



**International Labour Organization
ILO DWT for South Asia and Country Office for India**

Discussion Paper

**Improved Service Delivery of Welfare Schemes
for the Construction Workers under the Building and
Other Construction Workers Welfare Cess Act, 1996**



August 2010

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1. Introduction

There are about 28 million skilled and unskilled workers (Planning Commission -2005) engaged in the construction sector in India. Their number is estimated to be around 40 million currently. They constitute the most vulnerable segment amongst the unorganized workforce in the country owing to their temporary nature of work and lack of a definite employee-employer relationship.

They build houses and are seen arduously and meticulously laying bricks on cement-sand mortar up to several floors in height stepping on dangerously built make-shift ladders. Their risks to life and limb are manifold more than that of their counterparts engaged in other organized/unorganized sector. Majority of the construction workers are migrant labourers and landless labourers from Bihar, Jharkhand, Uttar Pradesh, Orissa, West Bengal, Madhya Pradesh, Chhattisgarh, Rajasthan and other economically weaker regions of India. A majority of them are from Scheduled Castes, Scheduled Tribes and other Dalits who come to urban centers like Delhi, NCR, Mumbai and other Metros and cities in search of either livelihood or to supplement their earnings during the lean period when their main source of employment mainly agriculture activities is not available. Not all construction workers have access to benefits available under the existing provisions of several labour laws and regulations – particularly the Welfare Cess Act, 1996 relating to construction workers.

2. The Building and Other Construction Workers Welfare Cess Act, 1996

The Building and Other Construction Workers Welfare Cess Act, 1996 provides for the levy and collection of a cess (1% of the construction cost) on the cost of construction incurred by the employers with a view to augmenting the resources of the Building and Construction Workers Welfare Boards constituted under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The proceeds of the Cess collected is transferred by the Government offices, public sector undertakings, local authority or the Cess Collector from the Establishments and Contractors undertaking the construction works to the Welfare Board. The Cess Act has the following key features:

- Every State to constitute state level Welfare Board for Construction Workers.
- Secretary of Board to be its CEO.
- Applicable for all establishments employing 10+ workers.
- Beneficiaries – all workers between 18 and 60 years age provided they have been engaged for 90 days in previous 12 months.
- State Welfare Board Functions may include :
 - immediate assistance in case of accident
 - pension (after beneficiary attains age of 60)
 - loans for construction of house
 - premium for group insurance scheme
 - medical expenses for major ailments
 - maternity benefit to female beneficiaries
 - other welfare measures as may be prescribed by the Board
- Loan or subsidy to local employer/authority who provides welfare measures.

- Hours of work per day.
- Paid weekly rest day.
- Wages for overtime.
- Drinking water, toilets, first-aid at the work sites.
- Temporary dwellings near work sites.
- Provision of Creches for work sites with more than 50 female workers.
- Provision of Canteen (250+ workers).
- Safety and health measures and precautions.

3. Context

In 2009, the ILO undertook a rapid assessment study in the construction sector to understand the impact, if any, of the recent global recession. Among other findings, the study revealed the following:

- (i) Due to reduced construction activity, especially in the real estate/building sector, exploitation of workers in terms of wage rates, non-payment of overtime allowance is prevalent.
- (ii) There is need to provide for social insurance/protection for the workers who lost job due to meltdown.
- (iii) Non-registration of construction workers under the Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and Welfare Cess Act, 1996 is an issue that needs to be addressed so that workers can access the welfare benefits as per the provisions of the Act.
- (iv) There are still some states where these Acts have not come into force as the Rules have still not been framed to establish the Construction Workers' Welfare Boards at the state level.
- (v) In many states, where the Welfare Boards have been established, the funds collected remain to be fully utilized. Implementation needs to be geared up.
- (vi) Migrant workers are worst affected and within that are the women.

Thus, several aspects relating to the effective implementation of the Construction Workers' Welfare Cess Act, 1996 emerged. In the light of the deficit in Decent Work elements for the Construction Workers revealed by the study, the ILO approached the Ministry of Labour & Employment for collaboration with the DG (Labour Welfare) in a diagnostic analysis of the challenges in the service delivery of the Workers' Welfare Cess Act, 1996. The following Challenges were identified:

- (i) Registration of Establishments (Still partial)
- (ii) Registration of Workers (quite low in several states)
- (iii) Collection of Cess (still partial)
- (iv) Utilization of funds (quite low in several states)

It was agreed that the diagnostic analysis should be carried out for the states of Madhya Pradesh, Haryana, Andhra Pradesh and Delhi to study and analyze some of the factors that contributed to better service delivery and also identify some of the constraints that were affecting the service delivery on the ground in the implementation of the Cess Act. It was also agreed to share the findings of this Study in a national level workshop with participation of all Stakeholders.

