and infrastructure sector constitutes road, transport to railway to airways etc. In recent times, the industry has witnessed a growth of organized segment of workers. Most of the workers employed in the industry are contract wage workers. Further, when employment in construction industry is seen as percentage of non-agriculture employment, it shows that it rose from 7.2 percent in 1983 to 20.3 percent in 2011-12. That means every fifth worker outside the agriculture is now employed in the construction sector. Over the subsequent period of quinquennial round surveys, construction industry has experienced a significant growth rate of employment from 8.6 million in 1987-88 to 49.9 million in 2011-12, that shows a significant rise in each subsequent round of NSS survey (Fig 4.1.)

Fig. 4.1 Construction Workers (in Million) as per various NSS rounds



Source: Calculated from various rounds of NSS (1987-88, 1999-2000, 2004-05, 2011-12)

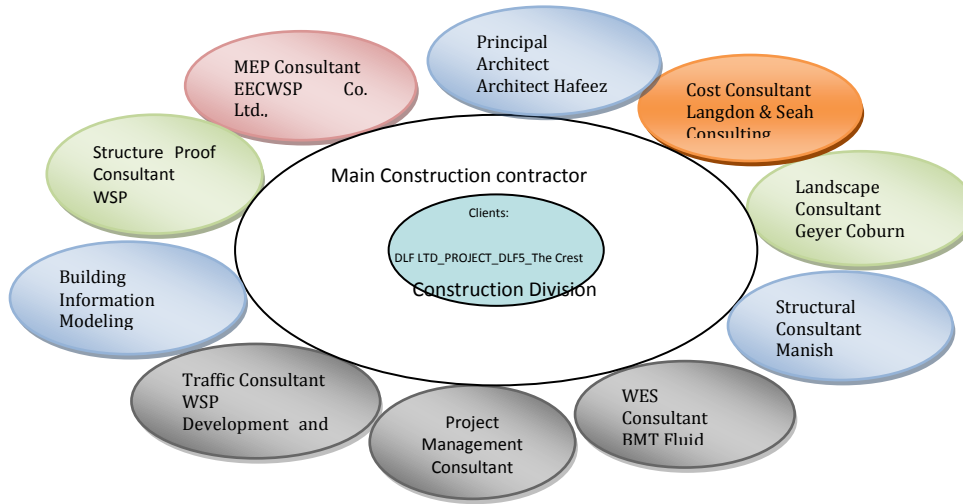


Further, with pace of neo-liberalism, the building and construction industry has figured prominently in the contemporary process of globalization. The industry has benefited from the sustained economic growth that has been fuelled by the increased integration of the world's economies, boosted by flow of foreign capital as well as participation of transnational corporations in the sector. The industry has been the primary economic sector that has reaped the material benefits of global integration via participation of private sector organizations, especially MNCs and subsequent flow of capital, technical services and technology itself. Since the sector got an industry status in 2002, it has attracted around 10,867 US\$ million worth of FDI or 6.8 percent of the total FDI till 2011-2012. (Table 4.1 below)

<b>Table No. 4.1: FDI Inflows across Sectors (in US \$ Million)</b>					
Sectors	2009-10	2010-11	2011-12	Cumulative inflows April 2000 to Jan, 2012	Total %age
Service Sector	4,176	3,296	4,836	31,971	20
Telecommunications	2,539	1,665	1,992	12,547	7.8
Computer Software & Hardware	872	780	698	11,107	6.9
Housing & Real Estate	2,935	1,227	591	10,973	6.9
Construction Activities	2,852	1,103	2,230	10,867	6.8
Drug & Pharmaceuticals	213	209	3,208	9,170	5.7
Power	1,272	1,272	1,569	7,215	4.5
Automobile Industry	1,236	1,299	635	6,470	4
Metallurgical Industries	420	1,098	1,655	5,909	3.7
Petroleum & Natural Gas	266	556	202	3,339	2.1
<b>Grand Total</b>	<b>22,963</b>	<b>17,081</b>	<b>26,192</b>	<b>1,59,973</b>	<b>100</b>
Source: Department of Industrial Policy & Promotion, Ministry of Commerce, Govt. of India					

Further, expansion of the operation scale of these companies beyond national boundaries and participation of the global players such as investor, consultants, experts and technological up gradation, the 21st century Indian construction industry has become very much the part of global production network (GPN) (Fig.4.2).

**Fig.4.2 : The Global Value Chain/Network and various Stakeholders in the 21st century construction Industry**



Source: Primary filed work (representation purpose only)

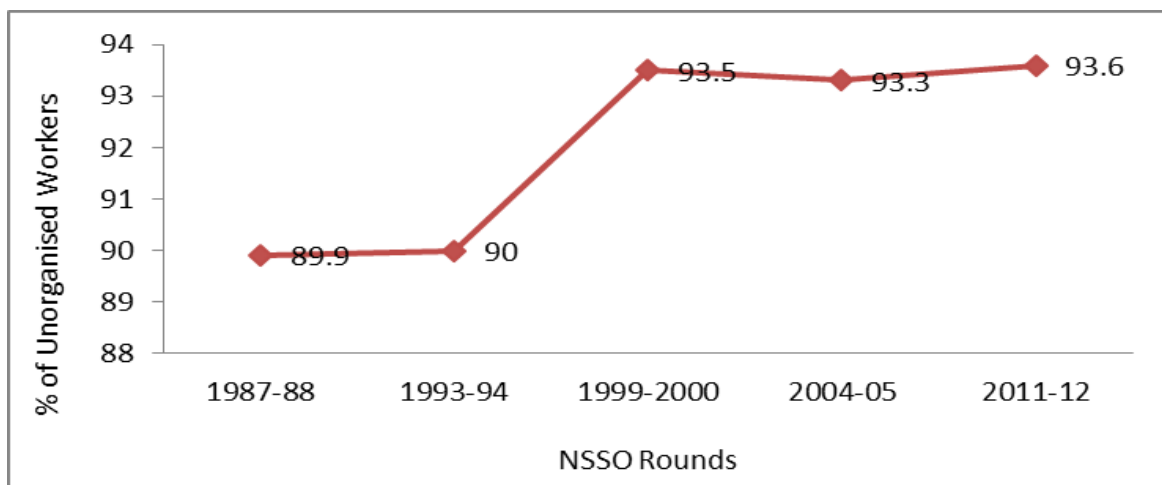
Note: The Figure is only shown to give a real account of Global Value Chain or Network (GVC/GVN)

In this way, the industry has also experienced an institutional and organizational transformation that has helped to underscore the impetus of economic liberalization. With the pace of neo-liberalism, major construction companies from both public and private sectors have extended their global reach, transforming into multinational conglomerates. This extended reach either directly or in partnership of the transnational companies has been reinforced by their extension into post liberalization financial management services. In the evolving process, the big construction organizations have tended to divest themselves from the actual or direct construction activities at ground. In most of the economies from North to Global South, the major construction organizations often contract out their actual construction work. (ILO, 2001: 2007). Throughout the world, the industry is now characterized by an extensive sub-contracting of construction work. With such magnitude of change, the industry has become one of the largest industry that provide millions of employment opportunities from high skilled to low skilled level of mass workers. However, institutional and organization transformation of the building and construction industry has brought considerable change to employment relations that is often characterized by less direct employment. Further, multilayer subcontracting down the supply chain, which often put more reliance on mobilization of the migrant workers across the value chains, has blurred the boundaries of employment relationship. Consequently, most of the construction workers

expose to vulnerabilities and insecurity at large. In context of emerging production and value chain networks, such internationalization of the construction labour market has been a more prominent and critical feature but a lesser noted feature of globalization (Chen et al., 2006; Well, 2007).

Moreover, construction industry in India illustrates a more contradictory view about the process of globalization and the subsequent transformation in the construction labour market. Traditionally, construction industry has been most labour intensive and fragmented in nature. It is only one industry that has consistently contributed equally around 8-9 percent to the GDP as well as employment generation while providing millions of indirect employment opportunities across the sectors. Historically, mobilization of migrant labourers has been a common phenomenon in the industry. Most of the workers are usually employ as contract labourers whether hire temporary or casual. Except a few, most of the labourers are often mobilized from rural or less developed areas through various intermediators, social networks and agency of labourers etc. As most of the construction workers are hired without any written contract and such workers constitute the largest population of the total construction workers which has increased from 89.9 percent in 1987 to 93.6 in 2011-12. (Fig.4.3)

**Fig.4.3 Percentage of Unorganized workers in Construction sector as per various NSSO Rounds**



In broader sense, it includes construction, repairs, alteration, and maintenance activities in relations to buildings, bridges, tunnels, dams, irrigation, reservoirs, water supply, canal & flood control works, generation, transmission and distribution networks of power, oil & gas, towers for telecom, television, radio, drainage system, street roads to flyovers highways to

airways, railways to metro ways and such other works which may be specified by the appropriate government notification.

Moreover, ‘building worker’ means a person who is employed to do any manual, semiskilled or unskilled, skilled, technical or supervisory work for wage hire or reward, irrespective of the terms of employment with any building or other construction work. However, it does not include any building or other work under the provisions of the Factories Act, 1948 and the Mines Act, 1952.

Though with advancement of the technology, construction industry is also experiencing more mechanization, the construction jobs at large are still remained highly labour intensive. Further, despite of the fragmented structure of the industry and its requirement of diverse kind of workforce from manual to skilled level, the entire construction activity is seasonal, intermittent and most interconnected. More often, the type of construction projects, quantum of work, job tenure and employment conditions differ from one extreme to another. Across worksites, commonality is often perceived as worst working conditions, exploitative employment relations, and poor labour standards.

Moreover, if we look sectoral employment configurations, after agriculture sector, most of the workers belongs to SCs, OBCs and STs marginalized groups are concentrated in construction sector i.e. 17.3 Scheduled Castes (SCs), Scheduled Tribes (STs) 12 percent and 9.8 percentage other backward classes (OBCs) respectively (Table 4.2)

**Table 4.2 Distribution of Workers (UPSS) by Social Groups and industry (NSSO, 2011-12)**

Industry	STs	SCs	OBCs	Upper Hindus	Upper Muslims	Others	Total
Agriculture and allied	70.4	49	50.6	39.7	32	41.3	48.9
Mining & Quarrying	0.6	0.8	0.5	0.5	0.2	0.4	0.5
Manufacturing	5.2	10.9	13.3	14.3	24.5	9.5	12.8
Electricity, Gas & Water Supply	0.3	0.5	0.3	0.6	0.6	1.1	0.4
Construction	12	17.3	9.8	5.1	11.3	6.9	10.6
Trade Hotel & Restaurants	4	7.3	11.9	16.6	17	16.8	11.5
Transport, Storage & Communication	2	4.6	4.4	4.6	6.8	4.9	4.4
Finance, Business, Real estate etc.	0.4	1.6	2.2	5.7	1.6	6.3	2.6
Public Admn Health, Education etc.	5.2	8.1	7	12.9	6	13	8.2
Total	100	100	100	100	100	100	100

Note: UPSS: Usual Principal and Subsidiary Status

Source: Computed from unit level data of most recent 68th round NSSO

#### **4.4 Overview of the Capital- Labour Relations in Construction Industry**

As per the available report about the building and construction industry (BCI) contributes about 71 percent in (the total residential and non-residential) construction output (Oxford Economics, 2009). The construction investment accounts for about 52.4 percent of the gross fixed capital formation in India (CIDC, 11<sup>th</sup> plan Report). In year 2008, Indian construction industry was Rs. 2.1 trillion and grown about 11.1 percent from 2000 onwards and growing about 9.2 percent supposed to be the second highest in 2020. In Indian context, most of the large scale construction activities, especially in infrastructure are carried out by the public and private sectors and some of the companies are operating across continents. Around 96 percent of the companies are classified as small and medium enterprises (NSDC/ CIDC report on vision 2020).

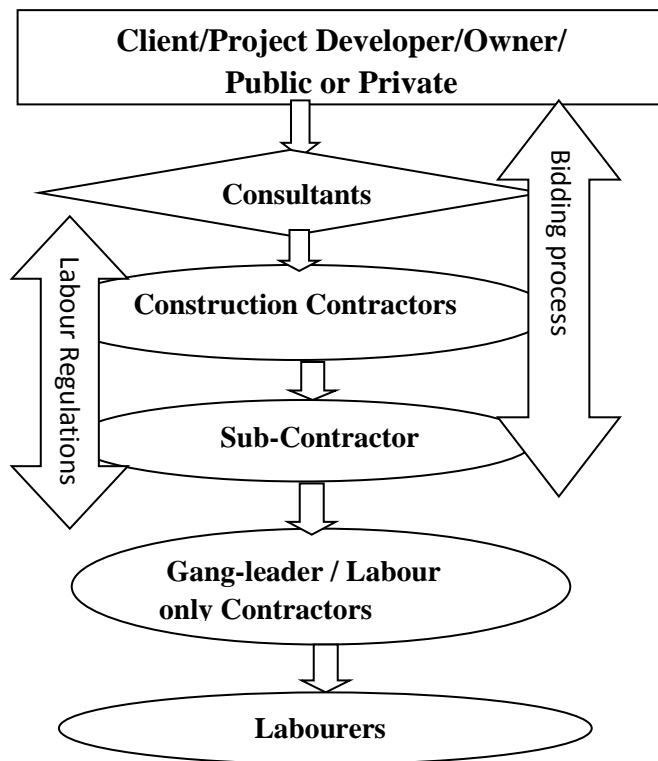
Globally, there is complete disconnect between capital, scale of production, stationary nature of output and functional division of labour in the industry. That can be viewed through multilayer chain of contractors from developer to labour contractors, gang leaders and labour including casual, temporary, skill, unskilled, self-employed are at the labour. According's to 11th plan document, (Planning Commission Working Group), around 7 percent was counted as staff (clerks, foreman/technical, engineer etc.); skilled workers were about 10.5 percent; and unskilled labourers were about 82.5 percent of the workforce. Moreover, the estimate on labour cost varies from 10 to 21 percent of the project costs (CIDC/ GOI, 2006). While

#### **4.5 The Governance Structure in the Construction Labour Market**

As we discussed the changing context of labour, capital relations in the construction industry which shows that there is a strong relationship between growth of the macroeconomic context of the economy and the construction activities. The post 1990s, the participation of the private sector, especially MNCs have further made division of labour through sub contractual layers. However, in terms of labour market governance, the industry is somewhat different to other industries. It has more complex governance structure because from projects developer to labour recruiters, there are different agencies. The principal employer contracts out the building construction through competitive bidding process and with a whole set of formal regulatory process. As shown document by one of the principle employer, they told that all the contractors have registration number with approval from various concern agencies. After bidding and contracting out, the responsibility of hiring of the workers lies with contractors

and their sub contractual chains. Thus the principle employer and even main contractor is not directly dealing with the mobilisation and recruitment of labour. The labour issues are only dealt at the level of contractor or subcontractors. In most cases, the principle employer does not hold responsibility and main contractor often deal with the multi-level subcontractors in relation to labour. (Fig.4.4).

**Fig. 4.4 Structure and Governance of Labour Market**



Source: Fieldwork observations

#### **4.6 Registered Contractors**

As per working group estimate on construction industry (11<sup>th</sup> plan), there are around 222 large contractors, 850 medium contractors and 26700 small contractors in the industry. Further, there are lacs of petty contractors who are engaged at the repair and maintenance level construction activities. (Table 4.3)

<b>Person(s)</b>	<b>Enterprise Number</b>	<b>% age</b>
1-200 persons	26700	96.15
200-500 persons	850	3.06
500>persons	220	0.79
<b>Total</b>	<b>27770</b>	<b>100</b>

Source: Working Group on Construction Industry, Eleventh Five Year Plan

More often, the growth of the construction activities have not only benefited in contribution to GDP, but also created a huge employment opportunities who are directly or indirectly employed with the industry. However, the quantum of work, job tenure and employment conditions differ from one extreme to another. The employees and workers enter into the construction chain at various levels.

Moreover, recruitment of skilled, semi-skilled and unskilled or manual workers is usually mobilised by the subcontractors and labour contractors.. A majority of them have low human capital and low bargaining power, which keep them out from employment in modern sectors. However, traditionally, the industry is known for worst working conditions, exploitative employment relations, and poor labour standards across the regions.

#### **4.7 Social Dialogue, Collective Bargain and Trade Unions Affiliation**

More importantly, on collective bargaining and social dialogue, the construction sector is just like untouchable for traditional trade unions.

<b>Sectors</b>	<b>2004-05</b>	<b>2009-10</b>
Agriculture and allied	3.37	3.56
Mining & Quarrying	32.07	30.5
Manufacturing	13.83	13.63
Electricity, Gas & Water Supply	71.98	58.44
Construction	4.98	6.27
Trade, Hotel & Restaurants	15.12	12.43
Transport, Storage & Communication	36.32	31.73
Finance, Business, Real estate etc.	36.35	26.74
Public Admn, Health, Education etc.	38.31	35.59
<b>Total</b>	<b>11.17</b>	<b>10.82</b>

Source: various NSS rounds

The data on trade union density show that over a period of times, across the sector it is declining. Though, the construction sector has witnessed some positive development in terms of union density as it has increased from 4.98 percent (2004-05) to 6.27 percent during the 2009-2010, but still it is the lowest in all sectors. It indicates that the construction sector almost remains outside the domain of traditional union and most of the workers continue to expose poor work conditions, bargaining and deprivation of social justice (Table.4.4)

#### **4.8 The Governance of Building and Other Construction Workers**

With the pace of liberalization and subsequent reduction in barriers of capital flow in the construction industry, the increased construction activities, especially towards urban areas i.e. urbanization, rise in industrial and other service/commercial activities attracted more migrants to get cash 'wage' employment.

In 1996, in midst of pushing of the economic reforms and subsequently addressing the concerns of such a huge army of vulnerable workers in the construction sector, government of India made regulatory provisions to regulate the labour relations, working conditions and welfare services. The following two sector specific comprehensive central legislations come into force on 1.3.1996 by an ordinance and later enacted on 19.8.1996 to regulate the conditions of work and improve the welfare facilities:

- 1) The Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
- 2) The Building and Other Construction Workers' Welfare Cess Act, 1996

Further, to better implementation of these regulations, the Building and Other Construction Workers Rules (1998) was also notified on 19<sup>th</sup> November 1998. The legislations define the regulatory framework of employment and conditions of service, working hours, wages (as per section 2 of Payment of wages Act, 1936) compensation, safety, health and other welfare measures for the construction workers. Accordingly, every provincial/state governments have to constitute a Building and Other Construction Workers' Welfare Board<sup>10</sup> to implement these measures at the district level. The Board shall consist of a chairman, a person to be nominated by the Central Government and shall include equal number of members representing the State

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<sup>10</sup> Board means a Building and Other Construction Workers' Welfare Board constituted under sub-section (1) of section 18



government, the employers, and the building workers including at least one women member. Further the total appointees of such numbers by the state shall not exceed fifteen. All questions or grievances which come up before any meetings of the board shall be decided by a majority of votes of its members present at the time of voting, in case of a tie, the Chairman or the person presiding at the time shall have a second or casting vote right. Further, the Board shall appoint a secretary and such officers and employees, as it considers necessary for the efficient discharge of its function under this Act (BOCW Act, 1996). This is to be financed by the contribution made by beneficiaries<sup>11</sup>, and stakeholders by levy of Cess on all construction work at rates between 1 to 2 percent of the construction cost incurred by an employer and non-mandatory grants or loans by the central or provincial governments. Further, every building worker as a beneficiary shall be entitled to the benefits provided by the Board from its Fund under this Act.

#### **4.8.1 Other silent features of the BOCW Regulations (1996) and the Building and Other Construction Workers Rules (1998)**

- The Act is applicable to every establishment<sup>12</sup>, employer<sup>13</sup> as well as contractor<sup>14</sup> which employs or had employed 10 or more workers in any building or other construction work on any day of the preceding 12 months.
- Every building worker who has completed 18 years of age but not completed 60 years of age and who has been engaged in any building or other construction work for not less than 90 days during the preceding twelve months shall be eligible for registration as a beneficiary under this Act. Further provided that an application for registration shall not be rejected without giving the applicant an opportunity of being heard.
- Constitution of Welfare Boards by the state governments and registration of beneficiaries under the regulatory framework as prescribed. The Board shall provide to every beneficiary an

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<sup>11</sup> Workers registered under section 12 of BOCW (1996) Act

<sup>12</sup> Establishment ( Public or Private organizations) including individual( except who employ for their own residence and not costing more than 10 lacs), body of individuals/ association or corporate firms come under the Industrial Dispute Act, 1947 (clause 14 ) or Registered as per Companies Act, 1956)

<sup>13</sup> Employer in relations to an establishment means the owner in relations to a building and other construction work carried out directly with or without any contractor on behalf or under the authority of any department or establishment.

<sup>14</sup> Contractor means a person who either undertakes to produce a given result for any establishment, other than a mere supply of goods or who supplies building workers for any work of the establishment including a sub-contractor.

identity card with his/her photograph duly affixed there on and with enough space for entering the details of the building or other construction work done by the worker and registration fees shall not exceed fifty rupees.

