

SUMMARY OF FINDINGS

B-2
84

This chapter summarizes the main findings of the study. The policy recommendations for the betterment of the working and living conditions of workers with a view to improving their efficiency are made in the following chapter.

1. The building industry in Delhi employs more than 4 per cent of the total non-agricultural labour force. It is characterized by a relatively high labour-cost ratio, temporary nature of work and seasonal employment, gang labour, preponderance of small-sized firms, high rate of labour turnover on individual work sites, and absence of stable employer-employee relationship.

2. It is found that as many as 96 per cent building workers migrated to Delhi from the neighbouring States — one-half from Rajasthan, one-third from Uttar Pradesh, and the rest from the Punjab, Haryana and other States. The workers migrating from Rajasthan and Uttar Pradesh were mostly unskilled or semi-skilled. Economic pressure, reflected by the factors "no work at home" and "insufficient income at home/indebtedness", accounted for the migration of nearly 70 per cent of the respondents. By comparison, prospects for better jobs in Delhi was the main motivation for only 12 per cent of them.

3. An overwhelming majority of workers are rural in origin (90 per cent), male (82 per cent), married (78 per cent), illiterate (63 per cent), low-caste Hindus (67 per cent), unskilled (60 per cent), and in the age group of 18-34 years (63 per cent). Surprisingly, only 67 per cent of the skilled workers are literate. The proportion of literates is much less among the semi-skilled (29 per cent) and the unskilled (25 per cent) workers.

4. Dependency load is heavy on the building workers; sixty-six per cent of them have to support one or more dependants living with them, and 48 per cent are supporting one or more

dependants living elsewhere. Indebtedness is widespread among the workers (75 per cent), the highest concentration (31 per cent) being in the debt category of "Rs. 1,000 or more". Indebtedness diminishes as the level of skill goes up. Corresponding to skill the proportion of indebted workers declines in the higher income brackets. On the other hand, it goes up with the increase in the number of dependants. It was found that approximately one-half of the indebted workers took loans for "litigation", one-third for "sustenance", one-fourth for "illness or death", one-tenth for "marriage and other social ceremonies", and only 2 per cent for "agriculture". The incidence of debt incurred for non-productive purposes is higher among the semi-skilled and the unskilled workers.

5. The uncertainty of regular contracts on the one hand, and the necessity of a readily available labour force on the other, have given rise to the system of recruiting semi-skilled and unskilled workers through intermediaries. The contractors' principal instrument of control over the workers as well as the recruiters, viz., the *jamadars*, is the system of advance payment, called *pushgi*. Through the intermediaries the contractors are able to recruit the required number and maintain a pool of surplus workers at no extra cost. Workers, on the other hand, receive advance payment from the *jamadars* when laid off. While the recruitment of the semi-skilled and the unskilled workers is not regarded as a problem by the contractors, they find it difficult to recruit the required type of skilled workers. The latter generally get jobs directly with the contractors without the help of intermediaries. In fact, often there is competition among the contractors for certain categories of skilled workers during peak seasons.

6. The *mistri* and the *jamadar* are the most important job informants to workers. Only one-fourth came to know about jobs on their own. None of them received any information from the employment exchanges, indicating how irrelevant the latter are for the building workers. It also appears that it is the skilled, literate, and urban workers who get information about jobs on their own, or are informed directly by the contractors and "friends or relatives", than the semi-skilled, unskilled,

86

illiterate, and rural workers. It should be noted that these attributes usually go together.

7. Workers generally did not take long in securing employment after reaching Delhi. About one-fifth of them had a job in hand before they arrived; a little less than one-half got it within a week's time; about less than one-fifth got it within four weeks' time; and only one-tenth took more than four weeks to get their first job. Our data further show that a relatively larger proportion of the skilled workers had jobs in hand before coming to Delhi, but, on the other hand, the remaining skilled workers took longer in securing employment than either the semi-skilled or the unskilled workers. This may be because while the semi-skilled and the unskilled workers come through the *jamadars* (normally they will not come otherwise), the skilled workers operate on their own and also can perhaps wait for the right job.

8. Most workers look forward to staying with the same employer. A significant proportion do not contemplate any immediate change in either the industry or the employer. No more than three per cent expect to get a better job with the same employer; 14 per cent expect a similar or a slightly better job with some other employer while only eight per cent expect to take up jobs in another industry. Stability of job expectation is greater among the skilled hands than among either the semi-skilled or the unskilled workers. Also, more of the former expect better jobs with the same employer. A large majority of the workers took a realistic and a rather dim view of their future prospects.

9. There is something in the industry that discourages workers from making commitment to it. Only one-fourth of the respondents want to continue in the building industry; fourteen per cent would like to go back to agriculture; eleven per cent were thinking of starting business; and twenty-four per cent would, if possible, take up a job in an office or a factory. On the whole, more semi-skilled and unskilled workers were keen to change their jobs in favour of office or factory than the skilled ones. Realistic as they were, most respondents could not indicate the time span for effecting the expected change.

