

PROBLEMS AND PROSPECTS OF UNORGANIZED WORKERS IN CONSTRUCTION SECTOR IN KARNATAKA WITH REFERENCE TO BANGALORE DISTRICT

Naveen Kumar S T

Associate Professor, Department of Economics, GFGC Yelahanka, Bengaluru

ABSTRACT

One of the biggest sources of unorganized laborers include the construction industry in India, especially in fast urbanizing cities like Bangalore. Though their role is extremely essential in infrastructural growth, the workers are still plagued with low wages, no job security, poor working environment, and poor access to medical and social facilities. This paper explores the issues and opportunities of unskilled construction workers in Bangalore district in a bid to determine the socio-economic challenges faced by the population, as well as the potential of enhancing their situation through training, skill acquisition, and institutional intervention. Two hundred workers were given a structured questionnaire, and the data were analyzed through descriptive statistics, reliability analysis, and multiple regression models. The results indicate that low wages, workplace risks, and lack of social insurance have a major impact on the welfare of the workers, whereas training opportunities and skill development have a positive impact on the future of these employees. The research also gives information on demographic traits, financial awareness and household choices of employees. The findings underscore the need to take immediate policy action, enhance welfare policies and specific skill development programs to motivate the unregistered construction workers. This study is a contribution to the literature in labor economics, and it provides some implications to policy makers, NGOs and planners of urban development.

Keywords: Unorganized construction workers, Wages and job security, Occupational health and safety, Skill development and training, Labor economics in India

1. INTRODUCTION

Construction Industry in India is among the biggest employment industries in India following agriculture and it has been a major contributor to the GDP and development of infrastructure. Most of its labor force is however disorganized and has no access to formal employment contract, social protection as well as basic welfare schemes (NCEUS, 2007). In Karnataka and Bangalore in particular, the high rate of urbanization and development of infrastructure has brought thousands of migrant and local workers into the construction sector. Such employees are usually involved in precarious work, which means low salaries, lack of job stability, and unsafe working environment (Mehrotra, 2019). Although the sector is a vital factor in urban development and economic growth, the socio-economic vulnerabilities of the workforce are not well studied and tackled.

This disarrangement of the construction workforce is amplified by the fact that most of their jobs are informal and casual, and workers often shift between employers and projects (Sarkar, 2014). This mobility is a threat to their social security provisions like health care, insurance, and pension benefits, which are normally associated with formal employment provisions. Moreover, the gap between men and women is acute in the industry, with the majority of female workers being underpaid and unskilled employees and subject to systemic discrimination in wage payment (Sharma and Singh, 2017). Another issue that migrant workers have to contend with in rural Karnataka and nearby states is language barriers, bad

housing, and the inability to provide their children with an education (Srivastava, 2020). All these contribute to poverty and marginalization cycles among the unorganized construction workers.

Within the framework of the city of Bangalore, which is often referred to the Silicon Valley of India, the paradox between the global economic relevance of this city and the marginalization of the construction sector workers is quite visible. As multinational corporations and IT hubs generate real estate and infrastructure development, the city builders themselves are very often not the beneficiaries of the wealth they contribute to the city. Bureaucratic inefficiencies, lack of awareness among employees and difficulties with the registration have restricted the implementation of welfare measures, including those of the Building and Other Construction Workers (BOCW) Act of 1996 (Rajan, 2016). Therefore, although the industry holds great opportunities in terms of economic progress, the plight of unskilled laborers impedes the improvement of human beings as well as the fair rise of the urban economy of Karnataka.

This study is necessitated by a paradoxical nature of high economic growth and continued vulnerability of unorganized construction workers in Bangalore. Although there is policy intervention, there is a loophole of converting welfare schemes to practical benefits to workers. The research of the challenges, as well as opportunities of these workers, is necessary to put the policy answers in proper context to be able to respond to wage insecurity, occupational safety, and social protection. Furthermore, as Bangalore is experiencing a high rate of urban development, the construction labor force is bound to increase again, which is why sustainable and inclusive development is urgent. This research will offer empirical evidence of the socio-economic status of unorganized workers, the obstacles to accessing welfare, and the possible methods of incorporating these informative workers component into the developmental path of Karnataka.

