

Insurance Coverage and Social Protection among Building and Other Construction Workers in Maharashtra: A State-Level Assessment

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Abstract

Building and other construction workers constitute an important segment of India's informal workforce and remain exposed to occupational, health and income-related risks. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and Other Construction Workers Welfare Cess Act, 1996 provide for statutory welfare and social protection of them. The study, using secondary data, examines the institutional coverage and implementation of insurance and wider social protection measures for construction workers in Maharashtra. The evidence is based on government reports and databases, national labour surveys, Maharashtra Economic Surveys, international publications and peer-reviewed research. The study focuses in particular on the performance audit of Maharashtra by the Comptroller and Auditor General of India for the period 2017–18 to 2021–22, supplemented by later official evidence up to 2025–26.

The analysis looks at worker registration, social-protection coverage, access to welfare benefits, financial use, claims management and recent policy changes. Evidence shows large increases in the registration of workers and in the administration of welfare but also reveals gaps between formal entitlement and actual access. During the period under audit, delays in registration and claims processing, incomplete implementation of certain social-protection provisions and underutilisation of welfare resources were noted. More recent evidence suggests an expansion in registration, health protection, pension arrangements and digital monitoring. The study argues that the effectiveness of social protection should be assessed not merely through the existence of schemes or the number of registered workers, but through timely, accessible and continuous delivery of benefits.

Keywords: Building and other construction workers, social protection, insurance coverage, labour welfare, BOCW, Maharashtra, informal employment, secondary data

1. Introduction

Social protection is a significant component of labour and welfare policy because it shields workers and households from risks related to illness, occupational injury, disability, loss of employment, income insecurity and old age. This is especially important for informal workers who may not have secure employment relations and employment-based social security arrangements (Rani & Unni, 2003) [1]. Similarly, the International Labour Organization (ILO) stresses the importance of expanding social

protection for those working in informal employment, as the absence of coverage exacerbates their economic and social vulnerability (ILO, 2024) [2].

In this respect, construction workers are an important group. Construction work is often short-term, with occupational hazards, mobility between worksites and dependence on contractors. Such conditions may prevent continuity of social-protection coverage.

Research on informal employment in India has consistently identified insecurity of income, employment and access to social protection as major concerns (Kannan & Papola, 2007; Mehrotra, 2019) [3, 4].

India established a statutory framework for construction-worker welfare through the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The Act provides for registration of establishments and workers, constitution of State Welfare Boards and welfare measures relating to health, safety and other conditions of employment (Government of India, 1996a) [5]. The Building and Other Construction Workers Welfare Cess Act, 1996 created a financing mechanism through a cess on construction expenditure to augment the resources available to the Welfare Boards (Government of India, 1996b) [6].

Maharashtra established the Maharashtra Building and Other Construction Workers Welfare Board to administer welfare measures for eligible construction workers. The scale of the system has expanded considerably. The Maharashtra Economic Survey 2023–24 reported 27.82 lakh registered construction workers in the State up to December 2023, while the Economic Survey 2024–25 reported 13.52 lakh construction workers registered on the e-Shram portal up to January 2025 (Government of Maharashtra, 2024, 2025) [7, 8].

The latest Maharashtra Economic Survey further illustrates the continued growth of the system. It says there are 26.67 lakh registered construction workers for 2024-25 and 15.43 lakh registrations for 2025-26 up to October. It also mentions 70.58 lakh beneficiaries under various schemes during 2024-25 and 51.97 lakh beneficiaries till September 2025-26. The beneficiary figures are scheme-level administrative activity and should not be interpreted as the number of unique workers as one worker can receive more than one benefit (Government of Maharashtra, 2026) [9]. Registration and administration, however, are not the same as effective social protection. The Comptroller and Auditor General of India (CAG) carried out a performance audit on the welfare of building and other construction workers in Maharashtra for the period 2017-18 to 2021-22.

The audit examined registration, cess collection, health and safety, welfare-fund utilisation and implementation of welfare schemes and was tabled on 14 December 2025 (CAG, 2025) [10].

The present study therefore examines the distinction between formal social-protection entitlement and effective social-protection access. It combines historical audited evidence with subsequent official information and scholarly literature to provide a concise assessment of the insurance and social-protection framework for construction workers in Maharashtra.