10. A great majority of the interviewees (60 per cent) had no training, formal or informal, in building trades. But the skilled workers, by and large, had received some training. One significant finding of our study is that the training experience of 41 per cent of the semi-skilled and of 8 per cent of the unskilled workers, who claimed to have received training in building trades, was not properly utilized. Yet another view of misallocation is provided by the facts that three per cent skilled, six per cent semi-skilled, and nine per cent unskilled workers trained in crafts other than building trades, were unable to find jobs suitable to their skills and experience, and took employment in this industry out of necessity.

11. About one-half of the respondents wanted further training in one or the other of building trades. This desire was stronger among the semi-skilled and the unskilled workers than the skilled. Most female workers did not want training in any skilled trade. For skilled workers the most preferred trade for training was that of the "mechanic"; while for the unskilled and the semi-skilled it was "masonry". Roughly, one-half of those willing to be trained preferred a training period of less than 6 months; about one-third of 6-12 months' duration; and only thirteen per cent wanted it to be of one year or more. Most respondents were confident of getting a better job in their preferred trades after successful completion of the training period.

12. On relating the demand for training as expressed by workers' preferences with training opportunities in Delhi, it was found that hardly any training scheme that suited them existed. The existing training schemes of the government, viz., the craftsmen training scheme and the apprenticeship scheme, have, so far, failed to generate the required quality and quantity of skills for the building industry. Most contractors we interviewed did not prefer the trainees graduating from the Industrial Training Institutes on the ground that their wage expectations were too high and also because they viewed themselves as above the skilled workers. At the same time the trainees were not exposed to hard work and to bad weather. Nor was their productivity any higher than the other skilled workers who had not been similarly trained. Furthermore,

there was no guarantee that the trainees would continue working with the same contractor after the completion of their apprenticeship. The official apprenticeship scheme was not popular with workers because they felt that the training period was too long and their stipend too meagre.

13. We took a close look at the welfare facilities provided in relation to the standard laid down in the Model Rules of the CPWD. What we saw and came across was shocking in the extreme. The public sector contractors evade the Model Rules with impunity and without fear of punishment. The most violated rules related to creches and shelters which were found absent on practically all the work sites visited by the investigators. On many work sites there was no separate tap for drinking water, and latrines and urinals were completely neglected. Wherever provided, these were in extremely unhygienic conditions and want of proper cleanliness was evident everywhere. The backwardness of the building industry in matters of labour welfare is partly due to the very nature of the industry. But the more important reason is the absence of a competent inspectorate to enforce the Model Rules. This is made worse by the absence of legally binding penal clauses in the agreement that discourage evasion of contractual responsibilities. In fact, there is just no proper procedure for insuring the implementation of the Model Rules by the contractors. The most drastic step that the government sponsoring agencies can take against the erring contractor is to remove his name from the approved list, an action that would make him ineligible for undertaking any public sector project in the future. This is rarely done, however.

14. Two other major problems of the building workers are sub-human slum dwellings and the lack of any transport facility for those living far away from work sites. To reach the work site by 8 A.M. most workers had to make a long trek on foot at about 5 or 6 A.M. and back. This means walking four to five hours a day. This cannot but adversely affect their health and efficiency.

15. The minimum daily wage rates are fixed under the Minimum Wages Act. It was, however, found that the majority

89

of the skilled workers were getting higher than the statutory minima. Due to their relative scarcity, the skilled workers are in a better position to bargain individually for higher wages. It is rare for the semi-skilled and the unskilled workers to get premium wages above the statutory rates. When higher wages are paid, it is not due to union influence but solely at the contractor's discretion. It is more common for some semi-skilled and unskilled workers to get less than the statutorily-fixed minimum rates. Apparently, fear of unemployment prompted them to accept wage cuts.

Our study shows that wages fared badly in relation to prices. While money wage rates were raised three times between 1950 and 1964, the real wages had actually declined. The latest revision was done in 1969. This had given the highest rise to workers so far. It was done to compensate for the steep rise in the index number of cost of living between 1964 and 1969. As a result, real wages have barely held the line.

16. Wage differentials occur not only between the skilled, the semi-skilled, and the unskilled categories of workers but also within these categories. Differentials among the skilled workers are more pronounced. Skilled workers' wages also vary among contractors and sometimes from one work site to another depending upon the nature and magnitude of the building activity. However, over the period 1951-1969, the skill differentials were reduced considerably. The wage structure is narrower now than before. Judged by the coded opinion of the respondents, the three most important factors accounting for wage differences are skill, efficiency, and risk and hazard.

