IMPACT OF ‘RIGHT TO WORK’ ON COMPLIANCE OF MINIMUM WAGES IN INFORMAL LABOUR MARKET: EMPIRICAL EVIDENCE FROM DELHI NCR

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Abstract

The major objective of this intended paper is to bring an empirical insight about the spillover impact of the ‘Rural Right To Work’ known as ‘Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on compliance of minimum wages and discrimination in wages, i.e. gender and migrants in the urban construction sector. Amid growing informality and precarity around the global, especially labour markets in developing countries continue to non-compliance of the minimum wage regulations. Consequently, a significant portion of the wage distribution is continue to be found below the standard or legal minimum wage in global south. Ironically, the construction industry in India is the 2nd largest employer and construction workers constitutes the major portion of the informal/unorganized workforce. Most of them are often exposed to lower wages than the stipulated minimum wage rules and regulation which falls beyond the formal kind of compliance mechanism including social security.

Incidentally, both, MGNREGS and the construction industry have participation by and large from the same typology of workforce. Further, the paper focuses on the comparison of the counterfactual wage distribution without the minimum wage law to the actual wage distribution mechanism. Consistent with the predictions of the model, the findings of the paper suggest that because of a sense of guaranteed public employment and equal wage opportunity, partial compliance is taking place indeed but the lowest wages are being raised discriminately and disproportionately, especially in case of female workers and poor migrants concentrated at the lowest level of employment pyramid in the buoyant construction industry.

Keywords: MGNREGS, Minimum Wage, Compliance, Informal Labour Market, Rural Migrants, Gender, Construction Industry.

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I. Background

Since its Independence, Indian Construction industry has played a vital role in development of the economy as a whole. Today, the industry is not only contributing around more than 8-9 percentage of the total GDP (around 928,418 crores as per current price, gross value additions) but at the same time generates around the same percentage of employment opportunities as a whole. The industry has been a roller coaster in building of modern India such as housing, industry, and development of other infrastructure facilities across the sectors. On one side, despite of technological change and globalization, industry is still most labour intensive by employing directly more than 55 million of workers (CIDC, 2013) and has been a significant player in terms of employment generation while directly or in-directly creation of backward-forward linkages across the sectors such as cement, iron, and steel etc. Moreover, the industry is most fragmented in terms of size and scale, with a handful of major companies are engaged in all segment of the construction projects while medium size companies are engaged in some niche construction activities and small size organizations are engaged as contractors or subcontractors at field level activities. Further, a huge share of workforce (around 93 percentage) employed in the unorganized sector means no trade unions and a very poor bargaining power of the workforce in the economy at large (Papola, 1994:2012; Ratnam, 2003; Shyam, 2006; Standing, 2011). However, with the pace of the reforms and neo-liberalism pressure on state to create or ease of regulations in facilitation of the capital, despite of radical labour reforms, with rise of informality within formal sector, there is a significant structural change happening on the existing industrial relations system such as declining of trade unions and industrial conflicts etc (Rohini, 2001; Bardhan, 2001; Sharma, 2006; Sunder, 2007:2008:2010:2015; Labour Bureau, 2013).

However, in today’s globalised economy, a complete absence of trade union also symbolizes the exclusion of basic principle of tripartite social dialogue and justice for the informal workers at large (ILO, 1976:1998; Standing, 2002:2011; Stiglitz, 2002).

