

**Employment and Wage Pattern in the Commercial
Construction Sector: A Case Study of Noida Uttar Pradesh**

**SUMMARY
OF
THESIS**

**Submitted To
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Lucknow**

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UNIVERSITY**



**प्रज्ञा शील करुणा
ESTABLISHED 1996**

**For the Degree of
DOCTOR OF PHILOSOPHY
In
ECONOMICS**

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Enrollment No: 852/12

Year 2016

SUMMARY OF THE THESIS

The topic of the thesis entitled “*Employment and Wage Pattern in the Commercial Construction Sector: A Case Study of Noida Uttar Pradesh*”, is based on the four objectives of the research.

1. To study employment and wage pattern in the commercial construction sector.
2. To study women workers employment in the commercial construction sector.
3. To study wage condition of migrants and local workers in the commercial construction sector.
4. To study socio economic security of workers in the commercial construction sector.

The study has focused on employment and wage pattern and the contractual workers those who are working in the commercial construction sector. Commercial construction can be defined as any structure intended to house commercial activity or those structures which are located on property with either commercial or industrial zoning.

Construction sector absorbs more labour intensive work in the economy and construction workers have divided into different skill/occupation such as: **Unskilled:** Weight lifter, Dust lifter, Digging worker, Watchman and Waterman. **Semi-skilled:** Centering worker, Steel Bender, Concrete mixture, Bricks layer, Glass fitter and Scaffolder. **Skilled:** Sand Blast Operator, Carpenter, Plastering worker, Masons (include different type masons such as stone worker masons, tiles masons, plastering masons, polishing masons), Tiles fitter, Painter, Plumber (iron), Cement finisher, Glazier, Electrician and Blacksmith.

Mostly, workers were migrated in the construction sector and there was no single local worker on the sites in Noida. Majority of the construction workers were from Bihar, Jharkhand, Uttar Pradesh, Orissa, West Bengal, Madhya Pradesh, Chhattisgarh, Rajasthan and other economically weaker regions of India. And highest majority of migrant workers were from West Bengal (n=151, 50.3%), Second highest migrant

workers were from U.P (n=63, 21%), and vary less migrant workers were (n=4, 1.33%, n=1, 0.33%, n=1, 0.33%, n=1, 0.33%) from Jharkhand, Haryana, Assam and Nepal).

And recruitment pattern in the construction sector; workers are employed through the agency of the labour contractor who is known variously as the *mistry, mukadam or jamadar*. This contractor is the link between the principal employer and the worker but the basically represents the contractors interest.

There are four methods of recruitment of labour:-

- ❖ Direct recruitment of workers by contractor.
- ❖ Recruitment of workers from rural areas by labour contractors.
- ❖ Recruitment of workers forms city slums by labour contractors.
- ❖ Recruitment of workers from the market place (naka chowk) by principal employers or mistrys.

Mode of the payment of wages depends on the contractors and the sub-contractors; collective bargaining may not be playing any role in the determination of wages because wages are fixed by the contractor on the basis of his work requirements. On the other hand those who are self-employed workers do not receive wages, but sell directly their labour in the market. There is no monthly payment system for the self-employed workers; they are getting wages through per day, piece rate and weekly mode of payment.

The wage determination under collective bargaining with the range between upper and lower limit is indeterminate; wage may be set at any level within the range between the two limits. Collective bargaining may not be playing any role in the determination of wages or conditions of work.

There are many models playing a major role of the wage determination in the market such as.

Neo Classical Approach, Behavioural Approach: Richard E. Walton and Robert B. M.C Kerke Walton (1965), Neil W. Chamberlin (1951), Rubinstein.

And model is classified into Neo Classical and Behavioural approach. The model is contract zone (A. C. Pogou) is ideal of the wage settlement in the construction sector. It is based on the final wage settlement in between union and employer. On the other hand, Rubinstein model generates new thought of bargaining in the market, it concerns timing of the agreement in two players.

