

PRESS RELEASE

Supreme Court Slams Governments for Failing Construction Workers: Rs. 28,000 Crores Unutilized

SC Demands Accountability for Cess Collected but Not Spent on Workers' Welfare

New Delhi | 18.02.2019 - The Supreme Court of India has issued a scathing judgment, holding both state and central governments accountable for the **gross mismanagement of welfare funds meant for construction workers**. Despite collecting over **₹37,400 crores** under the **Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act)** and the **Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act)**, only **₹9,500 crores** have been utilized, leaving **₹28,000 crores** unspent. The judgment calls for **immediate remedial action** to ensure the welfare of millions of unorganized construction workers in India.

Key Findings of the Judgment:

- **Non-Implementation of Laws:** The SC found that **State Governments and Union Territories have failed** to register workers, form welfare boards, and provide promised benefits.
- **Unspent Cess Funds:** Over **₹28,000 crores meant for workers' welfare remains unutilized**, resulting in severe injustice to millions of labourers.
- **Failure of Monitoring Mechanisms:** State Advisory Boards **have not met even once in the past year**, highlighting the lack of commitment to worker welfare.
- **Workers Deprived of Social Security:** Funds meant for **accident benefits, pensions, education for workers' children, and maternity benefits** have either been underutilized or diverted.
- **Government Apathy and Legal Inaction:** The Supreme Court noted that despite **repeated orders**, authorities have **deliberately ignored compliance**, forcing the court to issue **contempt warnings**.

SC's Directives:

The Supreme Court has laid out the following key measures to ensure proper implementation of the BOCW Act and Cess Act:

- **Comprehensive Audit:** State Welfare Boards must be **audited by the Comptroller and Auditor General of India (CAG)** to track fund utilization.
- **Accountability in Cess Collection & Disbursement:** The court has directed that funds collected under the **Cess Act must directly benefit workers** and not be misused.
- **Mandatory Reporting:** Labour Ministries and Welfare Boards must **file progress reports regularly** to ensure transparency.
- **Strict Monitoring:** A **national-level monitoring committee** will be established to **track implementation and fund utilization**.

Reactions from Labour Rights Advocates & Experts:

Dr. G. B. Nath, Labour Policy Analyst,

*“This judgment is a landmark in ensuring workers’ rights. The fact that ₹28,000 crores remain unspent shows the **systemic neglect of construction workers**. The government must act now to ensure every rupee reaches the workers it was meant for.”*

Rakshyakar Anupam, National Convener, National Alliance of Independent Labour Unions (NAILU)

*“The Supreme Court has exposed the grim reality that our governments have failed construction workers. The collected funds must be immediately redirected towards **pensions, accident relief, and housing support**. We demand a transparent and time-bound action plan.”*

Gopinath Barik, Policy Consultant on Labour

*“The SC’s intervention is critical. The labour welfare cess is meant for workers, not to be hoarded by the government. We call for a **workers’ audit committee** to oversee fund utilization.”*

Dr. R. S. Tiwari, National Alliance of Independent Labour Unions (NAILU)

*“The judgment reinforces what we have been advocating for years—**cess funds should not be misused**. The SC must **monitor implementation through periodic compliance reports** to ensure justice for construction workers.”*

Mr. Vikash, Labour Rights Advocate

*“This is a historic moment for labour rights in India. We demand **mandatory social security for all construction workers**, along with universal ID cards to ensure they receive benefits, regardless of migration.”*

*The Supreme Court’s judgment exposes the systemic negligence in utilizing ₹28,000 crores meant for construction workers’ welfare. Governments must be held accountable for this injustice. Immediate action is needed to ensure these funds serve the workers who build our nation!” – **SR Ravi, National Campaign Coordinator** #WorkerRights #CessUtilization #SupremeCourtCall for Immediate **Action***

Labour rights organizations, including **Progressive Sramik Manch (PSM)** and NAILU, have called upon the central and state governments to immediately:

- **Identify and register all eligible construction workers** to ensure direct benefit transfers.
- **Ensure proper utilization of funds** through transparent mechanisms.
- **Hold negligent officials accountable** for failing to implement the SC’s directives.
- **Launch awareness campaigns** to inform workers about their rights and entitlements.

This judgment has sent a **clear message**-construction workers **cannot be ignored any longer**. The challenge now lies in ensuring that this **landmark ruling is enforced in both letter and spirit**.