On other side, India’s Mahatma Gandhi National Rural Employment Guarantee Act (NREGA, 2005) is one of the unique and largest public employment program in recent histories of developing world. The scheme aims to provide ‘public employment’ locally as a right based demand driven job opportunity to the rural ‘needy’ households to contain distress migration, extreme poverty, discrimination and longer period of unemployment. Under the Act, during the fiscal year 2013-2014, the (then UPA) Government of India allocated over US$ 5.5 billion to the Rural Development Ministry for its largest flagship social protection scheme known as the ‘Mahatma Gandhi National Rural Employment Guarantee Scheme’ (MGNREGS). The NREGA intends to provides 100 days of unskilled wage employment to any household residing in rural areas whose adult members wish to work manually under the
scheme. Employment opportunities made available under the Scheme are closely tied to the construction and maintenance of public goods and services for the local community at large. Further, to some extent, the Scheme has been able to initiate the process of financial inclusion of the vulnerable workers by opening and transferring wages through a bank account. Though this demand driven guaranteed employment and financial literacy opportunity at village level is not necessarily seen only to provide a 100 days public employment opportunity and reduce migration from the rural areas in larger context of development. But indeed, it is aimed at to provide a safety net for a vast numbers of vulnerable rural households, having unemployed or underemployed laborer(s) and willing to join the locally available manual labour work under the scheme. Moreover, many available studies emphasized that scheme has by and large targeted to mitigate the distress migration, poverty, long term unemployment, deficit of standard and equal cash wage opportunity and other livelihood vulnerabilities in the rural areas at large. Further, with the availability of the public employment program and cash wage opportunity at village level, the pace of rural migration has been slow down at some extent, but due to poor governance of implementation, leakages and other issues related to non-availability of MGNREGA work as per demand as well as socio-cultural constraints in participation of rural workforce under the scheme, a large number of rural workers still continue to migrate to other avenues of job opportunity, especially towards construction industry (Dreze and Khera, 2011; CAG, 2013; Rao and Singh, 2014).

In-fact, a large army of these vulnerable workers with low human capital often find construction sector as their first employer, because of easy entry as well as immediate cash wage ‘income’ opportunity at the destination of migration (Rao & Singh, 2015). Further, with improved connectivity (both in terms of transportation and communication) and information about the wage and better job prospects, a large flux of the rural migrants is strategically migrating towards the big metro cities like Delhi and NCR region, Mumbai, Bangalore, Hyderabad and their satellite towns etc where construction industry is more visible in development of mega housing projects, commercial complexes, and industrial clusters etc. The satellite towns around the big metro such as Delhi NCR and others as well have emerged as the pillars of neo-liberal growth in 21st century. The construction activities are booming at large to facilitate the massive housing, commercial and industrial space development. These Urban Agglomerations have become the magnetic center for migrant workers due to high demand for building and construction of housing, urbanization, commercial complexes, industries, SEZs and other infrastructural development activities like roads, flyover, Metro rail, etc. Incidentally, both, MGNREGS and Construction industry have similar kind of job-work, physical activities and depends on the same typology of manual ‘unskilled’ rural workers. Further, with global slowdown and economic crisis, stagnation of
manufacturing as well as decline of agriculture, the construction sector has emerged as the 2nd largest employer in the Indian economy (NSSO, 2012; Economic Survey, 2012:2013). Further, with a major focus on development of SMART cities and Industrial Corridor, is likely to further not only exaggerate the migration from the rural areas but accelerate the pace of demand for a large number of migrants in construction industry to build and construction of housing, industries, SEZs, highways, flyover, transportation, communication and other required infrastructure development around these neo-liberal centers of growth.

Moreover, most of the contemporary existing impact evaluation studies (Dreze and Khera, 2011; GOI, 2011:2012; CAG, 2013; Rao and Singh, 2014;) across the regions have discussed on the positive impact of MGNREGA on wage income, saving, female participation in labour market, consumption expenditure on food, children’s education, nutrition, health and effect on agriculture output etc. These studies further pointed that the implementation of the scheme is positively related to increase in both real wages as well as participation of male and female labor force. Some study like Rao & Singh, 2014) finds that the effect of the scheme on women labourforce has been stronger and larger than men (based on various recent NSSO rounds). Some other evaluation studies from different region have also reported the positive benefits associated with the access and participation in the scheme (Nayak and Khera, 2009; Liu and Deininger, 2010; Dreze and Khera, 2011; Rao and Singh, 2014).