2. Review of Literature

1. The literature on informal employment demonstrates that workers in non-standard employment relations are confronted with multiple insecurities. Rani & Unni (2003) [1] have a wide understanding of social protection, which includes income, health and other basic securities, and they stress the importance of institutional mechanisms for delivering protection to informal workers. Similarly, Kannan and Papola (2007) [3] discuss the challenges of extending social-security mechanisms to India's informal workforce.

2. There are further vulnerabilities in the construction industry, where work is often temporary and physically demanding and dangerous. The statutory BOCW framework seeks to reduce these risks through welfare boards and dedicated welfare funds. But the existence of a statutory framework does not automatically assure effective implementation.
3. Gangadhara (2023) [11], examining the Karnataka BOCW Welfare Board, identifies weaknesses in the formulation, implementation and transparency of welfare schemes. The study emphasises the importance of institutional accountability and appropriate utilisation of welfare funds. These findings are relevant to Maharashtra because welfare-board performance depends not only on financial resources but also on administrative capacity.
4. The issue of welfare-fund utilisation has also been examined by Bansal (2025) [12], who highlights the problem of unspent or underutilised BOCW funds and links it to administrative and governance constraints. This perspective is particularly relevant to Maharashtra given the CAG's findings on the utilisation of welfare resources.
5. Recent research also points to the importance of regulatory mechanisms to extend social protection to informal workers. Mohapatra and Sahoo (2025) [13] find contributory social security and an effective regulatory framework can help strengthen employment-based social protection among informal workers.
6. Digital registration has also become an important part of social protection administration in India. Sinha et al. (2026) [14] study e-Shram and contend that although digital registration can contribute to the formal recognition of informal workers, it does not address the issues in service delivery.
7. International evidence supports the same distinction. The ILO's World Social Protection Report 2024–26 emphasises persistent protection gaps and the need to expand effective coverage rather than relying only on formal schemes (ILO, 2024) [2].
8. The literature therefore indicates three broad issues: first, informal workers face substantial social and economic risks; second, registration and institutional recognition are important entry points to social protection; and third, administrative capacity and effective delivery determine whether formal entitlements become actual protection.

3. Research Gap

Existing literature has discussed social protection for informal workers, welfare boards for construction workers and use of BOCW welfare funds. However, relatively less attention has been paid to an integrated secondary-data assessment of Maharashtra that combines registration, insurance and pension provisions, welfare-benefit access, financial utilization, claims administration and recent institutional reforms. In addition, historical audit evidence and newer administrative data are usually considered separately. The present study synthesizes these sources, but distinguishes the period of the CAG's audit from the later administrative evidence.

The study therefore fills a gap by synthesizing evidence from government reports, national surveys, international publications and peer-reviewed research to assess the extent to which Maharashtra's institutional framework translates formal welfare provisions to effective social protection.

4. Research Questions

What is the institutional framework governing insurance and social protection for building and other construction workers in Maharashtra?

What does secondary evidence indicate about the coverage and access to social-protection and welfare benefits?

What institutional and administrative challenges affect effective delivery of social protection?

What measures can strengthen social-protection coverage and delivery for construction workers in Maharashtra?

5. Objectives of the Study

1. To examine the institutional framework governing insurance and social protection for building and other construction workers in Maharashtra.
2. To examine the coverage and access to social-protection and welfare benefits using available secondary evidence.
3. To assess the major institutional and administrative challenges affecting implementation of social protection.
4. To suggest evidence-based measures for strengthening social-protection coverage and delivery.

6. Research Methodology

6.1 Research Design

The study adopts a descriptive and analytical secondary-data research design.

6.2 Sources of Secondary Data

The study uses four principal categories of sources:

1. Government reports and official databases: CAG reports, Maharashtra BOCW Welfare Board records, Government of Maharashtra documents, India Code and Ministry of Labour and Employment publications.
2. National surveys: Periodic Labour Force Survey (PLFS) and e-Shram-related administrative information.
3. International publications: ILO reports and publications concerning social protection and informal employment.
4. Peer-reviewed research: Research articles from established academic journals addressing informal employment, construction-worker welfare, social protection, regulation and digital registration.
5. The PLFS annual reports provide nationally comparable information on labour-market participation and employment characteristics, while Maharashtra Economic Surveys provide state-specific administrative and labour-market information (Ministry of Statistics and Programme Implementation, 2024) [15]. The Directorate General of Employment maintains annual PLFS reports through 2023–24.