- A registered beneficiary, until he attains the age of sixty years, has to contribute to the fund or may authorize his employer to deduct his contribution from his monthly wages to remit the same, within 15 days of deduction to the Board. If, due to financial hardship, any beneficiary unable to pay the contribution, the Board can waive of the payment of contribution for a period not exceeding three months at a time. But in case, the beneficiary has not paid the contribution for a continuous period of not less than one year, he may be asked to pay the arrears to continue the same otherwise he shall be ceases to be a beneficiary.
- Provision for appointment of inspecting or monitoring staff.
- Making adequate provisions for safety and health for the building workers. The establishment with 500 or more workers must have a safety officer and shall constitute a safety committee including representatives from employer, workers and may be from state. Notices of appropriate government rules for safety and regulations including certain accidents should be displayed at appropriate place to ensure the awareness and safety of the workers.
- Adequate provision for facilities such as Rest Room, First Aid, and nearby hospitalization in case of emergency. Canteen facilities, if employed building workers are around 250 workers.
- Provisions for Crèches with suitable room or rooms and a trained women caretaker for infants and children under the age of six years, where more than 50 female building workers are employed.
- Adequate provisions to provide suitable<sup>15</sup> temporary accommodation free of charges within the work site or nearby to all the workers employed by the employer him during the construction work period. Further, facilities such as Drinking water, Latrines and urinals (with appropriate language and visible sign board) to be maintained by the employer and remove /clean after the project at his own cost.
- Adequate measures to regulate normal working hours and weekly paid rest day. Further payment of double wages to the ordinary rate of wages (Basic wage plus allowances entitled

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<sup>15</sup> Temporary accommodation ( sub sect-1) shall have separate cooking, bathing, washing and lavatory facilities

but excluding any bonus, if any building worker is required to work on any day in excess of the number of hours constituting a normal working day.

- Defining responsibility of every employer to maintain such registers and records giving such particulars of building workers employed by him,, work performed by them, a day rest in a week allowed to them, wages paid to them, the receipt given by them and such other particular in such form as may be prescribed and exhibits it appropriately. The appropriate government may provide such wage books/slips where entries shall be made and authenticated by the employer/ contractors or agents.

#### **4.8.2 Functions of the Board:**

- (1) The Board may provide:
  - (a) In case of an accident, provide immediate assistance to a beneficiary;
  - (b) Pay such premium amount for Group Insurance Scheme of the beneficiaries as it may deem fit;
  - (c) Sanction loans and advances to a beneficiary for construction of a house not exceeding such amount and on such terms and conditions as may be prescribed;
  - (d) Provide financial assistance for the education of children of the beneficiaries as may be prescribed;
  - (e) Give such medical expenses for treatment of major ailments of a beneficiary or, such dependent, as may be prescribed;
  - (f) Make payment of maternity benefit to the female beneficiaries;
  - (g) Make payment of pension to the beneficiary who have completed the age of 60 years; and
  - (h) Make provision and improvement of such other welfare measure and facilities as may be prescribed.
- (2) The Board may grant loan or subsidy to a local authority or employer in aid of any scheme approved by the state government for the purpose of workers' welfare.
- (3) The Board may pay annually grant –in aid to a local authority or an employer who provides to the satisfaction of the Board welfare measures and facilities of the standards specified for the benefit of the building workers and member of their family. However, that amount payable as grants-in –aid to any authority or employer shall not exceed the amount spent in providing

welfare measure and facilities as per prescribed in this behalf. Moreover, the Central government may, after due appropriation made by law in this behalf, make to a Board grants and loans of such sums of money as the Government may consider necessary. Further Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

In this broader context of change in process of production relations along with technological advancement, labour market practices and the process of the labour mobilization cannot be discussed in isolation. Thus the current research-study documents and discusses the experiences of the construction workers by analysing labour relations in terms of (a) labour mobilization process; (b) conditions of work and employment relations; (c) working conditions, payment of wages and wages; (d) role of intermediaries, i.e Agency of the workers, social networks, sub-contractors, workers' organization/ associations and labour relations officials ( Human resource management or HRM officials ); and (e) Compliance status of industrial labour and welfare laws, rules and regulations at the selected sample of large and medium construction worksites spread across Delhi NCR of India's four top construction companies. However, these changes about the work and workers' rights questioned the relevance of both existing labour market theories and industrial relations system, which this study intends to discuss.

#### **4.9 Summing Up**

In this chapter we summarise the changing context of labour market and dynamics of labour and governance structure in Indian Industry.

As discussed above over a period of times, labour dynamics have evolved from bonded labouring to contract labouring. The contemporary labour market trends shows that most of the informal workers in which construction workers constitute the major portion in India are from the low Stata of the society and most of them belongs to historical unprivileged groups such as SCs, STs, and OBCs etc. Traditionally, construction sector in India has low trade union membership and workers often do not enjoy the collective bargaining and social dialogue. Moreover, the post liberalisation incorporation of two legislations i.e., The Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996; and The Building and Other Construction Workers' Welfare Cess Act, 1996, have

somewhat changed the governance of the industry in favour of the labour. However, its implementation and outcome effect on the labour relations is the subject of examination of this study and is analysed in subsequent next chapters as rule of the game.

With increasing global production networks or participation of MNCs, there seems to be further division of labour. Thus the chapter provides a broad map to understand participation of workforce, their social group's statistics and trade union membership for collective actions and further analysis in the industry.

## CHAPTER FIVE

### SOCIO-ECONOMIC CONDITIONS OF SAMPLED WORKERS

#### 5.1 Introduction

The main focus of this chapter is to discuss the socio-economic and living conditions of the sampled migrant workers in the construction industry. In a socially driven informal economy like India, the socio-economic conditions often drive the labour relations, the workers involved in (Harris-White, 2001:2003). The demographic profile of the migrant workers and the conditions in which they mobilised in the construction sector are discussed in the following ways that include source area of migrants, demographic profiles of workers; and their economic conditions.

#### 5.2 Demographic Profile of Migrants' Workers

The respondent were asked about their relationship with household head., 54.6 percent claimed to be sons of household heads, followed by 26.2 percent by head themselves and 15.2 percent of workers claimed to be wife or husband. That shows a mix of young and elders in the workforce.

##### 5.2.1 Religion

Religion-wise classification of workers shows that 82.5 percent of the workers belonged to Hindu religion, which is followed by Muslims (12.5 percent), Buddhist (4.2 percent) and rest few were Sikhs. However, 85 percent among them were found to be Hindu and the rest were others (Table: 5.1).

**Table: 5.1**  
**Sex-wise Religion of the Workers**

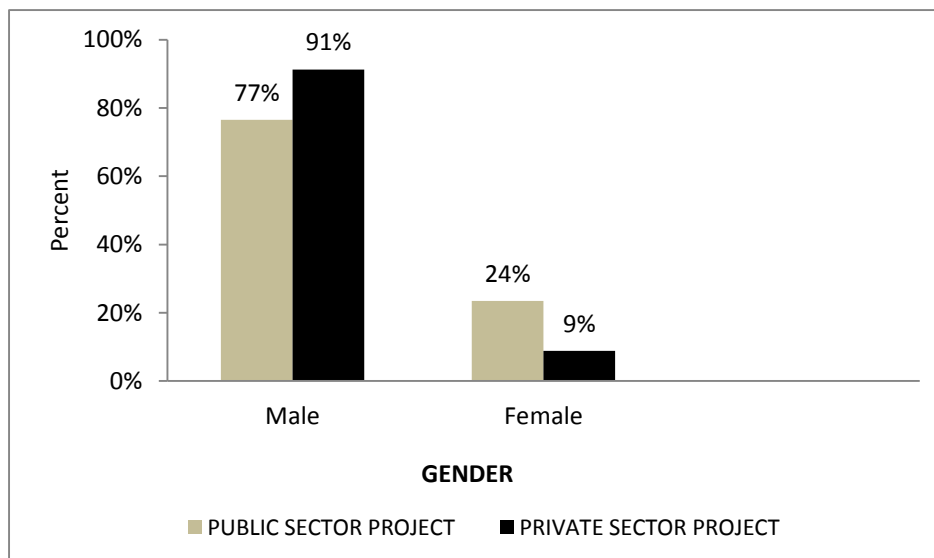
		Hindu	Muslim	Buddhist	Sikh	Total
Public Sector Project	Male	146	44	9		199
		73.4%	22.1%	4.5%		100.0%
	Female	49	6	6		61
		80.3%	9.8%	9.8%		100.0%
	<b>Total</b>	<b>195</b>	<b>50</b>	<b>15</b>		<b>260</b>
		75.0%	19.2%	5.8%		100.0%
Private Sector Project	Male	177	30	10	2	219
		80.8%	13.7%	4.6%	.9%	100.0%
	Female	21	0	0	0	21
		100.0%	.0%	.0%	.0%	100.0%
	<b>Total</b>	<b>198</b>	<b>30</b>	<b>10</b>	<b>2</b>	<b>240</b>
		82.5%	12.5%	4.2%	.8%	100.0%

Source: Primary Field work

### 5.2.2 Gender

Distribution of workers in the construction work reveals that 83.6 percent were males and 16.4 percent were females. This shows that cultural taboos or social construct in participation of female labour is prevalent in the Indian society in contrast to other countries. Further, it also causes discrimination against female workers and preference of male workers still runs rampant in the construction industry. Within women workers, 74.4 percent were employed in public sector projects and the rest were working in private sector. This shows the discrimination and gender preference in the world of modern construction industry (Figure: 5.1).

**Figure: 5.1**  
**Gendered Division of Labour**



Source: Primary Field work

### 5.2.3 Age

Age-wise distribution of workers indicates that 75 percent of workers were in the age group of 18–27 years and 20.4 percent in the age group of 28–37 years. The remaining 8 percent were in the category of 'more than 47 years and 3.8 percent were in the age group of 38–47 years. Within the age group of 18–27 years, the higher percentage (55.4 percent) was in private sector. This indicates that the industry attracts largely the young migrant workers and that affects the working and employment conditions of older workers.

### 5.2.4 Educational Attainment

Data on educational level (Table: 5.2) of workers show that irrespective of the sector, 57.2 percent of the workers only got up to primary level education (5 years schooling) and 12.8 percent were found to be illiterate, while 24.4 percent and 4.6 percent were up to middle level (8 years schooling) and Matric (10 years of schooling) respectively. Only one percent had gone to school beyond matriculation. Most of the workers followed their elders to enter into the construction labour market and acquired knowledge from them. Therefore, apart from poverty, they did not consider higher education is useful to them.

**Table: 5.2**  
**Years of Schooling Attended by Workers**

	Upto 5 <sup>th</sup> (Primary)	Upto 8 <sup>th</sup> (middle)	Upto 10 <sup>th</sup> (secondary)	Upto 10+2 (senior secondary)	Illiterate "no schooling"	Total
Public sector project	110 42.3%	94 36.2%	14 5.4%	3 1.2%	39 15.0%	260 100.0%
Private sector project	176 73.3%	28 11.7%	9 3.8%	2 .8%	25 10.4%	240 100.0%
Total	286 57.2%	122 24.4%	23 4.6%	5 1.0%	64 12.8%	500 100.0%

Source: primary survey

### 5.2.5 Marital Status

Data on marital status presents the details of all the workers covered in the study. Of the total labour force, 59.5 per cent were unmarried. 40.5 per cent workers were married. This shows that workforce is quite young and most workers seem to be migrating as individual male members which have become a preferential trend in modern construction industry. However, a few widow, separated and divorcee in the sample workers show the distress kind of participation of female workers.

### 5.2.6 Assets

Table 5.6 shows that 60 percent of total workers were landless; 31 percent of the workers had less than 2 bigha of land, and another 8.8 percent had land between 2 to 3 bighas. This shows that most of the workers belonged to landless and marginal farming communities. Asset analysis shows that 72 percent of workers had a cycle; but only 1.2 percent were having motorbike or scooter; 90 percent had Mobile phone; 11.8 percent had Television in their



homes; 1.6 percent workers had dish antenna; only 3.2 percent had sewing M/C; 18.2 percent owned electric fans; 0.6 percent owned desert cooler; 3 percent owned electric rod; 14.2 percent owned radio/ tape recorder/ transistor; only 30 percent had pucca house; while none owned refrigerator (Table: 5.3).

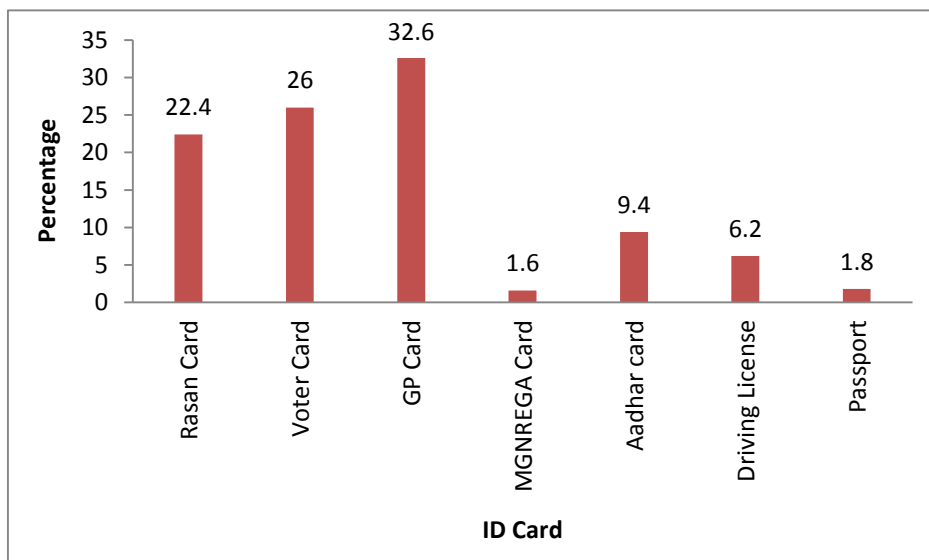
**Table: 5.3**  
**Assets owned by workers**

Assets	Number	Percent
Agriculture land (less than 2 bigha)	155	31 %
Agriculture land (2 to 3 bigha)	44	8.8 %
Cycle	360	72 %
Motorbike/Scooter	6	1.2 %
Mobile	450	90 %
Television	59	11.8 %
Dish Antenna	8	1.6 %
Sewing M/C	16	3.2 %
Electric Fan	91	18.2 %
Desert Cooler	3	0.6 %
Electric Rod	15	3 %
Refrigerator	0	0 %
Radio/Tape Recorder/Transistor	71	14.2 %
Pucca House	151	30.2 %

Source: Primary survey

### 5.2.7 Proof of Identity

**Figure: 5.2 Proof of Identity**



Source: Primary fieldwork

Inquiry about the identity proof of the respondents reveals that of the total respondents, only 9.4 percent have the Aadhar Cards and 1.6 percent of the workers benefitted from the rural employment scheme (MGNREGS). Further, 32.6 percent workers claimed to have Gram Panchayat (GP) identity card, followed by 26 percent workers having voter card and 22.4 percent having Ration card. This means that MGNREGA card are also now accepted and used as identity proof. (Figure: 5.2).

### 5.3 Social Group Wise Participation of the workers in construction sector

India is a socially driven economy (White: 2001 and 2003). Social group-wise distribution of workers shows that caste still influences the participation of labour and labour relations. In the above table, data show that 35.6 percent workers were belonging to scheduled caste; 34.2 percent workers were OBC; 9 percent were scheduled tribes; 11 percent were in the category of 'general'; and the remaining few did not disclosed. Therefore, primary data is also similar to secondary data and particularly in western India as there are few STs, their participation has been noticed accordingly (Table 5.4)

**Table: 5.4**  
**Class-Caste of Workers**

	<b>Number</b>	<b>Percent</b>
<b>General</b>	55	11.0
<b>SC</b>	178	35.6
<b>ST</b>	48	9.6
<b>OBC</b>	171	34.2
<b>Others</b>	48	9.6
<b>Total</b>	500	100.0

Source: Primary Data

### 5.4 Source Area of the Migrant

The origin place of the workers shows that large number (33 per cent) were from the state of Bihar, followed by 26.2 per cent from UP. About 11.8 per cent workers are from Jharkhand and 9.8 per cent from M.P. On the whole, it can be concluded that except 1.8 percent workers from Haryana and 0.8 percent from Uttrakhand, the majority of the workers were from Bihar and Uttar Pradesh followed by Jharkhand, Madhya Pradesh, Chhattisgarh, West Bengal, Rajasthan respectively (Table 5.5)

State/province	Frequency	Percent
HR	9	1.8
Raj	16	3.2
UP	131	26.2
Bihar	165	33.0
UK	4	0.8
WB	31	6.2
JH	59	11.8
CG	36	7.2
MP	49	9.8
Total	500	100.0

Source: Primary Survey

Further, the employment configuration of the sampled workers shows that out of 500 total workers, about 52 percent were employed at government or public sector construction worksites and rest 48 percent were employed at private sector construction worksites (5.6).

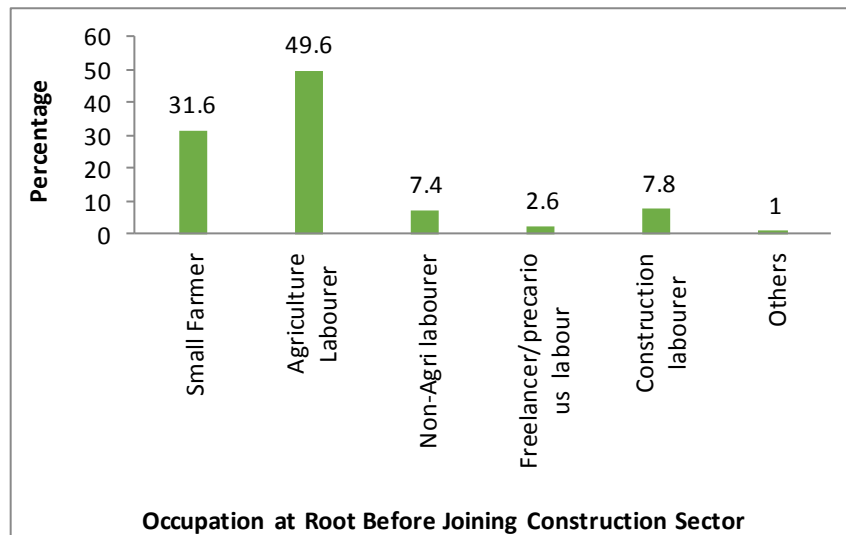
Sectors	Sampled workers	Percentage to Total (500)
Public/Govt Sector	260	52%
Private sector	240	48%
Total (Public+ Private)	<b>500</b>	<b>100</b>

Source: Primary Survey

Further, the deeper analysis finds that almost equal proportion of workers mobilised from Bihar in private sector (81) and in public sector (84); followed by 78 (in public sector) and 53 (in private sector) from Uttar Pradesh. Most of the workers across the sectors (both public and private), were mobilised in almost in same pattern, where Bihar and Uttar Pradesh contributed the most.

Enquiring about the duration of stay of workers in the study area, revealed that 70.2 present stayed up to 1 year, 23.0 present stayed up to 2 years. Only 6.2 present workers stayed between 2 to 5 years.

**Figure: 5.3**  
**Workers' Occupation at origin before joining Construction**



Source: primary field work

As above table data suggest that only 7.8 percent of the total workers have been involved in construction activities before they were mobilised at current worksite and the rest 49.6 percent of the workers belong to class of agricultural workers and 31.6 percent belonged to small peasant community. This signalled the distress kind of movement of the rural workers towards construction sector and such process could be labelled as shifting of preliterates into the wage work relations (Figure: 5.3).

## 5.5 Facilities at Work Site

### 5.5.1 Type of Accommodation

Type of accommodation of the workers, revealed that the large proportion of workers (63.0 percent), who were mobilised through intermediaries (labour contractor or gang leader, were living in the small hutments / Juggi provided by the contractor. 28.4 percent mobilised through mediators were living in the fabricated hutments provided by company, 4.6 in the building construction site 'Juggie', and 4 percent in the rented houses outside. The data indicates the pathetic situation of construction site workers. Most of the workers in public sector projects mobilised through either agency of workers or labour contractors were only given 'Jhuggi' type of accommodation. These sites were found to be lacking in providing fabricated hutments in contrast to private sector.

### 5.5.2 Payment for Accommodation

For the data, it is clear that 67.8 per cent workers, who were mobilized through agency of workers and their networks, were almost promised for better accommodation by the employer or the contractor but they got space for Juggi (a temporary shelter made of mud and bricks) at the worksites. The workers state that they do not know whether contractor is paying or the company is paying for the space. But good thing is that we all belong from the same areas and remain socially embedded. But the workers brought in by the labour contractors or ‘thekedars’ told that the accommodation was provided by the contractor when the workers were asked to respond to ‘who pays the rent’?, of all the respondents, 28.6 percent reported the rent was being paid by company, 6 percent of worker’s told that rents were by contractor and 2.6 per cent claimed to have paid the rent on their own (Figure: 5.4).

**Figure: 5.4**  
**Rent Payment for Accommodation**



Source: primary field work

Moreover, the workers in the public sector were mostly given Juggi type of accommodation rather than fabricated hutments as was found at private sector sites such as PBDLF5 & SPDLF. Except a few workers most of the workers were provided rent free space for Juggi or fabricated dormitories kind of hutments.

