

**GOI/ILO – National Tripartite Consultation on Promoting Registration under
the Building and Other Workers Welfare Cess Act
New Delhi, 23-24 March 2011**

Summing up and Closing

Dear participants, ladies and gentlemen,

We are coming to the end of this one and a half day National Tripartite Consultation on Promoting Registration under the Building and Other Workers Welfare Cess Act.

By all accounts, the consultation provided for very rich discussions covering key issues and challenges that will determine whether progress can be made at the State level with regard to the service delivery through Welfare Boards.

We have discussed the main challenges for a successful implementation of the Act, as identified by the ILO diagnostic analysis, the findings of which were presented by my colleague, Mr. Mukesh Gupta yesterday, namely:

- a. Registration of Establishments
- b. Registration of Construction Workers
- c. Collection of Cess
- d. Utilization of Funds.

Rather than giving you a full summary of the discussions we had, which would be a formidable challenge, I would like to highlight a couple of salient points which emerged during the discussions:

- 1) If there was one recurrent theme that run through the discussion of core challenges with regard to the Registration of Construction Workers, it is that **awareness raising among workers about entitlements matters**. Regular registration campaigns, the use of media and the distribution of leaflets are all

important measures to address this issue as demonstrated by many States that presented their case during this National tripartite Consultation.

- 2) There seems to be a shared opinion that the Collection of CESS needs to be improved. However, as Mr. Anil Swarup rightly explained, the Collection of CESS and the provision of welfare activities should not be linked.
- 3) As for the better utilization of Funds, a number of measures were proposed. For example RSBY and its implementation was discussed with a view to enhancing social protection to all construction workers and their families. Likewise, it was emphasized by many presenters and discussants to encourage education of children of workers. Skill-enhancement was also highlighted and repeatedly described as a win-win Situation. “Construction Academies”, which are already in place in Andhra Pradesh and Tamil Nadu, and under consideration in Assam, seem to be a generally accepted measure to improve the skills level of those working in the construction sector. These academies could be promoted by the State governments, while the training activities could be supported by the Welfare Boards. Furthermore, the need to set up temporary housing camps – possibly in a Public-Private-Partnership – to increase the living and working conditions of workers and their families was also acknowledged by many participants.
- 4) From the discussions it also emerged that there seems to be a need for guidance from the Government of India with regard to some moot points, such as:
 - The definition of Employer
 - Whether the proceeds of CESS should be treated as an income and would thus be taxable.
- 5) I think it is important to note that when discussing the issue of how to improve service delivery of Welfare Boards, we have to bear in mind that most if not all of the existing Welfare Boards are still at an early stage of development – in fact some of them are not older than one or three years. That means we have

to allow them time to improve and learn from best practices in other States as they move forward to develop their ultimate potential.

6) The lessons derived from this national tripartite consultation point to the benefits of regular exchanges of information and experience among the States of India. There are no more compelling lessons than those derived by States attempting to deal with similar problems and challenges. The potential benefits to be gained are three-fold:

- First, in the policy debate that typically precedes the launching of a particular social security measure, officials from States who have already taken this action can speak with a high level of authority. Those who have been successful in a similar setting are living proof that it can be done.
- Second, administrators from States with similar economies and cultures may have faced and coped with similar administrative problems that do not arise in more distant settings. Examples include how to structure survivors' benefits when families are extended, and how to deal with claimants for retirement benefits who have no documentation of their date of birth.
- A third and related advantage is that administrators from States who have successfully improved the service delivery through Welfare Boards can be highly motivating to officials who are struggling to accomplish the same in their own State.

How do we take these discussions further to ensure it is not yet another meeting where we agree on certain things and continue as usual? What does it take to move ahead?

- Firstly, it is – as Mr. Anil Swarup underlined in his opening address yesterday - a matter of commitment and political will – to give the vision, to set the principles, to define the ground rules for the social security we want to afford construction workers and other workers in the informal economy. It is about

making hard decisions, decisions which require sometimes to go against the tide. It also involves social will, individual will. As it became amply clear during the debate, we do not lack the resources to improve service delivery through Welfare Boards – the coffers are full; what we need to do is to strategize how best to reach the intended beneficiaries, and that was the very purpose of this Consultation.

- Secondly, it demands a major investment in social dialogue and organization. Dialogue is essential to shape common objectives and strategies that respond to the specificity of the given State and to make the necessary compromises. At the same time the improvement of service delivery through Welfare Boards is also a challenge for organization. Organization brings strength and pressure for change and for redefining priorities to help ensure that the compromises are not always at the cost of the weakest. We need to build a consensus that deals with the problems and does not just paper over the cracks.
- Thirdly, and coming back to my earlier point, a priority at this time must be to act with urgency to ensure that service delivery is improved for construction workers and their families who are struggling just to survive. The aim of improving service delivery to as many workers as possible and as quickly as possible, is to prevent women and men and their families from falling into destitution, helping them overcome poverty and move up the ladder of opportunity. Our work must be guided by the question: “Is this a legitimate aspiration?” If yes, we must set the objective and see how to make it happen. To get there, the Building and Other Construction Workers Welfare CESS Act of 1996 must be more than just a set of legal regulations, it should be rather seen as an instrument to help the unprotected reach higher levels of living and working conditions.

To conclude, let me reiterate the challenge I see ahead as we all go back to our respective duty stations in various States of India: Do we do business as usual or seize the opportunity to make the changes that lead to an improvement in the living and working conditions of about 40 million construction workers and their families?

We should keep in mind that the improvement of social security, and in particular its extension to the unorganized workers is of crucial importance for the social and economic development of the country and it is at the head of the people's agenda. We all have a technical mandate – but we also have a role to play as agents of change, shaping new approaches, and interpreting the law in favour of the intended beneficiaries.

That leaves me to say some words of thanks.

Particular thanks are due to Mr. Anil Swarup and Mr. Joshi for their valuable contributions and guidance throughout the process, to the presenters from GIZ, Dr. Nishant Jain, from PRDA, Mr. P. Upadhyay, and from LIC, Mr. L. S. Rawat.

I would also like to thank all the presenters from the various States for sharing their knowledge and experience with us.

Many thanks also to my ILO colleagues for their contributions – in particular Mr. Mukesh Gupta for setting the stage for the discussion with his excellent presentation on the findings of our diagnostic analysis, but also to Mr. Ravichandran and Mrs. Kusum Chand for their preparatory work and the smooth organization of the meeting.

And finally, I would like to thank all of you for your strong commitment and for putting concrete ideas on the table. Thank you again for participating in this national tripartite consultation and for your most valuable contributions.

Please be assured that the ILO stands ready to collaborate in any meaningful way with you, our constituents, to promote Decent Work for all, and in particular for those working in the unorganized sector.

Thank you very much.