17. On wage payment system it was found that a large majority (86 per cent) of workers were paid wages every fortnight. Whereas the skilled workers were paid by the contractors directly the semi-skilled and the unskilled workers were paid through the intermediaries, mostly the *jamadars*. The latter practice is clearly against the provisions of the Payment of Wages Act and the CPWD labour regulations which require that wages must be paid by contractors directly to workers. The system of the payment of wages through intermediaries has given rise to many malpractices including non-payment or part payment of wages.

and unauthorized deductions.

It was also found that overtime pay was not a regular feature that workers could look forward to earning. Income from this source was quite uncertain. The practice was that the unskilled and the semi-skilled workers would do overtime work on usual wage rates in contravention of the prescribed double the time rate under the CPWD rules.

18. In general, workers in all skill categories maintain "good" relationship with the contractor, the *mistri*, the *jamadar*, and fellow workers. Yet the best relationship exists among workers themselves. The fact that they work and live together and share each other's sufferings seems to have contributed towards good relationship among them.

Interesting differences do, however, occur. The relationship of the skilled workers with the contractors is reported to be "good", and this is understandable. But the data also report "good" relationship between the semi-skilled and the unskilled workers and their supervisors. Considering the nature of job relationship this seems rather intriguing. Since the semi-skilled and the unskilled workers are recruited through the *jamadar* and are dependent upon him not only for the continuity of job but also for loans and *peshgi*, when unemployed, it is perhaps proper that at the personal plane the relationship should remain smooth and unruffled. Yet the majority of respondents expressed dissatisfaction with their jobs. The intensity of dissatisfaction was the highest among the semi-skilled and the unskilled workers. There is a significant positive association between skill and job satisfaction. On relating it with the causes of mobility, it was found that the proportion of dissatisfied workers was relatively larger in the category of migrants who left their homes because of either "no work at home" or "insufficient income/indebtedness" than others. The correlations tried between job satisfaction and other variables such as age, literacy, and length of service, were not found to be of statistical significance.

The factors associated with dissatisfaction were also explored. The highest proportion of workers attributed dissatisfaction to "low wages" followed by the "arduous nature of work" and

“other reasons”. It is remarkable that all classes of workers accorded the same ranking to the causes of dissatisfaction. We were surprised to find that “uncertainty of work” was a relatively unimportant source of dissatisfaction and bothered only 16 per cent respondents. Evidently, work uncertainty, being an inseparable part of life, is not much of a source of dissatisfaction to an average worker.

19. Trade union movement in the building industry is of a relatively recent origin. Splits, caused by intra-union rivalries based on political, ideological, and personality factors, have given rise to a number of weak and rival trade unions. Multiplicity and inter-union rivalries characterize the building industry trade union movement in both the public and the private sectors. We found that unions were organizationally very weak and had been able to enrol only 18 per cent of the respondents as members. The financial position of unions was in a very unsatisfactory condition. The main source of income was membership dues which varied from Rs. 3 to Rs. 6 per year. According to one union leader, the amount spent on collecting union dues came to nearly one-third of the total collections.

20. Workers' understanding about the unions and their participation in their activities were explored. These were found to be low. Sixty-four per cent respondents did not know about the existence of any union of building workers in Delhi. As many as 94 per cent members did not know the name of the union, 57 per cent did not know the location of union office, and 58 per cent did not know the name of either the president or the general secretary of the union. About three-fourths of the members did not vote in the last union elections, and 47 per cent never attended any meeting of the union. But 60 per cent members talked about union affairs with their friends, and 59 per cent paid union dues regularly. It was found that the members' understanding of the union and their participation in union activities were positively associated with the level of skill. At the same time it was discovered that though relatively few unskilled workers enrolled themselves as union members they were more inclined to pay union dues regularly than the skilled workers. This is probably because the former are under

more direct control of the *jamadars*, who also act as union agents at work sites and deduct membership dues from wages. There is, thus, some sort of a check-off system operating in the building industry. However, not all *jamadars* work as union representatives.

The main motivating factor for the workers, particularly the unskilled ones, to join a trade union is "wage increase" followed by "persuasion" and "dispute settlement". By comparison, a higher proportion of skilled workers joined the union for the settlement of their disputes. Considering that a vast majority of workers did not join any union, we explored into the basic causes of abstention. It was found that the most important reason for workers not joining any union was "no knowledge about any union". Workers who gave ignorance as the main cause were mostly unskilled, rural in origin, and had put in less than ten years of service in the industry. Two other important reasons stated were "no need to join any union" and "nobody asked me to join the union". It was found that workers giving the first reason were largely skilled and satisfied with their jobs, while those giving the second were mostly unskilled and dissatisfied with their jobs. The data suggest that those who did not join the union because they were not aware of its existence (64 per cent), or were not persuaded by anybody to do so (11 per cent), could have possibly been unionized but for the organizing weaknesses of the unions. In our view, the potential for unionization is considerable, but it is unlikely to be exploited. Apart from the massive ignorance of the workers, the intermediaries themselves might block the union drive if it threatened their interests and weakened their control.

