

# SOCIO ECONOMIC CONDITIONS OF CONSTRUCTION WORKERS IN INDIA: ISSUES AND CHALLENGES

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## Abstract

India's construction industry is large and visible, engaging 3.2 crore workers nationwide. For most of these workers, the construction industry is their "principal" source of employment. Thus the construction workers come under the unorganized sector. The term unorganized sector has been defined as those areas which has no proper means and ways of doing works in a systematic way or in organized way. The unorganized sector workers suffer from the cycle of excessive seasonal employment; there is no formal employer and employee relationship; because there is also lack of social security and protection. Unorganized industry workers in India include:- small and marginal farmers, landless agricultural laborers, share croppers, fishermen, and those engaged in animal husbandry, beedi rolling, labeling packing, building and construction workers, leather worker, weavers, workers in bricks kilns and stone quarries, workers in saw mills and oil mills etc. and so on. Construction is the sector which has registered a large increased in employment in the post reform decade. In construction, an estimated 10.7 million construction workers, accounting for 83 per cent of all construction workers in India in that year, were employed through contractors and did not receive minimum employment protection and benefits whatsoever.

## I. Introduction

Construction sector comes under unorganised sector of an economy. The term unorganised labour has been defined as those workers who have not been able to organise themselves in pursuit of their common interest due to certain constraints like casual nature of employment, ignorance and illiteracy, small and scattered size of establishment Modernization and industrialization has paved a good way to the construction industry. Worker migration is generally defined as a cross-border movement for the purposes of employment and better living conditions. The term "worker migrant" can be used restrictively to only cover the movement for the purpose of employment. Construction workers face many problems like mistreatment and discrimination. Both skilled and unskilled migrant worker are required to complete many construction projects work. According to the Indian constitu-

tion article 19 provides people basic freedom to move to any part of the country and the right to reside and earn a livelihood in the place of their choice. Poverty, unemployment and helplessness force people to leave their place of origin and to go to unknown places to work in extremely difficult condition. The construction sector is an important sector of the economy and contributes significantly to GDP. Construction workers' is one of the major problems in India. Nowadays, construction sector plays a major role in which construction workers face so many problems in their day-to-day activities.

The study of wages and working conditions of construction workers in Madurai city in India the study was highlight on migratory nature, recruitment, social profile of organised construction workers, methods of wage payment, wage structure, level of differential working conditions, legislative protection, and socio economic characteristics of the organised construction workers. Proper enforcement of welfare measures can be improved the status of construction workers (M. L. Jesudoss, 1990). Another study was the employment relationships in construction labour in Nairobi, Kenya reveals that informal construction workers are mostly young men below 45 years of age. They operate under difficult working environment. They have no 24 formal employment contracts, social security, health insurance, and are exposed to several health hazards. There are no relevant policies and regulations aimed at addressing the problems facing the sub sector. Most of the construction workers interviewed have skills and some further training (formal or informal) in their areas of specialisation which are predominantly masonry, plumbing and electrical work. However, experience and reputation are the main requirements of employment within the informal construction system. These construction workers are spread across the width and length of the country (Mitullah and Wachira, 2003).

The workers who are migrated from different regions and states leaving their native villages. These people in general are nomadic in their life and usually do not return to their birthplace or natives. They travel from one area of work to other area along with their families and live in a place, which is either provided by the owner of the construction company or somewhere nearby, building temporary shelters. They have maximum mobility because of the nature of their work. These workers are engaged in huge industrial

constructions, residential flat constructions, city beautification works, these construction workers, as a part of unorganized work force remain the most exploited ones even after five decades of independence. Most of the construction workers migrate to cities and metros are from poor families and are illiterate. Their lack of education and skill make their choice very limited. When they come to big cities, they have to face number of problems because of their inexperience and lack of skill. They become easy victim of exploitation and have to work for their day today sustenance.

