

NATIONAL CAMPAIGN COMMITTEE

For Central Legislation on Construction Labour

Justice V.R. Krishna Iyer
Founder Chairman
Correspondence Address:
R. Venkataramani
Sr. Advocate- Supreme Court
Convener

Geetha R.
South Regional
Coordinator

S. Bhatnagar
Coordinator
B-19, Subhavna Niketan
Pitampura, Delhi-110034
Ph: 91-11-27013523, 27022243

Email: ncccl2010@gmail.com

www.nirmana.org

Mobile: 9810810365

Date : 20 August 2020

A Short Critic of the Mission Mode Project for Building and Other Construction Workers Advisory Guidelines Which will Subvert All the 36 Tripartite Boards

Recently the Ministry of Labour and Employment had put the proposal of the 'Mission Mode Project for Building and Other Construction Workers Advisory Guidelines', a letter from Union Labour Minister to all the Chief Ministers and a letter from Union Labour Secretary to all the Chief Secretaries of all the State and UTs on its Website which was withdrawn soon, making it suspicious.

It is to be noted that the Advisory Guidelines of the Mission Mode Project (MMP) for Building and Other Construction Workers (BOCW) Act has been prepared on false and fabricated data. To begin with, they have reduced the number of registered construction workers (according to the figures in July 2020 compare with November 2019) data in various states like Puducherry (reduced by 9%), Punjab (reduced 33%) and Madhya Pradesh (reduced by 59%). On top of that, they have estimated the total number of all the construction workers (both registered and unregistered) by assuming that they'll be only 30% more than the registered number of workers (which are already reduced). **This method of calculating the total number of construction workers in the country is bound to create false data.** **First**, According to the NCC-CL estimates, of mid 2017 only 35% construction workers are registered at the national level. **Second**, the variation in the percentage of registered construction workers in various states and union territories (UTs) varies astronomically from 3-4% to 110-125%. Therefore, uniform addition of 30% across all states would also give us false data which will be less than half the number of actual construction workers in the country, half of who will be effectively left out from the benefits of the scheme. (NCC-CL will circulate details of its objections to the proposed Mission Mode Project in a separate note soon)

Objectives and Features of MMP are Confined to just for Pleasing the unknowns

The objectives and features of the MMP —objectives like registration of all construction workers, social security to all construction workers, subsistence allowance, optimal utilization of cess fund, creation of a construction workers data base features like simplification of processes, inclusiveness, expeditious e-renewal, **enrolment of all BOCW in Social Security Schemes, ensuring delivery of benefits**, switching to full online processes — are just lip service to fool the construction workers. **The Advisory Guidelines mention no concrete steps that will be taken to achieve these objectives and implement their features.**

The Real Objective of Mission Mode Project will destroy the functions of the Board

The real objective of the Mission Mode Project is to divert the entire amount of Rs.38,000 crore (the total balance of the combined cess amount) available in the 36 States and UTs BOCW Boards to various schemes of the central government, like the **Ayushman Bharat Yojana AKA Pradhan Mantri Jan Arogya Yojana (ABY/PM-JAY)**. The Advisory Guidelines have deliberately **not disclosed the cost per worker of the PMJAY** or its suitability for the very specific characteristics and needs of the construction workers.

Few years back for a similar scheme in Gujrat **Mukhyamantri Amrutam “MA” & “MA Vatsalya” Yojna** (popularly known as MA Card) the Gujrat BOCW Board has paid a premium of Rs. 250 per registered beneficiary per year. Thus we can assume that this scheme ABY/PM-JAY will cost about Rs. 250/- per annum per beneficiary.

Similarly, the **Life and Disability Cover** mentioned in the MMP proposes to divert a large amount of the cess amount to **Pradhan Mantri Jeewan Jyoti Bima Yojana (PM-JJBY)** and **Pradhan Mantri Suraksha Bima Yojana (PM-SBY)**. Benefits have been given only in brief, and again, the cost of this plan will be **Rs. 342 (330+12) per annum per beneficiary**.

The **Lifelong Pension Scheme** proposes to divert the cess fund to **Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)** which covers construction workers only **up to the age of 40**. It **does not mention** what will happen to the construction workers **who are above 40 years of age**. While it mentions the monthly contribution range, of Rs. 55 to Rs. 200 per annum depending on age, but it does not mention **how much this scheme will cost the 36 BOCW Boards to cover the five crore construction workers**. Knowing the age structure of the registered Construction workers we can safely assume that the average premium will be Rs.150 per annum per beneficiary.

Thus the four “Pradhan Mantri – Yojnas” will cost Rs. 250+ Rs. 342 + Rs. 150 = Rs. 742 per annum per beneficiary. But the BOCW Boards, as per the NCC-CL calculations of 30th June 2017, have been collecting an annual cess of only Rs. 477.10 per annum per beneficiary which is about 64 % of what is required annually for the four Pradhan Mantri- Yojnas.