On the other side construction workers are covered by mainly four legislations. These are:-

1. **Contract labour (Regulation & Abolition) Act 1970:** The Contract Labour and (regulation & abolition) Act was passed in the 1970 to regulate the employment of contract labour in certain establishment and to provide its abolition in certain circumstances. It is applicable to the establishments employing 20 or more workers.
2. **The Interstate Migrant Labour (regulation of employment and conditions of service) Act 1979:** The Act covers only for inter-state migrant workers. It lays down regulations in terms of payment of wages and extension of amenities, registration of such of wages and extension of amenities, registration of such worker and obtaining license for such recruitment from the contractors.
3. **Building and Construction Workers (Regulation of employment and conditions of service) Act 1996:** In 1996, the Building and other Construction Workers (BOCWA) Regulation of Employment and Service Condition Act 1996 was passed specifically for construction workers. It sought to provide basic social security and improve working conditions.
4. **The Building and other Construction Workers Welfare Cess Ordinance 1996:** The Building and Other Construction Workers Welfare Cess Act, 1996 provides for the levy and collection of a cess (1% of the construction incurred by the employers with a view to augmenting the resources of the Building and other Construction Workers Welfare Boards constituted under the Building and other Construction Workers (Regulation of Employment and conditions of service) Act, 1996.

Every state is covered under the rule and regulation by Building and other Construction Worker Act in India. Most of states have established construction workers welfare board and rule and regulation implementation in their states. Some states forward for implementation rule and regulation in India such as: - **Tamil Nadu Construction Workers Welfare Board, Kerala Construction Workers Welfare Board and Karnataka Construction Workers Welfare Board.**

DISTRIBUTION OF CONSTRUCTION WORKERS IN INDIA

India's population distributed into three parts of India such as: higher, medium and lower population states. The data has classified based on the population of the states those who are engaged in the construction sector. Construction population are distributed above 1000, above 500 & less than 1000 and less than 500 workers states. The population of construction workers are divided into urban and rural India and again urban and rural India has divided into higher, medium and lower distribution states. On the other hand, rural and urban population has classified male and female and total (male + female) workers in the construction sector. The base of the distribution of the workers is per 10000 in the construction sector in India.

Urban India

Higher Distribution (Above 1000) Workers States

Andhra Pradesh, Arunachal Pradesh, Kerala, Tripura, Uttarakhand, Chhattisgarh, Haryana, Jammu and Kashmir, Jharkhand, Meghalaya, Odisha, Rajasthan, Andaman & Nikobar, Lakshadweep and Puducherry.

Medium Distribution (Above 500 & less than 1000) Workers States

Assam, Karnataka, Tamil Nadu, Bihar, Goa, Gujarat, Himachal Pradesh, Nagaland, Punjab, Sikkim, Uttar Pradesh, West Bengal, Chandigarh and Daman and Diu.

Lower Distribution (less than 500) Workers States

Delhi

Rural India

Higher Distribution (10000) Workers States

Bihar, Haryana, Kerala, Madhya Pradesh, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Manipur, Andaman & Nikobar, Lakshadweep, Odisha, Himachal Pradesh and Puducherry.

Medium Distribution (10000) Workers States

Andhra Pradesh, Goa, Maharashtra, Meghalaya, West Bengal, Assam, Mizoram and Daman & Diu.

Lower Distribution (Per 10000) Workers States

Arunachal Pradesh, Chhattisgarh, Delhi, Gujarat, Karnataka, Nagaland, Chandigarh, Daman & Diu.

Wage and Average Growth Rate In Uttar Pradesh:-

Wage rate has divided into different categories such as: skilled, semi-skilled unskilled and male & female workers in India. In Uttar Pradesh wage has differentiated among categories mason 1st, mason 2nd, carpenter 1st, carpenter 2nd class and male & female. Uttar Pradesh has divided into 18 Mandals and 70 districts; on the other hand wage has differentiated among workers categories and districts (Mandals).

Uttar Pradesh has divided into four region mandals:-

- 1) **Western Region Mandal (W.R.M):** - Saharanpur, Moradabad, Meerut, Agra, Aligarh and Bareilly
- 2) **Purvanchal Region Mandal (P.R.M):** - Allahabad, Faizabad, Devipatan, Basti, Gorakhpur, Azamgarh, Varanasi and Vindhyachal
- 3) **Awadh Region Mandal (A.R.M):-** Lucknow and Kanpur
- 4) **Bundelkhand Region Mandal (B.R.M):-** Jhansi and Chitrakut

After Analyzed has found that Uttar Pradesh average wage variance among different categories skilled, semi-skilled and unskilled (Male & Female) are exist. Skilled and semi-skilled wage variance is high among these workers but there is no high wage variance in unskilled (male and female) workers. Wage variance is high among skilled (mason and carpenter) and semi skilled (mason and carpenter) workers. Since year 2008 to 2013 wages is increasing among different categories but wage gap is very high among skilled, semi–skilled and unskilled workers.