6.3 Period of Study

The study uses two complementary periods.

The first is 2017–18 to 2021–22, for which detailed independently audited evidence is available from CAG (2025) [10].

The second is 2022 onward, for which subsequent administrative, statistical and policy evidence is incorporated wherever officially available. Evidence through 2025–26 is used where appropriate.

These periods are not treated as one continuous statistical series where definitions or reference periods differ.

6.4 Method of Analysis

The secondary evidence is organised thematically under: registration and coverage; insurance and pension

protection; health and occupational protection; welfare-benefit access; financial resources and utilisation; claims administration; and recent institutional reforms.

Descriptive comparison and thematic synthesis are used. No statistical estimation or causal modelling is undertaken because the study is designed to analyse published secondary evidence rather than generate primary estimates.

7. Data Analysis and Findings

7.1 Registration and Coverage

The number of registered construction workers in Maharashtra increased from 3.55 lakh in 2017-18 to 10.81 lakh in 2021-22, the CAG said. However, audit verification of selected establishments showed large gaps between the workers employed and the workers registered on the welfare system (CAG, 2025) [10]. The present system of administration is much larger. On 2026 August, the Maharashtra BOCW Welfare Board's service-level dashboard shows 10,165,937 registration applications and 8,589,380 accepted registrations with 1,575,765 applications pending (MBOCWWB, 2026a) [16].

The Maharashtra Economic Survey also shows that the registration continued through the e-Shram system. On e-Shram, registered construction workers increased from 13.52 lakh in January, 2025 to 14.16 lakh in January, 2026 (Government of Maharashtra, 2026) [9].

Table 1
Selected Indicators of Construction-Worker Registration

Indicator	Value
BOCW registered workers, 2017–18	3.55 lakh
BOCW registered workers, 2021–22	10.81 lakh
e-Shram construction workers, January 2025	13.52 lakh
e-Shram construction workers, January 2026	14.16 lakh
Current BOCW accepted registrations, August 2026	85.89 lakh

Note. The figures are drawn from different administrative systems and reference periods and should not be treated as a single comparable time series.

Source: CAG (2025) [10]; Government of Maharashtra (2025, 2026) [8, 9]; MBOCWWB (2026a) [16].

The evidence indicates strong expansion in administrative registration, but registration should not be equated automatically with effective social-protection coverage.

7.2 Insurance, Pension and Health Protection

The BOCW legislation provides the institutional framework for welfare provisions related to health, safety and other forms of worker protection. The Cess Act stipulates that construction cess [5, 6] (Government of India, 1996a, 1996b) is the financial basis for welfare-board activities.

The CAG pointed out that some provisions, notably pension and group-insurance schemes, were not fully implemented during the period under audit (CAG, 2025) [10]. This is a significant difference between what is provided for by statute and what actually happens in practice.

Institutional strengthening is suggested by later developments. The State of Maharashtra issued a Government Decision on 28th March 2025 for implementation of pension for registered construction workers and subsequently issued a Standard Operating Procedure in June 2025. The Board also tightened the implementation of the Check-up to Treatment Health Scheme, from 2023 onward, and extended it in

2024 (MBOCW WB, 2026b) [17]. These developments indicate movement towards broader social protection. However, sufficient longitudinal evidence is not yet available to determine the proportion of all construction workers effectively covered by the newer pension and health arrangements.

7.3 Financial Resources and Utilisation

The BOCW welfare system is supported by a dedicated cess mechanism. The CAG reported that Maharashtra collected ₹7,689.73 crore in construction cess during 2017–18 to 2021–22. Total available funds during the period were reported at ₹16,151.82 crore, while expenditure on welfare schemes was ₹4,253.77 crore, equivalent to 26.34% of the available funds (CAG, 2025) [10].

