

KARNATAKA

Large corpus of funds for workers' welfare lies unused in State



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BENGALURU, JULY 29, 2017 22:58 IST

UPDATED: JULY 29, 2017 22:58 IST

Only 2.4% of ₹4,782 crore cess spent; many workers not even aware of the schemes that exist

The Karnataka government has collected ₹4,782.74 crore as cess from builders to be used for welfare scheme for workers, but the utilisation is an abysmal 2.44%. This is because a large number of workers are not even aware of the schemes that exist.

Of the estimated 28.76 lakh building and other construction workers in the State, only 36% (10.61 lakh) have registered with the Karnataka Building and Other Construction Workers' Welfare Board (KBOCWWB), established a decade ago, for implementing various welfare schemes.

Interestingly, the current registered number of beneficiaries of the pension scheme, which commenced last year, is only 352 persons, which constitute 0.34% of the estimated total building and other construction workers (BOCW) aged 60 and above.

Study report

A study commissioned by KBOCWWB and conducted by M.R. Narayana, professor, Institute for Social and Economic Change (ISEC), Bengaluru, noted that the low utilisation rate was a major reason for the huge size and growth of the cess fund.

However, there has been an increase in the beneficiaries and the amount of money sanctioned over the years. The total number of beneficiaries have increased from 4,843 persons (₹2.91 crore) in 2011-12 to 22,661 persons (₹19.63 crore) in 2014-15 and to 34,730 persons (₹38.04 crore) in 2016-17. During the decade, 1,28,254 persons have benefited under various schemes and received ₹116.93 crore from KBOCWFB. During the period, the highest amount of cess was collected from Bengaluru (BBMP area) at ₹1,718 crore. Five districts of Bengaluru urban, Dakshina Kannada, Dharwad, Mysuru, and Vijayapura together contributed ₹2,356 crore or 74% of the total cess collected in the State.

How it was used

Of the funds utilised, about 97% of beneficiaries sought assistance for education, marriage and funerals, constituting 93% of the expenditure. Education dominated with about 84% of the total beneficiaries claiming it and constituting 38% of funds spent during 2007-08 to 2016-17. This is followed by marriage with about 9% of the amount used by 39% of beneficiaries.

The third highest was assistance given for funeral with about 4% of the total beneficiaries using 15% of the money. No expenditure and beneficiaries were reported under the house assistance scheme.

The Bengaluru urban district has the highest share of beneficiaries in welfare schemes of major ailment, funeral, and accident while Dakshina Kannada district shows highest share of beneficiaries in education. Raichur district has highest number of beneficiaries under maternity, while Dharwad saw the highest number under marriage assistance.

The study said: "There is scope and opportunity to extend the coverage of registration for unregistered building and other construction workers in future through awareness of benefits of welfare schemes. Financial literacy and inclusion should be strongly promoted for all current and future building and other construction workers to enable them to fully utilise the benefits of welfare schemes."

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Printable version | Aug 1, 2017 11:24:56 AM | <http://www.thehindu.com/news/national/karnataka/large-corpus-of-funds-for-workers-welfare-lies-unused-in-state/article19387738.ece>

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