And wage increment variations in Uttar Pradesh among different categories of workers are high. On the other side mason (skilled and semi – skilled) increment variation is not high and there is no high wage variance in this category. But carpenter (skilled and semi- skilled) and unskilled (male and female) wage increment variation and wage variance is very high in these categories comparative to mason (skilled and semi-skilled) workers. Since year 2008 to 2011 wage increment variation is increasing and there is high wage variance in these categories.

Total Minimum Wage Rate in India

In India there is no single minimum wage rate, it is mentioned that state as well as centre has the power to form minimum wage rates. And minimum wages are declared at national, regional, sectoral and occupational or skill level and on the other side daily, hourly, and monthly rate as well. In total minimum wage are included basic minimum wage and V.D.A. (Variable Dearness Allowances). Minimum wages has divided into higher, medium and lower wages states among workers (unskilled, semi-skilled and skilled).

Unskilled Workers

Higher Wages States: - Maharashtra, Delhi, Andaman & Nikobar, Chandigarh and Lakshadweep.

Medium Wages States: - Gujarat, Haryana, Madhya Pradesh, Kerala, Uttarakhand, Uttar Pradesh, Dadar & Nagar Haveli, Chattisgarh, Punjab, Goa, Bihar and Assam.

Lower Wages States: - Rajasthan, Jharkhand, West Bengal, Mizoram, Sikkim, Puducherry, Himachal Pradesh, Manipur, Jammu and Kashmir, Meghalaya, Odisha, Arunachal Pradesh, Tripura, Nagaland and Tamil Nadu.

In these states (Higher, Medium and Lower) wage differences (Total and Minimum Wage) are very high among unskilled, semiskilled and skilled workers. And comparison to total and minimum wages variation are high among higher, medium and lower wages states. Due to total and real wage variation are high among unskilled, semi skilled and skilled workers in different categories states. And variations are high in different categories of workers and states, it shows that basic minimum wage and allowances very high in these states.

Higher wages states (Maharashtra, Delhi and others) are getting more allowances compare to medium (Gujarat, Haryana and others) and lower (Rajasthan, Uttar Pradesh and others) wages states. On the other side Maharashtra is higher wages and allowances state in India.

Higher wages states governments are providing more allowances and others facilities for workers in the construction sector. Due to in these states total minimum wages and allowances are high compare to rest of India states.

FIELD SURVEY STUDY:-

In this study 300 construction workers have covered from Noida different construction sites (Princley, Amarpali, Prateek, Supertec and Ajanara) and sectors (66, 71, 72, 76 and 100). Data were collected 60 samples from each sector and construction sites from purposive sampling and random methods.

Sample Profile

Primary data collection for the present study was done from construction workers those who are working in Noida. A total 60 construction workers (included male and female) selected from each sector 66, 71, 72, 76, 100 and construction sites. Purposive and random sample methods have used for collection of the primary data.

Statistical Measurement

Data was analyzed using Excel and Statistical Package for Social Science (SPSS) version 16.0. Mean wage is indicating to average wages of workers in relative work, SD is showing that deviation of wages and CV is relative wage variance among work. A 'P' value less than 0.05 indicated a statistically significantly association and 'P' value greater than 0.05 indicated that there is no statistically significant association.

And Gini Coefficient is measuring disparities among between male and female wages in different skill / occupation.

On the other hand concept of mobility is measuring that mobility of the workers (Male & Female) among inter-plant/employer, inter-industry, geographical and per worker per year job.

Average Earning of the Workers:-

Majority of unskilled workers 100 (n1 =50 male, n2 =50 female) were earning in between Rs. 151-250. Total percentages of workers (16.66%) were to unskilled workers. Range of wages has divided into two segments. First, segment of wages was in between Rs. 151-200 and Second, Rs. 201-250.