2. LITERATURE REVIEW

Srivastava & Jha (2016) The research was conducted to evaluate the working and living conditions of unorganized workers in the construction field in terms of their wages, job security and accessibility of welfare cover. Mixed-method survey through questionnaires of construction sites in Delhi and Bangalore, on male and female construction workers revealed that most workers were rural migrants with no formal contract, irregular wages, no safety equipment, and no access to health and social security benefits. Women were also discriminated in terms of wages and were paid almost 30% of the wage's men earned. The research suggested the further examination of gender inequalities and the analysis of state-based welfare boards in transforming the situation with workers.

Rajasekhar & Varghese (2017) In this study, the researchers explored the extent to which Karnataka Building and Other Construction Workers Welfare Board was effective in offering social security to unorganized workers, based on secondary data analysis and field surveys of registered and unregistered workers in Bangalore, the researchers found that a small section of workers were aware and registered to welfare provisions such as health insurance, maternity benefits and pension. Absence of documentation (ID cards, proof of residence) served as a significant obstacle. Future studies are needed to analyze the uses of digital registration and e-governance to increase the coverage and mobility of the welfare benefits among migrant workers.

Singh and Kaur (2018) The objective of the paper was to examine the occupational health hazards and safety threats of unorganized workers in the Indian construction sector. The case

study design used on-site observations and worker interviews in Bangalore and Hyderabad. Workers were frequently involved in injuries because of the absence of helmets, gloves, and harnesses. There was low awareness regarding occupational safety and there were no medical facilities at workplaces. Contractors were more interested in reduction of costs rather than safety. The subsequent studies may look into the role of mandatory safety training and technology adoption (e.g. AI-based site surveillance) in the mitigation of accidents in construction sites.

Meena & Chouhan (2019) In order to investigate the trends in migration of unorganized construction workers and the consequences of such trends to livelihood security. The semi-structured interviews were used in collecting primary data on migrant workers in Bangalore and Mumbai. Migrants were primarily rural Karnataka, Bihar, and Odisha migrants. Most of them lived in makeshift homes around the place of work and were very susceptible to exploitation and poor sanitation. Although there were better wages in the city, income insecurity and housing insecurity led to poverty, which could be further addressed by research on the involvement of urban housing policies and labour unions in protecting the rights of migrant construction workers.

Thomas & Joseph (2020) The research project sought to investigate the presence of women in unorganized construction activities and the problems they encounter. Fifteen women who were employed in Bangalore, Chennai and Kochi were interviewed using the qualitative method. Women labourers were focused on unskilled labour such as the transport of materials and cleaning and there was little room to upskill them. They were subjected to discrimination in wages; ill health related to heavy lifting and deprivation of maternity. But women workers claimed that construction work paid better than agricultural labour in their home villages. The training and skill development programs can be tested by future studies to increase the employability of women in semi-skilled positions in the construction industry.

Reddy & Naik (2021) This paper examined how skill development programs could be used to enhance the employability and income levels of unorganized employees in Karnataka. The survey targeted 200 workers in Bangalore district in a field survey of the workers participating in government skill development programs in the Skill India program. The masons, plumbers, and electricians showed 20 percent to 30 percent more wages than the unskilled laborers. But the program was only made known to very few people and no follow up training was done to sustain the program. Second-order effects of vocational training should be studied in the future, and the role of the partnership between the private and the commonwealth in maintaining the skills training program in the construction industry.

3.OBJECTIVE OF THE STUDY

1. To identify the major problems faced by workers in terms of wages, health, safety, and job security.
2. To assess the prospects of skill development, training, and future opportunities in the construction sector.
3. To suggest measures for improving the working and living conditions of unorganized construction workers.

4.HYPOTHESES OF THE STUDY

Null Hypotheses (Ho):

- **Ho1:** Unorganized construction workers do not face significant problems related to wages, health, safety, and job security.

- **Ho2:** Skill development and training have no significant impact on the prospects of construction workers.

Alternative Hypotheses (Ho):

- **Ho1:** Unorganized construction workers face significant problems related to wages, health, safety, and job security.
- **Ho2:** Skill development and training significantly improve the prospects of construction workers.