The finding suggests that the principal challenge is not simply the availability of financial resources. The conversion of those resources into timely and appropriate benefits is equally important.

This interpretation is consistent with Bansal (2025) [12], who identifies underutilisation of BOCW welfare resources as an issue of governance, administrative efficiency and implementation. The Karnataka experience examined by Gangadhara (2023) [11] similarly demonstrates that welfare-board resources do not automatically result in effective worker protection. The Karnataka experience examined by Gangadhara (2023) [11] similarly demonstrates that welfare-board resources do not automatically result in effective worker protection.

7.4 Access to Welfare Benefits and Claims

The CAG observed delays in processing of welfare claims during the period audited. It mentioned that a significant percentage of claims took more than a year to be approved (CAG, 2025) [10].

The current Board dashboard shows 5,715,990 applications for claims, of which 2,731,179 have been accepted and 730,674 are pending (MBOCW WB, 2026a) [16].

The current figures measure the amount of administrative activity, but not the proportion of eligible workers receiving benefits. The number of applications, claims accepted and unique beneficiaries are different measures and should not be treated as interchangeable.

This distinction is consistent with the broader literature on informal-worker social protection, which emphasises that institutional registration and programme availability do not necessarily guarantee effective access (Rani & Unni, 2003; Sinha et al., 2026) [1, 14].

7.5 Occupational Risk and Social Protection

1. Construction work carries high occupational risks, making insurance, health protection, and income support essential. A CAG audit (2025) found gaps in accident registration, inspections, and safety compliance in some establishments.
2. The BOCW statutory framework (Government of India, 1996a) highlights safety and health as vital for worker protection. International social-protection literature (ILO, 2024) stresses the need for systems safeguarding workers from health and employment shocks, especially in informal employment.
3. Insurance and social protection should be viewed as part of a comprehensive risk-management system addressing occupational injury, illness, disability, income loss, and old age, rather than isolated financial benefits.

7.6 Recent Institutional Developments

1. Several institutional developments took place in the post-2022 period in Maharashtra. In 2023–24 the Board introduced health protection initiatives and in 2025 pension implementation. The Government also established local and divisional monitoring committees and mechanisms for scrutiny of

registrations, renewals and benefits through the Integrated Welfare Board Management System (MBOCWWB, 2026b) [17].

2. Maharashtra Economic Survey 2025–26 also indicates continuing expansion of registration and welfare-benefit administration. In 2024-25, 26.67 lakh construction workers registered and 70.58 lakh beneficiaries reported under various schemes and during 2025-26 up to October, 15.43 lakh workers registered and 51.97 lakh beneficiaries reported up to September (Government of Maharashtra, 2026) [9].
3. These figures suggest an expanding welfare-administration system. However, because the beneficiary measure may include multiple benefits received by the same worker, it should not be interpreted as the number of unique workers covered.

8. Discussion

The evidence suggests, Maharashtra has built a large institutional architecture for the construction-worker welfare. The number of registrations has grown considerably and the state has continued to expand health, pension, digital processing and monitoring mechanisms.

But the findings also suggest the enduring gap between formal coverage and effective protection. The CAG's observations on registration gaps, administrative delays, welfare fund utilization, and partial implementation of some provisions imply that institutional expansion does not automatically ensure effective social protection (CAG, 2025) [10]. This is consistent with the broader literature. Rani and Unni (2003) [1] emphasise the institutional requirements for protecting informal workers, while Kannan and Papola (2007) [3] highlight the difficulties of extending social-security arrangements to informal employment. More recent research shows that regulatory frameworks and contributory social security can strengthen protection, but only where institutional mechanisms function effectively (Mohapatra & Sahoo, 2025) [13]. The importance of registration is also supported by recent research on e-Shram. Sinha et al. (2026) [14] demonstrate that digital registration can improve formal recognition of informal workers but cannot, by itself, eliminate gaps in service provision. The Maharashtra experience also shows that the expansion of registration should go hand in hand with timely processing of claims and effective delivery of benefits. Some of the institutional weaknesses identified by the CAG are being addressed, as evidenced by the recent policy measures in Maharashtra. Most reforms are however quite recent and there is not enough evidence yet to evaluate their long-term effectiveness.

