

Impact of Covid19 on Construction Industry

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Abstract:-The country's development is generally depends upon urbanization and infrastructure expansions and availability of transportation. It is observed that developed countries have excellent infrastructure facilities and well connected transportation system. India is a fast developing nation and major infrastructure changes are noticed during past two decades. The achievements are due to rapid changes in construction industry which majorly depend on labour force. Due to sudden impact of covid19 pandemic has derailed the Indian economy and badly damaged livelihood of people. The economic slowdown and jeopardizing its effect on labour is mentioned in this paper.

Keywords—Construction; labour;covid19

INTRODUCTION

India is a rapid growing developing country and witnessed remarkable growth in the year 2000 to 2020. Numerous projects have been started across the country with inflow of direct and indirect funds to the tune of US\$24.47Billions. The projects are in government and private sectors with huge capital investments.

The foreign investments received during the period from 2000 to 2020 to the tune of US\$ 43 billion for both infrastructure and construction development. The investment has been spent in various infrastructure works Roads, bridges, hotels, resorts, hospitals, educational institutions and recreational facilities.

With reference to joint study conducted by PMI and KPMG on infrastructure projects, June 2019, it was found that due to liberalization of policies and globalization has seen growth rate of GDP at 1.25% in 80 to 7% by 2006.

The construction sector is the second biggest employer after agriculture sector. It employs more than 44 million workers. The construction sector is also considered to be largest globally by 2025. However the working conditions are not improved much, still it is in nascent stage.

The construction labour is major backbone of various projects of magnitude of small dwelling units to latest metro projects which are becoming major commuting systems in major cities in India.

According to ILO numbers mentioned in British safety council study, approximately 11600 average die to work related hazard in a year.

Although various measures have been taken for determine daily wages of labour with considering minimum wages act 1948. As per minimum wages act 1948 which specifies minimum wage rates per day basis and extends to the entire country. However there is a provision to increase dearness allowance every two years. The norms in fixing and revision of minimum wages were first recommended by ILC, 1957.

In reality the wage revisions are barely come to the knowledge of poor workmen and there is always exploitation. Migration is not taken seriously in India. The migrant labour face various basic needs such as health care facilities, ration facilities and other amenities. The lockdown was imposed due to sudden surge of pandemic March 2020 under disaster management act 2005.

The infrastructure growth is not uniform in India. Major economic growth observed in western part compared to east and south is witnessing little ahead than North. Due to difference in labour movement observed from eastern states to west as well as south.

LITERATURE REVIEW

Poverty is the main reason for migration and migration happens to move to more prosperous areas bring income and livelihood and some extent education (Castle S.2004).

The wages are effective for organized sector than unorganized sectors (Prof. Biju Varkey and Khushi Mehta).Except big construction companies all other constructions firms engage local laborers and their wages generally paid in cash. In such cases there is always possibility of exploitation and intervention of government is necessary.

The effect of lockdown has resulted panic among major migrant labour and they were forced to walk down to their villages without food and money. Vasudevan et al 2020 viewed that near about 128 million labour were forced to travel back to their villages without any proper transportations facilities. The cases of starvation, road rail accidents and poor medical care facilities are listed by Guha et al 2020.

OBJECTIVES

The wages paid to the labour based on minimum wages act which was laid in the year 1948. Subsequently revisions have been observed due to changes in 'cost of living index' and wages can be fixed for an entire state, part of the state, class or classes and employments pertaining to these categories. The fixation of wages is based on the norms mentioned and a wage board (different for different industry).

Under the Minimum Wages Act, State and Central Governments have the power to fix and revise minimum wages

The wage acts are given below

A. Table 1

Labour legislation	Type of intervention
The Minimum Wages Act, 1948	To provide minimum compensation for work. Workers in scheduled employment to be paid minimum wage.
The Trade Unions Act, 1926	To enable workers of a number of small units to form unions, who can bargain wages and other condition of work.
The Industrial Disputes Act, 1947	To enable unions to raise industrial disputes on wages and the conciliation machinery to intervene.
The Equal Remunerations Act, 1976	Assure equal wage to women for same or similar work.
The Payment of Wages Act, 1936	To regulate the manner of payment of wages and their realisation in case of non-payment.
The Contract Labours (Regulation and Abolition) Act, 1970	The contractor is required to pay wages and in case of failure on the part of the contractor to pay wages either in part or in full, the Principal Employer is liable to pay the same.