4. Diagnostic Analysis and Findings

4.1 Accordingly, the ILO visited the states of Madhya Pradesh, Haryana and Andhra Pradesh and undertook dialogue with the concerned officers of these states as also Delhi. Annex 1 gives a summary of current situation in the states of Madhya Pradesh, Haryana and Andhra Pradesh. The ILO also had the benefit of discussions with the officers of the Government of Karnataka. Important findings and the issues that emerge are indicated below:

4.2 Issues in effective Implementation of the Cess Act

- Definition of Employer / Contractor / Sub-Contractor – and who is responsible for payment of Cess etc should be clearly defined. It is noticed that in some cases, the owner and the contractors pass the responsibility to one another. The fact of the matter is that all cost in respect of the construction is ultimately borne by the employer.
- Retirement Benefits – Worker definition (18-60 years of age) and retirement benefit available only after 60 years of age. In this sector, due to arduous nature of job, some workers opt to retire around the age of 50 years. The stipulation of 60 years for pension benefit requires deliberation.
- Registration before commencement of the works – whether section 7 of the Act could be amended to require the employer to obtain “Registration” before he commences the actual building activity, perhaps concurrently with the submission of the “Building Plans” for approval by the competent authorities.
- Maternity benefit (section 22) – is given to the female worker only but not given to the wife of construction workers.
- Reaching Out to the Workers - is a big challenge. Welfare Boards should consider involving Education Department / Health Service Departments to channel the education and health related benefits through these institutions. In some States such as Andhra Pradesh, Karnataka, the Trade Unions are doing good work.
- Definition of Workers - Some states like Madhya Pradesh have registered large number of NREGA workers as the Construction Workers. There are differing views regarding registration of NREGA workers as Construction Workers. If they are to be included, would NREGS implementing agencies pay 1% Cess to the Welfare Board?
- Skills Development / Training of construction workers should be considered and pursued as part of the benefits to the workers and their families. Andhra Pradesh has identified National Academy of Construction, Hyderabad to impart training to workers.
- Application of Health Insurance (RSBY etc) throughout all the States should be considered. Some states go in for insurance schemes such as RSBY and others such as Madhya Pradesh pay on the basis of actual expenses to lower or avoid high insurance premium costs.
- Lack of capacity in the Welfare Boards. Staffing is a constraint.
- Lack of awareness amongst workers about the benefits and entitlements.
- Cost of Construction (what should be the basis for calculating cost of construction?) There is need for some standardisation and uniformity of principles across the states as it is a sensitive issue. States like Gujarat/Karnataka have introduced simplified procedures wherein already notified construction costs for different areas of the city are used to calculate or determine the construction cost for purposes of cess payments.
- Need to streamline Management Information Systems from the best practices adopted so far.

5. Possible Measures for Improved Service Delivery

5.1 From the above, it is seen that there is considerable room for improved service delivery of the welfare schemes envisaged under the two Acts, viz

- (i) Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- (ii) Building and other Construction Workers Welfare Cess Act, 1996

5.2 The measures proposed for the improved service delivery are divided into the following four sub-groups.

- (i) Registration of Establishments
- (ii) Registration of Construction Workers
- (iii) Collection of Cess
- (iv) Utilization of Fund

5.3 **Registration of Establishments**

There should be drive by the Welfare Boards for registration of establishments as this step will improve collection of funds under the Act.

The following measures may be considered to improve the situation:

- (i) In so far as government sponsored construction sector projects are concerned, it would help matters if the relevant government departments are authorised or delegated powers to register the Establishments. The provisions of the Act can be made clear to them through a circular. A state level one-day workshop can be organised by the state level workers Welfare Board with senior representatives of the Government Department in this regard.
- (ii) As regards establishments working for the private sector, the Secretary/Principal Secretary (Labour) in the states may delegate the authorities responsible for approval of drawings and plans submitted by the establishments (builders, developers, concessionaires, etc.) to register these establishments. Such registration can be made a condition precedent for the approval to be accorded to the drawings and plans of these establishments.
- (iii) A standard format can be devised by the DG (Welfare) MOLE for uniform adoption by the concerned government departments. The list of these establishments can be maintained by the state level Workers Welfare Board.
- (iv) It has also been noticed that some establishments and their appointed contractors are trying to evade contribution of the Cess under the pretext of so called ambiguous definition of the 'Employer' under these Acts and some of them have even procured stay order from the courts. While such a matter may be sub-judice, it is proposed that this aspect may be deliberated at all-India level among the states by the MOLE to find a fool-proof solution in consultation with the Ministry of Law and Justice, Government of India. A multi-stakeholders workshop can be organized in the matter, which the ILO may also like to support.

5.4 **Registration of Construction Workers**

The states have been taking reasonably good measures for registration of workers under the Acts. There is need to continue these efforts so that more and more workers get registered and they become eligible for the welfare schemes being formulated by the states. The following measures may be considered.

- (i) The Welfare Boards may conduct awareness campaigns for registration of workers as beneficiaries with the support of trade unions, NGOs and other community based organizations. Distribution of leaflets and insertions in electronic and other media would also help in this direction. Short films for advocacy can also be prepared.

