



INDUS ACTION

REIMAGINING CONSTRUCTION WORKERS' WELFARE

A VISION FOR ENHANCED
BOCW POLICY AND PRACTICE

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About Indus Action

At Indus Action, we are at the frontline in solving the entrenched challenge of poverty and systemic barriers that keep large sections of the Indian population unable to access their welfare entitlements. Since 2013, our work has helped over a million citizens access entitlements in education, maternity, and various livelihoods provision. Our guiding beacon is a simple yet powerful conviction: every family in India, particularly those subsisting on an income of less than Rs. 10,000 (\$135) per month, should have unrestricted access to their welfare entitlements; entitlements that grant them a path to quality education, robust health, and secure livelihoods, amongst others.

As we navigate the intricate web of policies and regulations, we are faced with the towering figure of 890 million citizens, a segment that continues to live below the poverty line, trapped in a maze of systemic inefficiencies that hinder access to welfare rights anchored in education, health, and livelihood security. The journey to upliftment is anchored to over 500 schemes, a wide range of opportunities that unfortunately culminate in low-impact delivery, leaving a substantial portion of the populace grappling with poverty.

At the core of our work lies the transformative Portfolio of Welfare and Entitlement Rights (PoWER). It is not just a portfolio but a testament to our unwavering commitment to redefining the boundaries of welfare in India, translating the 500+ fragmented low-impact schemes into a consolidated set of 5-10 high-impact, accessible welfare schemes.

Acknowledgements

I would like to express my gratitude for the active contributions made by members of the Indus Action team, namely Tarun Cherukuri, Hitesh Kukreja, and Chitra Rawat. Additionally, I extend my thanks to Mayank Lodha and Harshil Sharma for their valuable suggestions and feedback. I want to acknowledge the remarkable efforts put forth by our operations teams and BoCW welfare boards in Delhi and Chhattisgarh, which have served as a significant source of inspiration and learning for this whitepaper. Finally, I would like to acknowledge construction workers whose experiences I have had the opportunity to witness and study.

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Glossary

Administrative Burden: a term coined by Pamela Herd and Donald Moynihan (2019) to explain burdens experienced by citizens in citizen-state interactions. The concept categorises these burdens into learning, compliance, and psychological costs.

BoCW Board: the tripartite Building and other Construction Workers Welfare Board with representatives from workers, employers, and the government tasked with the registration of construction workers at the state level and the promotion of their welfare through an array of schemes, initiatives, or facilities.

BoCW Card: also alternatively known as the labour card, is a piece of document received by a construction worker after successfully registering with a state's BoCW Board. The BoCW card must be regularly renewed to enable access to BoCW schemes.

Cess: specialised fund generated by levying a 1% cess on the construction costs at major building sites, which employers remit to the government.

Discovery: the dual process wherein a citizen is able to discover government schemes and policies they are eligible for, and conversely, the state is able to discover the wide pool of citizens eligible for a scheme.

Interoperability: refers to the ability of different systems, devices, or software components to connect and communicate with each other seamlessly. It ensures that these entities can work together effectively without requiring significant effort from end users.

Live registered members: construction workers who possess a valid (unexpired) BoCW or labour card. Construction workers can remain live registered members by continuously renewing their labour card.

Most Efficient Survey (MES): an efficient survey to collect citizens' data to assess their eligibility for schemes and entitlements.

Validation: the process of verifying the identity, demographic status or occupation status of a citizen.

Preface

In 2022, I embarked on my journey into the development sector, with my initial efforts focused on implementing the Building and Other Construction Workers (BoCW) Act in Delhi. My early tasks ranged from conducting awareness campaigns and analysing BoCW claim processes to facilitating the registration of construction workers for labour cards. Beyond the ever-present challenges of raising awareness, I was struck by the complexity and protracted nature of the processes. The requirement for multiple documentation proofs and the ordeal of navigating lengthy and redundant online application systems posed difficulties even for me, a person adept at using technology. This led me to ponder: how can construction workers, who are often less familiar with such technologies and face complex power dynamics in the citizen-state relation, be expected to navigate these cumbersome processes? Furthermore, how can we reduce the administrative burden they face?

Since those initial days, our team has made significant strides, notably assisting the Delhi Building and Other Construction Workers Board in developing a more efficient portal to shorten application times and enhance the citizen experience. Implementing the BoCW Act in Delhi and Chhattisgarh, we have redesigned processes and schemes, executed impactful awareness campaigns, provided capacity-building exercises to last-mile operators, and established grievance redressal frameworks. This has helped us gain a nuanced understanding of the BoCW implementation process and its broader ecosystem.

Our journey has brought us to a crucial realisation: beyond incremental changes, what is truly needed is a systemic overhaul to streamline the entire implementation process and effectively engage the myriad of stakeholders involved in this Act. This whitepaper emerges from an urgent need to refine BoCW implementation, ensuring that the vulnerable construction worker community gains access to guaranteed welfare entitlements swiftly and straightforwardly. I invite you to contribute to this debate to secure the future of our nation's construction workers.

Umang Kamra
May 2024

Executive Summary

India's construction sector, a pivotal contributor to the nation's GDP, boasts a vast workforce expected to grow substantially by 2030. Despite the sector's economic significance, its workforce faces dire socio-economic challenges exacerbated by the informal nature of their employment. The Building and Other Construction Workers (BoCW) Act of 1996 seeks to address these issues, offering social security and welfare benefits to construction workers. However, a review of the implementation of this Act reveals critical shortcomings, notably low registration rates among workers and inefficient fund utilisation, hampering the delivery of its intended benefits.

The journey of a construction worker to access BoCW benefits is fraught with systemic hurdles at both the state and citizen levels, leading to low registration and renewal rates among workers. These obstacles stem from a lack of awareness, cumbersome documentation processes, and delayed delivery of welfare amounts. Moreover, the administrative burden associated with these processes further alienates workers from accessing their entitlements, underscoring the need for a more accessible and streamlined approach to public services.