However, most of these available studies (Primary as well as Secondary) largely examine the effectiveness of the MGNREGS on employment, consumption expenditure and income of the participating laborer (s) under the scheme. But

Moreover, allowing of 100 % FDI flow in the sector, the scale and size of the construction industry is likely to be than of any other kind of industry. However, inadequate drafting the construction specific labour regulations in the new draft Bill (Labour Code Bill, 2015) further likely to make the labour relations more complex in the industry which is likely to further exclude the construction workers from decent work conditions. There are hardly any studies which has captured or evaluated the spillover effect of the scheme on the compliance of the regulations in informal sector especially construction industry, where most of these workers are continue to get employment beyond the scheme. In this broader context, the major objective of the study is to examine at what extent MGNREGS has an impact on the labour relations beyond the scheme such as participation of rural migrants, labour process, and approach of collective bargaining, conditions of work, payment of wages, gender relations, labour practices and other welfare measures in the construction sector. To fill this vide vacuum of emerging post MGNREGA labour relations in the existing literature, an empirical enquiry is the only way to get insight of the significance of the ‘Public Employment Program’ on the rural migrants beyond the Scheme.
I.I. The Objectives

MGNREGS and Construction industry largely depend on the same typology of workers. The paper addresses two main objectives; first, to examine at what extent Rural Guaranteed Employment Scheme (MGNREGS) has impacted on the compliance of the regulation, especially minimum wage in the construction industry. Secondly, the paper analyzes how the Scheme beyond the regulations has helped the workers, especially women and other vulnerable workers are able to negotiate with their immediate employer, agency or (sub) contractors of the construction industry, not only for better wages, but also for conditions of work, employment tenure and other welfare facilities at the place of destination or worksites in 21st century Construction Industry.

I.II. Rationality of the Study

India’s 93% of the total workforce engaged in the informal sector and largely originates in its more than six lacs villages. The intended presence of a guaranteed public employment program in rural areas where India’s more than 700 million of population resides itself target the vulnerability, severity of unemployment and deficit of decent work at some extent. Further, with change of regime at the center and subsequent major focus on development of SMART cities, make in India and Industrial Corridor, which will further not only exaggerate the migration from the rural areas but accelerate the pace of demand for a large number of migrant rural workers in building and construction of housing, industries, and other infrastructure development projects. Thus the impact of the study should be understand in a broader context of indirect compliance of the regulation across the informal sector at large and not certainly limited to workers in the construction sector in particular.
III. Methodology

The aim of the research paper is to be an exploratory and descriptive in nature. In order to understand the impact of the MGNREGS scheme on the compliance of the regulations in construction sector requires a modest data collected through mixed methodology. The analysis of the study is based on the primary field study which was carried out in three phases. First, in July-August 2013, a small questionnaire was developed to conduct the pilot survey on the construction workers, contractors and identify the relevant construction worksites. Secondly, as per requirement of the survey, after identifying the two construction worksites of world renowned construction giants, namely Larsen & Toubro (L&T) and National Building Construction Corporation (NBBC), the questionnaire was developed to collect the required robust information. Further, as the universe of the workers were not known, so a mixed methodology (including Quota as well as snowball sampling methods) was adopted to interview around 200 workers each from the stated construction sites. A semi-structured questionnaire was developed and used to get the information related to the participation of workers MGNREGS before migration, migration decision, process of hiring, labour process and employment relations in the construction sector, wage equality, migration of women labour, conditions of work, wage and payment of wages, awareness of the work and wages at the destination, facilities at site, paid journey, working hours, work duration, opportunity for skill or training, collective and individual bargaining capacity and the socio-economic profile of the construction workers etc and comparatively compliance status of the related labour and welfare regulations in the construction industry. Moreover, the survey questionnaire was specifically designed to collect the information related to construction workers from rural areas, having a public employment as well as equal wage opportunity, especially poor, women, and other vulnerable workers from marginalized groups (SCs/STs/OBCs) at the place of their origin.