- (ii) The establishments may be requested to provide the list of workers with their addresses. The Government of India have separately taken up the project of Unique Identification Number of each and every citizen of the country. This would also help in identifying the construction workers.
- (iii) The example of the state of Madhya Pradesh in authorising the SDMs in urban areas and the CEOs of PRIs in rural areas may be discussed at the multi-stakeholder workshop referred to in para 5.3 (iv) for its practicability in other states. Care would, however, have to be taken to ensure that such a step does not result in non-construction workers (such as agricultural labour or industrial workers) getting registered as construction workers. Ultimately, solution would lie in the construction workers coming forward by themselves before the state level Welfare Boards for registration.
- (iv) The Welfare Boards in the states may consider requesting the concerned state departments undertaking the government funded projects for suitable support in the matter.
- (v) It should be mandatory for the Employer to register the workers and penalties for violation may be more stringent.

5.5 **Collection of Cess**

- (i) Each of the State Welfare Board may decide the name of the Scheduled Bank and get a Bank Account Number for the deposit of cess collected/to be collected from the establishments.
- (ii) The State Welfare Board may, thereafter, ask the establishments and the concerned government departments to arrange to deposit their share of the cess to the credit of this Account under intimation to the Board. The Board may also set up monitoring system and other procedures to follow up with the establishments and the government departments for timely deposits.
- (iii) Some states, like Haryana, have approached the Municipal authorities and Urban Development authorities who are empowered to sanction building plans for builders, real estate developers, etc. to ask such establishments to make the payment of cess in advance to be adjusted later as per actual cost of construction. This aspect may be discussed at the national level multi-stakeholders workshop referred to in para 5.3 (iv) for its wider application across the states.
- (iv) The current Act envisages payment of cess by even individuals where the cost of construction or rehabilitation is more than Rs. 10 lakh. It is difficult in practice for the State Welfare Boards to nab such individuals. The states have understandably been giving lower priority to such cases. There is merit in reviewing the current threshold level for individuals. The DG (Welfare), MOLE may consider examining this issue in consultation with the states. May be the individuals can be given a waiver.

5.6 **Utilization of Fund collected under the Cess Act**

- (i) Several states have identified a number of welfare schemes for the benefit of the construction workers. However, in some cases these measures need to be reoriented so that they result in reducing the gap that exists in providing Decent Work elements for our construction workers.
- (ii) There are a number of other central government and state government schemes for welfare of workers and necessary measures are being taken by the Construction Workers Welfare Board to see that there is no undue duplication of benefits to the workers under the Cess Act. Perhaps the health and education

benefits may be considered as exceptions and this aspect may be debated at the national level workshop referred to in para 5.3(iv).

- (iii) The Rashtriya Swasthya Bima Yojana and its implementation may also be discussed at the proposed national level workshop with a view to enhancing social protection to all construction workers registered as beneficiaries under the Act. A few states have expressed that instead of the Bima Yojana, they found direct disbursement of a prefixed amount as more cost-effective.
- (iv) The regulations relating to safety, health and environment at work places are not getting implemented on the ground. There is need to strengthen the enforcement machinery and sensitize the contractors and the establishments on this critical element. This issue also needs to be deliberated at the national level workshop to find doable measures. The issue regarding awareness of HIV/AIDS may also be highlighted in view of a large force of migrant labour in the construction sector. There is need for a comprehensive Manual being prepared on this. Such a Manual be made mandatory for all establishments to follow. The ILO can provide support in this effort.
- (v) The establishments are required to contribute one per cent of the construction cost towards the Cess Fund for the benefit of workers. In addition, these establishments are mandated to provide other welfare measures and health related benefits under the Act. However, realities on the ground are different. There is scant attention to provision of hygienic conditions and reasonable temporary dwellings for the workers near construction sites. A more practical approach could be considered by the states to encourage builders and developers to provide housing complexes for workers in construction clusters on public-private partnership basis. Part of the Cess Funds can be contributed by the state towards viability gap fund grant where so required by the private developers. A scheme on pilot basis is being formulated by the state government of Haryana in collaboration with the ILO. This can be shared with other states for further refinement with the support of DG (Welfare) MOLE and the Ministry of Housing and Urban Poverty Alleviation, Government of India.
- (vi) Apart from various welfare schemes being formulated by the states, there is need to utilize part of the cess funds towards skill enhancement of the workers. This will help in increasing their wage levels and improved standards of living. The establishments would also benefit from higher levels of productivity of such workers. The National Academy of Construction, Hyderabad set up by the Government of Andhra Pradesh sometime back is an excellent example of such an initiative. With the support of the ILO, the MOLE have recently formulated a National Policy on Skill Development. Under this umbrella, there is need to evolve a comprehensive scheme for establishing a wide network of ITIs, polytechnics and other training centres for enhancement of skills of construction workers. The Construction Industry Development Council and the DG(E&T) MOLE may consider to prepare a White Paper on this aspect. The ILO may consider collaborating on this effort.
- (vii) The state of Madhya Pradesh has prepared a booklet covering comprehensive guidelines for the various welfare schemes for the benefit of workers. Such an example is worthy of emulation by all the states. Such guidelines should be available in English, Hindi and the local language.