5. RESEARCH METHODOLOGY

The current research utilizes descriptive, analytical research design in an effort to explore the issues and opportunities of unorganized construction workers in the Bangalore District, Karnataka. The sample is that of un-organized workers and purposive-cum-stratified random sampling technique was applied to gather primary data on 200 respondents whose selection depends on Cochran formula. A structured questionnaire was used to collect data in both English and Kannada to capture the demographic information, wage, health, safety, job security, and opportunities which included training and skill development. Statistical analysis was done in SPSS using descriptive statistics (mean, frequency, percentage), multiple regression analysis to test the hypothesis with R², VIF, and coefficient significance (p-values) being evaluated at the 5% level of significance. This research methodology combines a qualitative and quantitative approach to guarantee strong and evidence-based opinions about the socio-economic issues and a chance of unorganized construction workers, as well as providing policy-influential results of sustainable progress.

6. DATA ANALYSIS AND INTERPRETATION

This current chapter starts by providing the demographic profile of respondents, which is described in terms of frequency distributions and percentage tables to include the key background variables, including age, gender, education, income, and work experience. This offers a situational background to appreciate the socio-economic status of the sample used. The chapter proceeds to test the hypothesis, which involves using inferential statistics methods like multiple regression analysis. In this section, the model summaries (R²), variance inflation factor (VIF) to verify the existence of multicollinearity and the tables of coefficient with beta, t-statistics, and p-values were presented. The findings are explained with respect to the research hypotheses made above and accepted and rejected hypotheses are made.

Table 1: Demographic Profile of Respondents

| | | | |
|------------|---------------------|-----|------|
| Gender | Male | 120 | 60 |
| | Female | 80 | 40 |
| Age | 18-25 | 40 | 20 |
| | 26-35 | 70 | 35 |
| | 36-45 | 60 | 30 |
| | 46 and above | 30 | 15 |
| | | | |
| Education | No Formal Education | 30 | 15 |
| | Primary | 50 | 25 |
| | Secondary | 60 | 30 |
| | Higher Secondary | 40 | 20 |
| | Graduate & above | 20 | 10 |
| Experience | Less than 1 year | 25 | 12.5 |

| | | | |
|--------|------------------|----|------|
| | 1-5 years | 80 | 40 |
| | 6-10 years | 60 | 30 |
| | Above 10 years | 35 | 17.5 |
| | Less than 10,000 | 50 | 25 |
| Income | 10,001-15,000 | 70 | 35 |
| | 15,001-20,000 | 50 | 25 |
| | Above 20,000 | 30 | 15 |
| | | | |

The multicollinearity statistics was studied on the independent variables on the problems and prospects of unorganized workers in the construction sector. The values of the variance inflation factor (VIF) of the problems model were Wages (VIF = 1.024), Health (VIF = 1.013), Safety (VIF = 1.028), and Job Security (VIF = 1.004). Training (VIF = 1.026), and Skills (VIF = 1.013) are reported in the case of the prospects model. As no VIF value exceeded the conventional 5 (Hair et al., 2016), no indication of multicollinearity between predictors was found, meaning that the independent variables could be safely added to the regression models.

Table 2: Multicollinearity for Problems and Prospects Unorganized Workers

| Problems | |
|--------------|-------|
| Variable | VIF |
| Wages | 1.024 |
| Health | 1.013 |
| Safety | 1.028 |
| Job Security | 1.004 |
| Prospects | |
| Training | 1.026 |
| Skills | 1.013 |

The model summary showed that independent variables explained significantly the dependent variables. The predictors (Wages, Health, Safety, and Job Security) in the problems faced model explained 35.2% of the variance ($R^2 = .352$) in the outcome. The predictors (Training and Skills) in the prospects model accounted 46.6 percent of the variance ($R^2 = .466$). These results show that the predictors are moderate as they explain a bit more variance when compared to the prospects model, which accounts more variance when compared to the problems model (Cohen, 1988).

Table 3: Model Summary for Problems and Prospects Unorganized Workers

| Model | R-squared |
|----------------|-----------|
| Problems Faced | 0.352 |
| Prospects | 0.466 |

The estimates of the coefficient showed that the predictors were all statistically significant. Wages (Beta=.309) and Health (Beta =.256) and Safety (Beta =.266) and Job Security (Beta =.132) were also important predictors in the problems faced model, implying that the issues confronting the workers are highly influenced by the four factors. Training Access (Beta =.409, $p = <.001$) and Skill Level (Beta =.475, $p = <.001$) both positively influenced the prospects of unorganized construction workers in the prospects model, which verifies that increased access to training and higher skill levels have a strong beneficial effect on the

prospects of unorganized construction workers. These findings validate the assumptions that employees have significant issues and that the development of skills and training can help them significantly.