The second part of the questionnaire was designed to capture the transformation in the construction labour market beyond the scheme such as the information related to their decision to migrate for better alternate opportunity beyond the scheme and especially better bargaining capacity and actions in terms of conditions of employment, payment of wages, working conditions, and other welfare facilities such as crèche, health, housing, schooling for their children etc. Multistage sampling was adopted while interviewing and discussing the workers, contractors, and the official of the main companies as well as principal employers. However, a ‘Quota sampling technique’ was applied to conduct interviews, FGDs as well as of the case study for the both worksites. Thus apart from two case studies each from the respective construction site, interviews and FGDs of a sample size of 400 workers were conducted through scheduled questionnaire in an extensive field work during July 2014- Sept’ 2015.
Further a robust understanding of the present labour process and emerging labour relations, three workers’ Case studies are also discussed in terms of individual migrant construction workers and their families. In this way, to understand the complexity of emerging labour relations in today’s world of construction work, an extensive filed study was designed to capture the maximum available information across the large construction sites of the India’s two top construction organizations.

III. Study Area and Data Sources

III.1 Universe of the Study

The fieldwork carried out in South Delhi and Gurgaon Area of Delhi Metro Agglomeration which is now a part of NCR Delhi region where apart from small construction organization, a high numbers of domestic, multinational and the transnational companies are active in developing and construction of large housing building projects, commercial centers and industrial-SEZs complexes etc on a large scale. National Capital Region (NCR) is also called a mini India and seen as an 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 Act, 1985, The National Capital Region as notified covers an area of about 34,144 sq kms falling in the territorial jurisdictions of four State Governments namely, NCT of Delhi, Haryana, UP, and Rajasthan and constitutes about 1.60% of the country’s land area (Fig.1&2).

Fig.1& 2: The Overview of the NCR

Note: On July 1st, 2013, NCR Planning Board’33rd meeting has approved the proposal for inclusion of Bharatpur district of Rajasthan and Bhiwani & Mahendragarh districts of Haryana State in National Capital Region (NCR3) Source: http://ncrpb.nic.in

3 Ministry of Urban Development vide notification No. S.O. 2979 (E) dated 01.10.2013 has notified additional areas i.e. Bharatpur district of Rajasthan and Bhiwani & Mahendragarh districts of Haryana State in N
III.2: The NCR: Destination for Rural Migrant Labourer

In today’s changed scenario where a larger part of GDP contributions comes from the large Metros or urban agglomeration in the national economy, the rural migration process has significantly changed (Census, 2011). The improved connectivity such as transportation, railway, metro along with the mobile communication system, the Delhi NCR region has emerged as the hub for both the construction organizations as well as a favorite destination of migrants. With the pace of Neo-liberalism and subsequently meet the growing demand around the NCT-Delhi such as housing, industries, jobs, economic activities, comprehensive transport system, social infrastructure and quality of environment etc., NCR Zone happens to be the magnet for all kind of labourforce in recent times (Census, 2011; NSSO; Economic Survey, 2012). The emerging wide demand gap of housing, space and land development for industrialization, and increased commercial activities in the National Capital Region, the Metro agglomeration around Delhi and its limits have been continuously keep extended in all direction. Currently, the modified NCR would comprise the notified controlled/development/regulated areas of satellite or contiguous towns of Gurgaon-Manesar, Ghaziabad-Loni, Noida-Greater NOIDA, Faridabad-Ballabgarh, Bahadurgarh, Sonepat-Kundli and the extension of the Ridge in Haryana.). In recent times it further extended towards the Muzaffarnagar in UP, Mahendergarh in Haryana and Alwar in Rajasthan as well (as shown in Fig1&2).

III.3 Fieldwork Sites

The two case studies of India’s top construction companies sites were selected which is part of my research study as well; one is giant from private sector ‘Larsen & Toubro’ (known as L& T), and the second is India’s well-known public sector Navratna company ‘National Building Construction Corporation’ (called as NBCC ). These both organizations not only have a presence in Delhi NCR but highly active with multiple sites under construction across the regions as well as beyond the boundaries of continents.
IV. Demographic Profile of the Rural Migrant Construction Workers

The total participants are 400 construction workers (99 women workers and rest male workers). These are migrants from the six states of India’s North, North-East and Central region. The largest contingent of workers found to be from Bihar (126), followed by UP (74), Jharkhand (63), MP(57), Chhattisgarh(CG) (42) and West Bengal (WB)(38). But in case of women labourforce Bihar (31) leads and followed by MP (26), Jharkhand (15), CG(14), WB(12) and UP(5) remains the last (Fig.3).