6. Action Plan Matrix

Based on the measures brought out in para 5 above, the Action Plan for improved service delivery of Welfare Schemes under the Construction Workers Welfare Cess Act 1996 is presented in Table 1.

Table 1: Action Plan for Proposed Measures for Improved Service Delivery

	Issue	Proposed Measure	Action
A. Registration of Establishment			
1.	Low level of registration of establishments	(i) For government funded projects, the concerned department can be authorized by the Deptt. of Labour to register the establishments (ii) For private sector projects, under the local laws, the corporation or other authorities are expected to approve the drawings and plans of these private sector developers. Such local authorities can be delegated the powers to register private sector establishments/developers.	Guidelines in the matter together with standard format can be prepared by the DG(Welfare), MOLE for uniform adoption. Standard guidelines in the matter can be prepared by the DG (Welfare), MOLE and circulated to the Welfare Boards for necessary action.
2.	Ambiguity in definition of Employer under the Act.	The Act is clear as ultimately the cost of construction is borne by the Employer. In view of the matter being subjudice in the state of Haryana, the issue may be deliberated at the all-India workshop.	An executive circular can be drafted to amplify this.
B. Registration of Construction Workers			
1.	Lack of awareness among construction workers for registering themselves as beneficiaries in the State Welfare Board.	(i) Conducting regular awareness campaigns. (ii) Preparation and distribution of leaflets in local language. (iii) Use of electronic and other media. (iv) Preparation of short advocacy films.	(i) State Welfare Boards may identify a few NGO's for providing support in conducting the campaigns. (ii) Engage suitable agency for preparation of leaflets and advocacy films.
2.	Lack of initiative on the part of Establishments to provide list of workers and get them registered.	(i) Encourage the establishments in providing list of workers engaged by them from time to time. (ii) Take advantage of the unique identification project to identify the construction workers.	(i) Deptt. of Labour may make it mandatory to provide a six-month by return of the list of workers engaged by the establishments. (ii) DG (Welfare), MOLE may undertake a dialogue with the concerned officers of Unique Identification Project.
3.	Low level of registrations of beneficiaries	(i) SDMs in urban areas and CEOs of ZPs in rural areas can be authorized to register the beneficiaries.	State Welfare Boards may consider issuing appropriate delegation after approval of the state government.

		(ii) Enlist the support of concerned government departments for registration of beneficiaries in the State Welfare Boards	Deptt. of Labour of the State Government may write to the Heads of various infrastructure departments for needful.
C. Collection of Cess			
1.	Time loss in deposit of cess by the establishments	(i) Streamline the process of identifying bank, account code, account number for direct deposit by the establishments.	State Welfare Boards may entrust one of their Accounts Officer to monitor the activity.
		(ii) Advance deposit by the private developers at the time of seeking approvals to their plans and drawings.	State Welfare Board may draw the scheme in consultation with the construction industry.
2.	Difficulty in identifying individual building owner having engaged construction workers under the Act.	The Deptt. of Labour may consider taking a liberal view in the matter.	State government may consider to give low priority to this aspect.
D. Utilization of Fund			
1.	Deficit in decent work conditions of workers as regards working hours, full wages, social protection, education to children and conditions of freedom, safety, health and environment at work places.	(i) Stricter supervision for providing hygienic living conditions for workers close to construction sites.	DG (Welfare), MOLE may consider the draft outline of housing complex by Haryana and ILO for possible adoption.
		(ii) State Welfare Boards to continue practice of welfare schemes for education and health benefits to workers and their families.	States to adopt RSYB Scheme formulated by the DG (Welfare)
		(iii) Awareness raising among workers for demanding safe environment at work places.	State Welfare Boards to seek support of NGO's for conducting awareness campaigns (tie-up with item B.1 above)
		(iv) Multiply example of Madhya Pradesh in preparing a booklet covering list of welfare schemes and modalities/procedures for workers to avail of benefits.	State Welfare Boards can take support of NGOs in preparing booklets.
2.	Inadequacy in skills of workers	Need to plan and provide skill development to various categories of workers both in classroom and at work site to improve productivity.	DG (E&T) and DG (Welfare) in the MOLE may outsource the task of preparing a comprehensive scheme for training of construction workers for various infrastructure and real estate projects and identify training providers on a country wide basis in consultation with the domain infrastructure Ministries and FICCI, CII, CIDC, etc.

7. Forward Path

This Background Paper prepared by the ILO is forwarded to the MOLE for consideration and holding of a national level workshop with various stakeholders concerned. These stakeholders may include government departments undertaking construction sector projects, HUDCO, private builders, real estate developers, trade unions, NGOs, workers representatives, CIDC, NAC, Hyderabad, Principals of a few ITIs and polytechnics besides the MOLE and the state level Workers Welfare Boards.