21. Due to the temporary nature of work and the variability of employment opportunities, firing and lay-off take place very frequently. Yet, disputes regarding lay-offs are very rarely noticed. A large majority of disputes in the building industry arise from low wages, non-payment of wages, and non-payment or inadequate payment of accident compensation.

In fact, the building workers make little use of the dispute settlement machinery provided under the Industrial Disputes Act. This is probably because it is too time-consuming. Some

government sponsoring agencies such as the CPWD and the MES have framed their Model Rules to be followed by contractors. However, the labour officers, responsible for the enforcement of these rules, hardly find time to implement them. Workers had many serious complaints against the method of functioning of the labour officers, and sometimes expressed lack of confidence in them.

22. The existing procedure for the redressal of workers' grievances is of an informal character. Workers try to settle grievances in the first stage mutually through the *jamadar*, *mistri*, and sometimes directly through the contractors themselves. This they do either individually or in groups. Most of the time there is no need to go to the next stage. The *jamadar* is the main agency for the redressal of grievances so far as the semi-skilled and the unskilled workers are concerned. For the skilled workers the first as well as the final stage in grievance procedure is the contractor himself. The attitude of *jamadars* towards workers seeking grievance satisfaction is found to be sympathetic by a much larger proportion of the respondents than those approaching either *mistris* or contractors directly. Approach to union leaders for the redressal of grievances was a rare occurrence.

SCOPE FOR CHANGE

. THE VICIOUS CIRCLE

IN the light of what has been said in the preceding chapters, we can take the risk of reiterating the point that the entire structure of employment relationship in the building industry is caught in a social framework of mutually reinforcing vicious circles. Workers are exploited because they are illiterate, socially backward, unskilled, unorganized, uninformed, and poor. They are paid only for subsistence living because they lack the organized power to ask for more and also because their productivity does not warrant higher real wages. The industry functions at low productivity because the technology it employs is among the most backward in the world. The technological backwardness may be attributed to the free entry of contractors into the industry. This results in the average size of firms remaining small and with scanty resources. Low wages justify the continued use of primitive methods of construction. However, subsistence wages, in turn, produce poverty on the one hand and low productivity on the other. Thus, conditions of economic and social backwardness are perpetuated; and so we are back where we started.

Any system that is not geared to the exploitation of natural resources and the use of advanced technical knowledge, and create large and complex organizations for this purpose, can survive only through the exploitation of human beings. This the building industry achieves on an optimum scale and does so by yielding, simultaneously, maximum profits to the contractors, minimum cost to the ultimate employer or the owner of the property, viz., the government, promise of livelihood garnished with a sense of power to the intermediaries, differential wages and satisfaction to skilled workers, and, lastly, acquiescence coupled with faint protests from the large mass of semi-skilled and unskilled labourers. The system is, apparently, viable, for otherwise it could not have survived for such a long

95

time. It shows no internal stress and, evidently, is under no threat of disintegration. On the contrary, the social system of the building industry has demonstrated remarkable potency in multiplying itself almost limitlessly. It can be re-created and grown in any location in India, and can produce output on any scale at minimum cost. Its capacity to expand and shrink with fluctuations in demand is unrivalled and has, probably, no parallel in the economic system of either the East or the West. The resilience of the industry, no doubt, lies in its extraordinary elasticity to adjust itself to the changes in demand.

Paradoxically, the sources of the industry's resilience are precisely those factors which lead to stagnation in wages, productivity, and technology. These are: small size of the firm, primitive methods, and contract labour. It is resilience within a static framework. The industry is capable of quantitative expansion but not of qualitative change. In this respect it is akin to subsistence farming which can expand or contract in response to external stimuli but is incapable of generating growth through innovations from within. The akinness to agriculture is not accidental but due to the close proximity of the two in the industrial and occupational structures of the economy. The economic viability of the building industry, in a large measure, is due to the vast reserves of the partially employed and unemployed adult men and women in villages. With extremely low reservation prices and weak organizational bases, which cannot cope with the demands of modern industry, these workers unreluctantly move back and forth between farming and agro-industrial occupations, requiring practically no skills, in response to the fluctuations in demands for labour. As long as the vast human resources last, and are sufficiently in excess of the hitherto experienced modest increase in demand for labour in the entire economy, the conditions of subsistence employment will not change.

The consequences of the above prognosis are very grim: First, the building industry, left to its own resources, is incapable of modernization. This is true of not just building and construction industry but of all industries that fall in this category. This class of industries is totally devoid of internal forces, either innovative or disruptive, that can bring about change.