A comprehensive overhaul of the BoCW implementation framework is proposed to address these challenges, focusing on enhancing administrative efficiency and reducing the burden on construction workers. Key components of this vision include:

- **Interoperability:** A state BoCW interface interoperable with central and state department databases, like the e-Shram portal and MGNREGA will streamline registration and validation for workers. The interoperability will facilitate data sharing, ensure seamless benefit portability across states for migrant workers, and support the initiative of unique identification numbers as part of the Model Welfare Scheme for Building and Other Construction Workers. This will also build protocols for interdepartmental data sharing to improve data validation for claims verification processes.
- **Efficient Registration and Validation:** Documentation and application requirements can be simplified by adopting tailored process flows for different worker categories to expedite benefit delivery. This amendment would recognise and embrace the various employment engagements within the construction sector, aligning awareness and application channels with workers' environments, ensuring efficient validation processes to expedite benefit delivery.



Workers in large construction sites

Employers register workers as a part of their registration or cess application, thus registering and validating the worker's identity.



Workers in small construction sites / daily wage workers

Workers apply to the state portal, providing 90-day work proof through self certification or employer's certification, and undergo telephonic validation.



MGNREGA construction workers

Workers opt in for BoCW card during MGNREGA registration and automatically obtain a BoCW card upon completing 60/90 days of work.

- **Basic Income Cover:** A monthly basic income cover of ₹1,000 for registered construction workers can help reduce financial insecurity and motivate workers to renew their registrations regularly. This will encourage workers to view registration as a beneficial process rather than a burden. It can also incentivise employers to register their workers more diligently, as the benefits of doing so will become more visible. This will improve trust and compliance in the system. Administrative efficiency and resource allocation can be enhanced by replacing low-value welfare schemes with basic income. This will help to focus on high-impact schemes and empower workers to invest in their future needs and opportunities.
- **Leveraging Renewal for Scheme Discovery:** The renewal application should only be a straightforward documentation upload process, wherein the proof of 90 days of employment is uploaded. Workers can also opt to undergo a Most Efficient Survey (MES) that identifies potential eligibility for additional support schemes based on life events and needs. If eligible, workers can seamlessly transition to an add-on claims application as a part of the renewal process.

This whitepaper outlines an actionable roadmap for transforming the welfare landscape for construction workers, advocating for systemic transformation to ensure that every worker has access to the welfare and security they rightfully deserve. Achieving a more inclusive, efficient, and effective BoCW implementation framework necessitates a collaborative and phased approach, engaging key stakeholders across government departments, civil society organisations, employers, and trade unions.

Section 1: Background

The construction sector is a cornerstone of India's economy, contributing to 9% of the nation's GDP and is projected to reach a staggering \$1.4 trillion by 2025 (Invest India). The sector is the second largest employer in India, with more than 7.1 crores in its workforce, expected to expand to 10 crores by 2030 (Shree 2023). Despite this significant economic footprint, the construction industry's prosperity contrasts sharply with its workforce's precarious financial state (Das & Tripathy 2019). While building and other construction workers remain in great demand, their socio-economic position, migrant status, and the informal nature of work expose them to specific vulnerabilities as they struggle to cope with job insecurity, low wages, food insecurity and lack of access to safe housing, education and healthcare (Joshi, Johari and Jha 2019; Roy, Manish and Naik 2017). The Building and Other Construction Workers (BoCW) Act of 1996 was instituted in recognition of these challenges, aiming to secure social security and welfare benefits for this demographic throughout their lives.

The BoCW Act guarantees social security entitlements to workers within the construction industry, a sector characterized by unorganised and insecure employment conditions. The enactment of the Act delegates the responsibility of implementation to the state governments, mandating the establishment of a tripartite Building and other Construction Workers Welfare Board (hereon, the BoCW Board) with representatives from workers, employers, and the government. The BoCW Board is tasked with registering construction workers at the state level and promoting their welfare through an array of schemes, initiatives, or facilities. A wide range of construction workers, including painters, carpenters, electricians, blacksmiths, etc, can register for a BoCW card to access benefits and protections.

The BoCW Act facilitates a spectrum of long-term benefits (used interchangeably with "claims") for construction workers, encompassing education scholarships, maternity benefits, marriage assistance, pensions, and support in the event of death or the need for funeral services, among others. These claims are financed through a specialised fund generated by levying a 1% cess on the construction costs at major building sites, which employers remit to the government. The administration and allocation of these funds are the purview of the BoCW Boards, ensuring that benefits are extended solely to workers registered with them, thereby laying a foundation for a more secure and dignified life for construction workers across India.