Thus no cess funds will be left with the 36 State/UTs BOCW Boards for **immediate assistance to a beneficiary in case of accident, the pension of those beneficiaries who are above 40 years of age**, for the **housing loan** and for **financial assistance for the education of children of the beneficiaries** and for any other benefits such as subsistence allowances etc. In fact in few years the entire accumulated cess will be over and the **Board will not be able to pay the annual premium of all its registered beneficiaries**. Thus most of **the construction workers will not be able to claim any benefit from the private insurance companies** who will most likely be managing the four Pradhan Mantri- Yojnas. For ten crore construction workers, which is the real estimated number of construction workers, the present accumulated cess of **Rs. 38000 crore will last only for five years**. If we consider Rs. 3,407 Crore annual collection and the requirement of Rs. 7420 crore annual premium of the four Pradhan Mantri- Yojnas then it can last for another 2-3 years only. There is no plan of enhancing the cess collection in the proposed **Mission Mode Project for BOCW Advisory Guideline**.

**Coverage under ESI of all the Construction Workers
is a better choice than all the untested Schemes
and it can cost less.**

NCC-CL has been demanding the ESI coverage for the BOCW which will multiply the ESI coverage for the BPOCW which will multiply the ESI coverage to three times. ESI coverage is being demanded at the rate of 20% of the total cess collection. It will multiply the ESI coverage to more than three times. Central government is considering the merging of the ESI Act, 1948 and the BOCW Act of 1996, with the proposed Code on Social Security, 2019 alongwith 11 other labour legislation without consulting with the trade unions. Therefore so far enough provisions of the BOCW Act have not been included in the Code. Only 6 of the 64 sections have been included which will make the administration of BOCW Boards impossible.

**Mission Mode Project is Not Serious About the
Collection of Adequate Cess and Coverage of all the Construction Workers**

The whole **MMP** has **made no reference to either the state wise cess collection, or to the per year or per worker cess amount.** Their eyes are only on the total existing Cess Amount of Rs.38,000 crore. It is clear that **they are not bothered about the actual number of about ten crore construction workers** in this country.

All the health and insurance schemes mentioned are newly formed; they are **yet to be tested** in the market. Forcing these schemes on the collective fund of construction workers is absolutely illogical and unconscionable.

**Boards themselves can Provide Service to a Larger Number of
Construction Workers even with the Limited Cess Amount available with them**

Instead of diverting funds to these untested schemes, the State/UT BOCW Boards can be made to play the role of insurance company by keeping the amount with themselves. It is bound to be more beneficial to the construction workers.

**Proposed Implementation Machinery of Mission Mode Project
Will Subvert the Functioning of Tripartite Board Under the BOCW Act 1996**

The **implementation mechanism** of appointing a Nodal Officer by the **Principal Secretary at the State/UT level** will only **subvert the role of the tripartite boards** constituted under the BOCW Act of 1996, which has also been provided under the Social Security Code of 2019. Similarly, **involvement of the state/district level administration**—like **Deputy Commissioner/District Magistrate**— to assist the BOCW Board MMP will further **subverts and dilutes the role of the tripartite BOCW Boards.**

So far, the Union Labour Secretary and the DGLW office has not played the required active role:

- in the implementation of the BOCW Act,
- in ensuring the registration of all construction workers,
- in ensuring **portability and uniformity** in the registration of beneficiaries and disbursement of benefits,
- or in Cess collection.

Protect the Tripartite Boards and the Central Advisory Committee
Constituted under the BOCW Acts of 1996

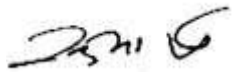
Now, **monitoring** is being introduced only **to spend the existing accumulated amount**. A Cess on the referred annual premiums of for **Pradhan Pamatri Yojanas**. **Once the existing fund is spent, the Mission Mode Project does not mention how it will ensure adequate collection of cess and ensure social security for all the ten crore construction workers in the country**. To conclude, **implementing Mission Mode Project would be dangerous because it will exhaust the existing resources of the BOCW Boards MMP within few years without making arrangements to replenish these resources**, thus jeopardising the fate of all the construction workers in the country. **Ultimately almost none of the CW will get any benefit under these Yojnas , which will be handed over to the private parties, ever after exhausting the entire fund of 38000 Crore Rupees**. We must protect the continuation of existing tripartite Board in all State & UTs as custodian of the BOCW cess amount. We should also demand the Central Advisory Committee for ensuring **uniformity** and **portability** of registration of CW as beneficiaries and also for disbursement of the benefits.

Three Months Time Limit Given to Implement will Prevent
The Tripartite Construction Workers Board to even Think on
The Suitability of the Advisory Guideline

In fact the 36 State/UTs BOCW Boards will not be able to create the **Implementation Tools** suggested in Part 7 within 3 months. We have the current experience of the Delhi BOCW Board which took almost 1.5 to 2 Years to shift to the '**Digital Mode of Online Registration**' and could Register and Renew hardly 40,000 beneficiaries in 1.5 years.

Therefore the right move for the construction workers unions is to **totally reject the Mission Mode Project Proposal** of the Union Labour Ministry. We would also like to put it on record that the Labour Ministry is **itself aware of the hollowness of its proposal**. It is because of this reason that the '**Mission Mode Project and the letters of the Labour Minister and Labour Secretary**' on this subject **have been withdrawn from the website of the Labour Ministry**. Except the Press Release of **23rd June 2020** almost there is **no trace of any documents related to the Mission Mode Project on the website** of the Union Ministry of Labour and Employment.

NCC-CL requests all Central Trade Union and all Unions of Construction Workers to write to the Labour Minister and to the Prime Minister to seek withdrawal of the MMP and to save the BOCW Act, 1996 and the 36 State /UTs BOCW Boards.



Subhash Bhatnagar