

**LABOUR WELFARE
AND SOCIAL SECURITY
(DHRM03)
(PG – DIPLOMA)**



ACHARYA NAGARJUNA UNIVERSITY

CENTRE FOR DISTANCE EDUCATION

NAGARJUNA NAGAR,

GUNTUR

ANDHRA PRADESH

LESSON -1**SOCIAL WELFARE - LABOUR WELFARE : CONCEPT, SCOPE AND APPROACHES TO PHILOSOPHY OF LABOUR WELFARE****Objectives**

After Studying this lesson, the students is able to understand.

- . The Scope and concept of Social Welfare
- . The Concept, scope and content of labour welfare
- . The relation between Social Welfare and Labour Welfare.
- . Concept of Philosophy and Deferent types of Philosophies of labour welfare

Structure

- 1.1. Introduction
- 1.2. Social Welfare
- 1.3. Meaning of Labour Welfare
- 1.4. Definition and Concepts of Labour Welfare
 - 1.4.1. Total concept of Welfare
 - 1.4.2. Social Concept of Welfare
 - 1.4.3. Relative Concept of Labour
- 1.5. Scope of Labour Welfare
- 1.6. Concept of Approach to Philosophy of Labour Welfare
- 1.7. Different types of Philosophies
- 1.8. Summary
- 1.9. Keywords
- 1.10. Self Assessment Questions
- 1.11. Further Readings

1.1. INTRODUCTION

Human Resource Management deals with acquisition, development compensation, industrial relations, maintenance and separation of employees at the organisational level. One of the functional areas of Human Resource Management is Labour Welfare which is included in the broad functions of compensation and maintenance of human resources. This introductory Unit makes an attempt to explain the concept of labour welfare in the perspective of social policy, social development and social welfare.

1.2. SOCIAL WELFARE

"Social Welfare is the organised system of social services and institutions designed to aid individuals and groups to attain satisfying standard of life and health and personal and social

relationships which permit them to develop their full capacity and to promote their well being in harmony with the needs of their families and the community" (Friedlender). In a broad sense it is well being of larger member of people in the society including their physical, mental emotional, spiritual and economic needs.

Social Welfare programmes aim at enabling the deprived sections of the population to overcome their social, economic and physical problems and to improve challenged their quality of life. They supplement the developmental programmes in general in dealing with the problems of poverty and unemployment and are meant in particular to assist the most disadvantaged groups below the poverty line, especially children from poor families. women, the handicapped and the downtrodden etc.

Pigou defined it as "that part of general welfare which can be brought directly or indirectly into relation with measuring of many." He however, recognised the limitation of his definition and said that the elements of welfare were states of consciousness and probably their relations.

Social Welfare assists weaker sections, prevents poverty and destitution, and establishes satisfactory conditions of human living. Such an approach to social welfare brings within its fold social reform, social legislation, social services, social action and social work. Considered narrowly, Social welfare' aims at the well being of people- by helping them make better adaptation to the existing social structures. It seeks to raise the human level of life culture, economic and psychological.

The welfare state is a system of social responsibilities for certain minimum standards of individual and community welfare. Under Social welfare sector, preventive, developmental and rehabilitative services are provided to the vulnerable and weaker sections of the society .

1.3. MEANING OF LABOUR WELFARE

Labour Welfare has been defined in various ways but unfortunately no single definition has received universal acceptance. The Oxford Dictionary defines labour welfare as "efforts to make life worth living for workmen". The encyclopedia of social sciences defines labour welfare as the voluntary efforts of the employers to establish, within the existing industrial system, working and sometimes living and cultural conditions of the employees beyond what is required by law, the customs of the industry and the conditions of the market. Further J. Tadd defined labour welfare as "Anything for the comfort and improvement, intellectual and social, of the employees over and above the wages paid, which is not a necessity of the industry". At the ILO session (SEA) held at New Delhi, in 1947, Worker's welfare was understood, "as meaning of such services, facilities and amenities, which may be established in, or in the vicinity of the undertaking to unable persons employed there in surroundings and to provide them with amenities conducive to good health and good morale". The Royal commission on labour (1931) understood labour welfare "as one which is necessarily elastic, differing from country to country, the degree of industrialisation and the level of educational development".