### 5.5.3 Sources of Lighting at Accommodation

Irrespective of the project sites, it was revealed that 77 percent of the workers used electricity as main source of lighting. 21.8 percent workers used kerosene, which means that a large

number of workers still depend on kerosene for lighting purpose. The connection of electricity is yet to reach their homes.

It was shown that provision of separate kitchen at accommodation of the workers. Of the total respondents, 20 percent of the workers reported to having separate kitchens, 80 per cent in fact, have no separate kitchens at all.

It was told that the type of fuel used in kitchen by the workers. 66 percent of the workers used LPG, but 27.8 per cent workers still used wood as a source of fuel. Usually they used wood (63 percent) as fuel for cooking purpose. Burning of wood emits gases like carbon monoxide (CO), carbon dioxide (CO<sub>2</sub>) etc.; inhaling of these gases might cause cough, breathing problem and suffocation, etc.

#### **5.5.4 Drinking Water Facilities at Sites**

Facilities of drinking water at site revealed that the majority of the workers (42.6 percent) were using water tanker and water coolers (30 percent) as a source of drinking water. Tube well (16 percent) and bore well (7 percent) were the other sources of water. 4 percent of the respondents reported no drinking facilities at the site.

Except two private sector companies (Indian MNC) where water cooler was installed, most of the other private and public sector companies' sites only had either a bore well or water tanker as drinking water facilities. Though water was supplied free of cost, most of the workers complained about the irregular supply and poor quality of the water. Therefore, some of the workers, who got some problem due to poor quality of water, were forced to purchase drinking water from outside.

#### **5.5.5 Toilet Facilities at Worksites**

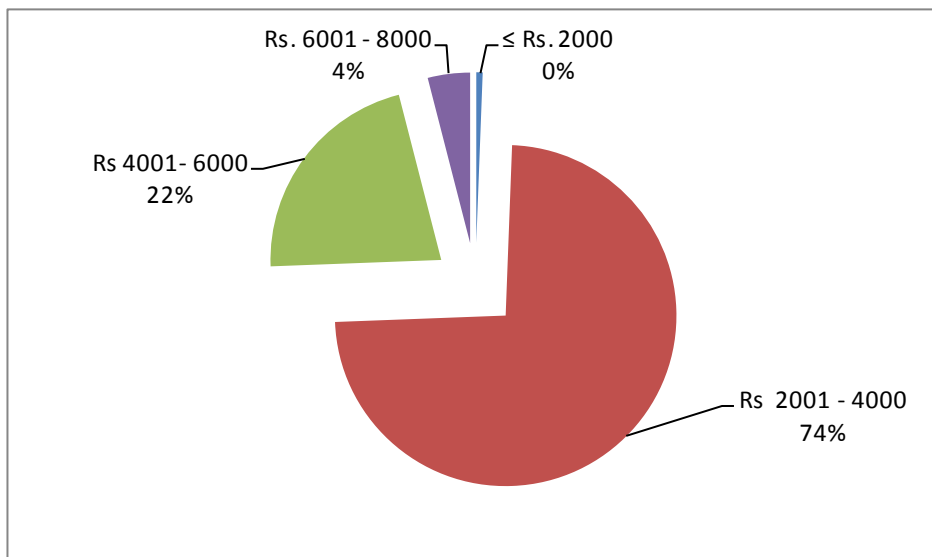
The type of toilet facilities on the construction site showed that 40.6 percent workers reported the presence of Pit Toilet facility and 30 percent reported the presence of Shared/flush toilet facility. For defecation, 21.6 percent of the workers go to open field. The data indicate the poor sanitation and toilet facilities available to workers.

### **5.6 Worker's Monthly Expenditure**

Figure below shows the minimum monthly consumption expenditure of workers. 73.8 percent workers were in the category of Rs. 2001-4000; 21.6 percent workers in the category of Rs. 4000-6000; and 4 percent in the category of 6001-8000. This means that majority of the

workers monthly expenditure is very low, which indicates the low wages of construction workers and hence affects their livelihood (Figure: 5.5).

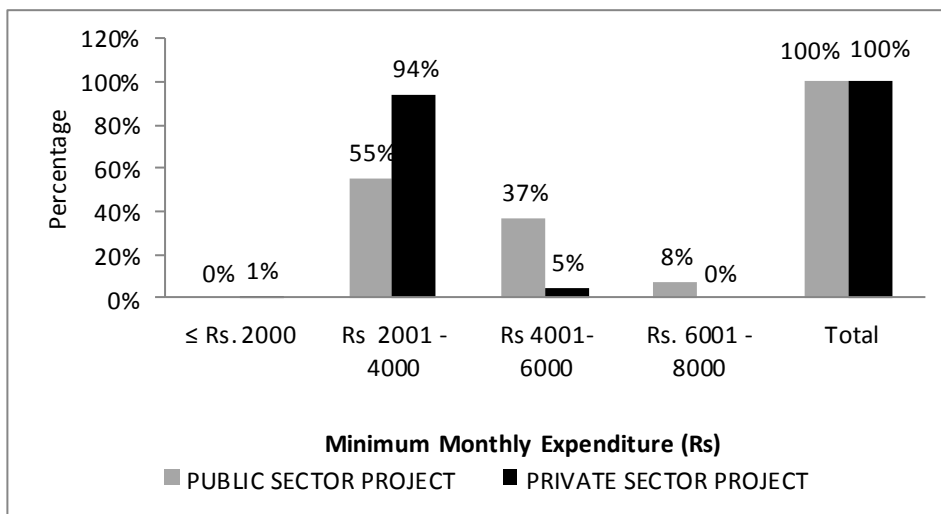
**Figure: 5.5**  
**Minimum Monthly Expenditure (₹/Rs)**



Source: Primary Survey

However, sector-wise workers' monthly expenditure shows that 94 percentage of the workers in private sector have monthly expenditure of about 2000-4000 in contrast to 55 percentage in public sector. Further on higher scale difference was significant in case of expenditure between Rs. 4000-Rs.6000 (Fig. 5.6).

**Figure: 5.6**  
**Sector-Wise Workers' percentage of monthly expenditure 2**

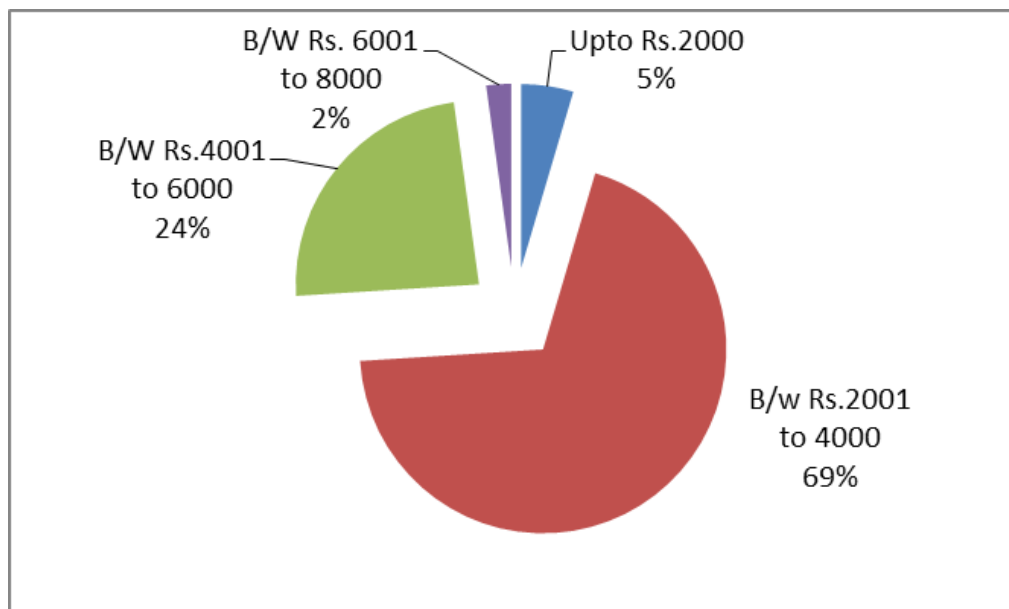


Source: Primary Survey

### 5.7 Workers' Monthly Savings

The study found that low the monthly savings of the workers. The data revealed that 69.4 percent workers saved in the range of Rs.2001-4000, this was followed by 23.8 percent in 4.6 percent. Moreover, the inquiry about the supplementary income of the workers 'households reveals that apart from the respondents either wife or husband contributes about 30 percent and their parents contribute around 14.8 percent of the additional household income. For the above data, respondents were asked to respond 'who else adds in your household income'. The data indicate that 53.4 percent workers are the only contributors to the household income, but 30.0 percent of household income is contributed by women. There is a huge gap between men and women's contribution in household income. Moreover, children's involvement in the income generating activities still reminds the presence of child labour at some level (Figure: 5.7).

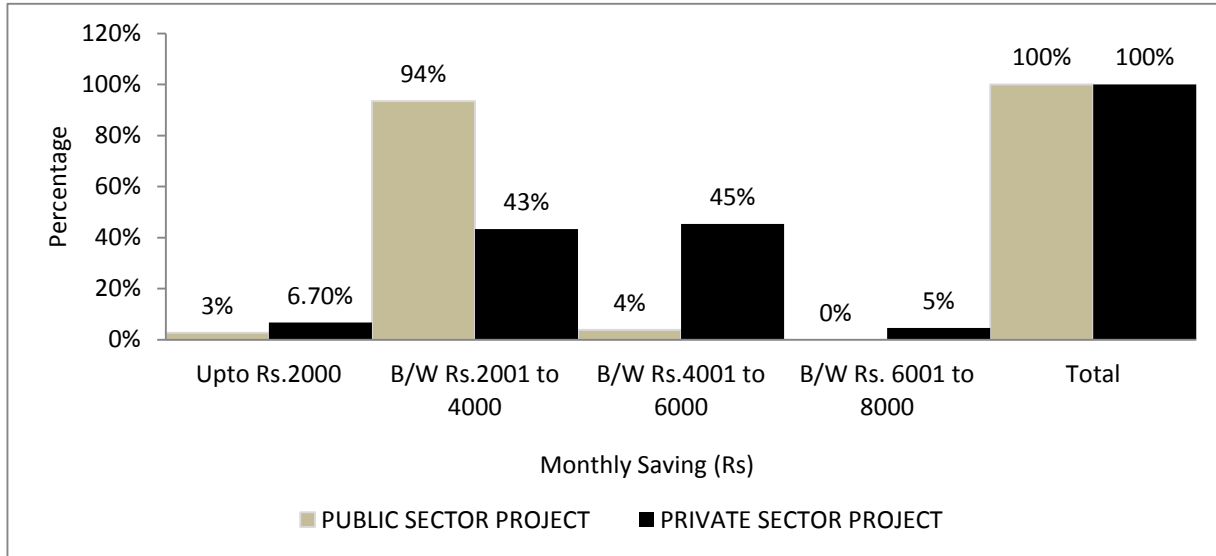
**Figure: 5.7**  
**Monthly Saving (₹/Rs)**



Source: Primary Survey



**Fig.5.8 Sector-wise Monthly Savings of Workers (₹/Rs)**



Source: Primary Survey

As above Figure shows (Figure 5.8) that about 94 percent of the workers have a monthly saving in the range of Rs 2000-Rs 4000. This reveals that their incomes are very low, almost equal to their expenditure. It implies that most of the workers in public sector has savings less than the private sector. However private sector workers (45%) have better saving in terms of Rs 4000-Rs.6000 in contrast to only 4 percentage in public sector (Figure: 5.8).

### 5.8 Present Job Profile

The analysis of job profile of the respondent workers (Table:5.7) highlights that contemporary construction work has four categories of workers, namely, Skilled, Semi-Skilled, Unskilled, and others (including Self-Employed or Own Account Workers). Table 5.4 shows that around 42.6 percent workers were in the occupations which would be classified as Beldar and 18.8 percent in unskilled occupations. The unskilled occupations have generally a larger proportion of the younger workers mason (15.2), crane operator (1.4 percent), driver (1.6 per cent), supervisor (6 percent) were done by skilled or semi-skilled migrant workers. It is observed that categories of workers are quite often associated with their socio-economic characteristics.

<b>Table: 5.7 Present Job Profile of Workers</b>		
<b>Category</b>	<b>Number</b>	<b>Percent</b>
<b>Skilled</b>		
Mason (Construction)	76	15.2
Mistry (Carpenter/Marbel/Tile / Plumber,Saria (Iron Bar binder)	94	18.8
Crane Operator	7	1.4
Driver (Loader/Tractor / Leveller/JCBs, etc.)	8	1.6
<b>Semi-Skilled</b>		
Beldar / Assistant to Operator (JCB)/Carpenter	213	42.6
<b>Un-Skilled</b>		
Helper/Kuli/Mazdoor, etc	84	16.8
Self Employed/Own Account Worker		
Supervisor/Jamadar- Self Employed	11	2.2
Petty Contractor/Sub-Contractor /Agent	7	1.4
Total	500	100.0

Source: Primary Survey

### **5.9 Status of Previous Experience**

The study finds that most workers neither had workmanship ID nor any experience certificate to claim that they have any work experience. The data show that 97.2 percent workers did not have any previous job/ work identity card/ certificate. Only 1.8 percent of the total workers have reported to have certificates.

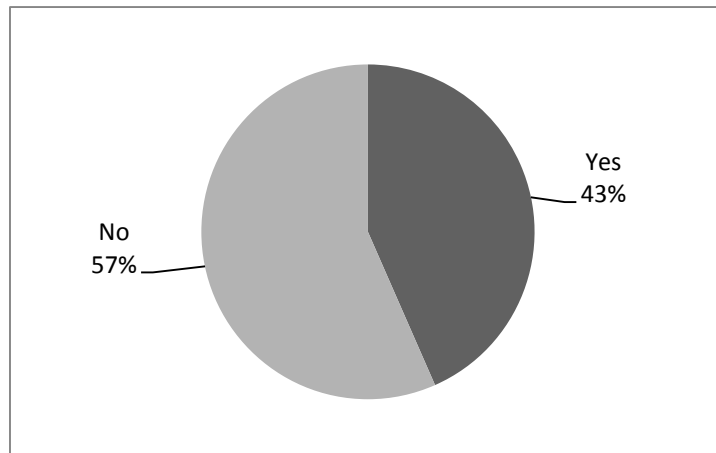
### **5.10 Status of Bank Account/Financial Inclusion**

Irrespective of the project sites or sectors, the study finds that only 16 percent of total workers had bank account and rest majority of the workers still did not have any bank account or post office account. The data clearly shows that the marginalized and vulnerable sections of the society rarely have their own bank accounts.

### **5.11 Status of Debt**

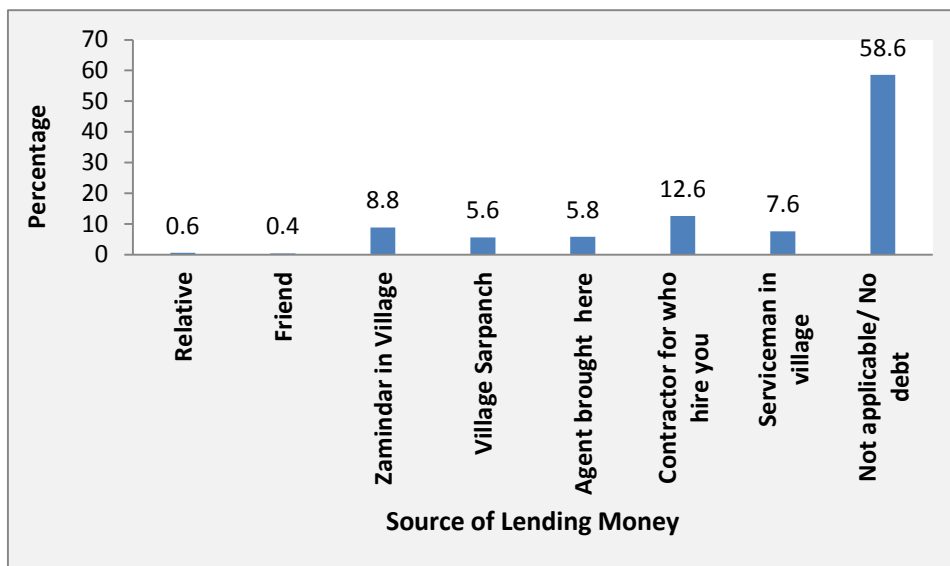
The analysis about the living conditions of the workers reveals that 43.4 percent of the workers were indebted. The data clearly shows that the construction workers have to take debts to meet their household needs (Figure: 5.9). Further, within the debt holders, around 20.2 percent and 13.4 percent have debts over more than 3 years and 5 years respectively.

**Figure: 5.9 Status of Debt**



Source: Fieldwork data

**Figure: 5.10  
Source of Lending Money**



Source: Fieldwork data

The reveals that apart from 14.2 percent of workers who got loan from zamindar or village serpent at the origin of the workers, 12.6 percent of the workers got debt money from the contractors who hire them and 5.8 percent of the workers received the amount from the agents who brought them at the worksites (Figure: 5.10).

## 5.12 Summing Up

Most of the workers found to be migrants and belong to historically unprivileged sections such as SCs, OBCs, STs (marginalised caste and class) and other vulnerable groups of the

society. They have less social as well as human capital. The socio-economic conditions of the workers discussed here described the vulnerability among the migrants who seek construction works as an immediate source of employment to survive. As most of the workers have taken debt from the different sources that shows the distress kind of migrant flow from rural areas to urban construction sector. The job profile shows that patterns of employment configuration in the construction sector. Most of the workers revealed that NREGA card is also playing an important role in process of mobilisation of the labour, decision of migration and bargaining tool for rural workforce, especially for women workers that will be discussed in next chapter.

## CHAPTER SIX

### LABOUR MOBILISATION AND EMPLOYMENT RELATIONS

#### 6.1 Introduction

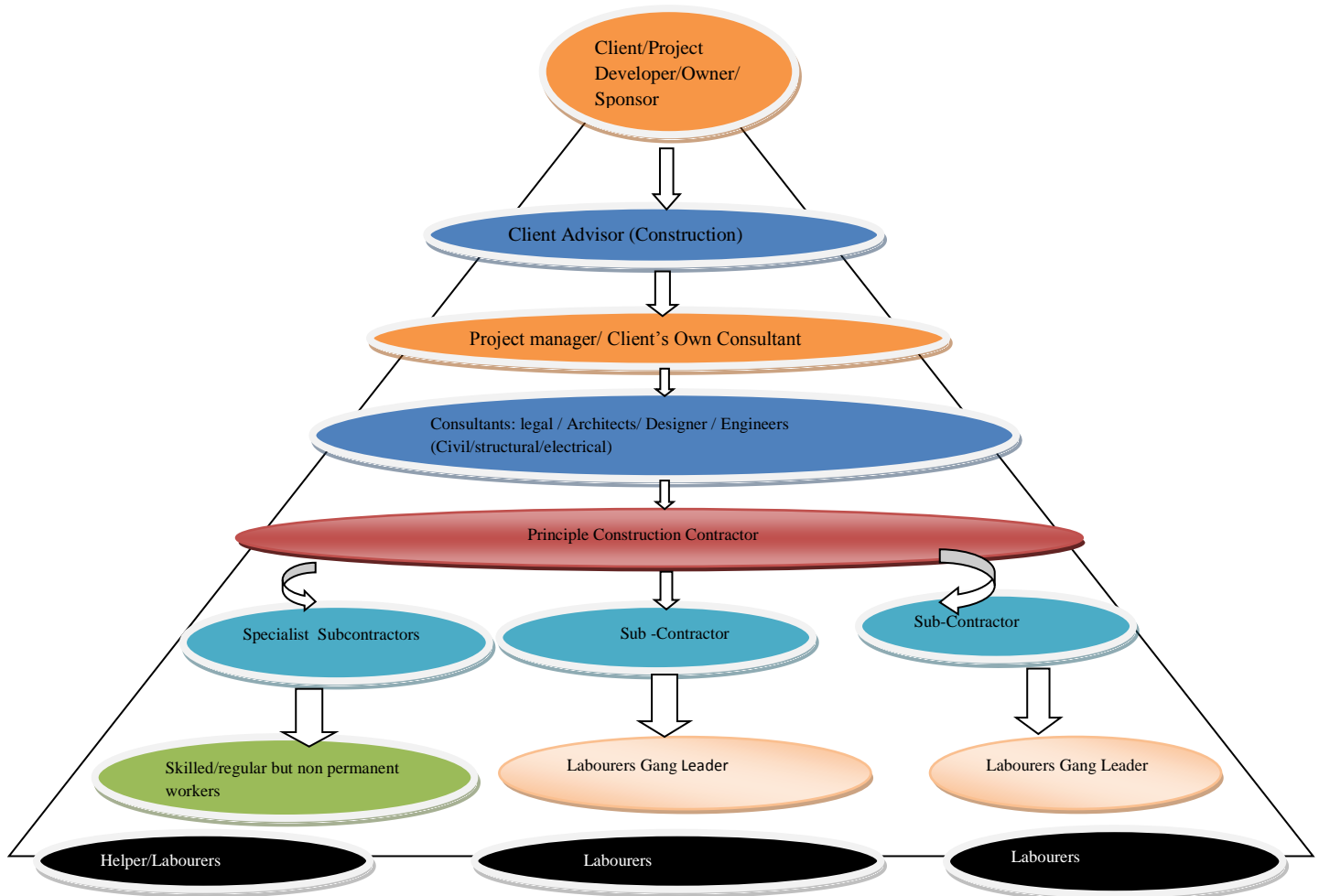
In broader sense, labour relations in informal sector can be analysed under three broader process features such as the aggregate of the labour process, linkages of both employers and workers, and dynamics of labour practices. Moreover, these broader attributes largely impact on the context of labour relations such as conditions of work, bargaining of wages /income and benefits, workmanship rights, and labour standards, etc. Further, theoretical underpinnings of labour-work relations discussed in previous chapters provide some important explanations such as labour trends, type and size of the firm, citizenship status (migrant/non-migrant), scope of collective action bargaining, social relations (between employers-workers and within workers), gender, skill, sectoral specific labour and welfare regulations, etc. This chapter analyses the relationship among the major stakeholders that operate in the industry such as labourers, contractors/ subcontractors, labour management officials at worksites as well as designated officers of the concerned enforcement agencies. . Thus the construction industry is constantly in need of various type of labour and has an enormous capacity to absorb a large numbers of unskilled labourers to highly skilled workers. In this milieu, the construction labour market is the interaction of construction organizations and workers, where construction companies are constantly searching for labour as per their need of work and workers are in search of job or employment for a reasonable wage rate.