Annex 1

Summary of situation analysis in Madhya Pradesh, Haryana and Andhra Pradesh

1. Madhya Pradesh

1.1 The Welfare Board for construction workers at the state level was constituted on 10.4.2003.

1.2 The Board looks after the conditions of service, welfare measures relating to health, social protection, other welfare measures and collection of funds under the Cess Act.

1.3 The process and procedure for registration of workers as beneficiaries is described. The formats – one for workers in urban areas and the other for those in rural areas have been evolved and included in the guidelines. The agencies and officers who have been delegated the powers to register the beneficiaries are also brought out.

1.4 In case of any grievance by any construction worker, he/she can approach the Appellate Officers indicated in the Guidelines. There is no time limit for making the appeal. Further, no fee is charged from any worker for this purpose.

1.5 Currently, the welfare schemes under implementation are as under:

- (i) Maternity Benefit Scheme
- (ii) Incentive Scheme for Education (of worker or family member)
- (iii) Talented Student Award Scheme
- (iv) Marriage Assistance Scheme
- (v) Medical Assistance/Accident related Assistance Scheme
- (vi) Funeral, ex-gratia assistance in case of death
- (vii) Housing loan assistance scheme
- (viii) Pension scheme

Complete details of these schemes, conditions of eligibility for obtaining the benefit, forms for application and the arrangements for disbursement of entitlements under each scheme have been succinctly brought out. The authorities who have been delegated the powers to consider and approve disbursement of funds to the beneficiaries under the scheme are also clearly brought out.

1.6 As an example, the Incentive Scheme for Education provides the following annual amount to the students of the registered beneficiary's family members.

	Particulars	Annual Incentive Amount (Rs.)	
		Male	Female
(i)	Student Class 1 to 5	500	750
(ii)	Student Class 6 to 8	750	1000
(iii)	Student Class 9 to 12	1000	1500
(iv)	BA, B.Sc, B.Com, Diploma level	1500	2000
(v)	MA, M.Sc, M.Com, Post Graduate Diploma	2500	3000
(vi)	Business Programmes	3000	4000
(vii)	Ph.D, etc.	4000	5000

Similar amounts are provided to talented students, both male and female.

1.7 Apart from the schemes indicated in para 1.5, the Welfare Board have provided Ambulance Vans for 48 districts and several sheds for construction labour. The state also organised a short training programme for the workers in Bhopal, Jabbalpur and Satna. The Board has also set up Divisional level and District level Advisory Committees to provide guidance and advice in the implementation of these construction workers welfare schemes.

1.8 The state level Welfare Board currently has a skeleton staff – a few key officers on deputation from Department of Labour and a few persons on contract basis or on daily wages. However, the state government has given its approval and sanction for creating 535 posts for the implementation of this Act throughout the state. The discussions with the Principal Secretary (Labour), Government of Madhya Pradesh indicated that it would take about a year to go through the process of recruitment.

1.9 Currently, powers for registration of workers are delegated to SDMs for workers in urban areas and to CEOs of Block Panchayat (Janpad) for workers in rural areas. This facilitated fast registration of beneficiaries and issue of Identity Cards.

1.10 Several schemes for the beneficiaries are in place and workers are getting benefits out of the schemes. More schemes are oriented to benefit the rural female workers.

1.11 The state government has two more Welfare Boards for the workers under the Unorganised Workers Act of the state government. There is a move to combine the functions of all these Boards into one Board for all workers including the construction workers to facilitate and streamline the delivery of benefits to the workers. This step is apparently being considered as this has potential to reduce administrative burden and expenses.

1.12 One of the Deputy Labour Commissioners of the state government is deputed to function as Secretary, State Welfare Board for construction workers. He has been instrumental in drafting guidelines for registration of construction workers and implementation of welfare schemes under the Cess Act. These are quite comprehensive and can serve as Model for other states. Social protection schemes for construction workers are very well covered in the guidelines.

1.13 Currently, the state has registered about one million workers under the Act. This is indeed remarkable. The initiatives taken by the state by way of delegation of field functionaries to SDMs, CEOs of Block Panchayats in registration of beneficiaries and awareness measures have helped.

1.14 During discussions with the officers of the Board, it was mentioned that the workers under the NREGS in the state are also being included for registration as beneficiaries. This aspect requires further debate and discussions as it is likely to have wide implications in terms of implementation. It is also to be considered whether the Cess Act envisages inclusion of the unskilled manual labour working under the NREGS as beneficiaries of the Workers Cess Act.

1.15 Information regarding the registration of Establishments under the Act, could not be accessed as this aspect is handled by the Department of Labour through Labour Commissioners and Inspectors in the field as part of implementation of the Main Act of 1996 (dealing with regulations of service, etc.). The Welfare Board does not have any jurisdiction on the registration of establishments.