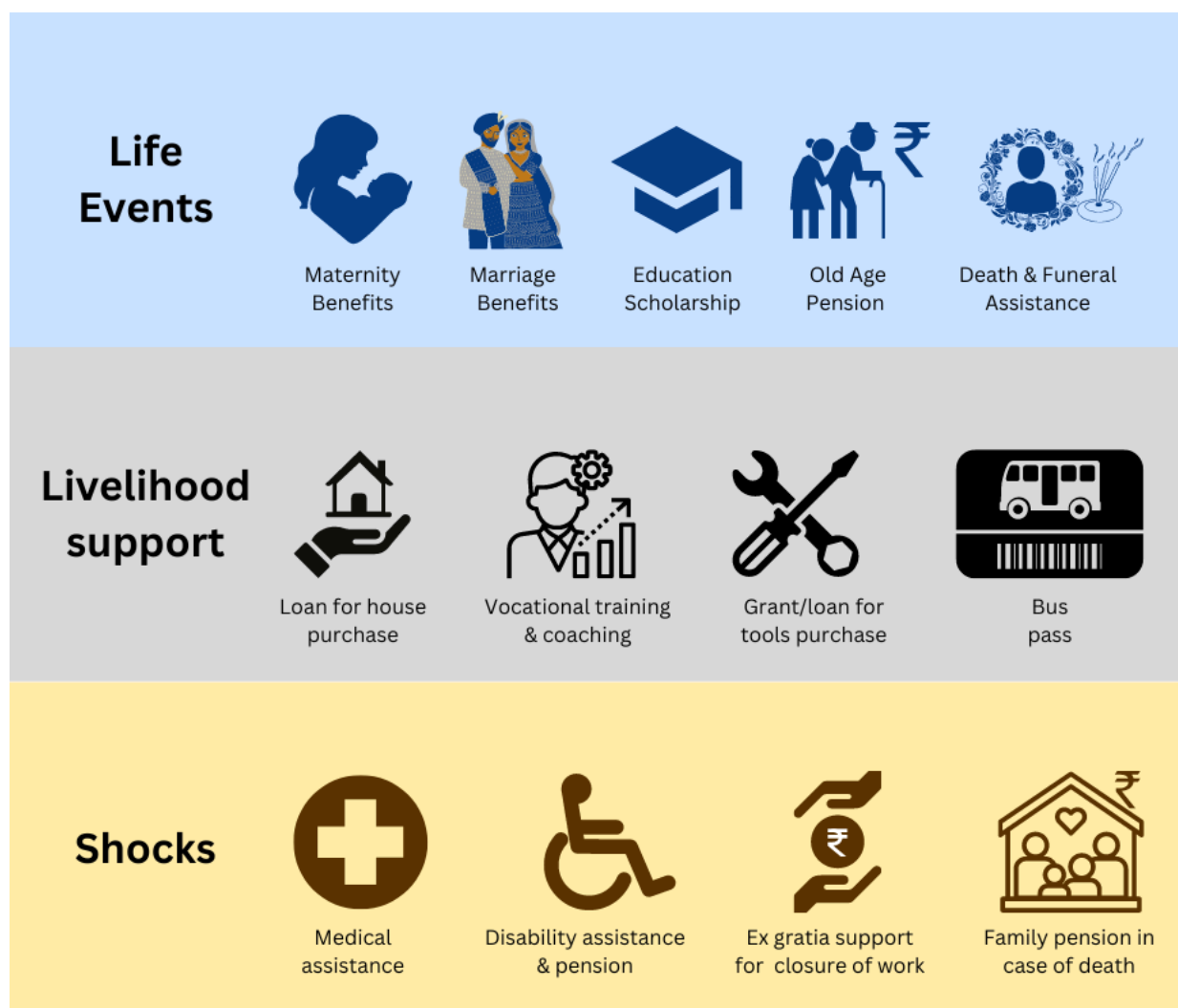


Figure 1: Social Security cover through BoCW schemes

A key issue in implementation is the low registration rate of construction workers with the BoCW Boards, which restricts their access to welfare benefits. In 2023, out of 7.1 crore construction workers, 5.06 crore were estimated to be registered with state BoCW Boards (Shree 2023, MoLE 2023). Furthermore, the number of live registered workers, i.e. those who have renewed their registrations, is expected to be much lower.

The low worker registration and renewal rates directly affect the use of cess funds. Over the past 25 years, Indian states have collected more than ₹ 78,521 crore as a welfare cess from the construction sector, with Maharashtra and Karnataka leading in collections (Joy 2022). However, they have spent only about 45% of these funds, leaving ₹ 43,121.84 crores unutilised (Ibid). The underutilisation of labour welfare funds is accompanied by inefficient monitoring of fund distribution, suggesting improved tracking mechanisms are needed. (Joshi, Johari and Jha 2019).

Addressing these challenges requires concerted efforts from government authorities, policymakers, and civil society organisations to enhance awareness, streamline processes, and ensure accountability and transparency in fund management for the welfare of construction workers in India. Furthermore, any redesigned systems should be grounded in Human Centred Design (HCD) to frame sustainable systems that are centred on construction worker’s pain points and lived experiences.¹



Figure 2: Stakeholders involved in BoCW implementation

¹ Human-centered design is a problem-solving technique that puts real people at the centre of the development process, enabling one to create products and services that resonate and are tailored to your audience's needs

Section 2: A Construction worker's journey to benefit access

When construction workers register with their state's BoCW Board, they receive a BoCW card that gives them access to various claims. The BoCW card needs to be renewed periodically, which, depending on each state's regulations, can range from annually to every three to five years. Workers possessing a valid BoCW card (registered and renewed) are live registered workers.

In order to obtain a BoCW card, workers are generally required to provide certain documents such as their Aadhar card (proof of identity), proof of 90 days of employment, proof of residency in the state, and a bank passbook. The 90-day employment proof and the residence proof are crucial documents that take the most effort to obtain during the documentation process:

- The certificate proving 90 days of employment is usually issued by the employer, contractor or a trade union. Some states also accept a self-certification (Delhi) or the worker's NREGA job card (Rajasthan).
- The residence proof can be a government identity card (Aadhar, Voter ID, etc.), a rental agreement or a utility bill (electricity, water, LPG, etc.). Some states also accept certifications from an employer or trade union.

Some states may require additional documents like the e-shram card or the state's family identity card.

Validation/verification procedures for BoCW card approval vary among states, with some verifying telephonically with the applicant while others verifying through employers/contractors. In some cases, workers may be asked to appear at their district labour department office. However, the validation process is more rigorous for claims.

After receiving a labour card, construction workers can apply for claims related to life events or necessary livelihood support. However, it is important for workers to be aware of the available schemes, their benefits, eligibility criteria, and required documentation. We refer to this as scheme discovery. Each claim has specific eligibility requirements and documentation needs that vary depending on state regulations. Once the necessary documentation has been completed, workers can proceed with the application for their claim. The BoCW Board then conducts a validation process to confirm the worker's identity as a construction worker. After validating the documents submitted, a claims manager or labour inspector typically carries out an in-person verification, and the exact process flow can vary depending on the submitted claim type. After successful validation, the claim is approved, and the benefit amount is transferred to the worker, which is often delayed.