#### 6.2 Labour Process at the Worksites

In post reform period, the Indian labour market has seen a structural transformation. As a result, construction industry has become one of the largest employers in recent times (GOI, 2011-12). Despite of the 2nd largest employers, labourers are at the bottom of the construction industry's process pyramid (Figure.6.1). The labour process could be seen as the most flexi-cum precarious or 'a race to bottom' in nature, where a large numbers of intermediaries, subcontractors and agents are part of the recruitment and deployment chain. In spite of technological advancement, the labour process in the construction industry still largely depends on traditional ways of mobilization such as kinship or local agents who often brings rural migrants from poor region in India. The industry could be matched at the global

parameter in terms of operation, technology and overall management of the investment as well as product development. But despite of that, the labour practices and standards remain not only highly localized but also largely traditional. With growing technological advancement and demand for flexi-specialist workforce, today the sector is full of sub-contractors. Further, emerging concept of bottom line contract, the sector has more contractors in the form of self-employed workers rather than contractual workers. Though the industry has become more organized, the labour process is largely remained flexible and facilitated by the multilevel intermediaries through the pyramid of subcontracting (Figure 6.1).

**Figure 6.1: Labour and Governance Structure at Construction Worksites**



Source: Based on the Author's Own Observations during the Fieldwork

Traditionally, most the workers, from skilled to unskilled level, are managed by the contractor or labour contractors. They have further their own chain of gang leader or agency of workers, who mobilise the workers from their respective regions. The main contractor or

sub-contractor often keep liaising with two types of intermediaries; first labour contractors who mobilise, pay and managed workforce at worksites for a specific task; second the gang leader who only mobilise but then contractor pay and manage the workers. The industry has multi-contractual chain of production process and labourers fall at the bottom of the hierarchy. Most of the large construction organizations have almost same typology of labour deployment and management process, where bottom line labourers are at the margin of the process (Figure.6.1).

### **6.3 Relationship between Intermediaries and Contractors**

The field observations show that more often intermediaries bridged the gap between the workers seeking employment and the contractors who offer employment or work opportunities. They keep occupational networks and play precarious role from labour only contractors such as gang leader, jamadar, sardar to petty contractors (Bremar, 1998). These gang leader and labour only contractors (the intermediaries who mobilise the labour on behalf of the sub-contractors) are either paid commission or a lump-sum payment from supervisor or labour official of the main contractors. Though sometime their responsibility and forms of payment often vary. Even some cases, workers mobilized by them are paid directly by the contractor and contractors pay a fee (commission) to them. These trends hold significance in most of the developing countries around the globe to be becoming popular across countries (ILO, 2001; Wells & Jason, 2010)

### **6.4 Relationship between Intermediaries and Workers**

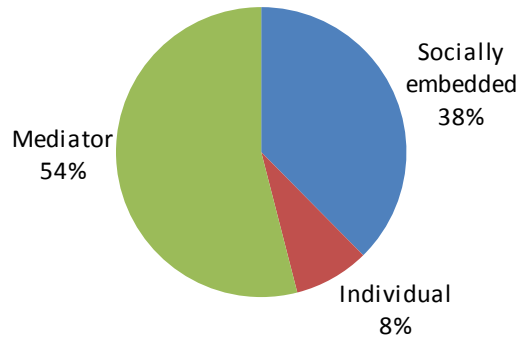
Our field survey shows that about 80 percent of the workers are known to the intermediaries through social networks. It is common practices that most of the migrant construction workers often mobilize from a certain groups or regions. Many workers usually come together through family and friends and they are found socially embedded at worksites. As most of the construction workers are migrants and mobilized through various intermediaries, this chapter examines the workers' perception of work, labour process, and employment relations at the worksites in Delhi NCR.

### **6.5 The Labour Process and Employment Configuration at Worksites**

The analysis of the primary field work reveals that majority of the workers (54 percent) were mobilized through mediators, such as contractors, sub-contractors or their agents, who paid for their travel from their home to the worksite. While 38 percent workers who mobilized through their kinship and their social embedded networks arranged the traveling expenses by their

family and friends. The rest around 8 percent of the workers paid managed their own, either through village money-lender or ex-servicemen and claimed that they were called by the contractor with whom they had worked before and promised to pay their journey expenses (Figure 6.2).

**Figure: 6.2 Employment Configuration  
(Who Paid Your Journey from your Home to Delhi / Gurgaon?)**

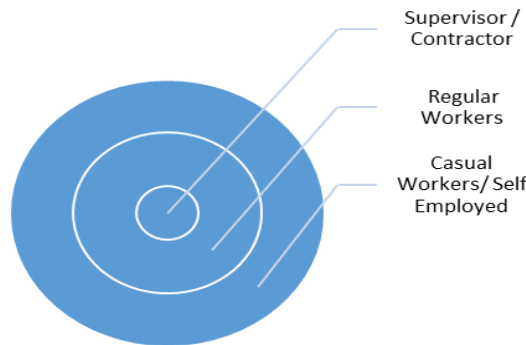


Source: Fieldwork data

### 6.6 Relation among Different Employment Categories

As most of the companies apply Atkinson model (1985) for employment practices. Most of the organizations maintain a small pool of supervisor (core-worker) as a regular but contracted for a particular project, who manages petty contractors and their workers regularly at the worksite. However, most of the other workers including self-employed, (periphery) workers are concentrated in casual or piece work relationships, while a few supervisors on the core and few skilled workers remain on regular basis. This type of employment segment often helps the companies to main both the functional and numerical flexibility across the projects.

**Figure: 6.3  
Employment Categories**



Source: Atkinson, J. (1985) model for flexibility



## 6.7 Relationship between Intermediaries and Workers across Sites

The study shows that 80 percent of the total workers are known to the intermediaries, who mobilised them through social networks. It is common practices that most of the migrant construction workers often mobilized from a certain groups or regions. Many workers usually come together through family and friends and as the study finds, they are socially embedded at worksites.

## 6.8 Job-Work Based Employment Relations across Sites

The current job profile of the workers reveals that most of the workers' employment configuration is spread across four categories. However, majority of the wage workers were concentrated mainly into three categories, that is, semi-skilled (42.6 percent), skilled (37 percent), and un-skilled (16.8 percent) respectively. The rest (Self Employed/Own Account Workers) were having different payment-work relations. Almost all workers claimed that they were employed as per piece rate basis. On an enquiry about their skill, apart from 3 percent, who claimed to get trained by contractor, the rest 97 percent of the workers acquired the skill from their elders or peer groups. They perceived that learning from the institution cost them more and they are not able to mobilize the resources as they are the bread earners. Further, they perceived that work is not regular, thus, paying for the training could land them in debt kind of situation (Table: 6.1).

The inquiry about their employment or workmanship identity reveals that majority of workers (63.6 percent) did not have any proof of their employment or job they are hired for. Further, 21 percent, 13.2 percent, and 1.4 percent were found to be in possession of their respective company card/ contractor's card/ agent's cards, which brought them there. Only, 0.2 percent (1 person) had the labour card issued under the BOCWA, which is the mandatory to access the workmanship and other labour entitlements.

	<b>Category</b>	<b>Number</b>	<b>Percent</b>
<b>1</b>	<b>Skilled</b>		
	Mason / Mistry/Crane Operator/ (Carpenter/ Marble/Tile / Plumber, Saria (Iron Bar binder)/ Driver(Loader/Tractor / Leveller/JCBs, etc.)	185	37.0
<b>2</b>	<b>Semi-Skilled</b>		
	Beldar / Assistant to Operator (JCB)/Carpenter	213	42.6
<b>3</b>	<b>Un-Skilled</b>		
	Helper/Kuli/Mazdoor, etc.	84	16.8
<b>4</b>	<b>Self Employed/Own Account Worker</b>		
	Supervisor/Jamadar- Self Employed/ Petty Contractor/Sub-Contractor /Agent	18	3.6
	<b>Total</b>	<b>500</b>	<b>100.0</b>

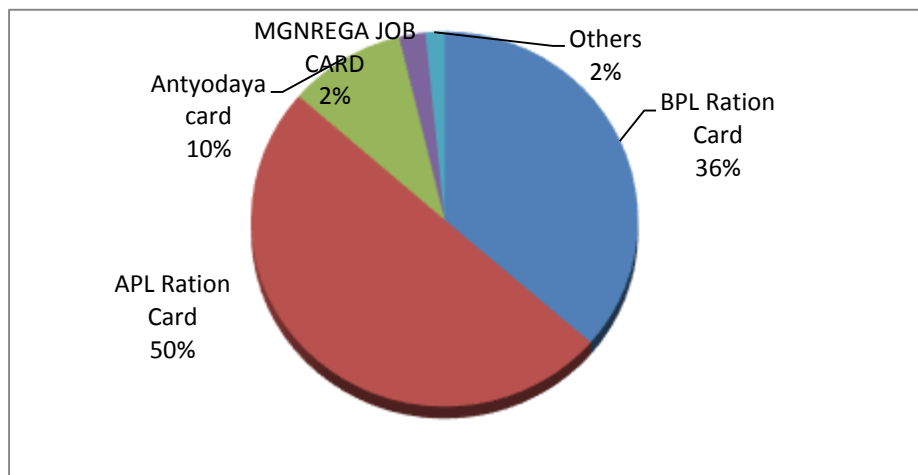
Source: field work study

## 6.9 Social Security

Figure 6.4 shows that only 36.4 percent were BPL ration card holders and poorer category Antyodaya card holders (9.8 percent) were strategically mobilized by keeping their economic condition in the centre of wage-work relations. Further, 50 percent workers, who were part of vulnerable group, were having APL Ration Card, the rest 50 percent belonged to the marginalized group. However, 2.2 percent MGNREGS Job Card holders got a special entry along with others who did not have any social security (Figure: 6.4).

**Figure: 6.4**

**Type of Social Security/beneficial card at origin/home**



Source: primary field data

## 6.10 Participate in the Construction Labour Market: Job-Work-Wage Relationship

Out of a total 500 sampled workers, 85.8 percent perceive that first, they do not have a capacity to acquire any other skill to move in any other occupation; second, as construction jobs are largely concentrated by migrant workers from their home towns/villages or nearby, they feel more secure here than in the other jobs. Further, 98.2 percent perceive that construction jobs have easy entry and exit for workers like them as they do not have any other option. Moreover, 60.2 percent and 76.2 percent among them reveal that construction jobs provide better cash wage income as well as weekly payment or advances to meet their daily needs or urgencies whenever required than other informal jobs. Many workers also point out that weekly advance (*kharchi*) given to them often restrict their mobility beyond the worksites. If skill training is provided by either company or government without any cost, it will be better

for them. Moreover, almost 50.6 percent consider that this job also provides opportunity for other family members to join, work and live together and keep family or culture socially embedded. Further, 16.4 percent perceive that work and income are more flexible and they can do as much *dehari* on piece rate basis as they can. 62.8 percent also claim that the contractors or agents are from their own native place or a distant relative so they also enjoy the flexibility to go home and join again without any conditions. That is why they claim that they will continue to participate in the construction labour market. However, the rest 14.2 percent perceive work in construction is only for a temporary period of time and if they get better opportunity they will switch their occupation or job.

### **6.11 Work Relations**

About 49 percent workers reveal that they do not get financial help. 93.4 percent of respondents say that they never got any financial assistance for medical problems for the treatment, caused by serious injury or accident at the site. 5.8 percent respondents tell that they have the contractor known to them from their origin and keep employing, while 83 percent workers state that they only have contract with the present job and further there is no security to get further work. Further, 97.8 percent workers describe that with the changing technology, their future is insecure. 57.0 percent workers narrate that timely payments, basic facilities such as drinking water, sanitation and dignity at work often maintain good employment relation. However, most of these workers agree that they lack training and skill, which often lead to poor condition of work and exploited labour relation. Most of the companies and contractors often blurred their employment relations and workers remain continuously trapped into exploitative labour relations.

Because the informal economy exists outside of labour and wage laws, employees within the economy do not have the same protections as formal employees. There is no guarantee that safety laws are being followed, and thus informal employees are more likely to work in unsafe settings. Employers can similarly ignore laws concerning hours and minimum wage. To avoid any legal problem, even when labour is hired and paid directly by the client, it is general trend in the industry that they are put under some agent or gang-leader.

**Table 6.2 Condition of Work and Wages of Workers**

Category	Work conditions	Mode of Payment	Payment of Wages
<b>1 Skilled</b> Mason / Mistry/Crane Operator/ (Carpenter/ Marbel/Tile / Plumber,Saria (Iron Bar binder)/ Driver/operator (Loader/Tractor / Leveller/JCBs, etc.)	As per Daily wage ( Dehari ) 8-10 hours (can be multiple Dehari)	Cash/ advance	Monthly or Piece Rate /Task Basis
<b>2 Semi-Skilled</b> Beldar / Assistant to Operator (JCB)/Carpenter	Daily wage 8-10 hrs	Cash or Advance / Debt	Monthly or Fortnightly
<b>3 Un-Skilled</b> Helper/Kuli/Mazdoor, etc.	Daily wage 8-10 hrs	Cash or Adjustment Advance / Debt	Monthly or Fortnightly
<b>4 Self Employed/Own Account Worker</b> Supervisor/Jamadar- Self Employed/ Petty Contractor/Sub-Contractor /Agent	Lump Sum	Cash or Cheque	Piece/Task Rate basis or at the end of the work

Source: Fieldwork data

## 6.12 Social Justice

About 90 percent of the workers are exposed to poor working and living conditions at both public sector and private sector worksites. Their immediate employer or agents keep frightening them to lose their job if they try to form any union or association and raise their voices. Further, none of the companies have suitable arrangements to address their problems. Most of the workers (99 percent) revealed that contractors and the company want the workers to join any labour union or any organization at the worksite and they keep an eye on each and every worker at the workplace and the accommodation by installing CCTV cameras and regularly monitored by ex-defence or retire police officers.

## 6.13 Trade Unions and Implication for Collective Bargaining

As both the secondary and primary data show that union density has decreased almost across industries, in the construction industry of India, it is traditionally absent or very low. These trends are very much similar to other similar studies (ILO, 2000) that show that union density in the construction industry has decreased almost everywhere, especially in developing

countries. Further, these studies also observe that mobilization of labour through precarious labour process and employment configuration has also put constraint on local labour to be associated with the traditional trade unions. In this way, intermediaries drive a wedge between principal employer and the workers and complicate the relationship and thus reduce both the collective bargaining and capacity of representation. Consequently, majority of the construction workers remain trapped in a 'triplet absence' of workmanship, human, and citizenship rights that deprive them both social dialogue and social justice.

#### **6.14 Problems Faced in the Construction Labour Market**

Out of a total 500 sampled workers, 72.6 percent reveal that construction job is most exploited; 82 percent tell that they are forced to work for long working hours; 81.8 percent describe that there is nepotism in payment of wages; 64.2 percent experience violence work relations while getting their dues; and 66.8 percent of the respondents experience the cut in their wages without any explained reason that caused a huge problem and lead many times to violent behaviour and conflicts at worksites.

About 93 percent of the workers describe poor working conditions; long working hours; and pressure to complete the work; which often cause deterioration of their health. 53.4 percent feel that work environment is not secure and often lead to accidents as they do not have any safety kit (dress, shoes, cap, gloves, etc.). Nearly 66 percent recount that frequent change of work place often cost them and their families especially children as they cannot enrol or continue them to be in school. 68 percent of the workers describe that their employer does not prefer female workers, while most (99 percent) of the sampled women describe that they have to feel the heat at each and every worksite as they have to come up with various problems.

The 92 percent of the workers feel that they remain trapped in low earning construction works as they lack occupational mobility due to absence and recognition of their skill. 36.0 percent tell that low earning often put them in low status in society. 98.2 percent narrate that it is a younger generation work and after a certain age, it is very difficult to continue in such type of works due to exploitative and abusive work relations. 97.8 percent agree that there is no social security in the sector. 68.2 percent state that there is no medical facility available at the worksites. 37.8 workers claim that only in case of injury, they get hospitalized but no wages are paid during hospitalization and after hospitalization they are asked to go to home while no compensation is provided. About 68 percent respondents reveal that they are provided

shelter/Juggi near the work site, while other 30 percent tell that they are provided hutment about 3-4 km away from the worksites and company hires buses or tractors to bring them to worksites in morning and leaves them back in evening at hutment location. In case of any emergency, they are not allowed to leave work place.

### **6.15 Summing Up**

This chapter discusses the dynamic process of mobilisation of labour, work and employment relations. The analysis described that the principle employer often outsourced the labour through multilayer contractual chain. The main contractor or sub-contractor often keep liaising with two types of intermediaries for mobilisation of skilled and unskilled or semiskilled workers; first labour contractors who mobilise, pay and managed workforce at worksites for a specific task; second the gang leader who only mobilise but then contractor pay and manage the workers. Further it also discusses the perception of the workers about work and employment relations.

## CHAPTER -SEVEN

### COMPLIANCE OF REGULATIONS AND LABOUR RELATIONS

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*“Above all, it is the responsibility of the state and the market forces to make compliance of the industrial and labour regulations to balance the power of capital-labour relations. It is their responsibility to incorporate the standard labour practices enumerated in the constitution as well as numerous Conventions and Deceleration on labour rights of International Labour Organization to ensure decent work and social justice to every citizen, especially the workers employed in lowest paradigm of the employment pyramid and those who have been downtrodden and marginalized historically including poor and women. These are the same people or the producers of anonymous construction and related workers who have built and continue to build Palaces, Temples, Mosques, Gurdwaras, Churches, Dams and New Cities” (PN Haksar, 1984, CRRID).*

#### **7.1 Introduction**

This study examines key issues related to compliance of labour laws and regulations. Like in most of the countries, state has always influenced the labour relations, and has a responsibility of social protection or security via regulating the labour and welfare regulations. The majority of the workers in both public and private sector projects are hired as casual labourers and work under difficult and dangerous conditions with no social security benefits. There are also no formal contract agreements and the owners handle legal queries with no recourse to the workmen (Kinyanjui and Mitullah, 1999). The overall objectives of the labour regulations are to protect the interest of the workers in terms of social security, job security, employment conditions, wages, and welfare. This chapter discusses about the compliance status of various labour laws applicable to the construction workers and, further, how it has effected the labour relations in the industry.

#### **7.2 Overview of Labour Regulations in the Construction Industry**

In most of the economies, state always influences the labour relations and has a responsibility of social protection or security via regulating the labour and welfare regulations. The overall objectives of the labour regulations are to protect the interest of the workers in terms of social security, job security, employment conditions, wages, and welfare. In India, labour as a subject is in the concurrent<sup>16</sup> list, where both Union/Federal and State/Provincial governments are empowered to deal with subject. Important legislations that regulate industrial relations are

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<sup>16</sup> See the Under 7<sup>th</sup> schedule of the Indian Constitutions

Industrial Employment (Standing Orders) Act 1948, Indian Trade Union Act, 1926 and Industrial Disputes Act 1947. Apart from these certain laws that take care of most of issues pertaining to the construction workers, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996, Contract Labour (Regulations & Abolition) Act 1970, Bonded Labour Act 1961 and Child Labour (Prohibition and Regulation) Act, 1961 are other important legislations that deal with employment matters and other labour related issues. Further, wages and Compensation are important components in a worker's life, for that we have three laws i.e. Minimum Wages Act 1948, Payment of Wages Act 1936, and Payment of Bonus Act,1965.