Fig.3 Gendered Profile of the sampled migrant workers

![Gendered Profile of the sampled migrant workers](image)

Source: Primary Survey

The sampled social groups statistic shows that most of the workers belongs to OBCs category (166), followed by SCs(80), STs and Others(50 each), and Muslim(46). The same pattern can be noted in women labourforce participation but Muslims are exception here, as no Muslim women found in the sample study (Fig.4).

Fig.4 SOCIAL GROUP STATISTICS OF THE SAMPLED WORKERS

![SOCIAL GROUP STATISTICS OF THE SAMPLED WORKERS](image)

Source: Field work/Survey
Moreover, the workers who also have participated or have NREGA job cards before coming to construction sector found to be around 239 workers across all groups while only 46 females, mostly from OBCs, SC/STs are found except a few (4) from others mainly (Bodhi) and again no Muslim women (Fig.5)

Fig.5 Gender-wise Beneficiary (who participated in NREGA before migration)

As the statistic shows that cultural constraint is also more visible in women’s participation in the labour market. Some states and their region has more cultural construct on women’s labour force participation in MGNREGS as well as beyond the scheme or in decision of migration and joining the construction industry.

As most of the female labourers were find as attached labourers and most of them do the most unskilled work like helper or kuli while preferring to work along-with their husband, father, relatives etc.
V. ANALYSIS OF SPILLOVER EFFECT OF MGNREGA

V.1 Conditions of Advance Taken by the workers

As the Contractor, subcontractor and agent told that the labour process hiring has completely changed and transformed after the NREGS scheme in the poor regions from where construction workers are brought in. Now they demand advance for two months equivalent to MGNREGA wage and more wages at the destination before agreeing to come. The eligibility for the NREGA-job card also plays an important role in finalization of the agreement, some of the workers even demanded advance to ensure their opportunity cost of migration and joining the construction industry. The MGNREGS wage equaling one month or two months advance for adjustment is more popular now (Fig.6).

Fig.6 Absolute no of workers, their conditions of Migration and Joining Construction Industry

Most of the workers found to be engaged in collective as well as individual level bargaining before migrating and joining in the construction industry. As per fig( Fig.6) clearly shows that some of the workers are even get advance also and fixed their employment tenure at the place of their origin itself.
V.2. Effects on Wages and Payment of Wages

Apart from the workforce, most of the Contractors, subcontractor and agents told that MGNREGS wages has become a benchmark in hiring the construction workers from the rural areas. No unskilled worker including female helpers wants to work less than or below MGNREGS wage in their village. As no female found to be Mason or skilled level workers, most of the male members who have skilled level or unskilled one, always do bargaining with the MGNREGS wage as a base of unskilled labour at village level. Most of the unskilled labourers including women found to be earning around Rs. 180-200 at all sites, while skilled workers get around Rs. 250 to Rs. 300 (Table.7).

Table 7. Effect on Wages

<table>
<thead>
<tr>
<th>Job profile</th>
<th>NREGA Beneficiary Wage Rate (Rs.)</th>
<th>Non- Beneficiary Wage Rate (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mason (Semi /skilled)</td>
<td>250</td>
<td>230</td>
</tr>
<tr>
<td>Carpenter (Skilled)</td>
<td>300</td>
<td>275</td>
</tr>
<tr>
<td>Female worker(Unskilled)</td>
<td>180</td>
<td>150</td>
</tr>
<tr>
<td>Unskilled Male</td>
<td>200</td>
<td>180</td>
</tr>
</tbody>
</table>

Source: Primary Survey

This shows a clear benefits to rural migrants both beneficiary as well as non-beneficiary of the scheme and especially the women workers, who benefited the most.
Now workers, apart from wages, start demanding other facilities and negotiate at the place of origin itself and then take decision where to migrate and with whom they will work. Most of the workers, especially women, negotiate the other facilities like Creche, accommodation, fix work hours, water for drinking and general use, weekly payment or Kharachi in need etc. The both organization at all 4 sites have either made these facilities at sites like L & T evening have a health clinic during the working hours or made an arrangement like NBCC with local hospitals (Table.8).

