

## Cess collected for construction workers' welfare abysmally low

As the government prepares to finalise a model welfare scheme for construction workers, a group fighting for workers rights warns that the cess collected from construction companies, which is meant to pay for such workers' welfare, is abysmally low.

The National Campaign Committee for Central Legislation on Construction Labour (NCC-CL) which has taken the Centre to the Supreme Court (SC) on the issue, says that the average amount being collected per worker per year is only Rs. 477.10.

### Leaders and laggards

According to calculations by the NCC-CL using data from the National Sample Survey Office (NSSO) as well as affidavits filed by the Centre and States, only four States have collected more than Rs. 2,000 per worker per year.

In fact, more than 20 States have collected less than Rs. 1,000.

The worst performers are Manipur (Rs. 113.86), Jharkhand (Rs. 134.82) and Tamil Nadu (Rs. 135.84). "While planning the social securities to be provided, we must keep these figures in mind," says NCC-CL coordinator Subhash Bhatnagar.

"If we are paying more than this average amount to any construction worker in the form of incentives for children's education, marriage assistance, pension or maternity expenses, it is at the cost of other workers who have been deprived of getting registered as beneficiaries due to the insufficient functioning of the Building and Other Construction Workers Welfare Board." According to the Building and Other Construction Workers' Welfare Cess Act, 1996, a 1% cess is to be levied and collected on all types of construction activities, whether by government, PSUs or private players. "If 25% of the cost of construction except land price, (which is not part of the cess) is wages, the 1% of the total cost would be 4% of the wage bill or approximately 14 days of wages," says Mr. Bhatnagar.

"If an average daily wage is Rs. 300, then the cess collected should be about Rs. 4,000 per worker per year. Instead, the national average is less than Rs. 500," he adds.

Last year, the Parliamentary Standing Committee on Labour had said it was "astonished to note that no efforts have been made to compare the collected Cess figure with the total construction activities carried out in respective States."

### Model welfare scheme

In fact, the Labour Ministry released a draft model welfare scheme last month which includes pension, health and maternity benefits, life and disability insurance, education scholarships, skill development and housing benefits. Having received feedback from various stakeholders, the Ministry is expected to finalise the scheme this month, according to a senior official.

"The next hearing date for the case in the SC is on July 3. A report has been submitted to the government, including measures to enhance worker registration and cess collection," a senior Ministry official told *The Hindu*. The NCC-CL extrapolated the increase in construction workers as captured by NSSO data to estimate a nationwide total of 7.43 crore for 2016-17. States with the largest number of construction workers are: Uttar Pradesh with 1.21 crore, Rajasthan with more than 73 lakh and Tamil Nadu with 59 lakh. However, these numbers are much larger than the

number of workers who have been registered with the various State boards, and those eligible for benefits. Nationwide, only 2.77 crore workers were registered as of June 2017.

“Welfare benefits are possible now because only registered workers are eligible for the scheme, but if worker registration goes up without cess collection also increasing, it could lead to a collapse of the tripartite board system involving workers, employers and government,” warned Mr. Bhatnagar.

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

crackIAS.com