The most of these laws deal with organized workforce (Bhagat, 2010). Issues concern to employee-employer relations may relate to employment, non-employment, terms and conditions of work, safety, work hours and welfare matters. Since colonial times to post liberalization era, the government of India has legislated a number of laws that take care of most of the issues such as industrial disputes, and social security. Subsequently, some social security laws were incorporated and also extended their benefits to both contract and informal workers. Some specific legislations of social security with applicability to construction sector workers are Workmen's Compensation Act (1923); Employees State Insurance Act 1948; Employees' Provident Fund and Miscellaneous Provisions Act.1952; Maternity Benefits Act 1961; Personal Injuries (Compensation Insurance) Act 1970; Payment of Gratuity Act. 1972; Inter-State Migrant Workmen Act (ISMW, 1979); the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act (BOCW) 1996; the Building and Other Construction Workers Welfare Cess Act (BOCWWCA) 1996 and Rules (1998); and Unorganized Sector Social Security Act 2008, etc. There are always concerns and doubts about their applicability in the construction work-sites, as most of these social security Acts are applicable for workers employed in formal or regular kind of employment with certain terms and conditions (i.e. minimum number of workers in an organization), and cover certain areas of injury accident, retirement benefits health insurance and pension or retirement benefits; etc.

Moreover, these two central legislations; the Building and Other Construction Workers (Regulations of Employment & Conditions of Service) Act 1996 (BOCW Act 1996) is a major piece of legislation that covers the regulation of employment and conditions of work in the construction industry. Further, this legislation is the most important instrument to provide



registration of establishment and the registration of the beneficiaries of a welfare fund while creating the welfare Board that provides social security and social welfare to the construction workers. Further, the Building and Other Construction Workers Welfare Cess Act 1996 (BOCW Act. 1996) enables the state to levy a Cess of not less than one percent but not more than two percent on the cost incurred by the employer and deposit the amount in Construction Workers Welfare Fund for the welfare activities of construction workers such as housing loan, accidental expense, education and health facilities for their dependents or family members as prescribed under the companion Act. Thus, the next section will be discussed to what extent it has impacted on the conditions of work, labour and welfare benefits to the workers.

### **7.2.1 Workers' Perception and Compliance Parameters**

This study examines key issues related to compliance of labour laws and regulations. Perception of the sample workers was analysed in terms of some compliance parameters and the analysis finds that workers were exploited on payment of wages across sites (80 percent in public and 94 percent in private sector); most of the workers had no social security (97.2 percent in private and 95.2 percent in public sector); wages were paid less than minimum wages (85 percent in public and 93 percent in private sector); and discrimination on the basis of gender still plays a role in payment of wages (80 percent in private sector and 75 percent in public sector) (Table: 7.1).

Further, most of the workers did not have welfare facilities (97.2 percent in private and 97 percent in public sector); workers were not paid compensation in case of any accident at the worksite (95.8 percent in private and 75 percent in public sector); employers did not facilitate workers in getting insurance facility (95.8 percent in private and 95 percent in public sector); trade union did not help in addressing the concerns of the workers at the worksite (99.5 percent in private and 90 percent in public sector); regular inspections were not done at the sites to ensure the compliance of labour laws and regulations; workers were not entitled for ESI facilities (99 percent in private and 98 percent in public sector); workers were not provided labour card for social security under the BOCW Act 1996 (97.8 percent in private and 95 percent in public sector); and women were not entitled for maternity benefits (98 percent in private and 88 percent in public sector) (Table: 7.1).

**Table 7.1 Workers' Perception about Social Security, Labour and Welfare Benefits**

Compliance Parameters	Private Sector (% of Total 240)		Public Sector (% of Total 260)	
	YES	NO	YES	NO
Workers are exploited on payment of wages across sites.	94	6	80	20
Most of the workers have no Social Security.	97.2	2.8	95.2	
Most of the workers have Welfare facilities.	2.8	97.2	3	97
Wages are paid less than minimum wages.	93	7	85	15
Workers are paid compensation in case, if any accident happens at worksite.	4.2	95.8	25	75
Employers facilitate workers to have insurance facility.	4.2	95.8	5	95
Trade Union helps to address concerns of the workers at worksite.	0.5	99.5	10	90
Regular inspections are done at sites to ensure the compliance of labour and regulation.	8	92	15	85
Workers are entitled for ESI facilities.	1	99	2	98
Workers are provided labour card for social security under the BOCW Act (1996).	2.2	97.8	5	95
Discrimination on the basis of Gender still play a role in payment of wages.	80	20	75	25
Women are entitled for Maternity Benefits.	2	98	12	88

Source: Fieldwork data

Most of the Acts are principally implemented by the respective state governments, except where the central government is an employer. But the findings suggest that irrespective of construction sites or projects (governments/public or private), even the sample of the central government construction companies failed to impress anything positive. Irony is that despite of 100 percent migrant workers, on record, almost all workers were recruited on sites to avoid legality of Contract Labour Act (1970) and Inter-state Migrant Workmen Act 1979 both. Such a poor status of implementation of acts across both the public and private sector shows that state and the industry have lost the confidence of the implementation and its outcome.

It was expected that worker would have the Labour card and registration copy under the Welfare Board.( in contrast to claim only 0.8 percent have card) While the official at the Board assured us that there were many applications in line and we had a huge collection of welfare Cess fund that was being use for the welfare of the workers. Further in 2013, Government of India has proposed the amendment to the welfare Act by replacing cost contribution to 5 percent from the 10 percent and the eligibility requirement of 90 days of work as construction labourers to 60 days but its implication remains a challenge.

### 7.2.2 Compliance of Workmanship Rights and Social Security under the BOCWA

An analysis of the workmanship and labour card among the sample workers reveals that though the 5 percent of the respondents were aware of the BOCW Act 1996, not a single out of total 500 workers had the labour card to be issued by the Welfare Board. Further majority of workers (422 workers) describe that the contractor or company does not provide information for the registration, though some of the respondent are working with the company/contractors for more than 2 years. It implies that most of the workers were not only deprived of the workmanship rights, but also deprived of social security for the whole family by not registering with the Welfare Board. The study reveals the poor enforcement of the legislation and vulnerability of the workers, despite of almost twenty years after the legislation incorporated. Moreover, except 10 percent workers, who were aware of the Minimum Wage Act, rest of the workers were not aware of any other labour and welfare provisions (Table 7.2)

**Table: 7.2**  
**Registration with the Welfare Board (Workmanship and Labour Card)**

	Number	Percent
Minimum Wage Act	52	10.4
BOCW Act 1996	26	5.2
No contractor/company provided proper information	422	84.4
Total	500	100.0

Source: Fieldwork data

### 7.2.3 Awareness about Labour Regulations

Table 7.2 shows that irrespective of public or private construction sites, only 10.4 percent workers had awareness about Minimum Wage Act and only 5.2 percent had awareness about BOCW Act 1996. A very high percentage of respondents (84.4 percent) were not aware of the labour regulations. The workers also state that none of the contractors or companies provided them with any proper information about any labour regulation. About 90 percent workers were not aware of the Minimum Wages because there is no universal minimum wage across Indian states. As the Delhi NCR provides mobility across four provincial zones, contractors keep rotate the workers mobile from one region to another, and pay the workers whatever they

decide at the place of migrant’s origin state minimum wage. Even workers also bargain on the basis of MGNREGA wage rate rather than the Minimum wage. Thus, unawareness of the regulations could be because of jargon of regulations where contractor’s strategically keep shifting the workers from one gang leader to another gang leader and avoid the Contract Labour Act 1970 and Inter-State Migrant Workmen Act 1979. It keeps deprived the workers of their workmanship and citizenship rights.

Project		Social security scheme presently			Total
		No	BPL Card	ESI Card	
Public sector	Number	234	11	15	260
	Percent	90.0%	4.2%	5.8%	100.0%
Private sector	Number	182	42	16	240
	Percent	75.8%	17.5%	6.7%	100.0%
Total	Number	416	53	31	500
	Percent	83.2%	10.6%	6.2%	100.0%

Source: Fieldwork data

Table 7.3 shows that 10.6 percent workers owned BPL card; 6.2 percent workers owned ESI card, while 83.2 percent workers did not own any kind of social security scheme. The table shows that 4.2 percent in public and 17.5 percent in private sector workers owned BPL card; percentages of workers having ESI card were 5.8 percent and 6.7 percent in public and private sector, respectively; whereas 90 percent workers in public sector and 75.8 percent in private sector did not own any kind of social security scheme. But BPL card holders describe that they were not entitled the benefits here and they purchased the ration items such as wheat flour, rice, pulses, cooking oil, etc. on the market price and that is too costly here and income or job not secured.

Further, the analysis of the nature of the job security with present contractor reveals that 57.2 percent workers had their job security with their present contractor through verbal assurance only; nearly 17 percent workers job security was through old recruiter, money lender and through family network equally, followed by 8.2 percent workers having their job security with their present contractor by way of their friends, network, and only 0.8 percent workers had their job security as written contract.

<b>7.3a What kind of job Security with present contractor/organisation do you have?</b>			
		Frequency	Percent
Valid	Verbal Assurance	286	57.2
	Written contract	4	0.8
	Family network	83	16.6
	Friendly network	41	8.2
	Through old village money lender	86	17.2
	Total	500	100.0

Source: Fieldwork data

### 7.3 Category-Wise Wages across the Sectors

Across the construction worksites, most of the workers from skilled to unskilled complained about the lower wage rates than the market rates. Table 7.4 shows that almost all categories of workers in both public and private sector worksites got less than the prevailing market rates. However, in comparison, the public sector workers got more than the private sector. For example, skilled workers in public sector received Rs. 280 wages per day, while their counterparts in private sector got only Rs. 230. Similarly, in unskilled category, private sector workers were paid Rs. 150, while in the same category public sector workers got Rs. 180. Even within the unskilled men category, there was wage difference between both the sectors.

**Table 7.4 Gender Wages Differences (Rs.) on the basis of Public Sector and Private Sector**

<b>Sector</b>	<b>Gender</b>	<b>Skilled Worker</b>	<b>Semi-Skilled Worker</b>	<b>Unskilled Worker</b>
<b>Public Sector</b>	Male	280	225	180
	Female	-	-	160
<b>Private Sector</b>	Male	230	180	150
	Female	-	-	130
<b>Prevailing Market Rate (Rs)</b>		450	350	250

Source: Primary Field Work

However, as shown above (Table 7.4), one common practice of gender discrimination was observed in both the sectors. Women were not found engaged in the skilled or semiskilled

categories of construction work; they were only concentrated in the unskilled category. They were denied the equal wages within the category as per the Equal Remuneration Act, 1976. Further, it was also found that males working hours were more than that of female, but they were not paid extra as per the minimum wages act.

#### 7.4 Workers’ Awareness about Other Entitlements

As the medium sized worksites were employing more than 250 migrant workers, as per BOCW Act 1996, workers are entitled for subsidized canteen facility and rest room at the sites, but except one site of LTDLF, no such facilities were found available there. Similarly, health check and first-aid facilities were also lacking, especially in two public sector worksites and one private sector worksite. As most of workers are neither registered as Inter-State Migrants nor under BOCW Act; they lack workmanship as well as citizenship identity and are often trapped between labour contractor and employer for further work

#### 7.5 Provision of Safety and Training to Workers

As per the BOCW Act, if there are more than 500 workers employed, then an appointment of safety officer is mandatory. The study finds that at the large construction sites, safety officers were appointed. Even in case of LTDLF site, one foreigner safety officer was appointed to ensure the safety standard. However, other sites were lacking the safety norms, most of the workers were neither given safety training nor wearing of safety kit was ensured. But almost all companies claim that they followed highest safety standards. Further, an attempt was made to inquire whether the workers were provided with any kind of safety training at the worksites after their joining. It was revealed by the workers that a high percentage (71.8 percent) of them were not provided with any kind of such safety training after joining their work (Table 7.5).

**Table: 7.5 Provision of Safety Training to Workers after Joining at Worksites**

	Number	Percent
Yes	141	28.2
No	359	71.8
Total	500	100.0

Source: Primary Field Work

## 7.6 Provision of Safety Tool Kit for Workers after Joining at Worksites

An inquiry about issuing of safety tool kit to every worker after joining reveals that a higher proportion of 69.4 percent workers did not receive any safety tool after joining. Only 30.6 percent workers reported that they were provided with safety tool kit after joining work and that they were told that wearing safety kit was mandatory for them. While on further inquiry, a few of them revealed that they were told that it was important and mandatory to wear the safety kit only during inspections (Table: 7.6).

**Table: 7.6**

### **Issue of Safety Tool Kit for Workers after joining at Worksites**

Table 7.6 Safety Tool kit Issued to Workers after Joining

	Number	Percent
Yes	153	30.6
No	347	69.4
Total	500	100.0

Source: Primary field work

## 7.7 Welfare Facilities at Worksites

### 7.7.1 Health Check-Up before Joining

As per the Act, regular health check-up is mandatory on sites. An inquiry whether workers get their health check-up before and joining reveals that as high as 70.6 percent workers did not go through such check-ups, and only 29.4 percent of them told that health check-ups were done for them (Table: 7.7).

**Table: 7.7**

### **Workers' Health Check-up before Joining at Worksites**

Table 7.7 Health Check-up of Workers			
	Number		Percent
Yes	147		29.4
No	353		70.6
Total	500		100.0

Source: primary fieldwork

On maternity benefits, female workers told that as there was no facility for them to get check-up, they had to go to private doctors in case of emergency. During maternity period, no facilities were provided; even they were asked to go to their home/village. They were pressurized to shift from the site and no compensation was provided.

### 7.7.2 Workers’ Awareness about Compensation and Medical Facilities

An in-depth inquiry about the workers’ awareness about compensation in case of any kind of mis-happening at worksite, it was noted that none of the workers had awareness in this regard. In response to an inquiry whether any ambulance facilities for the workers readily available at worksite in case of any emergency or accident, 77 percent respondents told that such services were not available to them. Only 3.6 percent respondents replied that the ambulance services were available on call from a nearby hospital as it had a tie up with the construction site. The other 3 percent did not notice any ambulance. On the other hand, 19.4 percent respondents reported that ambulance was available, especially at two project sites SP-DLF & LT DLF5 (Table 7.8).

**Table: 7.8**  
**Ambulance Facilities for Workers at Worksites**

Table 7.8 Any ambulance facilities readily available at worksite in case of any emergency or accident

	Number	Percent
No	385	77.0
Yes	97	19.4
On call, called from nearby hospital / Tie-up	18	3.6
<b>Total</b>	<b>500</b>	<b>100.0</b>

Source: Primary field work

Further inquiry whether in case of hospitalization due to any injury caused or due to any condition of sickness during work, the cost incurred and expenses were borne by the contractor or the employer, 42.2 percent of workers revealed that there had not been any free treatment at company cost. They had to use their own money in such situations. And 37.8 percent stated that company paid for in case of injury and asked the labour to leave the job after that. While 20 percent workers stated that free treatment at company cost was provided at their company clinics.



On information whether any qualified doctor was stationed at worksite in order to deal with any kind of emergency situation or issues pertaining to health situation, it was found that as high as 67.8 percent of the respondent workers revealed that no doctor was stationed at worksite to look into any kind of health related emergency or any issues related to health at worksite. Only 9.4 percent of respondents told that there were weekly visits of doctor at worksite.

### 7.7.3 Availability of Crèche Facilities at Worksites

As Table 7.9 shows, 23 percent of the respondents stated that there was availability of crèche room facilities at worksites, but in the absence of a regular attendant, it was of no use. A majority of workers (77 percent) denied of having any such facility at worksites. This might be because women are not preferred and thus, these facilities are unlikely to be available.

**Table: 7.9**

<b>Table 7.9 Creche Facilities at Worksites</b>		
	Number	Percent
Creche facilities available at worksite and but no regular attendant	115	23.
Creche facilities not available at worksite	385	77.00
Total	500	100.0

Source: Primary field work

### 7.8 Trade Union and Social Dialogue

About 77 percent workers told that they had no affiliation to any trade union; and contractor or company did not allow participating in any union or association. At worksites, no union was allowed and it was monitored through CCTV as well as retired police or army officers.

As Table 7.10 shows, only 4 percent workers were found associated with local construction workers' organisation and mere 1.8 percent workers were affiliated with traditional trade union, which was also similar to what secondary data show. About 15 percent were found attached with their community/village network or socially embedded (Table: 7.10).

Organisation	Number	Percent
Own village/district/state community group	73	14.6
Construction Workers' association	20	4.0
Trade union	9	1.8
NO one	387	77.4
others	11	2.2
Total	500	100.0

Source: Primary field work

### 7.9 On Advance Payment or Debt

As Table 7.11 indicates, 75 percent of the workers told that they received more advance from the current contractors than the last one. This shows the trends of advance for longer period of time employment for workers and smooth work by the contractors without any conflict at worksites. While 48.8 percent of the workers told that their debt was still not over with the current contractors and they continued to work till the debt was returned. This is what Breman called neo-bondage kind of labour relations (Table 7.11).

**Table 7.11  
Status of Debt or Advance**

Debt /advance status	Number	Percent
Present contractor paid more advance for longer period of employment than old one	375	75.0
Debt taken from agent/contractor is not over	244	48.8

Source: Primary Field Work

### 7.10 Labour Relationship: Formal or Informal?

As the study finds that all the construction sites belong to the formal organisations whether public or private organisation, but the data reveal that almost all workers were employed informally and 67 percent of them were not aware of their principal employer. Even 32.8 percent of the workers, who told that they knew their principal employer, could tell their contractor name rather than the principal employer. In this blurring employer-employee relationship, most of the workers remained trapped in the multilayer contractual chain with shifting between gang leader and sub-contractor despite of working with the same

organization for a longer period of time. They are continuously deprived of both their workmanship as well as citizenship rights.

		Frequency	Percent
Valid	YES	164	32.8
	NO	336	67.2
	Total	500	100.0

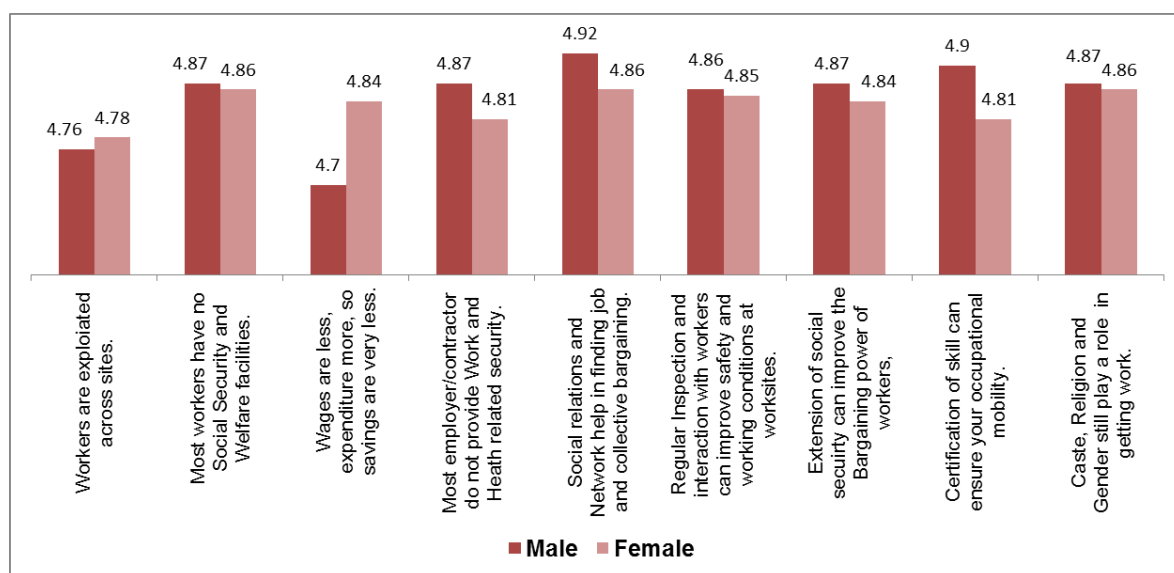
Source: Primary field work data

### 7.11 Gender Wise Perception of Work and Labour Conditions

As the following figures (7.1a & 7.1b) describe that irrespective of sectors and size of construction worksites, most of the workers with a high perception of more than 4.5 on a 5 point scale are looking towards the state to provide social security and ensure decent work conditions to improve their conditions of work and welfare.

Most of the workers pointed towards the non-registration with Welfare Boards, absence of workmanship identity and social security, low wages, bad working conditions, exploitation at work sites, poor payment of wages, skill development and poor compliance of the labour and welfare provisions etc. This hold true for both male and female as well as irrespective of the sectors whether it is public or private sector, conditions were same, as they were working under the same kind of ‘thekedar’ contractors or ‘gang-leaders’ across worksites..