The present study aims to analyse the problems of construction workers in India as well as Odisha in which the construction business is booming is a vast proportion and there is greater migration construction workers. Since there is need to discuss the issues of construction workers.

## II. OBJECTIVE OF THE STUDY

1. To examine the socio economic status of construction workers in India.
2. To study the Current Scenario of workers conditions in India as well as Odisha.
3. To find out the problems and challenges faced by construction workers in India as well as Odisha.
4. To examine the sectoral approaches with special reference to construction industry in India.

## III. RESEARCH METHODOLOGY

The present study is descriptive and analytical in nature. It is an empirical study based on the primary as well as secondary data. The data was collected from various reports of the Government of India viz., Report of All India Census of 2011, Economic Survey of India (Various Issues), Plan Documents (Various Issues), Standing Committee Report (Various issues).

## IV. SOCIO ECONOMIC CONDITIONS OF CONSTRUCTION WORKERS IN INDIA

In India, the scale and growth of regional disparities has been a subject of much concern and debate, particularly

since the post liberalization period. One of the indicators of such disparity is the ratio between the highest and lowest state per capita income, which, represented by Punjab and Bihar in the period 1980–83 and Maharashtra and Bihar in the period 1997–2000, witnessed a rise from 2.6 to 3.5 over the same period (Srivastava, 2003). The same ratio, represented more recently by again Bihar and Haryana, further rose to 4.78 for the period 2008–10. As the state has moved away from the elements of regional policy to encourage agglomeration economies in and around the pre-existing growth centres in advanced regions, such regional disparities have only got accentuated in the post-reform period (Srivastava, 2009b). Almost one-third of India's population still lives below the poverty line and a large proportion of poor live in rural areas. A great majority of rural poor are concentrated in the rain-fed parts of eastern and central India, which continue to have low productivity in agriculture. Generally, the rural poor in India possess meager physical and human capital and also tend to be concentrated among the socially deprived groups such as SC and ST and religious minority such as Muslims. In 200405, scheduled castes and tribes accounted for 80 percent of the rural poor although their share in total population is smaller. As some of these resource-poor regions fall behind in their capacity to support populations, poor households participate extensively in migration (Connell et al., 1976). India has a long history of internal migration, with urban pockets like Kolkata and Mumbai receiving rural labour mainly from the labour catchment areas like Bihar, Uttar Pradesh, and Orissa in the east and some parts of Andhra Pradesh, Tamil Nadu, Kerala, and Karnataka in the South (NCRL, 1991; Joshi and Joshi, 1976; Dasgupta 1987). Though such pattern of migration continued unabated even after independence, increased labour mobility and migration have become more prominent in the national economy in the recent years. That migration has been a significant livelihood strategy for poor households has been confirmed by some more recent studies.

The importance of migration as a livelihood strategy has, however, been belied by official statistics such as Population Census and NSSO, which grossly underestimate some migration flows such as temporary, seasonal, and circulatory flows, both due to conceptual and empirical difficulties. However, a closer examination of migration pattern from the perspective of poverty and livelihood requires a focus on temporary and short-duration migration, because such migrants lack stable employment and sources of livelihood at home. Moreover, the socio-economic pro-

file of the temporary/ seasonal migration is very different from the other migrants, as most of them are more likely to be from socially deprived and poorer groups, have low levels of education, and are more likely to be engaged in casual work. Data from the migration survey carried out by NSSO in 2007/08, though poor in coverage, indicates some broad patterns of such short-duration migration. According to the survey, more than two-thirds of short-duration migration involves migration to urban areas, with 45.1 percent of them migrating to other states, of which 8.6 percent is to rural areas and 36.5 percent to urban areas in destination states (Srivastava, 2011a).