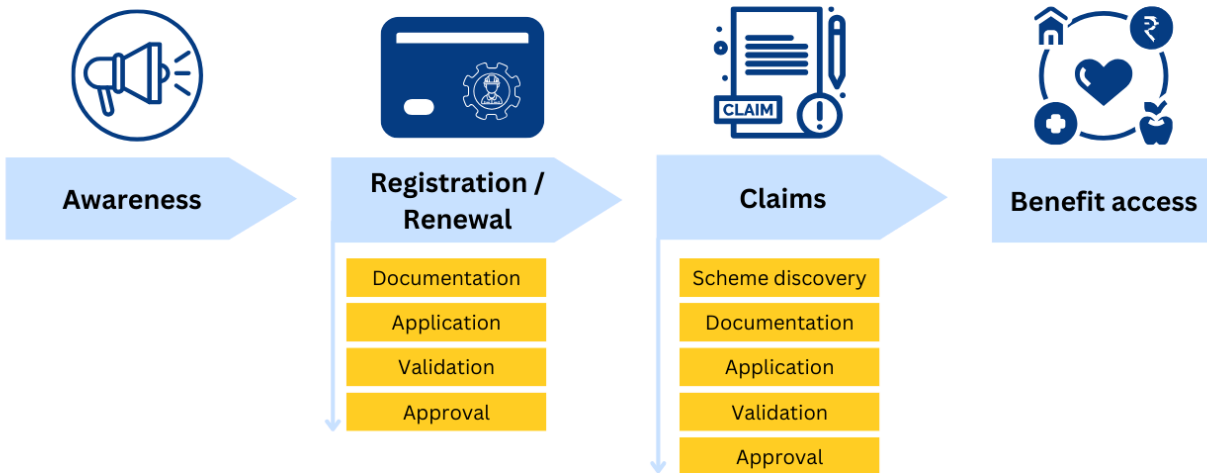


Figure 3: A construction worker's journey in accessing BoCW benefits

Workers face numerous hurdles throughout their journey to access BoCW benefits. These hurdles are often a result of systemic factors, both at the state and citizen level. These factors and hurdles can be better understood by categorising them into the following categories:

- **Discovery and awareness challenges:** Not all workers are aware of the Act and the registration process, which limits the discovery of welfare schemes for citizens. Furthermore, awareness channels and nodes are not fully leveraged, leading to ineffective state-level targeting. Lacking focus on claims delivery and complex eligibility criteria further hinder scheme discovery. Additionally, some distrust in the government machinery also discourages workers from applying for this.
- **Documentation and application challenges:** Many construction workers, especially daily wage workers, work at various sites throughout the course of an year, which makes it difficult for them to obtain a 90-day certificate from any employer or contractor. Migrant workers also face challenges in getting proof of their residence. The registration, renewal, or claims application processes can be complicated and burdensome. Many workers don't renew their registrations due to the anticipated complexities and the lack of incentive due to delayed or no benefit delivery.
- **Delivery and approval challenges:** The validation process for benefits delivery, which is often done physically, is time-consuming due to lacking state capacity. This often results in long delays in accessing the welfare amount. Lacking or ineffective grievance redressal systems further isolate construction workers.



Figure 4: Systemic factors and hurdles in the benefits access journey

Construction workers face significant challenges accessing scheme benefits due to “administrative burden,” a term coined by Pamela Herd and Donald Moynihan (2019). These burdens arise from complex paperwork, unclear eligibility criteria, opaque processes, and uncooperative bureaucracy encompassing the time, effort, and financial resources individuals must invest to access services or comply with policy requirements. The concept categorises these burdens into learning, compliance, and psychological costs. Such barriers erode trust in the government and underscore the need for more accessible and user-friendly public services, highlighting how administrative burdens can limit individuals' benefits from public programs and policies.

Administrative Burden

costs that citizens experience in their interactions with government

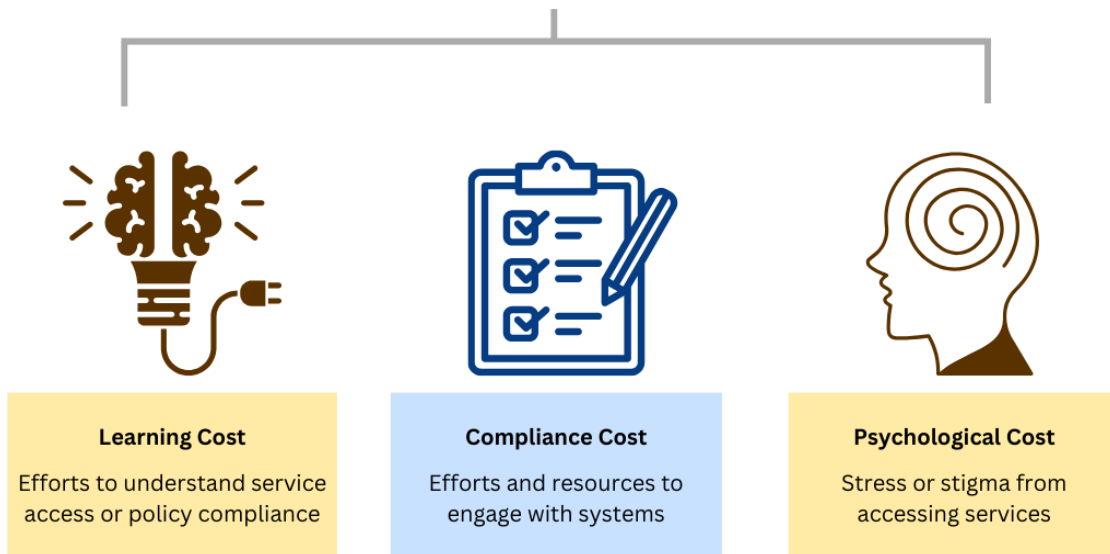


Figure 5: Administrative burden

Section 3: Vision for streamlining BoCW implementation

Accessing benefits under the BoCW Act often presents a complex and burdensome challenge. Unfortunately, many states give precedence to registrations over the delivery of claims. This approach predominantly concentrates administrative efforts and resources on the initial stage of the process. The policy's true value, however, lies in timely claims delivery. This objective is frequently hampered by the perpetual need for validation, fueled by concerns over inclusion errors. Such an approach delays the process and detracts from the Act's overall effectiveness. There's a pressing need for a more robust implementation framework that tackles these obstacles, ensuring swifter and more precise delivery of claims.