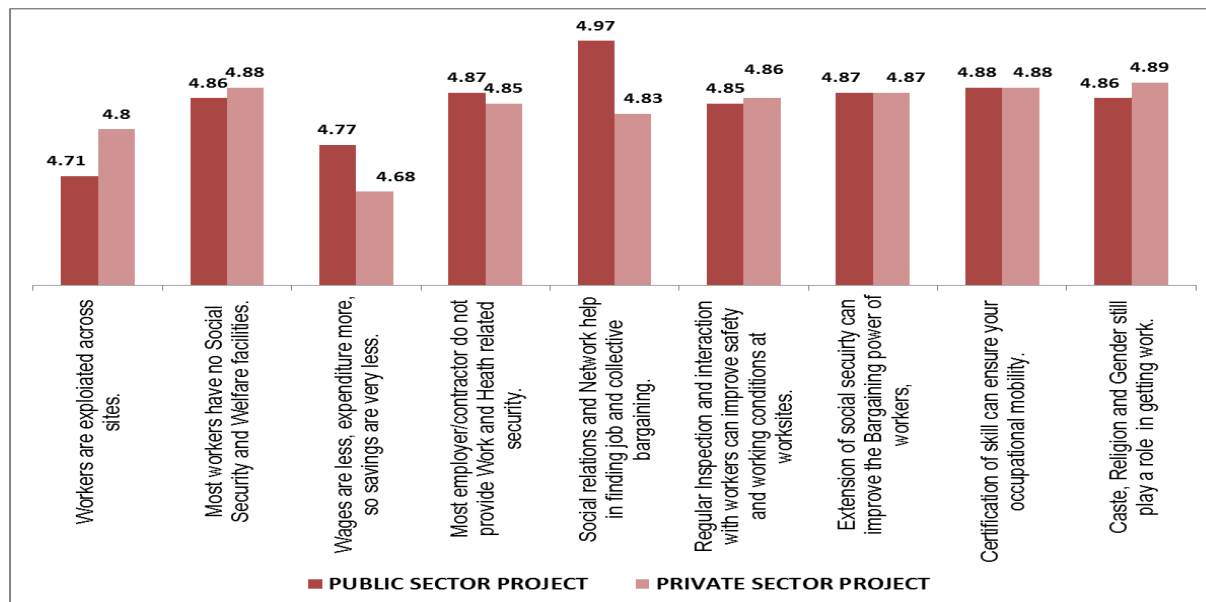
**Fig 7.1a Gender-wise Perception about the work and labour Conditions**



Source: Primary field work

As fig. shows (7.1b) shows that irrespective of public or private most of the workers have exposed to same kind of work and living conditions

**Fig 7.1b Sectoral differences of opinions about work, welfare and social security**



Source: Primary field work

As the above (7.1b) figure describes that irrespective of public and private sector construction sites, most of the workers have hire perception that state can ensure the proper implementation of regulations and social security. Further, most of the workers, especially women workers have the preference of hirer ranking of scale in terms of perception that only state has the responsibility to ensure the enforcement of the labour standards, health facilities, wages and skill certification for better mobility of the workers in the industry.

### 7.12 Major Field Observations

Drawing on observations from the offices of the respective companies and worksites in Delhi NCR indicate that all the four companies selected for the study are among the India’s top CSR indexed<sup>17</sup> Construction Companies, and they are known worldwide for their time management and quality of construction projects.

<sup>17</sup> The top ranked company in the ET Futures cape-IIM Udaipur CSR survey 2014

### **7.12.1 Mapping Analysis at the Ground Level Conditions of Work and Living Indicators**

As the collected primary and secondary data show that all sampled organizations are very much aware of the international as well as domestic level norms of employment and decent work. However, the ground level analysis and the observations find a lot of inter-intra variations understanding and lacking the will of practically implementation within among these organizations which could be understood with following findings;

**7.12.2 Human Resources or the Labour Process:** As most of the above mentioned indicators show human resources management is relatively very poor and has a fragmentary structure of labour process as a whole. In continuum of that, this study also endorses that workers in construction industry are brought in or hired through mediators or different network of kinships.

**7.12.3 Labour Regulations and Workmanship Identity:** Since 1919, India is a founder member of International Labour Organization (ILO), it has altogether ratified around 333 labour laws and number of related Conventions. It has also enacted legislations that prohibit discrimination on the basis of gender, caste, religion, region etc. But at implementation and enforcement level, the industry usually lack proper accountability and transparency, as the women workers are found to be discriminated in both wages and employment across worksites. As this study as well as several similar studies (ILO, 2001) find that most of the construction workers are migrants from other state, the Inter-State Migrant Workmen Act 1979 and Contract Labour Act 1970 seem to be nowhere practically applied in the industry. Even the sector's only regulations BOCW Act 1996, which provided the basic rights to construction workers after a long struggled movement, is still lacking in proper implementation in Delhi NCR. The primary information shows that most of the workers even do not have a workmanship identity card and are not aware of their principal employer. Further, the principal employers or companies do not have concern who have been employed and on what terms. Consequently, there is a blurring employment-work relations which are major cause of further exclusion from both the social welfare and institutional benefits. Further, putting under CCTVs, and monitoring their daily work and personal lives by ex-army or police officer is a coercive way to handle the workers and against the Forced Labour Convention of ILO (C-29:105). Further, discrimination on the basis of gender in term of

employment and wages is often seen to violate like the Equal Remuneration Act 1976, and Discrimination (Employment and Occupation) Convention (ILO, No-111, 1998) such as different wages, conditions of work and labour conditions etc.

**7.12.4 Skill and Training:** Most of the construction workers are rural poor and belong to marginalized communities such as SC/ST, OBC and other vulnerable communities. The study finds that most of the workers did not get formal training and had no experience certificate. They were largely treated as either unskilled or semiskilled. The company like L&T is the only one which has a proper training and skill encompassing institute ‘Construction Skill and Training Institute’ known as CSTI<sup>18</sup> (located in different region of the country, such as Delhi, Gujarat, Andhra Pradesh, West Bengal etc.) for their workers.

**7.12.5 Governance of Labour and Ethics:** As most of the workers belong to their supply chain associates or contractors assigned different–different jobs, kind of work and activities; the company only facilitates the contractors or agents and monitors the work arrangement for effective control of both workers and quality of work at the worksites.

All the companies participated in the survey have a very limited explicitly report on governance of decent work and ethical conduct of their business activities as part of their CSR actions and approach. Thus, the onus of the responsibilities such as workmen identity card, work benefits, welfare facilities are largely on their respective contractors and gang-leaders. So the ethics seems to be largely on how to be more efficient and less socially responsible to workers rather than following standard labour and welfare regulations.

**7.12.6 Condition of Work and Work Environment:** As shown above, most of the workers are put in ‘ghetto’ kind of environment with security guard monitors their complete movement on and off worksites. The companies have even installed CCTV cameras, digital attendance machines and latecomers often face either half day or complete day off and harassment or vulnerability to lose the job frequently. The workers are asked to work around 10 hours at every site and except a few, most of the companies do not provide rest room and subsidized canteen facility for the workers.

**7.12.7 Wages and Welfare:** It is mandatory practices or code of conduct to put notice board

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<sup>18</sup> For more on L&T CSTI, see <http://lntecc.com/homepage/common/skilltraining.htm>

the minimum wages and day of the payment, but at every worksites it was found either missing or an old one. Most of the companies lack transparency in their process of payment of wages, wages for women and usually practices a give -and- take with the subcontractors /agents or the gang-leaders. Except a few, most of the labourers are neither even aware of any of the labour and welfare regulations nor somebody such as principal contractors/ clients and labour enforcement agencies make efforts to inform and enhance the awareness among the workers.

**7.12.8 Occupational Health and Safety:** Except some companies, most of the workers and specially who have migrated with their families, are living either at construction sites itself or in nearby ‘juggies’ and slums. Health and safety are the major issues among all construction companies and have acute conscious on approaches of their safety and health of project employed workers, their dependents and project affected local community at large. Even the basic insurance such as Rastriya Sawasth Bima Yozna (RSBY) for poor informal sector extended to construction workers is not implemented among the construction workers and their families. They are hardly aware of these schemes.

The industry has a high and hazardous risk associated with each task at every level. Most of companies stresses that health and safety are their highest priority area in construction business and committed to treat its responsibility with extremely seriousness such as an emergency and accident prevention tool kit, 24x7 ambulance facility, safe drinking water, regular health check-up, health awareness program and safety induction training for contractors and their workers, allowing site inspection and audits while engaging the all stakeholders. However, as observed at the field level, except two companies (who even have a foreigner safety officer) and have in house medical unit, rest of the companies are not even serious to provide first-aid facility. Except two companies, others are found to be lacking in compliance of mandatory safety guidelines such as proper dress, safety nets, and ‘helmet’, drinking water, all weather hutments, crèche for their children etc. The worst of these two companies is that they deny the employment to female workers. At other companies worksites, due to lack of proper ‘crèche’ facility and regular attendant, children of the workers could be seen around their parents in the worksite area and invite a major risk to their health, safety, and learning etc.

**7.12.9 Human Rights:** Most of the workers are forced to work around 10 hours without any

rest gaps. They are treated like a machine or commodity rather than human beings, putting CCTV cameras and security guards to ensure their continuous work. Otherwise they face abusive language, harassment and exploitation from their gang leaders/ subcontractors, jamadar, supervisors etc. The principal employer generally does not protect the workers exploited by their respective bosses and often side-lined with the contractors even something worst like accidental death, or major accident where workers lose their hand (s) eye(s), leg(s) etc. In most of such situation as reported by the workers, apart from the unfair compensation, company ensures that the affected worker(s) and the family members should be sent back to their village immediately or after getting preliminary treatment. Further, fellow workers are even not allowed to raise the voices by their respective gang leaders/ agents. Workers often face exploitation due to precarious labour relations and there is hardly any chance for collective bargaining in the construction industry.

**7.12.10 Gender Issues:** Within the discourse on construction labour process and labour practices, females fall at the lowest level of wages and skills, and face more exploitation and discrimination than their male counterparts. Most of them are deployed largely at the bottom of the labour pyramid such as kuli, helper, beldar etc. Despite of same work and working hours, women laborers are paid less comparative to their male counterpart. Further, intervention of the technology and changing conditions of work, women labour is missing at the big construction project sites (as observed during the fieldwork survey, most of the companies often avoid or less presence of female labour at their worksites). However, burden of children and dependents, lack of crèche facilities and maternity benefits, lack of skill up gradation of women labour and the perception of less efficient workers further push them in more vulnerable situations. Thus, the new CSR could be a bonanza for the rural poor and especially female workers, if some training and skill development programme could be available at the place of their origin.

### **7.13 Voices from the Local Worker's Association, Community and NGO Representatives**

The most of the contractors are from states like Bihar, UP, Bengal and they only bring migrant workers from their respective states and locals are not employed at all. Most of these migrants are kept in ghetto kind of environment like gated labour colony with security guard around the clock (24x7) and used to work more than 10 hours a day. They are more cost effective as they are paid below standard wages which is still higher than their home state and does not demand



like skill, training, school for children, sanitation and health facility etc.

Local community members report that the company vehicles/trucks have damaged their connecting road and doing resources exploitation such as water table going down and due to pollution, health problem such as asthma, eye flu, allergy etc. are on rise, but the company and enforcement agencies are less bothered. A representative of the Gurgaon workers association narrate that nobody is allowed to talk to the workers either at worksites or at night shelter and guards are put 24x7 to monitor the same. Further, some of the companies also claim that they are offerings training and skill for rural youth, running schools, dispensary for the workers, their children and the local community as well, but there are hardly these things exist.

These findings certainly would help the policy makers to draw an industry level decent work and labour standard framework to contain the deficit of decent work within industry and to regulate such practices for better labour relations outcome.

#### **7.14 State, Labour and Social Responsibility**

When asked about the state role, nearly, 82.6 percent of the respondents' believe that government should provide the social security and skill development and ensure regulations at worksites. Only then it would improve their labour condition and work relations in the construction industry. However, the majority of the workers (93.2 percent) were not aware of whether any CSR activities were performed by the contractors or the companies either nearby worksite or somewhere near to their home town/village. The workers told that there was no such facility created, and no skill training facility was provided. However, on some occasion, health camps were organized. When we asked about any school facility for their children (as claimed by principal employers) most of the workers denied provision of any such facility made by the contractors or the companies. However, workers did not complain much about that and demanded that state should ensure that facilities to their children. This shows that instead of demand of their rights to employer or contractor which they have a precarious relationship, most of the workers demand their rights from the state.

## 7.15 VOICES FROM THE WORKERS

### 7.15.1 Case of Sudipta from Malda (West Bengal)

*Sudipta brought in from the Malda region of West Bengal with her fellow relatives and village colleagues. She and her colleagues have given advance of Rs 5000 each for 50 days work at the construction sites, as per MGNREGS wage rate prevailing at their village. She and her fellow members were also paid for their journey from Malda to Gurgaon and given RS 100 more per day doing work at the construction site with other facilities such as 'crèche, water for drinking and washing etc. Her savings are more now and operate a bank account while work under MGNREGA at Malda.*

### 7.15.2. Case of Sarita Bai and her Husband Bholanath from JHANSI (UP)

#### About the Labourers Case

*Sarita came to NCR Delhi area with his husband (Bholanath), two kids, father-in-law and other villagers from a village near Jhansi, Bundelkhand region of Uttarparadesh. They were brought in with several other nearby workers by an agent of a sub-contractor with Rama Construction Company, which is a contractor engaged with NBCC at sector-89 Gurgaon. They were promised more wages and better children's facilities at the destination than the MGNREGA worksite at their home. She has gone to school only 2 years. She was engaged as a Helper (unskilled. At her native village, she was getting around Rs. 120 by doing MGNREGA work, though she has done only 35 days. Now, at the construction worksite, she is getting Rs. 180.00, but her husband is a Beldar (Unskilled) and her Farther in- law is Mistry. They are earning Rs. 220 and Rs. 280 respectively. Now they have returned their loan amount to the landlord, taken during marriage of her husband's sister recently. She also gets more than MGNREGA wage and has taken a rented accommodation in a nearby village Jamalpur, where she has enrolled her children ensured in nearby pvt school. After school hours, children reach at 'Creche facilities'. She herself that her earnings will be spent on her children's education.*

### 7.15.3 Case of Arvind and his family members, Malda West Bengal

*Arvinda (age 34 years) has a family of 6 persons; wife, three children, and younger brother. He came from District MALDA, West Bengal and belongs to backward class. He and his wife both got MGNREGA Job card and worked for 40 and 55 days respectively before coming to Delhi NCR. They were brought in by one of the agents of a subcontractor of the L& T by paying 50 days MNREGA wages as an advance to be adjusted from their monthly income and promised for double payment than MGNREGA; enrolment of their children in nearby school; and better living facilities at worksites. He and his brother works for L& T, while her wife work on other construction site.*

The above three case studies show that the availability of the public employment as well as equal cash wage opportunity at the village level, have significantly affected the traditional channel of rural labour supply at some extent but the sector completely lacks in enforcement of the labour regulations as a whole. This means that workers are employed precariously and are more vulnerable in terms of their employment relations, conditions of work, gender discrimination, and payment of wages. They are also likely to be excluded from the other state welfare benefits. Further, the findings of the study reveal that despite the complete absence of any national or local level trade union or workers unions at the worksites; the awareness of MGNREGA as a 'safety net' has empowered the rural migrants, especially women workers. It helps the vulnerable workers to strategically decide how, where and on what conditions they should do bargaining before entering into any kind of labour relations in the construction sector. The MGNREGS job card has also helped them to open bank account near the worksites. In this way, MGNREGA wages, work hours and 'crèche' facility etc. are becoming the standard or benchmarking as the 'new minimum wage' rather than the wages prescribed under the Minimum Wage Act to negotiate for most of the workers who are not aware of or not informed about the compliance of the regulations.

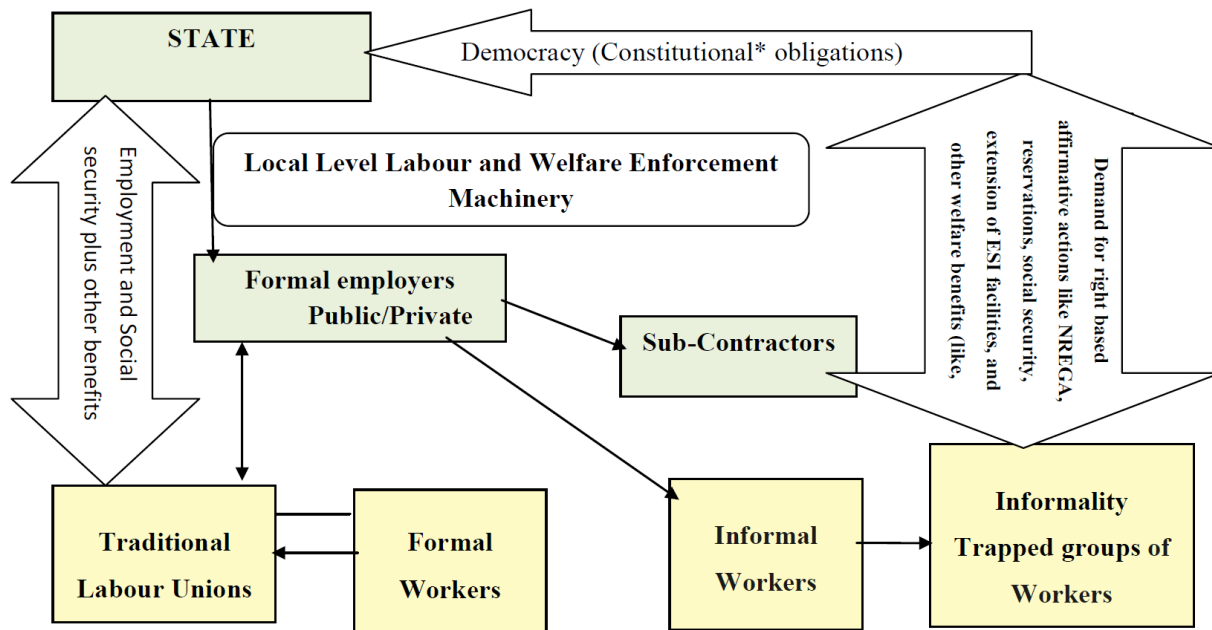
#### **7.16 Perception of Labour: Public vs. Private**

Figure 7a and Figure 7b describe that most of the workers with a high perception of more than 4.5 on a 5 point scale are looking towards the state to provide social security and ensure decent work conditions to improve their conditions of work and welfare. Most of the workers pointed towards the non-registration with Welfare Boards; absence of workmanship identity and social security; low wages; bad working conditions; exploitation at work sites; low payment of wages; lack of skill development; and poor compliance of the labour and welfare provisions. This holds true for both male and female irrespective of the sectors, as they were working under the same kind of thekedar/ contractors or gang leaders across worksites.

#### **7.17 Emerging Dynamics of State–Labour Relations**

Agarwala (2008) rightly mentioned that in pre-1990s, most of the informal workers were lobbying to protect their labour rights and fixed the employer's responsibility, but post-1990s trend has reversed. With growing state's biasness towards the capital, where state, in fact, promoted more flexibility via outsourcing of previous formal jobs across sectors, informal workers are unable to demand from state to hold capital responsible for labour (Fig.7.8)

**Fig.7.8 Dynamics of State–Labour Relations**



• See Details in the appendices (Article 38,39,41,42,43)  
 Source: Primary Study Observations [Modified from Agarwala (2008)]

In contrast to that, this study also finds that informal construction workers, who constitute the largest populations of non-farm employment and not fully illiterate (as was before 1990s) hold significant power in a democracy and now demanding the state directly to provide social security and compliance the standards regulations rather than the employers. In a democratic country like India, where people hold the power, it is now state’s responsibility to ensure decent work and balance the capital-labour relations. This could be seen in context of changing rural labour relations, where workers remain socially embedded and participate in democratic process from local level (PRI) to Federal elections. In some cases, marginalised or unprivileged group got some right-based entitlements and affirmative benefits specially participation in Panchayat Raj Institutions (73<sup>rd</sup> Amendment Act, 1993) and Right to work (MGNREGA, 2005) where these groups such as SCs/ STs and, especially women got reservations and other groups keep demanding continue, that also affect the labour relations.

**7.18 Summing Up**

The study finds that except at one worksite, where workers got rest room, medical assistant at site and mandatory safety kit to wear, and reasonable good accommodation/hutment with medical, proper drinking water supply and television facility, overall, the state of compliance status of labour welfare regulations in the selected worksites of construction industry in NCR

is poor. This is almost equally bad in both private and public sectors. Compliance with labour regulations is one of the major factors for better labour relations. In the absence of government's involvement and adequate implementation, patrons in the industry hardly enforce compliance and labour standards. Technical issues and inadequate training together with punitive work environment and unsafe means of working among others seem to be the causes of non-compliance with labour regulations. These also suggest that if satisfactory awareness, training and education are not given to workers, their work performance and output both will be affected, and consequently the labour relations. However, to some extent, MGNREGA has become a new benchmark for bargaining or renegotiation for most of the workers, especially rural migrants who possess the MGNREGS job cards.

The health and safety problems faced by the construction workers could be ascribed to lack of information, education and health monitoring system on conditions of work within construction sites. This calls for sensitization of workers on various risks and means of prevention. Moreover, with large scale projects, their long term casual or temporary employment and mobilization across worksites directly contradict with both Contract Labour Abolition (1970) as well as Inter-State Migrant Workmen Act (1979). Further, their precarious and blurring employment relationship not only increase the vulnerabilities but also deprive them of their trio-identity 'Unorganized-Migrant-Construction Workers' (UMC). In such a situation, they are often paid wages less than the stipulated minimum wage (MWA, 1948) and they are also deprived of the sector-specific labour and welfare entitlements under the BOCW Act (1996) and BOCWWCA (1996).