source: Das, K.S. (1998), Wage policy issues in the informal sector, *The Indian Journal of Labour Economics*, V 41(4), p 896

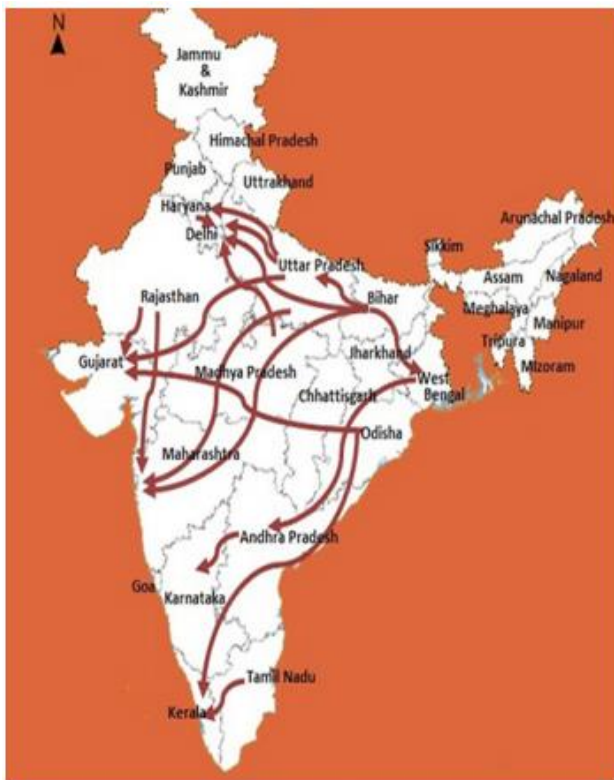


Fig. 1. Source Migration Support Centre, Frame work, MRD,India

It is generally mandatory to keep labour registers at site showing wages paid to the labour either to the bank or cash. Big companies allocate their work in small contracts and further these works awarded to small contractor or specialized agencies. In public sector works strictly follows labour issues. However still there is some loose ends strict regular basis verification at site and with reference records

are missing. As result sometimes constructions sites closed or temporarily stopped. Big companies make payment and adhere to labour issues but sometimes fail to check down the line payments to workmen.

CONCLUSION

sudden announcement of lockdown due to covid 19 pandemic in the month of march phase 1: 25 March 2020 – 14 April 2020 (21 days) Phase 2: 15 April 2020 – 3 May 2020 (19 days) Phase 3: 4 May 2020 – 17 May 2020 (14 days) and Unlocking has been done in various stages unlock 1.0: 1 June 2020 – 30 June 2020 (30 days) Unlock 2.0: 1 July 2020 – 31 July 2020 (31 days) Unlock 3.0: 1 August 2020 – 31 August 2020 (31 days) Unlock 4.0: 1 September 2020 - 30 September 2020 (30 days). Resulted total halt of construction activities. Though unlocking started with effect June not allowed movement of skilled labour from one place to another place. As a result huge construction delays happened and resulting cost overrun.

Near about 6.5 million workers from three states namely UP, Bihar and Jharkhand have returned to their home town/villages due to covid induced lock down (Rajesh Thakur et al).

These states are preparing for suitable measures such skill mapping for utilizing the skilled and some extent unskilled. The measures taken shall be at larger extent and capture more people for getting employment. Otherwise the migration continues.

Secondly metro cities are facing acute shortage of resources due to migrant workers as well as uncontrolled expansion of cities.

The need of mode of transportation could have been arranged by state and central government bodies with an involvement of big construction companies. It was not materialized. The effect of pandemic made the labour confusion and brought them on streets.

Due to second wave of corona more cases are witnessing after second week March 2021 , in Maharashtra real estate developers are checking medical checkups of labour including RT-PCR. Construction allowed only after facilities provided for labour except movement of construction material.

The migrant labour generally in the age group of 15 years to 35 years needs basic training of opening a account, transfer of remittances, given training in various trades (Deendyal Grameen Koushal Yojana) and be aware of their salary structure including provident fund and medical insurances like group medical policies.

In case of force majeure events labour shall be given ration facilities for few weeks at work place or at their home states would greatly help in struggling pandemic situation.

Sometimes counseling is required to face unseen events and disasters and making physical and mentally strong.

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