A more streamlined implementation framework should alleviate construction workers' administrative burden while improving administrative efficiency. This can be accomplished by dissecting and refining process flows, eliminating redundant steps, simplifying the required documentation, overhauling the validation process, optimising the structure of schemes, and strategically utilising government databases. The cornerstone of this revamped process includes four key components:

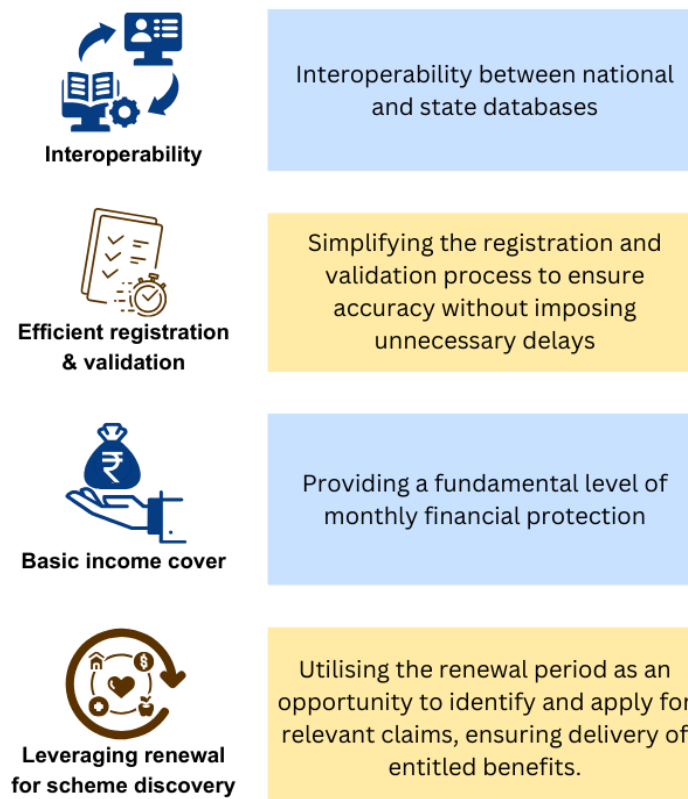


Figure 6: Components of streamlined BoCW implementation framework

By addressing these focal areas, the proposed framework aims to significantly reduce the complexity and time involved in accessing benefits, making the system more citizen-friendly and effective in delivering the intended support to construction workers. This approach not only benefits the workers directly but also enhances the overall efficiency and effectiveness of the BoCW Act.

Interoperability

To improve administrative efficiency, it is crucial that the state BoCW interface is interoperable with central and state government databases. In the proposed framework, interoperability with the national e-Shram portal, MGNREGA database and state department databases will streamline registration, validation and portability.

The state BoCW interface's interoperability with the national e-Shram portal will ensure seamless data sharing and benefit portability for the workers. The Ministry and Labour & Employment (MoLE 2018) introduced the "Model Welfare Scheme for Building and Other Construction Workers and Action Plan for Strengthening Implementation Machinery" in 2018. It stipulated that states allot workers a unique identification number (UAN), which, along with their registration, renewal and family information, would be shared on the national portal and accessible by other states to ensure the portability of benefits. By enabling portability, workers migrating between states would have continued to access their benefits without disruption. Furthermore, linkages to the e-shram portal will also ease access to central government schemes.

Data convergence through the e-shram portal has already begun, wherein out of the 28.65 crore registered unorganised workers, 2.6 crores have been allotted UANs and identified as BoCWs (MoLE 2023). The MoLE has also expressed a willingness to share BoCW data with state governments to provide social security benefits (Ibid). Moreover, a December 2023 letter from Directorate General Labour Welfare (DGLW) to states and union territories directs the integration of the state BoCW database with the e-shram portal, confirming the existing momentum and underpinning the proposal's feasibility.