## CHAPTER EIGHT

### CONCLUSIONS, POLICY IMPLICATIONS AND FUTURE RESEARCH

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#### 8.1 Introduction

This study on the labour relations in construction industry in Delhi NCR attempts to make some contribution to the fields of economics of labour, migration, industrial relations, management and development studies. In first chapter, study discussed two important subjects, the first section describes the research statement, objectives, methodology and data sources and limitation of the study. The major aim of the study is to examine the labour relations in construction industry. For a robust outcome, four research objectives i.e., dynamics of labour and governance structure in construction industry; socio-economic conditions of the workers; conditions of work, welfare and employment relations; and compliance status of the regulations were formulated to examine and document the conditions of labour relations in the industry. The second section describes the theoretical and conceptual framework of the informality in both international and Indian perspectives.

Second chapter reviews the available secondary literature in relations to workers in construction type of conditions of work and employment relations. The chapter three discusses the methodology, samplings and data collection techniques used in the study in details. Further, the chapter also explains about the universe of the study that is part of National Capital Region Delhi. The chapter fourth describes the dynamics of labour and governance structure by examine the trends in labour market and structure of the construction industry and its regulatory governance framework. The chapter five examines the socio-economic conditions of the sampled workers such as demographic profile i.e. age, gender, state of origin, social groups statistics, social and human capital to assess their condition of living and working or both.

The chapter six discusses the labour, work and employment relations at construction sites. The chapter analyses the primary field work data while describing relationship between different stakeholders such as workers, intermediaries, labour contractors and contractors etc.

The chapter seven examines the compliance status of the existing regulations in general and sectoral specific legislations like the Building and Other Construction Workers (Regulations

of Employment and Conditions of Work) Act. 1996 in particular. Further the analysis of the compliance status chapter is discussed in context of emerging labour relations in contemporary world of construction work. Finally, the chapter eight discusses the main findings of the study, its policy implications and further scope of future research.

## **8.2 Major Findings**

This study on labour relations in the construction industry in Delhi NCR has found some significant facts about the relationship between migrant workers and capital, state and labour, intermediary and worker, intermediary and company contractor etc. The major findings of the study are presented in the following points:

(a) Delhi NCR is a capital region and attracts both the capital and vast number of migrant workers. The region is the largest urban agglomeration in India and with the pace of development and migration, its settelite towns such as Gurgaon, Noida, and Faridabad, Gaziabad have expanded rapidly, while Delhi NCT is in its centre.

(b) The region area of Delhi and Haryana have higher minimum wages and higher per capita income in comparison to other nearby states. Further, most of the construction companies have some construction projects across the region and they keep shifting the workers to avoid any legal discourse. Workers also do not complain much, as they continue to get work for longer duration.

(c) Intermediaries, gang leaders and labour contractors are found to keep the workers rotating from one site to another to avoid any regulatory trouble. Further, workers brought in by intermediaries or labour contractors are often kept in groups to make their effective monitoring.

(d) Most of workers do not know about the particular sites or the principal employer or both; they are brought from their hutments or Juggi to the worksite in morning and shifted back in evening. Their worksites and hutment accommodations may be in different state, but contractors keep them managing with the help of the labour officials both at company level as well as enforcement level.

(e) As the study found that most of the workers in private sector have better savings and living conditions than public sector employed workers at sites. However, the workers even at the worksites of public sector companies were not informed or aware of their rights, as labour contractors manage with officials across work sites. Thus, it is no matter whether an

organization is public or private, the thumb rule at the worksite is to push responsibility of the labour towards downturn supply chains in a multi-level contracting system. This has not only blurred the employee-employer relationship but also made the work and employment relationship more precarious and vulnerable for labour at the bottom.

(f) A majority of the construction workers across sites, irrespective of public or private companies, belong to the historically marginalized groups of the society, such as, SCs/STs/OBCs. They have less assets and low human capital. About 50 per cent of them in the study area were brought through 'mediated' employment by the agents paying the advances for a specific tenure (50 days to 90 days). These terms and conditions of employment as well as advance vary from agent to agent and place to place.

(g) Workers mobilised through social networks are not found to be having advance wages; they remain socially embedded at work and living accommodation sites and often share their experience about the company and contractors to bargain better. Individual job seekers have less chance to enter into such kind of labour-work relationship at these type of large scale projects.

(h) Except a few, women workers were missing across the worksites. And they were found to be at three worksites where despite of more years of schooling than their male counterpart, they were employed at the bottom of the employment pyramid, such as kuli or helper (unskilled level).

(i) Lack of enforcement of the labour regulations shows that the neoliberal policies have shifted the focus of the state on mobility of the capital rather than enforcing the labour standards. This has deprived the dignified work, life and workmanship rights to a vast majority of construction workers. This was visualized as weak compliance of the regulations across worksites, irrespective of types of organizations; though it varies with a few degrees. PBDL5 (A) and PBSDL (B) were found to be more sensitive towards safety, minimum wages, rest room, and medical facilities, while PBIB(C) and PBNB(D) were found to be more labour cost cutting.

(j) However, as most of the construction workers are rural migrants, they might have or not workers for NREGA Scheme but awareness within the group and the contractor often lead to bargain for the same wage or more than that. Further, this was also given a logic that because now women workers are not available at the wage rate less than the MGNREGS wage and facilities, contractors are now preferring only male workers.



(k) There were strictness and continuous monitoring (24x7) through CCTV cameras at project sites and hutments of the workers via patrolling by ex-army or police officers who were recruited to counter any resistance at worksites. They have to ensure that no worker participates in the traditional trade unions and local representation. Such coercive environment is both violation of the Declaration of Fundamental Principles Work (ILO, 1998) and Convention Against Forced Labour (ILO 029/105). This shows the denial of both social dialogue and social justice.

(l) In mediated employment category, workers are often put in ghetto (closed boundary wall kind of hutments with a 24x7 guard. This shows how they are kept trapped at the both worksites and living places. They are hardly allowed to interact with local environment. It is certainly not the decent work relations but surely what Breman, 2008: 2009) called both unfree and neo-bondage labour relations.

(m) Irrespective of public and private construction companies, women labour is almost found missing or not preferred at large construction sites, but during the field survey, company officials keep telling that we do not discriminate but because of heavy mechanisation, women manual job, such as digging the ground, shifting of bricks, and other material, are now being done by machines.

(n) Almost all firms selected in the sample promise on their websites to apply ethics at work, but at the ground levels, their practices are found to be below the standard labour practices and a result workers continue to face deficit of decent work and precarious employment relations.

(o) A majority of casual workers from skilled, semi-skilled and unskilled categories reveal that they are often forced to work around 10 hours and are paid lower wages. Even women workers are paid less than their male counterpart across the sites.

(p) Employment configuration based on the labour mobilization process, such as mediated by the agents, or embedded via social network, further bring division of work and class conflict at the worksites. This also makes the work and labour relations more precarious within the same environment.

(q) Across worksites, irrespective of public or private, employers use different ways to avoid the regulatory compliance of labour and welfare rules. Despite of a long spell or working duration (or beyond stipulated 90 days to be beneficiary under the BOCW Act 1996, now being revised 60 days), most of the firms keep changing the workers with a new sub-

contractor and avoid their registration at local labour welfare boards. This is not only unethical to deprive the workers of the social entitlements but also the denial of the state itself.

(r) Due to the failure to enforce the mandatory provisions under the Building and Other Construction Workers (Regulations of Employment and Conditions of Services) Act 1996, (such as, not registering the workers at the respective district labour welfare boards), the contractor keeps the workers deprived of both their workmanship rights and social security benefits, such as safety, health, education for their children, medical insurance, financial assistance in case of death of the beneficiary, old age pension, and other welfare measures.

(s) As the welfare officials at the District Welfare Board constituted under the BOCW Act (1996) both at Delhi and Gurgaon region state that there is a huge welfare cess fund available with the board, but there is no roadmap to spend the same for the welfare of the workers. Further, for collection of levy and the Cess on the cost of the construction incurred by the employer and providing training or skills to the workers, the official is found to be not discharging its duties.

(t) One of the companies claims of running an informal school to facilitate the children's of the workers at worksite, but during field work, it was found nothing of less than a myth like that except a black board in a small semi-finished store-room. There seems to be a nexus or unwillingness between the local level enforcement agencies and contractors or the employers to manipulate such things.

(u) As most of the migrant workers belong to rural areas, the study finds that the rural affirmative actions and the mandatory provisions for marginalised or unprivileged groups and especially women in participation of public employment programme the 'Guaranteed Rural Right to Work'(MGNREGA,2005) and in governance of Panchayat Raj Institutions ( the third layer local governance in India) are changing rural labour relations and have a positive spill-over effect on labour relations in the contemporary construction labour market.

(v) Despite of huge flow of migrants in the industry, there seems to be a complete silence by both company officials and local labour enforcement officials on the compliance of the Inter-State Migrant Workmen (1979) Act. And Rules (1981) across worksites. These silences on compliance of the labour regulations, at large, seems to be state's failures and friendliness towards the capital that has caused the triplet exclusion of workmanship, citizenship and human rights of the workers. In recent times, even despite of some good work by some

governments, they have to face such heats from the migrant workers and their communities in the election process of forming the governments at both provincial and federal level.

### **8.3 Conclusions**

The study examines the conditions and dynamics of labour relations of migrant construction workers in Delhi NCR. It finds that most of the workers are mobilised through various intermediaries. The research finds two basic patterns in labour mobilisation, in first case we use the term ‘mediated employment’ by a labour contractor where the contractor, subcontractor or client enters into a contract with intermediary to mobilise, supervise and pay the required number of workers to complete a particular task. In second case, workers are mobilised by some gang leaders through their social networks on behalf of the client or contractor / sub-contractors engages intermediary or labour only contractors to supply or mobilise the labour, and retain the responsibility after onwards for their payment and supervision. The major difference between the labour contractor and the gang-leader lies in the process of work, payment and capacity to manage the work and labour. The labour contractors is just like an entrepreneur and gang-leader just a kind of wage labour but mode of payment may differs than those casual labourers. The labour contractor manages their workers themselves and often rewarded in the form of commission or profit. The gang leaders work along with the other members of the group, have little capacity to take risk and paid a fee in form of wages. Further, the role of the gang leader and labour contractor is quite distinct and at some point of time labour contractors may do or accept work as a gang-leader, but the reverse is unlikely to happen. However, employment through gang-leaders or labour contractor not only blur the standard employment relationship but also trap most of workers in precarious kinds of labour relations without any social security provisions. Consequently such ‘triplet’ or some extent to ‘quartet’ kind of exclusion in terms of standard workmen identity, formally recognised employers, and non-compliance of standards labour regulations have deprived the workers of their labour and citizenship rights. Further, poor compliance of the standard labour regulations and absence of social dialogue or right to organise opportunity often give free hand or more flexibility to both labour contractor as well as principal employer to pay low wages and exploit the power of the labour maximum to accumulate more. Most of the migrant construction workers, who are living in nearby Juggis (temporary huts/shelter) feel as the second class citizens and often face irony of local people and administration. As workers told, this also helps contractors to force them to confine in the enclaves and despite of

low wages and exploitation, they continue to work. In this way, workers are certainly deprived of both freedom and social justice. This, in contrast, holds true what Marx pointed about the capitalism more than century before that workers have the freedom to starve unless they contract their labour power rather than induced to work through poverty and other vulnerabilities (ibid).

The study emphasises that such a magnitude of workers' population of around 50 million trapped in precarious and vulnerable employment-work relations with no scope of skill development is not healthy to get demographic dividend and make the development inclusive. Further, despite of mandatory collection but not utilising the welfare Cess funds under the Act (BOCWWA,1996) shows that both the state and industry have no road map to improve the skill of the workers, specially poor and women in particular who has faced the catastrophic effect of technological advancement. The women workers are continued to be trapped at the lowest level of employment 'unskilled' category.

The study finds that most of the construction workers are circular migrants, who belong to the marginalised communities. A large numbers (90 percent) of them are from states such as Bihar, Uttar Pradesh, Jharkhand, Madhya Pradesh, and Chhattisgarh etc. These states contribute to choosing most of the country's policy makers and most of the workers are found to have strong roots in rural society and thus despite of their absence during the electoral process, their family members and communities play an important role in formation of the governments at all levels and could influence the polices as well. However, as the workers perceived on high rank of (4.8 or 4.9) on 5-point Likert scale that to ensure decent work, the enforcement of the regulations and access to state provided social security and other benefits are expected to bring the desired result in labour relations.

Further, the strategy to deprive the workers both their workmanship and citizenship rights while knowing their capacity or socio-economic conditions and using advance payment as an instrument to bind or control are certainly putting them 'unfree' or 'neo-bondage' kind of labour relations. These emerging trends in labour relationship without adequate social security in the construction industry are neither decent nor sustainable and exclusion of women workers may hamper the demand and supply in near future.

## 8.4 Policy Implications

(i) Non-compliance with the labour laws and infringement of labour rights are most common violations in the construction industry which needs sincere efforts to monitor and mandatory provisions at the first levels of granting the license of the projects and contracts between the developer or principal organisation and the main contractors itself with stricter punishment. Further, denying the workmen—identity and lack of citizenship rights keeps the workers frightening and thus controls their mobility. This is further a violation of both fundamental principles at work and forced labour convention of ILO (C029) and need urgent policy intervention.

(ii) More importantly, in today's globalised context as the study has shown, MNCs and other transnational companies are very much part of production network in the industry. The exclusion of women workers who constitute the 50 percent of the workforce are the acts of serious neglecting of both the Indian Constitutional Provisions, Directive principles and of ILO Declaration on Fundamental Principles and Rights at Work (ILO, 1998)<sup>19</sup> as well as ILO's Deceleration on Social Justice for a Fair Globalisation (ILO, 2008) which require immediate and effective actions to balance the labour relations in the industry and beyond.

(iii) Further, India has already endorsed the ILO's Decent Work Agenda for All (DWA/ILO, 1998/2000) in 2010 and Sustainable Development Goals (UN, 2015), but the state has to intervene for their successful implementation. Recently launched digital platforms such as Shram Suvidha Unified Portal (the workers 'digital registration platform) and Aadhar enabled bank accounts could be used for the portability of worker's citizenship rights, social security and their welfare benefits or entitlements. In a democratic governance structure, citizen rights cannot be separated from caste-class based relations as well as caste-class based labour rights. Thus, to make access to these entitlements will certainly improve both the conditions of work and labour standards.

(iv) Finally, make use of Cess Fund (BOCWWCA, 1996), new CSR mandatory contributions (2013) and implementation of Unorganized Social Security Act (2008) could not

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<sup>19</sup> ILO Declaration on Fundamental Principles and Rights at Work (1998) commits member states to respect and promote principles and rights in four categories; (a) freedom of association and the effective recognition of the right to collective bargaining;(b) the elimination of forced or compulsory labour;(c) the abolition of child labour and (d) the elimination of discrimination in respect of employment and occupation. It recognizes that economic growth alone is not enough to ensure equity, social progress and to eradicate poverty.

only make corporate sector as an equally socially responsible partner in development but also creating the rural skill development infrastructure and encouraging more poor, marginalised, and especially women workers to improve their skills. This will help in enhancing of the women participation and bargaining power of the workers as a whole. This could ultimately help in achieve the decent work-labour relations in the industry and beyond.

(v) Finally, to conclude the study emphasises that it does not matter the sectors whether a private or public but ethics matters the most to drive the labour relationship rather than only regulations. In this context, business entity, labour practices and work environment should be targeted to improve the relationship of trio-workers, labour contractors and the employers.

### **8.5 Scope for Further Research**

New social networks based on occupations among both categories of casual and self-employed construction workers are found to be emerging in the construction industry, which are different from traditional caste driven or village based kinship. Therefore, further research may be carried out to examine how and up to what extent these new occupational network, affect the labour practices and labour relations in construction industry.

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## Appendix

### Appendix 1: Regulations

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The Workmen's Compensation Act, 1923. It provides for payment of compensation to workmen and their dependents in case of injury or accident or occupational diseases arising out of and in the course of employment and resulting in disablement or death.

Trade Unions Act, 1926. The Act provides for registration of trade unions. It gives protection to registered trade unions and its office bearers from civil and criminal liability in certain trade union activities.

Payment of Wages Act 1936: It applies to persons employed in any factory including establishments declared as factories under Factories Act 1948 and in any railway and industrial establishment drawing less than Rs.1,600/- per month as wages. Employers cannot withhold wages earned by workers nor can they make any unauthorized deductions, in connection of which the workers or their unions can file a claim.

Industrial Disputes Act, 1947. Lay-off, retrenchment, lock out, transfer and closure of industries are regulated under the provisions of this Act. The provision for compensation to workmen with regard to lay off, retrenchment and closure is provided by this Act.

Minimum Wages Act, 1948. This Act empowers the government to fix minimum wages for employees working in specified employments and thus to ensure at least payment of a minimum earning for the employees covered by the Act.

Employees' State Insurance Act, 1948, is the first legislation relating to social security after independent (Including representatives from employers, employees and both central as well as state governments). The Scheme is a contributory scheme and contributions are made by employees, employer, (both equally contribute 1/3<sup>rd</sup> percentage of basic wages, dearness allowances and retaining allowances payable to each employees) and the government as per the standard prescription by Central Government time to time. The ESI aims to provide health care and cash benefits in case of sickness, maternity and employment injury applicable to employees drawing wages not exceeding Rs.6500/- per month, especially workers employed in factories and other establishments employing a minimum of 10 workers using

power/electricity and minimum of 20 workers working without electricity/power. Moreover more than 20 workers in establishments as per Factory Act is also entitled for Old Age benefits, family pension etc.

Maternity Benefit Act, 1961 and 1981. The Act protects the right of women workers in certain (now all as per 1981) establishments including all factories, establishments, plantation, mines and shops where 10 or more persons are employed (as per ESI Act,1948) leave with wages for a period before and after child birth.

Contract Labour (Regulation and Abolition) Act, 1970: (1) The Act provides for abolition of contract labour in certain establishment where abolition is not possible. It also provides for setting up of advisory boards to advice governments and registration of establishments and contractors. (2) Bonded Labour System (Abolition) Act, 1976. This Act abolishes the bonded labour system in India with a view to prevent the economic and physical exploitation of the weaker sections of the people.

Equal Remuneration Act, 1976. This Act provides for payment of equal remuneration to men and women workers, where all relevant considerations of employment are the same.

Some of the Welfare Funds are established under: (1)Mica Mines Labour Welfare Fund Act, 1946;(2)Limestone and Dolomite Mines Labour Welfare Fund Act, 1972; (3)Iron Ore Mines, Manganese Ore Mines and Chromic Ore Mines Labour Welfare Fund Act, 1976; (4)The Beedi Workers Welfare Fund Act, 1976; and (5)Cine Workers Welfare Fund Act, 1981.

Directive Principles of State Policy included in Part IV, which are divine proclamations for the governance of the country. Labour policy in India must be fundamentally governed by it. Matters relating to social security are also found enumerated in the Concurrent List<sup>17</sup>. Art. 38 enjoins the State to strive to promote the welfare of the people by securing and protecting a social order ensuring social, economic and political justice. Article 39 (a) provides that the State shall direct its policies towards securing the citizens, men and women equally, the right to an adequate means of livelihood; clause (d) provides for equal pay for equal work for both men and women; clause (e) provides to secure the health and strength of workers. Article 41 provides that within the limits of its economic capacity and development the state, the state shall make effective provision to secure the right to work as fundamental with just and humane conditions of work by suitable legislation or economic organization or in any other

way in which the worker shall be assured of living wages, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities to the workmen. The Constitution has expressed a deep concern for the welfare of workers and has provided in Article 42 that the State shall make provision for securing just and humane conditions of work and in Article 43 that the State shall endeavor to secure, by suitable legislation or economic organization or in any other way, to all workers work, a living wage, conditions of work ensuring a decent standard of life<sup>18</sup>

**Some of the key agencies to disseminate awareness and provide consultancy about labour issues are:**

(i) **Central Board for Workers Education:** This Board was established in 1958 with certain objectives such as strengthening among all sections of workers a sense of patriotism, national integrity, secularism and pride in being an Indian, equipping them for their intelligent participation in social and economic development, developing among them a nation-first approach, and instilling in them greater understanding of the problems of their social and economic environment, their rights and obligations as citizens and as workers in industry and their responsibilities towards family members.

(ii) **National Safety Council:** This council was set up in 1966, and it promotes safety consciousness among workers to prevent accidents, minimize dangers and mitigate human suffering. It arranges lectures and conferences on safety measures to arouse awareness among employers and workers.

(iii) **National Labour Institute:** This is an autonomous body under the Ministry of Labour, Government of India. It is conducting research activities and training of labour administrators, trade unions, public sector managers and other government functionaries concerned with labour.