The prospect is one of bleak stagnation. Second, an industry that is not impelled to utilize to the maximum the gains of science and technology to obtain the desired profits will do so by exploiting the human factor. The former process is unquestionably complicated, difficult, makes demands on managerial time, and can be satisfactorily operated only through large and complex organizations. The latter, by comparison, is simple, easy, and can be accomplished, without requiring high managerial talent, or even much intelligence, through small size firms which are used to repeating the practices over and over again. Within the framework of the latter, unless external forces intervene, sweating and exploitation of labour will continue to be the natural outcome. Third, the social system of the building industry, while not conducive to raising efficiency, is, nonetheless, highly profitable to the contractors. It is also germane to the sustenance of a network of interlocking vested interests in the economic ministries of the government and their clients in the private sector. Profits made through the exploitation of unorganized human resource are usually high enough to propitiate the functionaries and officials in the governmental hierarchy on the one hand and a host of intermediaries in the industry itself on the other. Together these make for a formidable force for the preservation of the status quo. There is no countervailing power to this decentralized, anonymous, and yet consolidated might. None of the connecting links in the chain of vested interests, viz., the *mistri*, the *jamadar*, the sub-contractor, the principal contractor, the CPWD (either its field staff or the higher bureaucracy), the economic ministries, the finance ministry (concerned with reduction in costs), or any other involved in building or construction activity, seems to have any interest in reforms. There is no motivation for any of them to promote reforms, in their own interest, in employment practices in the industry. While no single interest group will favour reforms, the chances, on the other hand, are that more than one will combine to oppose any change that might be initiated from above. This opposition could easily dilute reform measures, reduce their incidence, develop administrative procedures to obstruct their effective implementation, sabotage the policy purpose through delay, dilly-dallying, and non-compliance, and

97

finally reduce them to meaninglessness. This has been the fate of the CPWD Model Rules, and it can happen with others.

The only force that could produce the semblance of a countervailing power in the building industry, viz., the union, is too weak and fragmented to be reckoned with. The trade union movement displays all the symptoms of having succumbed to the vicious circles enervating the industry. It lacks the strength needed for self-propelled growth. In the industrial relations system of the industry, unionism is a source of weakness rather than strength. It is a captive of the industry rather than a counterpart to it. Unless the basis of employment changes, unionism cannot thrive as an objective regulator of industry in the furtherance of collective interests of building workers. If it fails in this, it cannot be used by the government for advancing public purpose either.

The interlocking vicious circles that have kept the building industry down, and imparted to its employment relationship a distinct primitive look, can be broken only through the purposive intervention of the government at the highest level. This will be possible only when the process of social emancipation of the unorganized working people is inseparably intertwined with economic planning, and the unavoidability of political-cum-legislative action for the realization of the twin objectives receives unequivocal recognition. The government, viewed as the highest organ of political action in the country, is the principal agent of change in the social structure; and employment relationship is at the very core of it. It must not only formulate policies, legislate, and frame rules to enforce them but also inform the bureaucracy of the purpose and the imperative need of realizing them.

Keeping in view the perspective outlined above, we shall now make some suggestions on policy for regulating employment relationship, labour welfare, and the larger question of workers' training. The National Buildings Organization wanted us to examine the feasibility of introducing wage incentives in the building industry with a view to raising productivity and earnings. This, too, has been done in the later part of this chapter.

DECASUALIZATION OF EMPLOYMENT

The main source of inequity in the building industry is the use of intermediaries in recruiting labour. The intermediaries are the link between the contractors and the rural reserve of semi-idle manpower. A change in this arrangement can be brought about provided the link is snapped and the industry cut off from its hinterland. If labour productivity is to be raised, earnings increased, and a thrust is to develop to break the vicious circles, it will be necessary to create a labour pool, and the right to employment defined by the membership of the pool. This will protect the industry from the influences of economic depressants in the environment and create a climate of growth. This will also restrict entry into the industry of both labour and contractors. Whereas competition must be preserved, the government and the industry should cooperate to maintain healthy conditions and limit the scope for underbidding that inevitably leads to substandard work. Contracting firms should be afforded opportunities to grow in size, accumulate financial and technical means, develop organizations capable of executing any task—simple or complex—and a professional cadre of managers and supervisors who will care to respect the laws and maintain standards.

The key to progress in the industry is the enactment of legislation which will limit the number of workers and contractors without impairing competition. This will assure fuller employment under normal business conditions and considerable scope for organizational improvements geared to raising productivity on the one hand and earnings on the other. The principal instrument towards these ends will have to be created through the same legislation and should function under the government aegis. A precedent for it exists in the Dock Labour Boards created in the major ports under the Dock Workers' (Regulation of Employment) Act, 1948. The tripartite Dock Labour Boards have achieved their purpose of decasualization of labour. If, nevertheless, there are imperfections and docks have suffered from labour unrest, they are either repairable or, alternately, part of the larger national scene. Industrial disputes, caused in large measure by inflation and inter-union rivalry, have undermined productivity and morale in public as well as private