Some micro surveys also attest to both high incidence and growth of seasonal and circular migrants, while estimates based on macro surveys put these figures in the range of 80 to 100 million (Deshingkar and Akter 2009; Srivastava 2011a, c). A number of detailed empirical studies suggest that in the out-migration endemic rural areas of Central and tribal regions, Andhra Pradesh, North Bihar, Eastern Uttar Pradesh, etc, the incidence of households with at least one out-migrant ranges from 30 percent to 80 percent (Srivastava 2011a). However, not many of these studies traced the migrants to their workplace or from workplace to the source area to better understand the factors that trigger such migration and the impact such migration has on poverty. Most of these micro studies have at best given a static picture that gives a one-point snapshot of the impact of migration on poverty either in the source area or at destination.

According to latest NSSO estimates, the construction sector is one of the most predominant sectors employing labour migrants and is also a sector which has seen a rapid increase in employment in the recent years. The highest percentage of short-duration migrants work in the construction sector (36.2%), followed by the agriculture-related sector (20.4%), and manufacturing (15.9%) (Srivastava 2011a).

Both in terms of the share in GDP and particularly, the people employed, the importance of the construction sector has increased significantly in the recent years (Table 1.1). In the last decade between 2000/01 and 2012, the GDP of India's construction industry grew on average by 14.58 percent annually, making the sector the third-fastest growing industry, after other industries such as "trade, hotel, transport and communications" and "finance, insurance, real estate and business" (RBI, 2012).

**Table 1.1  
Sectoral Composition of Different Sectors in Overall GDP  
(at 2004/05 prices)**

Year	Agriculture and Allied	Manufacturing	Construction	Services
1999/2000	23.3	15.1	6.5	49.9
2000/01	22.3	15.5	6.6	50.4
2001/02	22.4	15.0	6.5	51.0
2002/03	20.1	15.4	6.8	52.5
2003/04	20.3	15.2	7.1	52.5
2004/05	19	15.3	7.7	53
2005/06	18.3	15.3	7.9	53.7
2006/07	17.4	16.0	8.0	54
2007/08	16.8	16.1	8.1	54.4
2008/09	15.8	15.8	8.0	56.1
2009/10	14.7	16	7.9	57.2
2010/11	14.5	15.8	7.9	57.7

Source: GoI

Accounting for 33 percent and 19 percent of short duration migrant workers in urban and rural areas respectively in the 2007/08<sup>2</sup> (Soundararajan, 2013).

Despite the large number of workers involved, we have limited information on the impact of such large-scale migration on the well-being of workers in particular and on rural poverty in general. The lack of evidence, both at the macro and micro level, belies enormous significance that migration to the sector holds for rural livelihoods. We identify this as an important gap in the literature. With stagnation in employment in both agriculture and manufacturing in India, it is all the more important to see what impact such migration entails for the migrants in both source and destination areas. Given that many of these seasonal/temporary migrants are undercounted in data and are invisible in policy discourse, this study of migrant workers engaged in the

construction sector can present an important case study of what is happening to the vast mass of informal workers who migrate from resource-poor areas in search of livelihood. Using survey-based evidence collected in two phases from destination and source areas, the present study aims to fill the gap in the literature through an in-depth study of both living and working conditions at the destination areas and the impact of such migration at the source areas.

To begin with, India is the ninth- largest construction market, with a share of 3.3 percent in the global construction market and is set to become the third-largest construction market by 2020 (Global Construction 2020, 2013). The sector is extremely diverse. While a sizeable part of the construction activity is very small scale, and is in the unorganized sector, larger scale construction activity is organized by firms in the private and public sector. Most of the construction activity is organized in sites in the form of projects. The present study focuses on labour migrants in the construction sector and the impact of such migration on poverty, both at destination and source.