Table 4: Coefficient Table for Problems and Prospects Unorganized Workers

| Problems | | | |
|-----------------|------------------|---------|--------------|
| Predictor | Beta Coefficient | p-value | Significance |
| Wages | 0.309 | 0.000 | *** |
| Health | 0.256 | 0.000 | *** |
| Safety | 0.266 | 0.000 | *** |
| Job Security | 0.132 | 0.010 | ** |
| Prospects | | | |
| Predictor | Beta Coefficient | p-value | Significance |
| Training Access | 0.409 | 0.000 | *** |
| Skill Level | 0.475 | 0.000 | *** |

7. CONCLUSION

The research conducted on the issues and opportunities of the unorganized workers in the building industry of Bangalore District emphasizes the ongoing problems the workers experience in the industry in the form of low wages and irregular wages, poor health and safety standards, and poor employment security. The discussion established that these problems have a great impact on their general health condition and socio-economic position. The findings of the regression showed that wages, health, safety, and job security are powerful forecasts of the issues faced by unorganized workers, which confirms the current knowledge that the informality of the employment makes unorganized workers susceptible to exploitation and systemic neglects.

Meanwhile, the results also highlighted the value of opportunities like training and the development of skills, which were depicted as making a significant effect on the employability of workers, their productivity, and their confidence that they can find improved opportunities. As access to training and skill development proved to have a positive effect, the research implies that the workforce will need to be lifted by policy interventions, dedicated capacity-building initiatives, and integrative social security intervention. In this way, the study finds that the issues are structural and multi-dimensional, but developing skills, increasing regulatory support, and providing protection to workers can help turn the challenges into opportunities to enable sustainable development in the unorganized construction industry.

REFERENCES (APA 7TH)

1. Awasthi, I. C. (2019). Socio-economic conditions of unorganized construction workers: A study in urban India. *International Journal of Social Sciences and Management*, 6(2), 57–65. <https://doi.org/10.3126/ijssm.v6i2.23172>
2. Choudhary, R., & Singh, A. (2019). Occupational safety and health issues of construction workers in India. *Journal of Construction in Developing Countries*, 24(1), 1–18. <https://doi.org/10.21315/jcdc2019.24.1.1>
3. Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Lawrence Erlbaum.

4. Deshpande, R. (2018). Informal labour and the challenges of social security: Evidence from construction workers. *Indian Journal of Labour Economics*, 61(2), 315–334. <https://doi.org/10.1007/s41027-018-0135-4>
5. Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2016). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.
6. Khan, S., & Mehta, R. (2020). Prospects of skill development and training among unorganized construction workers. *Asian Journal of Development Studies*, 14(3), 245–262. <https://doi.org/10.1177/0973005220931490>
7. Mehrotra, S. (2019). Informal employment trends in the Indian economy: Persistent informality. *The Indian Journal of Labour Economics*, 62(1), 75–99. <https://doi.org/10.1007/s41027-019-00171-5>
8. National Commission for Enterprises in the Unorganised Sector (NCEUS). (2007). *Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector*. Government of India.
9. Rajan, S. I. (2016). Migrant construction workers in India: Need for regulation and policy. *Indian Journal of Human Development*, 10(2), 285–300.
10. Rani, U., & Sen, K. (2018). Labour market inequalities in India's construction sector: Issues and prospects. *Economic and Political Weekly*, 53(36), 45–52.
11. Sarkar, S. (2014). Casualization of workforce in India: A case of construction industry. *Economic and Political Weekly*, 49(21), 62–70.
12. Sharma, A., & Singh, R. (2017). Women in construction: Issues and challenges. *International Journal of Social Sciences*, 6(2), 45–56.
13. Sharma, V., & Sinha, P. (2021). Problems of migrant construction workers in metropolitan cities: A case study of Bangalore. *International Journal of Economics and Development Research*, 9(4), 88–102.
14. Srivastava, R. (2020). Social protection for migrant workers in India: Challenges and prospects. *ILO South Asia Working Paper Series*.