99

sector industries. The government, the industry, and the organized labour movement must strive to evolve a stable industrial relations system that will subserve the objectives of economic planning and orderly progress without curtailing the essential rights of labour to unite and strike in furtherance of their collective interests. We are not inclined to take an alarmistic view of work-stoppages. In some measure they are not only necessary but an inevitable cost of progress of the have-nots on the socio-economic front. It is only the faint-hearted, or those who do not appreciate the importance of trade unions as the vital decentralized power centres at the grass-roots of industry, that will want to turn the clock back by blocking avenues of protest. We hope it is nobody's case that the past measures of decasualization should be reversed and efficiency on the docks be raised by resorting, as before, to the recruitment of casual labour through labour contractors.¹ In our view, the balance of advantage is in extending the concept of decasualization to other industries and at the same time paying more attention to problems of efficiency and cost through the substitution of administrative procedures by modern management practices. If decasualization is to become a viable proposition to be extended gradually in the building and construction industry throughout the country, it would be necessary, from the very outset, to create organizations with business outlook and permeated with management culture.²

A Pilot Scheme

We propose that the Central government should take initiative in enacting legislation which will enable the appropriate governments to set up, at their discretion, public agencies (call them Building Labour Boards) in locations, with well-demarkated geographical and industrial jurisdictions, that will decasualize labour and take on the legislated functions. In our view, rapid

1 See in this connection, C. K. Johri and N. C. Agarwal, "Labour Productivity in the Major Ports of India", *Indian Journal of Industrial Relations*, July 1962, pp. 33-69.

2 In this context, consider the highly pertinent remarks of Bhagwan Sahay, "The Changing Management Culture", *Indian Journal of Industrial Relations*, July 1971, pp. 105-110.

progress could be made if the government begins with an integrated pilot scheme in a large metropolitan complex such as Delhi or Bombay.

The decasualization scheme should contain provisions with respect to the following subjects:

1. Registration of all contractors who are currently in the building and construction industry, and procedure through which contractors in good standing could be determined. These should be further grouped, and separate registers maintained for major contractors, small contractors, and sub-contractors. This should be done in accordance with a procedure on the criteria of financial means, experience, and past performance. Contractors with questionable record should be eliminated from these registers.

2. All public agencies under the Central and State governments, municipalities, and public sector corporations and related bodies, should be directed to award works only to contractors of good standing.

3. A similar directive should be issued to private builders undertaking jobs of the stipulated size and funds. Builders of private houses may be excluded from the purview of this scheme. There should be complete freedom of selection on the part of contractors covered under (2) and (3), and one hopes that an active market of bidding for jobs will develop.

4. For workers and *mistris* who are not on the regular payroll of contractors, registers should be maintained by skill and job title. There is no point in registering workers who have regular jobs. This will eliminate a substantial number of skilled workers. Similarly, there is no purpose in registering white-collar workers such as *munshis* and supervisors. They are deemed to be in direct employment of the contracting firms.

Workers may be graded by seniority in the industry. A fairly substantial number should be maintained in the seniors' register. These shall be given priority in jobs. A card should be maintained for each worker indicating his age, skill, health, indebtedness, punctuality and absenteeism, and other job-related characteristics. Ordinarily, contractors should have some freedom of choice in selecting the workers subject to the principle "first come first served".

Each contractor must make an indent every day on the public agency for the number of workers needed for a project. Only when the register of senior workers is exhausted should the contractors be allowed to recruit from the second pool. The second pool shall consist of workers with limited experience in the building industry. There shall, if necessary, be a third pool with a limited number of fresh entrants.

An essential feature of workers' registration should be that a retirement age is stipulated. Furthermore, retired workers, unless retained by the contracting firms on a regular basis, shall be excluded from employment in the stipulated businesses and areas. But should a skilled worker want to start business as a sub-contractor, he should be given a chance to enter the appropriate register.

5. Every contractor making an indent for workers should be required to pay a stipulated proportion of the wage bill to the concerned agency as an insurance against non-payment or unauthorized deductions. Rules pertaining to wages, wage payment and deductions, etc., should be framed by the legally-constituted authority and enforced by it. In extreme cases, the responsibility for wage payment may be assumed by the Building Labour Board, and for this purpose the contractor should be required to deposit in advance the entire wage bill. This provision will act as a deterrent and probably remain on the statute book without occasions for frequent resort to it.

6. The said authority should also make arrangements to secure from the contractors or ultimate builders funds earmarked for labour welfare. The administration of labour welfare and related measures should be the direct responsibility of the authority created under the statute.

7. The use of intermediaries in labour recruitment will be abolished by law. Since property rights are not involved, no compensation may be due to the intermediaries. The government may, however, consider rehabilitating the intermediaries. Some of them may be absorbed by the larger firms of contractors as first-line supervisors.

8. The management structure of the said agency may be modelled after the Dock Labour Boards. The agency should be tripartite in composition. However, the chief executive should

102

be a professional manager and not a government official on deputation. It should be his responsibility to build his complementary staff. It should be possible for such a body to recruit its specialized staff from within the industry and develop its own culture and practices that are in conformity with its overall requirements.