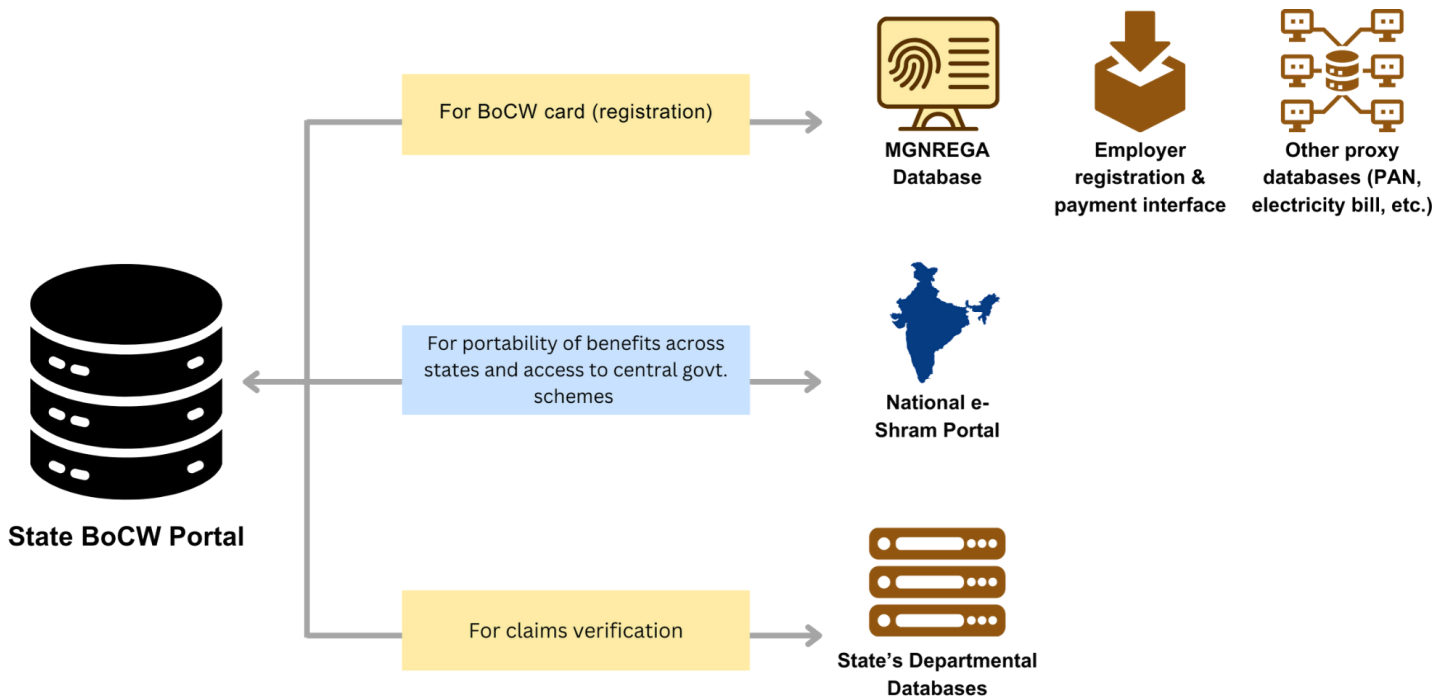


Figure 7: Portability between government databases

For improved registration, connecting state BoCW portals to the MGNREGA database would ensure that MGNREGA workers are able to obtain BoCW cards and be covered under BoCW schemes. Leveraging the data from the MGNREGA database, which already includes details of employment and identification, could streamline the process for workers to receive a BoCW card, particularly after completing the mandatory 90-day work period as stipulated for MGNREGA beneficiaries. Since most of the data collection happens through MNREGA, workers can be given an option to opt-in for a BoCW card, which can be automatically provided after completing 90 days of work. Additionally, linkages to the employer registration or cess collection platform/interface will improve the registration and validation process and introduce transparency by making construction activity, employer, contractor and sub-contractor data visible. Lastly, Interoperability with other databases, like PAN, electricity bills, etc., can also facilitate the validation of residence proof and income levels during registration.

For claims, linking state BoCW databases to other state-level departmental databases can facilitate inter-departmental schemes and provide quick validation for claims. For claims, in Delhi, government school education scholarships are facilitated through interoperability between the BoCW and Education Department databases. This can be extended to the Health Department, Birth & Death Registration Database, and the Women & Child Development Departments for claims such as maternity benefits, medical assistance, death and funeral assistance, etc.

Efficient Registration and Validation

The approach to registration and validation should recognise and embrace the various employment engagements within the construction sector, aligning awareness channels with workers' environments, simplifying documentation and application requirements to reduce administrative burden, and ensuring efficient validation processes to expedite benefit delivery. This can be achieved by categorising BoCW workers into three distinct groups based on their nature of employment, each of which can have a customised process flow catering to their unique needs, as laid out below.




	Discovery	Documentation	Application	Validation	
 Workers under large construction site employers	① Employers and information camps as the awareness touchpoint	Employer's cess application provides sufficient proof for 90 day work and state of residence	② Employers register workers as a part of cess application	Not required due to employer declaration in the cess application	BoCW card available for download
 Workers in small construction sites / daily wage workers	① Registration & information camps at labour chowks and construction sites	② 90 day work proved through self-certificate and employer/contractors certificate Local residence proved through govt. ID, rental agreement or utilities bill	③ Workers apply to the BoCW Board through registration camps and online applications	④ Telephonic verification through occupation specific questionnaire	
 MGNREGA construction workers	① MGNREGA registration process as the awareness touchpoint	MGNREGA records provide sufficient proof for 90 day work and state of residence	② Automatic issue of labour card upon completion of 90 days of work	Not required due to govt. MGREGA database match	

Figure 8: BoCW Registration and Validation Process, and number of steps taken for BoCW card access

1. Construction workers under large construction site employers²:

- a. Become aware through employer-led information camps, in addition to camps at labour chowks and construction sites.

² The BoCW Act defines "employer" as someone who can be either a person who undertakes to produce a given result for any establishment through the employment of building workers (the subcontracting company) or someone who supplies building workers for any work of the establishment (petty contractor) This definition presents difficulties due to a mismatch between the legal definition of an employer and actual practices, allowing employers to shirk their responsibilities towards workers. The ambiguity arises from the coexistence of formal (labour in-charge) and informal (labour subcontractor) systems, making it unclear who the employer is. The law fails to address scenarios where both systems coexist for worker recruitment, involving one party overseeing the establishment's output and another supplying the labour (Rawat and Singh, 2020).

- b. Experience streamlined documentation and application through a merger of the employer's BoCW registration/cess payment and the worker registration application, where employers' declaration for 90 days of work and residence status is captured.
- c. Avoid additional validation due to employer declarations as a part of the registration/cess application and the worker registration application.

2. Workers at small construction sites / daily wage workers:

- a. Engage with targeted registration and information camps at labour chowks and construction sites for awareness and discovery.
- b. Facilitate documentation through self-certification or employer/contractor certificates, with local residence confirmed by government IDs or utility bills. As per MoLE's Model Welfare Schemes (2018), the workers can also be provided with an employment diary where they can record employment details on a recurring basis, increasing confidence in self-certification.
- c. Apply for the BoCW card through registration camps or last-mile operators.
- d. Undergo a telephonic verification process through an occupation-specific questionnaire.

3. MGNREGA construction workers:

- a. Become aware through the MGNREGA registration process.
- b. Engage with the MGNREGA registration process as usual and opt-in for a BoCW card.
- c. Receive BoCW cards automatically after completion of the 90-day work period.

This categorisation and tailored process flow serve as a dynamic complement to the existing BoCW policy framework, promising enhanced delivery and efficacy. By addressing the individualised needs of construction workers through this bespoke approach, the BoCW schemes stand to improve administrative efficiency and their fundamental goal of supporting the worker community.

Basic income cover

Due to administrative burdens, a construction worker's journey to access welfare is often long and challenging. As a result, the effectiveness of the BoCW Act is hindered. To address the financial insecurities workers face, a basic income cover should be instituted to enable continuous welfare access. This initiative proposes a guaranteed basic monthly income of a recommended minimum of INR 1,000 for all registered live workers. This would provide a stable financial base to workers, which would also incentivise them and their employees to engage more actively with the registration and renewal processes.