## **V. SOCIO ECONOMIC CONDITIONS OF CONSTRUCTION WORKERS IN ODISHA**

Due to lack of employment, low wage payment impoverished conditions are some of the factors behind the concentration of migrant workers in the cities. These migrant construction workers lead a very miserable life because of the absence of job security as well as opportunity for better jobs. In India there are 30 million of people are seasonal migrant labourers. Out of that Odisha has 2.5 million are migrant labourers. A total of 1, 01,012 labourers from different districts were given permission through 1975 licensed contractors to go outside States for work in 2016. They include highest of 67,137 workers from Balangir district followed by 13,605 from Nuapada, 6827 from Sambalpur, 5026 from Ganjam, 3,173 from Puri and 1153 from Nayagarh district. However, 13 districts Baleswar, Bargarh, Bhadrak, Deogarh, Gajapati, Kalahandi, Kendrapada, Khordha, Koraput, Rayagada, Subarnapur, Sundargarh and Talcher area of Angul district was in the list had no workers in the list, according to the information ( Odisha State Migration Profile, July 2014) Bureau. Around 41.79 % of the State’s population belongs to workers’ class. The State Government has not conducted any survey to know the number of people going to other States in search of work; but gathers information on migrant labourers only through the licensed worker-contractors. Under the Odisha Building

and Construction Workers Welfare Board 17,95,145 construction workers have been registered till now.

The migration pattern studied in this paper is predominantly inter-state in nature, which is determined by the fact that 21% of total migrants move within the state to find work. The important destination the coastal region is Bhubaneswar, Khorda. This along with Cuttack and Puri compose of 84% of intra-state migration from different regions. These migrated workers basically work as daily labourers in different construction site. Especially, in the Khorda district they are hired by the contractors from the labour congregation points for daily work with a fixed payment and some other women are hired as domestic help in households (Odisha State Migration Profile, July 2014).

Moreover, the workers are not registered and the absence of documentary evidence restrains them from accessing measures for social security, pension and insurance from the Construction Welfare Board etc. Within a very limited income they don’t have any savings, investments and remittance and are also deprived of basic amenities like sanitation, clean drinking water, electricity, shelter and a safe environment. Both the women and children face additional vulnerabilities in relation to health, safety, nutrition and hygiene. Basically, the impact is seen on the children as due to seasonal migration, they are deprived of education, exposed to the risky work environment and significantly limits the overall development of the child disallowing them a better future than their parents. Unfortunately, no attention has been paid to the plight of the migrant workers despite the prevalence of these ubiquitous

**Table 2: Socio - Economic status of workers**

<b>Covariates</b>	<b>%</b>	<b>N</b>
<b>Age of the respondents</b>		
15-20 years	29.7	89
20-25 years	43.0	129
25-30 years	27.3	82
<b>Marital Status</b>		
Currently Married	88.0	264
Unmarried	5.3	16
Widowed/Divorced/Separated	6.7	20
<b>Educational Status</b>		
No formal education	88.3	265
Primary school completed	11.7	35
<b>Caste</b>		
General	60	180
Scheduled Caste	30.7	92
Other Backward Caste	9.3	28

<b>Total dependency load</b>		
One	47.0	141
More than one	53	259
<b>N</b>	<b>100</b>	<b>300</b>

Source: GoI

Table-2 represents the socio-economic status of the respondents. Among the respondents, (43%) of women belong to the age group of 20-25 years, followed by 15-20 years (29.7%) and 25-30 years (27.3%). Among the respondents, (88.3%) were married followed by widowed/divorced (6.7%) and only (5.3 %) unmarried. The results from educational background shows that (88.3 %) of the respondents had are illiterate who have no formal education followed by (11.7%) who have attained school till completion of primary level. The caste category composition of the sampled respondents shows that (60%) belong to General category followed by Scheduled Caste (30.7 %) and Other Backward Classes (9.3%). The analysis on dependency rate shows that the respondent have more than two members fully dependent on them (53.0%) in the family followed by (47.0 %) who are having only one member dependent on them.

## VI. Problems of Construction workers

### 1. Productivity of Labour

Construction labour productivity is having importance to check the output for given input in the form of payment, social security schemes. By doing micro-measures of construction labour productivity indicate improvement and some macro-measures indicate otherwise, the opportunity for improving construction labour productivity clearly exists. The way to find opportunities for construction labour productivity improvement is to identify which factors are affecting it. Factors which are the construction labour productivity is related to these variables management, labour, Government, contracts, owner characteristics and financing.