### Table.8 Other Welfare Facilities

<table>
<thead>
<tr>
<th>Companies/Organization</th>
<th>Wage Bargain (compar e to NREGA Wage)</th>
<th>Wage for female</th>
<th>Women wage not less than NREGA</th>
<th>Crèche facility</th>
<th>Drinking water</th>
<th>Toilet facility</th>
<th>Suitable Accommodation</th>
<th>Ensure weekly payment</th>
<th>Working hour(s)</th>
<th>Rest time</th>
<th>First Aid @site</th>
<th>Ambulance @site</th>
</tr>
</thead>
<tbody>
<tr>
<td>L&amp;T</td>
<td>20 percent More</td>
<td>Minimum wage</td>
<td>Not less than NREGA</td>
<td>---</td>
<td>Water Tank @site</td>
<td>Fabricated</td>
<td>Fabricated</td>
<td>Yes</td>
<td>9</td>
<td>Half Hour</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>NBBC</td>
<td>10 percent more</td>
<td>Equal to NREGA</td>
<td>Equal to NREGA</td>
<td>Yes</td>
<td>Bore-well</td>
<td>Like NREG A site( kacchi-tent)</td>
<td>Near site/make shift (semi-kaccha)</td>
<td>Fortnight</td>
<td>9</td>
<td>Half Hour</td>
<td>Yes</td>
<td>Tie-up with Local</td>
</tr>
</tbody>
</table>

**Source: Primary Survey**

**V.3 Changing Payment Transfer Methods of by Workers**

As shown in Fig.9, most of the workers, OBCs (100), SCs (55), STs (40), Muslims (24) and others (20) opened account in banks while working or applied under MGNREGS scheme, which has become a more effective way to send their savings or remittance to their families at the place of origin. This is directly showing a drastic change and complete shift from the traditional way like sending through either Contractor, Post office(PO) , Family or friend account etc.(Fig.9).
**V.4 School Enrollment of children of construction workers**

Most of the workers and especially where women labourers interviewed was very much enthusiastic to send their children in the nearby school. Some of the workers told that they prefer the work, if there is a nearby government or company run school. A handsome number of workers such as OBCs (36), SCs (15), STs (12), Muslims (10) even shifted their accommodation while engaging at these sites, to nearby villages where they can enroll their children in any school. Almost all the parent workers told in the same way, they argues that school fees and admission, both are difficult here (Table.10)

**Fig.10. Effect on Human Capital**
VI. Voices from the Workers: Case Studies

VI.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 a 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 a/c opened while work under MGNREGA at Malda.

VI.2. Case of Sarita Bai and her Husband Bholanath from JHANSI (UP)

About the Laborers Case
Sarita, came to NCR Delhi area with her husband(Bholanath), two kids, father-in-law and other villagers from a village near Jhansi, Bundelkhand region of Uttar Pradesh, 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, was engaged as a Helper( unskilled), at village, she was getting around Rs. 120 by doing MGNREGA work, though she has done only 35 days. Now at constructions worksites, she is getting Rs. 180.00, but her Husband is a Beldar (Unskilled/semi-skilled) and Farther in- law are Mistry-construction, who 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 get more than MGNREGA wage and have taken a rented accommodation in a nearby village Jamalpur, where they have enrolled their children in nearby pvt school, after school hours, children reaches at ‘Creche facilities’. She herself ensured that her earnings will be spent on her children’s education.