The overall evidence therefore points to the fact that the major policy challenge has moved from the establishment of welfare provisions to their effective implementation.

9. Major Findings

1. The main findings of the study are as follows:
2. The registration of construction workers has seen a significant rise, both through the BOCW Welfare Board and through wider digital registration mechanisms.
3. Being registered is not the same as being effectively covered, and there is historical audit evidence that the number of people employed does not match the number of people registered.
4. Although the statutory framework provides for broad welfare protection, some provisions were not fully operational during the CAG audit period.
5. The financial resources are huge but how to use and transfer them into the benefits of workers is still an important implementation issue.

6. Delays in administration restrict access to welfare benefits especially when claims take a long time to process.
7. Institutional attention to health and pension protection has increased since 2022, suggesting a gradual expansion of the social-protection framework.
8. Digital systems and monitoring mechanisms have expanded, but registration technology alone cannot guarantee effective social protection.
9. The central challenge is therefore effective and timely delivery of social protection rather than merely the existence **of welfare schemes**

Policy Implications and Recommendations

10.1 Strengthen Worker Registration

Registration should be integrated with construction establishments, labour departments and appropriate digital platforms to identify eligible workers more effectively and reduce exclusion.

10.2 Improve Insurance and Pension Coverage

Insurance and pension arrangements should have simple eligibility procedures, transparent benefit rules and accessible enrolment mechanisms. Particular attention should be given to occupational injury, disability and death.

10.3 Reduce Administrative Delays

Time limits should be established for registration, renewal and claims. Digital tracking and escalation mechanisms should be strengthened so workers can monitor applications without repeated administrative visits.

10.4 Strengthen Health Protection

Health schemes should be expanded geographically and monitored for actual utilisation. Health protection should address both preventive care and treatment.

10.5 Improve Welfare-Fund Utilisation

The Board should regularly report funds collected, funds available, funds committed, expenditure and benefits delivered. This would strengthen accountability and improve the conversion of welfare resources into worker protection.

10.6 Strengthen Monitoring and Transparency

The recent local and divisional monitoring mechanisms should be used to improve verification of registrations, renewals and benefit claims. Periodic public reporting would improve transparency and institutional accountability (MBOCWWB, 2026b) [17].

11. Limitations of the Study

The study has several limitations.

1. The available sources have different reference periods and administrative definitions. Hence, the historical CAG data and the current Board dashboard figures have not been considered as a single statistical series.
2. The BOCW registration does not represent the entire construction workforce. Non-registered workers may not be accounted for.
3. The current administrative figures are subject to change and are therefore indicative at the time of retrieval.

4. Data available in the public domain do not contain enough information to estimate individual level insurance coverage, period of coverage or outcomes following occupational injury.
5. Many post-2022 reforms are relatively recent, limiting the possibility of evaluating their long-term effectiveness.

12. Conclusion

1. The study explored insurance coverage and social protection among building and other construction workers in Maharashtra, relying on secondary evidence from government reports and databases, national surveys, international publications and peer-reviewed research.
2. The evidence indicates a significant expansion of the institutional welfare system. “Registration has increased substantially and Maharashtra has been announcing various measures related to health protection, pension, digital governance and monitoring. At the same time, the CAG audit indicates that there were important implementation gaps during 2017–18 to 2021–22, especially in registration, claims administration, financial utilisation and operationalisation of some welfare provisions (CAG, 2025) [10].
3. Post 2022 evidence suggests that Maharashtra has addressed some of these concerns with new health initiatives, implementation of pensions, and strengthened monitoring mechanisms. However, the latest administrative figures should not be taken as evidence of comprehensive or effective coverage, as registration, applications, approved claims and actual beneficiaries are different dimensions of welfare delivery. The key finding is that effective social protection cannot be reduced to statutory entitlement or registration. It requires the constant identification of eligible workers, easy registration, operational insurance and pension arrangements, prompt claim settlement, adequate health protection and transparent use of welfare resources. Reinforcing these elements would enhance the capacity of the BOCW welfare system in Maharashtra to protect construction workers from occupational health and income-related risks and would bring the state's welfare framework closer to the broader objective of universal and effective social protection.

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