1.16 The measures to be adopted by the Establishments (engaging the construction workers) for health and safety are overseen by the Directorate of Health and Safety.

1.17 For registration of workers, a one-time fee of Rs.10 is charged from the worker and this registration is valid for three years. It was not clear whether the worker can still avail of the benefits, if he/she works for less than 90 days in a given year during these three years when the registration is reported to be valid – which benefit is apparently not to be provided to such a worker as per the Act. The Board does not have staff to keep an oversight on such situations.

The Board goes by the scrutiny and verification undertaken by the SDM/CEO, Block Panchayat as the case may be.

1.18 As regards flow of funds to the beneficiaries, a maximum of two months is stipulated for normal cases and one week for emergency cases like death, hospitalization, etc. for the funds to flow to the beneficiary through the field functionaries. The Board regularly provides advances to them through the Banks. Scrutiny and verification of disbursement of cess funds are carried out by the field functionaries.

1.19 The Rashtriya Swasthya Bima Yojana of the Central Government is not being implemented by the state. However, the Board has included other schemes of accident benefit, medical assistance and ex-gratia payment in case of death together with funeral expenses. The Board mentioned that it had earlier undertaken Group Insurance Schemes through LIC, but it was not found to be cost-effective.

1.20 The State Welfare Board is seized of several other central government and state government schemes for welfare of workers and necessary amendments are notified in the schemes under the Cess Act so as to avoid duplication of benefits with the exception of the schemes relating to 'Education'. This is a conscious decision of the Board to permit double benefits for the 'Education' as this is considered essential for human development of the state. For example, the earlier scholarship scheme is now reworded as Incentive Scheme.

1.21 It was suggested that the State Welfare Board could consider the following aspects for further improvements in the delivery of the welfare programmes envisaged under the Act.

- (i) Organising more awareness campaign camps for registration of workers.
- (ii) Coordinating with officers of the Department of Labour in the field to increase the number of registered establishments and further enhancement of collection for the cess fund given that the Registration of Establishments is with the Department of Labour.
- (iii) Utilize some part of cess funds for skill enhancement of construction workers to improve their skills and thus livelihood.
- (iv) Preparation of short films for advocacy.
- (v) Pursuit of Rashtriya Swasthya Bima Yojana evolved by the central government.

2. Haryana

2.1 Statutory Schemes

- (i) *Maternity Benefit:* The women beneficiaries are given Rs.1,000/- each as Maternity Benefit during the period of maternity upto two children registration.
- (ii) *Pension:* On completion of 60 years of age of the workers, the monthly pension becomes payable @ Rs.150/- + increase of Rs.10/- per year beyond 5 years of service.
- (iii) *Advance for purchase of construction of house:* The Board sanctions upto Rs.50,000/- as advance for this purpose for beneficiaries having continuous membership for 5 years.
- (iv) *Disability Pension:* An amount of Rs.150/- per month is payable to a beneficiary who is permanently disabled due to paralysis, leprosy, cancer, TB, accident etc. in addition to ex-gratia payment of Rs.5,000/-
- (v) *Loan for the purchase of tools:* An amount of Rs.5,000/- is payable to the member for purchase of tools, who has completed 3 years of membership of the Board.

- (vi) *Payment of Funeral Assistance:* An amount of Rs.1,000/- is payable to the dependent/nominee of the deceased member for this purpose.
- (vii) *Death Benefit:* An amount of Rs.15,000/- is payable to the nominee/dependant in case of death of the worker and Rs.50,000/- in case of accidental death.
- (viii) *Medical Assistance:* An amount of Rs.200/- for the first 5 days and Rs.20/- each for the remaining days subject to a maximum of Rs.1,000/- is payable to the worker who is hospitalized for 5 or more days due to accident or disease.
- (ix) *Financial Assistance for education:* Children of the members are to be given financial assistance for study purposes on the pattern of Labour Welfare Board Scheme namely "Scholarship to the Children of Industrial Workers". This scheme provides financial assistance between Rs.2,000/- to Rs.12,000/- annually starting from 8th class to Degree/Diploma depending upon the percentage of marks obtained by them in the last class not less than 50% marks.
- (x) *Financial Assistance for marriage:* An amount of Rs.2,000/- each is payable to the member who has completed 3 years of membership of the Board for the marriage of two children. A female member is given this assistance for her own marriage.
- (xi) *Family Pension:* In the event of death of a pensioner, 50% of the pension or Rs.100/- per month whichever is higher is payable to the surviving spouse.