VI.3 Case of Arvind and his family members, Malda West Bengal

Arvinda (age 34 years) have a family of 6 person; wife, 3 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 work for 40 and 55 days respectively before coming to Delhi/NCR. They were brought in by one of the agent of a subcontractor of the L & T by paying 50 days NREGA wage as an advance to be adjusted from their monthly income and promised for double payment than MGNREGA, enrollment 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.
VII. Discussions on Observations and Findings from the Work-sites

As the analysis of the paper and 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 labor supply at some extent but the sector complete lacks in enforcement of the labour and welfare regulations a whole. This means workers are not only employed precariously but they are more vulnerable in terms of their employment relations, conditions of work, gender discrimination, and payment of wages and likely to be excluded from the other state welfare benefits as well. Further, the paper finds that despite the complete absence of any national or local level trade union or workers unions at worksites, the awareness of MGNREGA as a ‘safety net’ not only empowered the rural migrants in terms of demand driven work opportunity or unemployment allowance if not get within 15 days as demanded but help 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 (as shown case in 1 & 2). This has transformed the construction labour market where both the workers (MGNREGS beneficiary or non-beneficiary) are able to negotiate not only for better wages but equal wages for women, work security and other welfare facilities such as ‘Crèche’ and nearby school enrolment of their children nearby the construction worksites. Moreover, as the analysis emphasizes on the myth of regular inspection about the labour governance in the industry as per ILO norms where India is a signatory ( C-48, ILO,1948), the sector is a complete exception. Further, apart from non-registration of workers under the Building and Other Construction Workers Act ( BOCWA,1996) through welfare board and the industry’s Cess fund is not properly utilized by the concerned state government either creating facilities or imparting training to the workers (BOCWWA,1996). However, the analysis of the paper shows that, despite of lack of proper enforcement of labour and welfare regulations, as well as leakages, corruptions and poor governance of the scheme(CAG2012:2013), the migrant construction workers are at some extent able to negotiate their conditions of work and welfare facilities, in case of any emergency. Further, apart from Company such as L& T which has created around four skill training institute across India to train the construction manpower industry is largely still in infancy stage to create a strong linkages with National Skill Development Corporation to impart training and skill enhancement of the vulnerable workforce. As the field analysis shows that more technological advancement companies are not only excluding women workers at large but women workers in the construction sector as a whole are often found only at the bottom of the job pyramid. This is likely to doom the demographic dividend and decent working conditions in the near future. However, this is further likely to create a shortage of skilled manpower in 21st century technological driven construction industry where poor and women workers are likely to face complete exclusion in both the terms of human capital enhancement as well as mobility of job hierarchy as a whole.
The road ahead  Towards solutions:

The old system

New Multi-actor stakeholder’s model

As the above model suggests that with participation of MNCs and subsequent advancement of the technology, especially in construction industry has witnessed the increased role of multi subcontractors and intermediaries. Thus the interventions such as skill, training and workmanship benefits should be addressed from the bottom that will ensure the compliance of the labour standards and the fair distribution of the resources by enforcement of the standard regulatory framework down to top.
Conclusion and Policy Implications

The outcome of the article clearly shows that the construction industry still lacks in enforcement of labour and welfare regulation at large while emphasizes on the multidimensional positive impact of the rural employment safety net (MGNREGA, 2005). As the study observed a complete absence of most of the traditional trade unions in the sector, thus the paper first argues for the proper enforcement of the existing labour and welfare regulations while enhancing the stakeholders (workers) awareness about the regulations and as shown in the study should follow the multi-actor model to enforce the regulations. Secondly, to create a universal Digital platform to document their details and ensure portability of their social security benefits under the regulations such as BOCWA (1996), ISMA (1979) and other Social Security provisions (NCEUS,2008-9) as well. More importantly, with new draft Labour Bill (2015) which is likely to be tabled soon, is further likely to exclude most of these concerns, while putting construction industry in a seasonal kind of code, where even trade union or registration of contractors is not enforced as per ISMA (1979). More significantly, the paper finds how scheme has brought the rural workers and the banking institution more closely which has in-fact empowered the rural poor, migrant youth and especially the women workers to have a competitive bargaining as well as decisive control of their wages having NREGA bank accounts before entering into any labor relations in construction industry and beyond. Finally, the paper suggests the policy makers to widen the safety net such as insurance and skill development while ensure the proper implementation of the labour and welfare regulations to get demographic dividend at large.

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