9. Such an agency, viz., the Building Labour Board, should take active interest in the process of skill formation through institutionalized training, apprenticeship, on-the-job training, short-term courses for supervisors, and workers' education. Through these activities the agency should be able to establish its long-term usefulness to the industry and to the workers alike. It will not remain a regulatory body policing the contractors but also a direct aide to their manning and profits.

The agency should develop a team of experts in organization and methods, industrial engineering, and incentive schemes. Through advice and counselling as well as research and information dissemination, the experts can make substantial contribution to raising productivity, cutting costs, saving on materials, reduction of accidents, avoidance of occupational diseases and hazards, and their result, viz., higher earnings.

These objectives can be achieved most economically and for the largest number of contractors if activities leading to their realization are treated as a social overhead. Once recognized as such, it will not be difficult to see that these cannot be started unless an organization with funds and suitable personnel is created for the purpose. At the same time, there is not much of a chance of success unless the industry is simultaneously regulated and casual labour abolished.

BUILDING WORKERS AND LEGISLATION

The scheme outlined above has an important merit in the context of enforcement of protective legislations and rules made thereunder. It institutionalizes an unorganized industry and thereby creates a machinery, other than the labour inspectorate, that will be interested in law-enforcement. As long as an institution, a body of persons, or citizens in a community do not take active interest in the implementation of labour laws and complement the efforts of the labour inspectorate, the latter by

103

themselves cannot go very far. The law must receive organizational props and support to grow into a living reality. Without these it will invite contempt, and if implemented in bits, cannot but cause discrimination and produce inequities—stacked up against the law-abiding firms, or the ones, that are too feeble to hoodwink, evade, or corrupt the enforcers of law.

Against this backdrop, we shall briefly review the salient features of the most important legislation affecting the building industry.

The Contract Labour Act

The Contract Labour (Regulation and Abolition) Act of 1970 and the Central rules framed under the Act in 1971 are designed to regulate the conditions of work and welfare programmes of contract labour in all industries. However, these have special significance for workers employed in the building industry. The Act governs the principal employer (sponsoring agency), prime contractor as well as sub-contractor. It is applicable to (i) all establishments where 20 or more workers are or were employed on any day of the preceding 12 months, and (ii) every contractor who employs or employed 20 or more workers on any day of the preceding 12 months. Establishments where work is of intermittent or casual nature are excluded from the purview of the Act. But, according to the explanations given in the Act, no work shall be deemed to be intermittent and of casual nature if it was performed for more than 120 days in the preceding 12 months or if it is of seasonal nature and is performed for more than 60 days in a year. Thus, almost every major public sector sponsoring agency and most of the medium and large size contracting firms are covered under the Act.

The Act provides for the registration of all the eligible principal employers employing, directly or indirectly, contract labour. It also provides for the licensing of all such contractors. No contractor can employ more than the permitted number of contract workers.

The Act and the Central Rules framed thereunder make provisions for the welfare and health of contract labour. These provisions are much more elaborate than those provided in the

CPWD Model Rules. Every contractor is required to provide canteens, rest rooms separately for men and women workers, recreation rooms equipped with toys and beds for workers' children under 6 years of age, sufficient number of latrines, urinals, and washing and bathing facilities for men and women workers, wholesome drinking water, first aid facilities, etc. The sponsoring agency as well as the principal employer are equally responsible for the maintenance of these facilities.

Every contractor is required to pay workers not less than the minimum wages fixed under the Minimum Wages Act and to make no deductions from wages other than those provided for in the Payment of Wages Act. A wage period not exceeding a month has to be fixed and notified to the workers. The contractors are also required to make wage payment to the workers directly on a working day and during working hours. The principal employer has to insure the presence of his authorized representative at the time of disbursement of wages by the contractor to workmen and the contractor has to make disbursement in the presence of such a representative.

Each contractor is also required to maintain an upto date muster-roll of workers as well as separate registers for wages, deductions, overtime, fines, and advances.

Contravention of any of the rules framed under the Act is a penal offence punishable with imprisonment up to three months or fine up to Rs. 1,000 or with both. Persistent contravention of the rules will carry an additional fine up to Rs. 100 per day during the continuance of the offence.

The Act, however, does not cover some important aspects of working and living conditions of building workers. The most important aspects are: housing and safety and maternity facilities to the female workers. The CPWD Safety Code and the Contractors' Labour Regulation Rules do, however, provide for them.

The Act is yet to be implemented in the building industry in Delhi. Our inquiries from the office of Labour Commissioner, Delhi, reveal that no building contractor had been registered till September 1972. In the meantime, however, the Contractors' Association has challenged in the court of law the applicability of the Act to the building industry. Even if it is assumed that

105

the contractors' plea will be dismissed, the question remains as to how far it will be implemented in industries where there is no principal employer? It is doubtful how the slim staff of the labour office can effectively police the building industry in Delhi, or in other parts of India, with high turnover of sites and labour. In our view, the chances of enforcement are not any greater than the Model Rules of the CPWD, the Payment of Wages Act, or the workmen's Compensation Act.