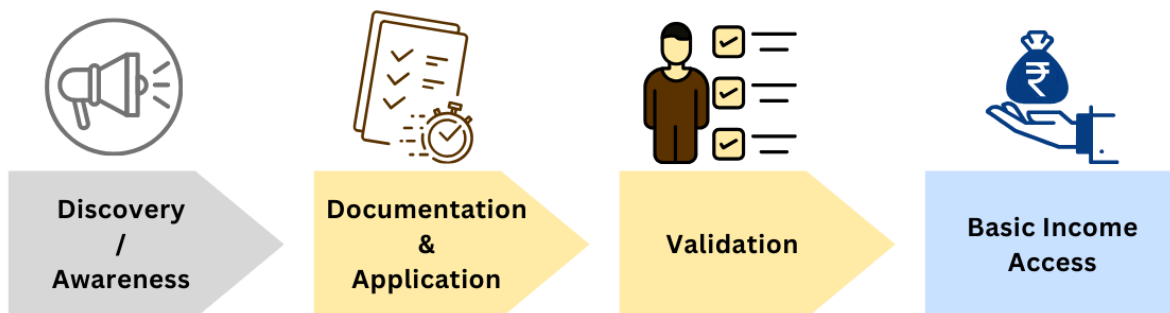


Figure 9: Expedited journey to welfare access as registering worker

For employers, this scheme presents a clear incentive to register their workers, as it directly demonstrates how the cess contributions are being translated into tangible benefits for their workforce. This visibility of benefits is expected to foster greater trust in the welfare system and encourage higher compliance rates among employers.

On the worker side, the promise of a guaranteed basic income should motivate regular submission of renewal applications. Knowing that their welfare is assured, workers will likely perceive the renewal process as a valuable step towards securing their financial well-being rather than a bureaucratic hurdle.

In addition, implementing direct income support can be a more efficient way of providing welfare to citizens. This is because it can replace various low-value and commonly claimed schemes, such as school scholarships, medical assistance, bus passes, and grants for tools, among others, reducing the administrative workload required to process and validate individuals for these schemes. By doing so, resources could be better utilised towards maintaining high-value schemes that are more impactful for life events, emergencies, and old age pensions. As a result, the overall impact of the welfare system would not be diluted.

Recent basic income pilots in India and abroad have shown that most individuals use basic income for basic needs like food, healthcare, and education (Banerjee 2024, Project DEEP 2023, SEWA 2014). It empowers people to seek better opportunities and invest in education or entrepreneurship. Providing basic income support to vulnerable construction workers will ensure they are continually supported in their journey out of poverty.

Leveraging renewal for scheme discovery

By motivating workers to renew annually, the basic income cover should improve the renewal rate. The renewal process can be leveraged for scheme discovery and claims application. Additionally, aligning the renewal and claims cycles can reduce the number of transactions workers need to access their claims. By synchronising these processes, workers can enjoy a more seamless BoCW experience.

A single document providing proof of 90 days of employment can be all that is required for renewal documentation, markedly reducing the complexity of the application process. Workers will simply have to upload this documentation as a part of the renewal application.

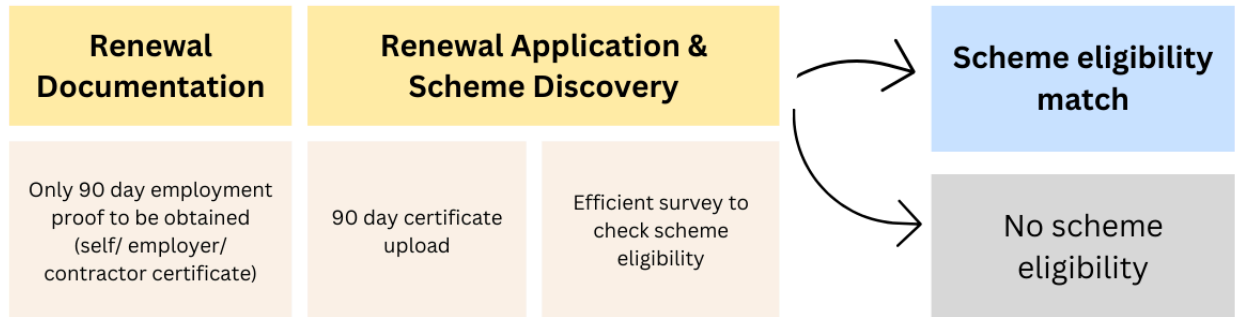


Figure 10: Renewal process linking to scheme discovery

For scheme discovery, the renewal application will include the Most Efficient Survey (MES) to identify significant life events, shocks and livelihood support requirements that may make workers eligible for additional support schemes. If the MES identifies such a scheme during the renewal application, the worker can smoothly transition to the claims application process. Upon approval of the claim application, the workers can be entitled to the claim amount, which will be adjusted against the basic income guaranteed for that year. Alternatively, the claim amount can be in addition to the basic income too, depending on state priorities.

The claims validation process can include physical or digital verification, depending on state mechanisms. Generally, the validation process has been accomplished through physical verification, but digital processes can be instituted by leveraging relevant departmental databases to ensure accuracy and efficiency. For instance, with all deaths and births now required to be recorded digitally under The Registration of Births and Deaths (Amendment) Act, 2023 (MoLJ 2023), maternity benefits and death and funeral assistance claims can be validated digitally without physical verification. Similar digital validation processes can be established interdepartmentally for various claims, as pointed out in the interoperability section.

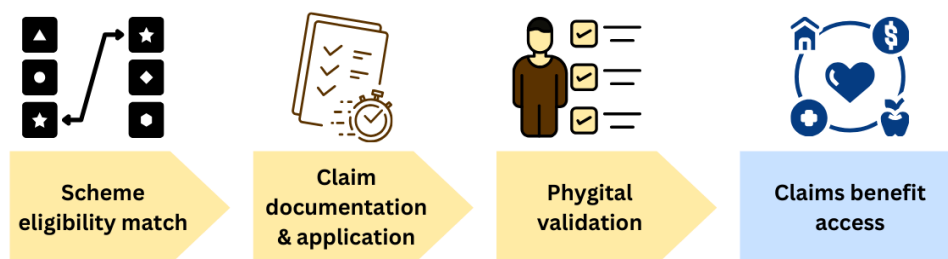


Figure 11: Add-on claims process in case of scheme match

In situations where no additional scheme is applicable, the framework defaults to the regular validation and approval process. This ensures that all workers, regardless of scheme

match, continue to have access to a basic income. This approach ensures a balance between rigorous eligibility checks and conserving administrative resources, particularly in cases where no extra schemes are matched.