## Appendix 2

### **Mahatma Gandhi National Rural Employment Guarantee Act (2005)**

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The notion that public works programs can provide a strong social safety net through redistribution of wealth and generation of meaningful employment has been integral to the Indian policy-making agenda. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 is currently a major part of this agenda. The Act was notified on 5 September 2005 and was implemented in rural districts in 3 phases. Each state is required to design an employment guarantee scheme based on a set of national guidelines. Public work programmes or employment generation programmes like the Maharashtra Employment Guarantee Scheme (MEGS), Food for Work Programme (FWP), Sampoorna Grameen Rozgar Yojana (SGRY) and National Food for Work Programme (NFFWP) have been used to address the issue of unemployment and generate employment through the creation of labour-intensive productive assets and have thus provided the foundation for the MGNREGA.

#### ***Rationale***

A common feature of all the schemes mentioned above was that they were formulated and executed by implementing agencies and their termination was at the will of the executive. The theoretical rationale behind employing these programmes is fourfold: i) mitigation of unexpected and seasonal shocks ii) mitigation of idiosyncratic shocks iii) anti-poverty measures; and iv) provision of public goods and services.

#### ***Mandate***

The Act mandates enhancing livelihood security in rural areas by providing at least *100 days of guaranteed wage employment* in a financial year to every household whose adult members volunteer to do unskilled manual work.

#### ***Objective***

The primary objective of the Act is augmenting wage employment for the poorest of the poor while the secondary objective is to strengthen natural resource management through works that address causes of chronic poverty, like drought, and thus encourage sustainable development. (MoRD 2012).

The Act is an attempt to provide a *legal guarantee of employment* to anyone in rural areas willing to do casual manual labour at a *statutory minimum wage*. What makes the MGNREGA distinct from any other public employment programme is that it is a *universal* and *enforceable* legal right concurrent with some of the provisions of Article 39<sup>1</sup> and Article 41<sup>2</sup> of the Directive Principles of State Policy in the Indian Constitution that enshrine the ideals of the Right to Work.

### ***Design features***

Key design features in the context of social security and unemployment support:

- *Guaranteed Employment* – Any adult member of a rural household applying for work under the Act is entitled to employment. Every rural household is entitled to not more than 100 days of employment.
- *Guaranteed Wages* – Wages are to be paid on a weekly basis and not beyond a fortnight. Wages are to be paid on the basis of:
  - Centre- notified, state- specific MGNREGA wage list
  - Time rates and Piece rates as per state- specific Schedule of Rates (SoRs)
  - In any case, the wage cannot be at a rate less than Rs. 100 per day.
- *Unemployment Allowance* – If work is not provided within 15 days of applying, the state is expected to pay an unemployment allowance which is one- fourth of the wage rate.
- *Provision of Work* – Work is to be provided within a 5km radius of the applicant's village, else compensation of 10 per cent extra wage is to be provided to meet expenses of travel.
- *Gender Equity* – Men and women are entitled to equal payment of wages. One- third of the beneficiaries are supposed to be women. Worksite facilities like creches are to be provided at all worksites.
- *Financial Inclusion* – Since 2008, all wage payments have had to be transferred to bank or post office accounts of beneficiaries.

- *Social Security Measures* – In 2008, a provision was created which made it possible to cover beneficiaries under either the Janashree Bima Yojana (JBY) or the Rashtriya Swasthya Bima Yojana (RSBY).
- *Transparency and Accountability* – All MGNREGA- related accounts and records documents have to be available for public scrutiny. Contractors and use of machinery is prohibited.
- *Rights- based, demand- driven approach* – Estimation and planning of work is conducted on the basis of the demand for work. Hence, beneficiaries of the scheme are enabled to decide the point in time at which they want to work.

## Appendix 3

### Field Work Questionnaire Sheet

#### LABOUR RELATIONS IN CONSTRUCTION INDUSTRY: A STUDY OF NATIONAL CAPITAL REGION DELHI

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#### INTERVIEW SCHEDULE FOR WORKERS

Date:  
Questionnaire Number: \_\_

*(Confidential: Only for Research Purpose)*

Namaskar! I am Balram Rao, a Doctoral Scholar at Indian Institute of Technology Roorkee, Roorkee (Uttarakhand), India, I am conducting a survey on “**Labour Relations in Construction Industry**” as a part of my Doctoral study. I would appreciate your participation in this survey. Several issues related to Labour Relations such as mobilisation and participation of labour-force, pattern of employment, conditions of work, issues of gender, migration, socio-economic conditions, role of intermediaries, job and social security, etc. will be discussed. The survey usually takes about 30-45 minutes to complete. Whatever information you provide will be strictly used only for this study / research purpose.

**Note: Participation in this survey is purely voluntary.**

#### I. Personal Information

1.Name of the area ( Construction site)	
2. Type of Construction Project	1. Individual Housing 2.Residential Complex 3.Commercial Complex 4.Factory Buildings 96. If others, specify.....
3. Head of the Household	1. Male 0. Female
3A. Total family members	
4.Name of the Respondent	
5.Religion of the Respondent	1. Hindu 2. Muslim 3. Christian 4. Buddhist 5. Sikh

	96. If others, specify-.....
6.Caste of Respondent	1. General 2. SC 3. ST 4. OBC 96. If others, specify.....
7.The Native/Origin Village/Town of the Respondent.	1.Village/Town..... 2.Distt..... 3.State.....4.Country.....
8.Before coming here, what was your occupation?	1. Small Farmer 2. Agriculture labourer 3. Non-Agriculture Labour 4.Freelancer Labourer 5.Construction related worker 96. If others, specify.....
8A.If previously working in construction sector, then what was your job or work activity?	1.Mistry (Construction) 2.Mistry( Marbel/Tiles/Shuttering/Saryabinder) 3. Beldar 4. Plumber 5.Helper/Mazdoor/Labour only 96. If Others, specify.....
9.Who paid your to and fro journey from your home(village/town) to reach here?	1.Self 2.Family members 3.Friends 4.Money lender/landlord 5.Contractor /Agent. 96. If other, then specify.....
9A.If brought by agent/contractor or the moneylender/landlord, then, have they asked any security from you?	No=00 Yes=01 if yes then Specify.....
10.What types of identity card/proof do you carry/ have?	1. Rasan Card 2. Voter Card 3. BPL Card 4. Gram Panchayat Card 5. MGNREGA JOB Card 6. Aadhar Card 7. SMART Card 8. Driving License 9. Passport 96 Others, specify.....
11.Since how long, you are here?	1. Year .....2.Month.....3.Days.....
12. Do you have any work or job card from the present employer / contractor?	No=00 If Yes =01, then specify.....

## II. Household Details

	1.1	1.2	1.3	1.4	1.5	1.6
	Name of household members <b>(Head of HH first).</b>	Relation with head of HH 01=Head 02=Wife/Husband 03=Son/Daughter 04=Son-in-law/Daughter-in-law 05=Grandchild 06=Parent 07=Parent-in-law 08=Brother/Sister 96=Other (Specify_____)	Age in completed years?	Sex 1=Male 2=Female 96=Other	Marital Status 1=Never married 2=Currently married 3=Widowed 4=Divorced 5=separated 6= Live in Relationship	Occupations before migration and joining present construction work
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

NO	1.7	1.8	1.9	1.10	1.11	1.12
	How many years of schooling attended?  (in completed years) 00=illiterate 01=1-5 02=1-8 03=1-10 04=1-12 05= > 12	Are you currently enrolled with any educational or skill development programme with any board /institute /university? (correspondence /part-time)  00=No 01=Yes	Reason for not enrolling 01= Lack of adequate time 02= lack of adequate space & electricity 03=Cost too much 04=No proper school/ library facilities nearby. 05=Not safe for female for extra classes in odd hours 06=nature of job mobility 07=insecure income to continue the education 08= fear of failures and losing income 09= Further education not considered necessary 96=Others, Specify.....	Primary Occupation  01= Petty contractor 02= contract Mason 03= contract Labourers 04= casual but regular wage worker 05= daily wagers (labour chowk/ naka workers) 96= Others(Specify)	Secondary Occupation  00= Nil 01=Rickshaw pulling 02=auto-rickshaw 03=street vending (egg/veg selling) 04= part time Factory worker/helper 05=part time shop helper/worker 96= others	Who else from your family adds to family income?  01=Wife 02=Children 03=Parent 96=Others
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

### III. Socio-Economic Details

The following two (1&2) sections are designed to understand the socio-economic conditions of the household.

#### Section-1

	Questions	Options	Codes
1	What type of arrangement have you made for your accommodation presently?  <i><u>Interviewer should fill this with observing the house himself.</u></i>	Self Owned Rented Shared Company (fabricated) Juggi at Slums Juggi at site At Building under construction If Other, specify	01 02 03 04 05 06 07 96
2	If accommodation is either Rented or Shared, then Approximately how much rent you pay monthly?	Less than Rs. 500 Between Rs.500-1000 B/W Rs.1000-2000 B/W Rs.2000-3000 More than Rs. 3000	01 02 03 04 05
3	Who pays the rent of your accommodation?	Self Principle Employer Contractor/Agent Others...	01 02 03 96
4	What is the main source of lighting in your house?	Electricity Kerosene Gas Laltain Others (specify_____)	01 02 03 96
5	Do you have separate kitchen for cooking in your house?	No Yes	00 01
6	What type of fuel is used for cooking?	LPG Wood Kerosene Others (specify_____)	01 02 03 96
7	Do you have drinking water facilities?	No Yes	00 01
7a	Are you paying for drinking water?	No Yes	00 01
8	What type of toilet facility do you use?	Flush toilet Pit toilet Shared toilet Open air defecation Others	01 02 03 04 96
9	How much is your minimum average monthly expenditure?		
9a	How much, are you able to save per month?		
10	Does household has a bank or post office account?	No Yes	00 01



11	In whose name joint account (in case of married /live-in partner/person)	Wife Husband Live-in partner (Male) Live-in partner (Female)  Joint Account Others	01 02 03 04  05 96
12	Do you or your family members owe any debt or loan presently? ...if yes go to 12a & 21b	No Yes	00 01
12a	Since how long you have taken that money?	Less than one year 1 year to 3 year Between 3 to 5 years More than 5 years	01 02 03 04
12b	Who lended money to you or your family?  If other, then specify.....	Parents Brother/kins Sister Relative Friend Zamindar in village Village Sarpanch Agent brought you here Contractor paid Bank  Others	01 02 03 04 05 06 07 08 09 10  96

**III-Section-2** Do you own the following household asset/s?

	Household Assets	No(0)	Yes(1)
i.	Cycle		
ii.	Motorcycle/Scooter		
iii.	Mobile		
iv.	Smart Phone/Tablet		
v.	Computer/Laptop		
vi.	Television		
vii.	MP3/DVD/		
viii.	Refrigerator		
ix.	assest		
x.	Sofa Set		
xi.	Mattress		
xii.	Clock/Watch		

xiii.	Electric Fan		
xiv.	Cooler		
xv.	Water heater/electric rod		
xvi.	Dish Antenna		
xvii.	Radio/Transistor/Tape		
xviii.	Camera		
xix	Others, specify		

#### IV. Labour Relations in terms of employment, Payment of Wages, Bargaining and decent work etc.

SNo.	Questions	Options	Codes
1.	Have you changed your contractor in recent times?	No Yes	00 01
2.	If there was a gap to find other contractor, then what you were doing?	labour chowk worker Street Vending Factory/shop workers If others, specify.....	01 02 03 96
3.	What were the reasons to change the contractor / employer?  If others, then specify.....	Project completed Contractor removed Debt to contractor over Bad working conditions Less wages Delay in payment No incentives for extra work No Accommodation provided Transportation cost Absence of welfare benefits such as PF, Insurance, accidental facilities etc. If others	00 01 02 03 04 05 06 07 08 09  96
4	What kind of Wage work relations do you had with previous employer(s)?	On work area rate Per hour Lump-sum Per day Salary If Others, specify.....	01 02 03 04 05 96
5	Since when are you working with present employer / contractor?	On call Less than 6 Months Less than 1 year More than 1 year If others, specify.....	01 02 03 04 96
6	Do you know your principle employer?	No	00

		Yes	01
7	What is the type of your principle employer?	Govt./Public Company Private Joint (PPP) Individual contractor Owner of the Estate If others, specify.....	01 02 03 04 05 96
8	Does your employer also hire female workers?	No Yes	00 01
9	How female workers are paid for the same work and time amongst you?	Same as Male workers Less than Male workers More than Male workers I do not know	01 02 03 04
10	Are the working hours same for both, male and female workers?	Same Male hours are more Female work hours more	01 02 03
11	What kind of labour/workers are preferred by your employer/contractor?	Permanent Contractual Casual regular Daily wagers	01 02 03 04
11B	Who's working hours are more?	Permanent Contractual Casual regular Daily wagers	01 02 03 04
11C	Who's wages are more?	Permanent Contractual Casual regular Daily wagers	01 02 03 04
12	Who has directly engaged/hired/employed you?	Principal Employer Contractor Subcontractor Agent Others, specify.....	01 02 03 04 96
13	What kind of relationship do you have with your employer?	Petty/sub Contractor Agent Family network Close Relatives Village relationship Money lender Mediator of money lender If others, specify.....	01 02 03 04 05 06 07 96
14	What types of employment relation do you have?	Permanent but not written Temporary regular Temporary casual Daily wager Naka worker Verbal commitment Written contract If others, specify.....	01 02 03 04 05 06 96
15	What is your present occupational work or job ?	Supervisor JCB Operator Mistry (Skilled) Beldar Plumber Electrician Helper Others, specify.....	01 02 03 04 05 06 07 96

16	How did you acquire this skill?	Self learning Formal training From parental occupation Others, specify.....	01 02 03 96
16A	If trained from formal institution, then who paid for that?	Self Parents contractor If others, specify.....	01 02 03 96
17	What kind of Wage work relations do you have with present employer?	On work area rate Per hour Lump –sum Per day Monthly Salary Others, specify.....	01 02 03 04 05 96
18	Who pay you Wages/salary presently?	Principle Employer Contractor Agent / sub contractor If others, specify...	01 02 03 96
19	How are your wages or salary paid?	Daily Weekly Fortnightly Monthly After complete job / work Others specify...	01 02 03 04 05 96
19A	What is mode of payment of your wages? If others, then specify.....	Cash Cheque Account transfer Adjustment with advance Others	01 02 03 04 96
20	Do you know the Minimum wage rate applicable in the area? If yes, then how much.....	No Yes	00 01
21	Are you paid more or less than the Minimum wage rate? If other, then Specify...how much.....	Same as Minimum Rate Less than Minimum Rate More than Minimum Rate Others	01 02 03 96
22	On what rate, your wages are paid?	skilled Semi-skilled Unskilled Others	01 02 03 96
23	What kind of job security with present contractor/ organisation do you have?	Verbal Assurance Written contract Family network Friendly network Through old/ village- ----- --Moneylenders If others, specify.....	01 02 03 04 05 96
24	What kind of welfare facilities are provided by your employer or the contractor?	Accidental ESI Housing Shelter Crèche facility Transport Break Tea Drinking water Rest room Food coupon Advance payments Credits, if needed If others, specify.....	01 02 03 04 05 06 07 08 09 10 96
25	Do you think migrants workers are provided some extra	No	00

	facility and incentives , if other than above mentioned ? If yes, then GO TO 25A	Yes	01
25A	What additional facility are provided for migrant workers? If others, specify.....	Individual shelter Family Housing Extra Incentives Schooling for their children Special Advances Paid leaves Yearly paid home journey Electricity to shelters Medical Dispensary Others	01 02 03 04 05 06 07 08 09 96
26	How long do you think you will be continuing with present contractor?	Less than 6 Months Less than 1 Years More than 1 year Cannot say If others, then specify.....	01 02 03 04 96
27	Do you have any kind of welfare/social security card? If any others, specify.....	Unemployment allowance Differently-abled benefits Pension scheme Widow pension BPL card MGNREGA Card ESI card Insurance(LIC) RSBY Cash Transfer A/C copy Others	01 02 03 04 05 06 07 08 09 10 96
28	Are you a member of any network/Association/society or Union? if yes then specify.....	No Yes	00 01
28A	If a union member, what kind of networking society and union, it is? If others, then specify .....	Own Community group Workers' Association Trade union Others	01 02 03 96
28B	Does your union/Association help in better collective bargaining with employer or association of employers/contractors?	No Yes	00 01
29	Have there ever been an inspector from the Department of Labour coming to your workplace to check on your working conditions and other basic facilities? If others, specify .....	No Yes Sometimes Rarely seen Never seen Can not say Others	00 01 02 03 04 05 96
30	Is any skill development programme run by the employer or the contractor?	No Yes.. go to 30A	00 01
30A	If yes, who are entitled to get training/skill development?	All labourers Male only Female/male both Company labour Contractor labour Casual labour Local labour Migrant labour Anybody , who wish to take	01 02 03 04 05 06 07 08 09

31	Any other family/children's facilities provided by the employer/contractors.  If other, specify.....	Primary level School Secondary level School Senior Secondary School Skill development /training Institute Others	01 02 03 04 96
32	Did you receive any skill development training further to improve your present skill?	No Yes	00 01
32A	If Yes (01), who paid for that skill development or training? If other, specify.....	Self Parents Employer Others	01 02 03 96
33	What benefits did you get through this extra skill /training?  If other, specify.....	More income Job security Dignity at work Better employment relations Better bargain power Occupational mobility Other	01 02 03 04 05 06 96
34	Do you receive any certificate for the training you received?	No Yes	00 01
35	Are you planning to change the present occupation, after getting training or additional skill?	No Yes	00 01
35A	If No, Why you want to continue in this profession?  If other, then specify.....	Provides better income than other informal work Easy access Provide cash 'wages' regular daily payment Less investment to train/skill yourself  No other alternate available (NOTA) Provides work for whole family  Others	01 02 03 04 05  06 07 96
35B	If yes, then again why do you want to change?  If other, specify.....	Exploitative job relations Long work conditions Nepotism at work No work security Violent work relations Often Reduction of wages Deterioration of health Frequently change of workplace Gender issues are not looked while allotting work No work for wife/partner No scope for upward-mobility Low status in society cannot survive No social protection /security Others	01 02 03 04 05 06 07 08 09 10 11 12 13 14 96

**V. Do you aware of the following laws / welfare regulations about your safety and benefits?**

Sr no.	Descriptions	Aware (1)	Unaware (0)
1	Minimum Wage Act (1948).		
2	Equal Remuneration Act, 1976		
3	Maternity Benefit Act,1961		
4	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979		
5	Child Labour (Abolition & Regulation) Act,1986		
6	The Building and Other Construction Workers' Act (Regulation of Employment and Conditions of Service) 1996.		
7	The Building and Other Construction Workers' Welfare Cess Act (1996)		
8	Workmen's Compensation Act, 1923		
9	Bonded Labour System (Abolition) Act, 1976		
10	Payment of Wages Act, 1936		
11	Contract Labour (Regulation & Abolition) Act, 1970		
12	The Building and other Construction Workers (RECS) Central Rules, 1998		
13	The Building And Other Construction Workers Welfare (RE & CS) Rules, 2005		
14	Payment of Bonus Act,1965		
15	The Employees State Insurance Act		
16	National Holidays Act		
17	New CSR Regulations(2013)		

**VI. Are you deprived of any entitlements, in terms of facilities, benefits and compensation?**

	<b>Questions</b>	Yes (1)	No (0)
i.	Are workers given some short of safety training, after hiring or before they join work?		
ii.	Is Safety tool kit provided to all workers by the employer at worksites?		
iii.	Is Wearing of safety kit mandatory?		
iv.	Are regular Health check facilities available at site		
v.	Have your Employer /contractor provided any health insurance benefits like RSBY or ESI card etc.		
vi.	Have you and your family told by the contractor/employer about the compensation in case of death at workplace?		
vii.	Is an emergency ambulance service made available by your contractor/employer in case of accident at the workplace?		
viii.	Are you told, in case of hospitalization for injury/sickness caused at workplace, your contractor will bear the entire expense?		
ix.	Is transport facility/travel allowance provided by the employer/contractor from shelter to worksite?		
x.	Do you ever get financial help for your children education from the employer?		
xi.	Do you know that you are entitled for Group Insurance Scheme?		
xii.	Do you ever get medical expenses for treatment of major ailments occurred during work?		
xiii.	Are you aware that for female workers, the payment of maternity benefit is claimable?		
xiv.	Are you charged for any child care facilities, if available at worksites?		
xv.	Do you feel relatively well-off compared to other people living and working in other informal work around you?		
xvi.	Do you think you have a good future in this job/work?		
xvii.	Do you think new CSR regulation may benefits the casual and temporary workers as well as their families?		



VII. Any other specific Welfare facilities for workers provided by the company (ies)/Contractor(s)

VIII. CSR activities carried out by the Organisation/Contractor(s) for empowerment of the construction workforce and their families.

IX. Important Suggestion by the Principal Employers, Contractors, workers and their associations/network/union to improve their skill, employment relations, better bargaining , job relations, Decent income and working conditions etc.:

X. Any special Comments or observations by the interviewer:

XI. Limitation and Difficulty faced, if any.....

Place of the interview
Name of the interviewer
Any specific observation/ point
Signature of the interviewer (with date and time)

## Appendix 4

### Facts and Figures which speak

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#### Private Sector Actual Photo



#### Public Sector PBNB-Actual Site Photo