Other Legislation

As has been noted in Chapter V, the Payment of Wages Act is a dead letter as far as the building industry in Delhi is concerned. The Delhi Labour Commissioner's office has not been able to create a suitable machinery to insure its enforcement. This is not for the lack of legislation on wage payment, deductions to be made, and penalty for non-compliance. But the social system of the building industry has developed such a mechanism that law evasion or its habitual non-enforcement is accepted as normal and viewed by the government without concern.

Although the workmen's Compensation Act is not on par with the Payment of Wages Act, it is a fact that this, too, is bypassed and the benefits accruing to workers under it are often not realized. It is probably due to no fault of the law-makers, or the labour administration, that the procedures prescribed under the Workmen's Compensation Act are so cumbersome and expensive that an aggrieved worker, without aid or counsel, does not find it worthwhile going through them. It is true that it is not the duty of the government to seek out the aggrieved worker and tell him of his rights under the law. An average official or inspector in the Labour Commissioner's office is so heavily loaded with diverse duties that no reasonable-minded superior officer can expect him to go on such errands; or, considering the constant pressure of work, even discipline him for neglecting whole sectors of industry. The building industry, being the hardest to police, is the easiest to be excluded from the inspector's beat. It is this particular limitation of the government, i.e., the necessity of rationing the time and attention of the inspectorate, that is taken advantage of by the industry.

Through this weakness, the lower echelons of the labour department can be integrated into the social system of the building industry. Negligence of duty—rationalized on other grounds—may be transformed into an objective through which personal gains can be secured. Gradually, through precedent and emulation, non-enforcement of law may develop into a common administrative culture to which everyone may comfortably conform and owe allegiance. When this stage is reached, any protective legislation, no matter how fearful are its penal provisions, will be reduced to a dead letter. Non-enforcement of labour laws in this perspective is a social phenomenon, an outcome of the interplay of socio-economic forces, the interaction of interest groups, rather than merely a matter of administrative lethargy. It reflects the extreme weakness of the only countervailing power, i.e., the union, which could prop up the law, as well as the general lack of public concern to the consequences of non-compliance. Viewed from a different angle, it exposes the utter hypocrisy in public life which makes the law-makers to be complacent about the non-implementation of well-meaning legislation.

It appears that whereas the passing of protective and welfare legislation is a political necessity, their administration is not. In large part, this is undoubtedly due to the high cost of administration that faithful enforcement of legislation would necessarily impose and the one the government cannot afford. But, then, the situation is full of pernicious consequences from which there is no clear route of escape. The solution we have recommended for the building industry is the only credible alternative, that is also administratively feasible.

THE GOAL OF HIGHER EFFICIENCY AND EARNINGS

If it is not enough to enact legislation, it certainly will not do to try mitigation of hardships of building workers, unless steps are simultaneously taken to raise the average productivity of the industry. The wherewithal for financing the labour welfare schemes, no less than for higher wages, must come out of the economic surplus created by workers themselves. Should this condition be not met, such progress as will be forced upon the industry from above will cause no more than a once-over change

107

with no promise of setting into motion a self-generating virtuous spiral of growth. It must be recognized that the problem of the building industry is a basic one and its roots are interlocked with the fundamental causes of rural poverty and economic backwardness of the country. The solution we propose for this problem is to cut off the industry from its existing roots and give it a new institutional foundation and support. It should also be recognized that the problem of raising labour efficiency is a part of the larger question of modernizing the industry.

It is difficult to see how labour productivity can go up unless the tools of workers are improved and better arrangements made for materials handling on the one hand and work supervision on the other. But these require priority for management education and development; through these alone can productivity go up. Yet, how optimistic can one be on the prospects of management re-organization and development in an industry as decentralized and tradition-bound as the one under discussion? Furthermore, even if the need is widely felt—an extremely doubtful proposition, in the first place—who will undertake the job? The strength of employers' organization in the building industry is no greater than that of the unions; it is, if anything, weaker. This is, however, a subjective judgement and can be questioned. But, what is beyond question is the general absence of ability in the industry to undertake measures for managerial improvement on an organized basis. Therefore, if this task is to be performed, the government will have to shoulder a great responsibility.

If it is supposed that labour efficiency can be raised without improving the tools, technical know-how, materials management, and the organizational frame of the building firms—a supposition of rather low credibility—it is because there is undoubtedly some scope for workers to put in greater physical effort. The question, then, is reduced to how idle time can be curtailed, punctuality in attendance improved, absenteeism reduced, and pace of work increased? On this general question our report throws much light. In large part, the answer to this question lies in improving the working conditions (implementing the Model Rules in letter as well as spirit), greater