Range was female wages in between Rs. 151-200. And female wages was less compare to male wages. Male workers were getting highest wages and range of male wages in between Rs. 201-250. On the other hand, new workers were getting less wages compare to old workers. An old and new workers wage difference was Rs. 20.

Majority of semi-skilled workers were 100 (n1= 85 Male, n=15 Female) were earning in between Rs.251- 350. Range of wages has divided into two segments. First, segment of wages was in between (n=52 workers) Rs. 251-300 and Second, (n=48 workers) Rs. 301-350.

Female wages was engage in between range of wages Rs. 251-300 with male. And male wages engage both range of wages Rs. 251-300 and Rs. 301-350. Maximum percentage of workers was in between range of wages Rs.251-350. Male and Female workers were getting similar wages in between range of wages Rs.251-300. And there was no one female workers are working in between range of wage Rs.301-350.

Majority of skilled workers were 100 (n1=22, n2= 39, n3=28, n=9 and n=2). They were earning in between different range of wages. Maximum majority of workers were earning in between range of wages (n2=39) Rs. 300-350. And minimum majority of workers (n=2 and n=9) were engaged in between Rs. 401-500.

Because they have knowledge of high skilled work such as: Electrician, Pipefitter and Machine operator. So they were getting high wages compare to other skilled work (Carpenter, Plastering Operator, Mason, Tiles fitter etc.). On the other hand, there was

no one skilled female worker in the construction sector. And skilled work was covered only from male workers.

Wage difference is existing among unskilled, semi-skilled and skilled male and female occupations wages in the construction sector. On the other hand, statistically, minimum and prevailing wages in not significant in male and female workers ($P > 0.05$). It shows that male and female workers are getting less wages compare to minimum wage Act.

Socio-economic securities of the workers are also based on the field survey. Workers were not injuries on the site in different skill occupation work (unskilled, semi-skilled and skilled). And awareness of the trade union among workers was very low. There are different types of contingency such as: medical care, sickness benefits, maternity benefits, unemployment benefits, employment injury benefits, old age benefits and survivor benefits. But they were not getting these facilities on the sites.

These securities were not properly implemented on the sites, only compensation, health facilities and injury benefits are familiar among workers. But these are not fully beneficial for the workers. And crèches facilities for workers children were available only two sites Amarpali and Prateek. And compensation, health facilities and injury benefits are not significant with workers who meet with injury and who did not meet with injury on the sites. There is no significance in between workers injury and securities. Workers were not getting properly compensation, health-facilities and injury benefits.

On the other hand, workers were not getting provident fund, unemployment insurance, family allowances, pensions, survivor allowances, unemployment relief, widow allowances (For Women) and Maternity allowances (For Women), scholarship for higher education their children, loan for medical treatment, marriage, education, benefits of government scheme for labour and financial support from contractors in the commercial construction sector.

Significance of difference among workers who met with accidents, who did not met with accidents, who were member of trade union and who were not member of trade union, change job, not change job, wanting to change, not wanting to change job and socio-economic security (compensation, health facilities and injury benefits) are not significant Because ($P > 0.05$). It shows that there is no effect of the compensation,

health facilities and injury benefits on these variables. They were not getting compensation, health facilities and Injury benefits in the commercial construction sector.

Suggestions

- Wage determination should be based on the current wage condition of the market and Minimum Wage Act.
- There should not be discrimination among migrated and local workers on the construction sites in the different way; mode of payment, wages, working hours and treatment facilities.
- Methods of wage payments should be directly with workers. And it should not be depend on the recruitment system.
- Construction workers welfare fund should be established in every state and facilities should be direct link with workers.
- Formal training is important for construction workers. The employer and government should lead in this aspect.
- The government should be provided wide publicity to its different securities and scheme in construction field.

Recommendations

- The Uttar Pradesh government should be appointed a chairperson for the construction board.
- Registration of workers and employers should be started immediately. Procedures for registration should be simplified. No certificated for proof of age should be apart from a simple declaration by the worker. Identity cards should be issued.
- Employment protection and protection against unemployment should be implement recommendation 1988.
- All the labour related issues and problems are generally handled by the agents or by the contractors. It should be recommended that there direct communication between the workers and labour department.