2.2 **New Schemes**

- (i) *Health Insurance Scheme:* Under this scheme, annual insurance coverage of sum of Rs.30,000/- on the pattern of RSBY is to be made available to the beneficiary and his family with 5 members as a unit and the health coverage would include indoor expenses of reputed public/private hospitals. However, approximate 1000 health cards have been issued to the registered building and other construction workers so far.
- (ii) *Coverage of chronic diseases:* A further Health Scheme for coverage of chronic diseases like cancer, AIDS, T.B. and heart diseases etc. has also been introduced and under this scheme, the beneficiary may get self treatment or treatment for his/her dependents as indoor patients from public sector hospitals and get medical bill reimbursed against actual expense but not exceeding rupees one hundred thousand in a year.
- (iii) *Free travelling facility for religious/historical places:* The facilities for visiting religious/historical places once in four years for a family not exceeding 5 members, is available to the beneficiary who is having two years service at his credit and will not be drawing monthly salary exceeding Rs.10,000/-. Period of this visit will not exceed 10 days. The payment of expenditure so incurred by the beneficiaries will be made at the rate prescribed by the Haryana Roadways from time-to-time or actual railway fare, as the case may be.
- (iv) *Facilities for crèches and mobile toilets:* These facilities are presently available at Gurgaon. The process to provide such facilities at Faridabad has started. The contract for constructing and running the crèches and also to establish mobile toilets has been entrusted to M/s Design House, New Delhi after inviting tenders through leading newspapers. It has also been decided to extend these facilities at Sonapat and Panipat also.
- (v) *Opening of Mobile Fair Price Shops:* In the first phase, this facility will be available at Gurgaon and Faridabad where construction workers are located in clusters. Essential commodities like Aatta, Daal, Rice, Ghee and Oil etc. would be supplied to them at their door steps at reasonable rates. The process for implementation of the scheme is at final stage.

- (vi) *Free Transport Facilities for students:* To give boost to the educational facilities for universal coverage of children belonging to this target group, the process for hiring mini-buses/vans for taking their children from their living places to the nearby schools has been approved by the Board.
- (vii) *Mobile Dispensary Vans:* In order to meet health care requirements of the beneficiaries, the mobile dispensary vans alongwith requisite medical staff and medicines are already in operation in Gurgaon, Ambala, Panipat, Faridabad and Hisar districts.
- (viii) *Shelters for Construction Workers:* The facilities of shelters with civil amenities is to be provided to Labour at the labour chows on availability of the land from local authorities. The tasks for laying Foundation Stone of three Labour Sheds at Yamuna Nagar and two Labour Sheds at Faridabad have been completed and finalized on 14.7.2009 and 18.7.2009 respectively. An expenditure likely to be incurred is Rs 3.1 million approximately. The process to construct such Labour Sheds at Labour Chows of other towns of the State, efforts are being made promptly and the task in question is likely to be completed during this financial year.
- (ix) *Financial assistance for marriage of daughters:* A new scheme namely "Kanyadan" has also been introduced under which Rs.5,100/- as assistance for marriage of each daughter of the construction workers, would be given. Thirty workers have been benefited so far.
- (x) *Establishment of Haryana Labournet Centres in the State:* Initially, one Haryana Labournet Centre by involving Bangalore based NGO-MAYA has been established at Manesar which was inaugurated by Hon'ble Chief Minister on the occasion of the Mazdoor/Labour Day on 12.6.2009. The main objective of this Centre is to register and create a data base of workers and provide Identity Cards to all workers, improve safety at work sites, short-term modular training opportunities to workers and crèche facility etc. The process to establish one more centre at Gurgaon and two at Faridabad is at the final stage. However, on the basis of performance of these Centres, the Board will be establishing such Centres in other towns of the State where construction workers are expected to be found working in clusters.

2.3 The registration of construction workers is done by the Labour Department only. Apart from Assistant and Deputy Labour Commissioner, the Labour Inspectors are also empowered to register the workers. The Panchayati Raj Institutions are not delegated any such powers as such delegation may run the risk of even agricultural labourers being registered as construction workers. At present, about 45000 workers have been registered under the Act.

2.4 Workers engaged for NREG schemes are not treated as construction workers and as such not registered as beneficiaries under the Cess Act.

2.5 The construction sector is to mainly address concerns of migrant workers and the policy adopted by the State Welfare Board is that the welfare schemes should provide such benefits as can percolate to the members of the family of workers even though their family members may be residing outside the state. As such, the health schemes are being thought over from this angle.

2.6 The scheme of insurance through LIC did not prove beneficial to workers. The State now provides relief, out of the cess funds collected, to the beneficiaries directly as per needs and procedures laid down.

2.7 Registration of establishments is also done by the Department of Labour. The state is facing a problem created by some establishments as a few Real Estate Builders and their

contractors have separately approached the Court and got stay order over the issue of definition of Employer towards obligation of payment of cess under the Cess Act. The Labour Commissioner suggested that the ILO may flag this issue in the debate at the national level. It seems that both the Builders and the Contractors have adopted this strategy to evade their responsibility. The result is that the cess which would otherwise become due to be deposited in the welfare fund of the State does not get realized. The state does not face any such problem in case of government funded projects such as buildings, roads, bridges, irrigation works, dams, canals, etc. Only some time delay is there in such cases for transfer of funds to the Welfare Board.