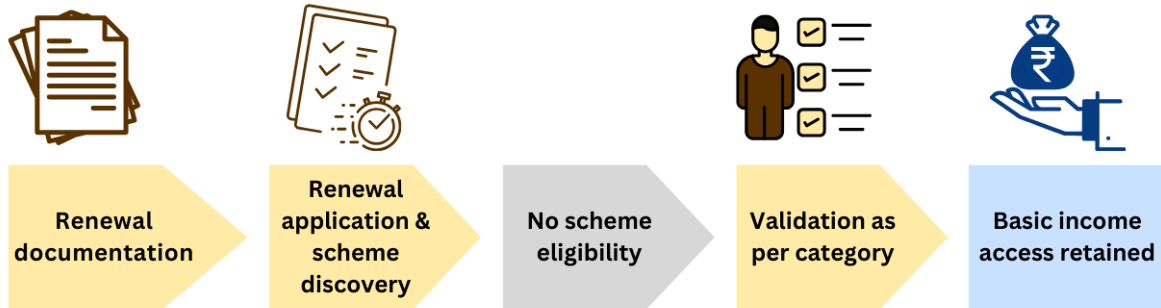


Figure 12: Efficient renewal process when no scheme match is found

Section 4: The Way Forward

As this whitepaper outlines, the journey towards a more inclusive, efficient, and effective BoCW framework is both ambitious and necessary. It underscores the imperative for a systemic transformation to uplift the socio-economic conditions of construction workers nationwide, grounding implementation in human-centred design to acknowledge the lived experiences and challenges they face. This transformation is predicated on a foundational principle: collaboration. The path forward must be paved with robust partnerships among key stakeholders, including government departments, implementation agencies, civil society, employers, and trade unions. Such collaboration is not merely beneficial but essential for instituting the proposed changes.

The Ministry of Labour & Employment, state BoCW departments, and MGNREGA implementing agencies are pivotal players in enabling interoperability. This is a crucial step towards creating a seamless, integrated ecosystem that supports the dynamic needs of construction workers. By harmonising the efforts of these entities, we can ensure a more fluid exchange of information and resources, facilitating better access to welfare schemes and benefits for the workers. Such collaborations will also pave the road for interoperability between other state and central databases, enabling efficient validations and targeting. For instance, state-level education, health and women and child development department databases, in addition to the birth and death registration databases, can be interlinked with the BoCW database to facilitate quick and seamless verification for claims such as education scholarships, maternity benefits, medical assistance, and death and funeral assistance.

A phased approach to implementation is recommended, acknowledging the scale and complexity of the changes required. Initially, focusing on streamlining registration, renewal, and validation processes will serve as the cornerstone for broader reforms. This prioritisation is strategic, ensuring that immediate barriers to coverage under the BoCW Act are addressed, thereby expanding the safety net for a larger segment of workers. Incorporating a Most Efficient Survey (MES) to discover scheme eligibility will ensure that workers remain covered with additional protections, which can be availed through the renewal transaction instead of another cumbersome claims transaction. The enhancement of these processes will not only simplify access to benefits but also lay the groundwork for a more adaptable and responsive welfare system.

The introduction of basic income cover as a new scheme under the BoCW Act represents a forward-thinking strategy to incentivise regular renewals and maintain coverage. The proposal offers a dual benefit through a guaranteed basic income: a safety net for the workers and a motivation for consistent engagement with the BoCW framework. This initiative, aligned with global best practices and the momentum for basic income, can also reduce state burden if efforts are redirected towards maintaining coverage instead of undertaking constant validation.

Capacity building emerges as another critical component – frontline staff, BoCW officials, employers, and trade unions must be equipped with the knowledge and skills to navigate the revamped BoCW ecosystem effectively. This involves not just a redesign of implementation processes but also a cultural shift towards a more inclusive and worker-centric approach. By empowering these key actors, we can ensure a smoother transition to the new framework and a higher quality of welfare delivery to the construction workers.

In conclusion, this whitepaper lays out an actionable roadmap for transforming the welfare landscape for construction workers. It calls for a collaborative, phased, and innovative approach to address the multifaceted challenges this vulnerable segment of the workforce faces. The vision articulated here is not just for reform but for a fundamental shift in how we perceive and support the construction workers who play a crucial role in building the nation. The journey ahead is challenging, yet with all stakeholders' collective will and effort, we can realise a future where every construction worker has access to the welfare and security they rightfully deserve.

Table 1: Action Map for improved BoCW implementation		
Stakeholder	Actions Expected	Objectives & Benefits
Central Government	Support interoperability between national e-Shram, BoCW databases and the MGREGA database.	Facilitate seamless data sharing among databases and ensure benefit portability.
State Government (BoCW Boards and other Departments)	Integrate state BoCW databases with state-level MGNREGA and other departmental databases.	Streamline registration, documentation, and validation processes for better coverage.
	Segment and streamline registration and renewal processes as per worker engagement (large site employer, daily wage, MGNREGA).	Simplify procedures and reduce worker dropout.
	Implement a basic income cover for registered workers.	Provide financial stability and incentivise registration and renewal.
	Improve cess collection, fund management, and allocation processes facilitate through interoperability of cess deposit and BoCW portals.	Ensure timely and effective delivery of welfare benefits.
Employers	Register workers for BoCW cards and participate in the financing through cess contributions.	Guarantee workers' access to welfare schemes.
	Organise and participate in worker information and awareness campaigns.	Increase worker registration and compliance.

Construction Workers	Regularly renew BoCW cards through simplified renewal processes to ensure consistent access to basic income and welfare schemes.	Maintain eligibility for welfare schemes.
	Engage with the Most Efficient Survey (MES) and eligibility prediction tech during renewal for additional scheme discovery.	Identify eligibility for new or additional welfare schemes.
Trade Unions and Last-Mile	Facilitate awareness and education sessions for workers about BoCW benefits.	Enhance workers' understanding and engagement with BoCW schemes.
	Assist workers in navigating the registration and claims process.	Act as intermediaries to facilitate access to benefits.

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