Similarly the American Association of Cost Engineers defines productivity as a relative measure of labour efficiency, either good or bad, when compared to an established base or norm. and rectified the factors affecting labours productivity in construction planning. It is difficult to calculate absolute value of labour productivity by analyzing the information from various sources.

And the outcome is adequate coordination, union agreements, restrictive work practices, Absenteeism, Delays,

Social Characteristics, environmental rules, climate and fixed price, unit cost i.e. payment to the labour

### 2. Nature of Working Profession

Now we are in the twenty-first century, many of us would dispute that the construction industry has a poor image. In the scenes of devastation as buildings collapse, numbers of accidents on construction sites, corruption in the compensations and corruption in construction itself. All of these problems contribute to the poor image of the industry in the eyes of its clients and the public at large also contribute to the poor image of the industry in the eyes of its workforce, or potential workforce. The poor image of the construction industry is generally thought to stem from the nature of the work, which is often described as —dirty, difficult and dangerous. But the real reason why construction work is so poorly regarded has much more to do with the terms on which labour is recruited than the Nature of the Work Itself. For many construction workers around the world the duration of employment have always been a problem. And it is been temporary in nature which cause instability, insecurity in labour.

The outsourcing of labour through subcontractors and other intermediaries is now the fad in our country. It means that work in construction has become increasingly temporary and insecure, and workers' protection has been reducing at large numbers are excluded from social security schemes. The increase in the practice of employing labour through subcontractors has also had a profound effect upon occupational safety and health and it has undermined collective bargaining agreements and training provision.

### 3. Project Delay Reasons:

The construction industry is one of the main sectors that provide important ingredient for the development of an economy. However, many projects experience extensive delays and thereby exceed initial time and cost estimates. The wealth of any country is gauged by its performance in infrastructure provision through its construction industry. The construction industry is large, volatile, and requires tremendous capital outlays. For developing economies, it means that much of the national budget on infrastructure development.

On the other hand, delayed payments, financial processes and difficulties on the part of contractors and clients, Labour Disputes, Labour strikes materials procurement, changes in drawings, staffing problems, equipment unavailability, Poor Supervision, and Poor Coordination on site, Rates

of accidents these are found to be the major causes of schedule delays. The Reasons for the delay in construction projects material shortage.

- Machinery fail-down.
- Absentee of construction labour.
- Owner - Contractor – labour dispute.
- Accidents on construction site.
- Financial shortage.

#### 4. Accident on Construction Site

The construction industry is generally thought to stem from the nature of the work, which is difficult and dangerous. And the main person who is actually executing the project is in maximum risk and danger to his life. Every year rate of accident on construction site is regular which 5.2 percentage of total accidents is and minimum 11,614 fatal accidents must be occurring in Indian construction industry. In other way, on an average 38 (=11,614/300 working days in a year), fatal accidents occur per day in Indian construction sector.

As the number of accident are more than that directly effects on the project duration, and cost of project also cost the associated with the accident and crating the faire of accident in the eyes of labours. Also the provision of compensation is extra burden on the construction project. And it comes out in the form of shortage of labour and strikes on the construction work.

#### VIII. Conclusion:

The contribution of this study in the area of construction workers' involvement in economic growth activities is immense; they remain largely invisible. These construction workers are predominantly young people who migrate due to poverty, face poor living and working conditions and lack of education and skills, they lack proper identity and representation. They, thus, remain excluded from public services, protection and opportunities for advancement in a growing economy. To ensure that constructions workers are safe and secure, and are able to access their entitlements as Indian citizens workers both at the destination and source states, the study enumerates a host of interventions: promoting awareness within the workers' community to sensitize members to their vulnerability to

discrimination and exploitation, as well as to their health, education and legal rights, addressing the concerns of woman issues specifically.

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