2.8 The State would like to encourage the Builder Groups to consider a pilot scheme of unified labour camp for workers of builders which should, in due course, become self sustaining on the one hand and improve the condition of the workers on the other hand. Such a scheme should provide reasonable housing, health protection, hygienic conditions, access to education and recreation and transportation from labour camp to construction sites. The Labour Commissioner suggested that the ILO may like to go into this scheme in a little more depth to see its workability. The ILO has supported Haryana in drafting of a proposal which requires consideration.

2.9 The state government has also been receiving request from builders for providing training to workers and their certification. There is also need for training of workers in safety aspects at construction sites. The Deputy Director (Labour) has developed a model safe site. In fact, a video film is envisaged to be prepared on this by the Department of Labour, Government of Haryana.

2.10 Generally, the workers are engaged by the contractors and builders through labour contractors. It is reported that due to this system, the workers do not receive full wages due to them. Only about 60 to 70 per cent of the wages are getting paid to workers. While one cannot wish away the system of arbitrage, there is need to think through and find more practical ways to improve the situation.

2.11 Awareness raising camps are also arranged for registration of workers. This has helped in accelerating the pace of beneficiaries getting registered.

2.12 It was mentioned that initially the schemes for construction workers were planned on the lines of factory workers but it was realised that this will not suit the construction sector since their requirements were different. The following welfare schemes are covered by the Labour Department for construction workers:

- (i) Healthcare facilities under the RSBY (Rashtriya Swasthya Bima Yojana); (RSYB means National Health Insurance Scheme)
- (ii) Crèche facilities;
- (iii) School education, scholarships scheme;
- (iv) Upgrading skills to enhance employability;
- (v) Training in safety for workers at construction sites;
- (vi) Kanyadaan (Lump sum grant for marriage of female worker or daughter);
- (vii) Blankets and safety kits (Personal Protection Equipment) for workers.

2.13 Very few beneficiaries are availing of the welfare fund. While gap in realizable fund under the Cess Act is an issue, even the funds available are not getting utilized. The Department of Labour is tackling these aspects in a prioritized manner – first with government funded projects followed by major real estate developers and builders.

2.14 It was proposed that the following actions could be considered for improving the service delivery in Haryana.

- (i) The Labour Commissioner and Secretary Construction Workers Welfare Board may consider a pilot scheme for providing housing complex for construction workers in those areas of Haryana which have long term potential for real estate development, special economic zones, etc.
- (ii) Develop a scheme for skill enhancement of construction workers.

3. Andhra Pradesh

3.1 The state level Board was constituted on 29.4.2007 and registering officers appointed in September 2008. The Assistant Labour Officers – usually in-charge of 3 to 4 mandals – is notified as Registering Officer for workers as well as establishments.

3.2 So far about 7.5 lakh workers have been registered. Identity cards have been generated in respect of 2.5 lakh workers. As regards establishments, 3405 establishments have been registered. The Board has taken the initiative of computerizing the records and it proposes to assign code number to each establishment and worker.

3.3 The Board is in the process of development of software for their functioning to improve e-governance with the support of State Institute of Electronic Governance to maintain website.

3.4 The Board has also tied-up with National Academy of Construction, Hyderabad for providing training to workers to enhance their skills and productivity in construction works. This would also provide opportunities for increase in their income and thus improved living standards.

3.5 The Board during discussions, expressed interest in taking up pilot projects of providing suitable housing complexes for construction workers in mega cities.

3.6 The following welfare schemes are provided to the workers.

- (i) Accident benefit
 - (a) Death due to accident Rs. 200,000/-
 - (b) Permanent disability
 - Total – Rs. 200,000/-
 - 50% to 99% – Rs. 100,000/-
 - 26% to 49% – Rs. 50,000/-
 - 1% to 25% – Rs. 25,000/-
- (ii) Natural death – Rs. 30,000/-
- (iii) Maternity Assistance – Rs. 5,000/- (limited to two confinements)
- (iv) Training of workers in safety and other aspects
- (v) Funeral expenses – Rs. 5,000/-
- (vi) Disability pension – Rs. 500/- per month
- (vii) Coaching fees for children of workers – Rs. 15,000/-

3.7 So far an amount of Rs. 315 crore (upto January 2010) has been collected as cess under the Act. This collection is expected to reach Rs. 1000 crore by March 2011. The entire amount is deposited in the Andhra Bank. The Assistant Labour Officers are also notified as cess collectors.

3.8 As regards powers as Cess Assessment Officer, Assistant Commissioner Labour has powers upto Rs. 1.0 crore, Deputy Commissioner Labour upto Rs. 5.0 crore and Joint Commissioner Labour beyond Rs. 5.0 crore. To improve the cess collections, instructions have also been issued to controlling departments of local bodies/authorities which are competent to approve plans and buildings and other works to ensure collection of cess and timely transfer to the Board account in the Andhra Bank.