The Rege Committee, in its report submitted to the Government of India in 1946, said, "We prefer to include under welfare activities anything done for intellectual, physical, moral and economic development of workers, whether by employer, government or other agencies, over and above provided by law or under some contract and what is naturally expected as a part of the contract for service", The committee on labour welfare set up by the government of India in 1969, in its report defined labour welfare to" include such services, facilities and amenities as adequate canteens, rest and recreation

facilities, sanitary and medical facilities, arrangements for travel to and from place of work and for the accommodation and such other services amenities and facilities including social security measures as contribute to improve the conditions under which workers are employed”.

From all these definitions, It is apparent that none is complete or comprehensive. There is no precise, definite outline or demarcation in this subject. However, what is definite is that labour welfare promotes the well-being of workers in a variety of ways.

1.4. DEFINITION AND CONCEPT OF LABOUR WELFARE

The term Welfare is derived from the French phrase Welfare which means to FareWell. The chamber's dictionary defines the term welfare as “a state characterised by happiness, Well- being or prosperity”. Thus, in its broader connotation, the term welfare refers to the state of living of an individual or a group in a desirable relationship with total environment -ecological, economic and social. However, the environment not only shows perceptible differences from place to place but also undergoes metamorphoses over time. Similarly, the “desirable relationship” may also vary among individuals and groups as well over time. These variations impart dynamism to the concept of welfare. It is because of this dynamism that the concept of welfare defied a precise definition and renders its measurement different. To begin with, let us briefly discuss the main concepts or, rather the general meaningful ideas which have been evolved about it sofar.

1.4.1. Total Concept of Welfare

Welfare is a total concept. It is a desirable state of existence comprehending physical, mental, moral and emotional health or well-being. Unless, a persons is physically well off, has sound health, he cannot be described to be faring well. Illness, ailments and physical disabilities to which the flesh is heir to, do actively interfere with the enjoyment of welfare. A man may be mentally brilliant, morally reliable and even emotionally stable, but as long as his physical health is poor and neglected, his welfare could be described as incomplete. Indeed, such a man may be in danger of lapsing into a state of illfare. We may now restate that a person's welfare depends on his physical, mental (intellectual) moral and emotional health. For purposes of discussion these four aspects of the individuals' personality are separately mentioned, but they really constitute one whole, integrated factor. Indeed, one aspect is inseparably bound up with, and has its roots in the other. Physical, mental, moral and emotional health are the four pillars; or better still, fourfold foundation on which the structure of welfare is built. It is in this sense that welfare is described as a total concept.

1.4.2 Social Concept of Welfare

While Welfare is thus based on the well-being of the total man, it is also a three dimensional concept implying the welfare of the family and the community, in addition to that of the man himself. A man is a member of his family. He derives his mental nourishment, his moral sentiments and emotional content from his family. All his activities are conditioned by and centered in his family. As the family, so the person, at least in his earlier days. A family is not an isolated unit. It is related to other families and to the neighbourhood. The community is the legitimate, natural and intimate setting in which the family lives and has its being. A family cannot be happy if the community is miserable and if the community does not, or cannot, provide conditions for desirable' states of existence for the family. Welfare of

families and of individuals is determined by the resources of the community of which the former are parts. If the community should be described as faring well, it should enable its constituent parts to attain and maintain desirable conditions of existence.

1.4.3 Relative concept of Welfare :

Welfare is also a relative concept, relative in time and place. A century ago our ideas of welfare were different. The content of welfare, too, differed. Man accepted comparatively less convenient and less sumptuous conditions of existence; for, science and technology had not yet made possible better amenities. We today have better facilities in all spheres than our ancestors. Welfare is growing and dynamic.

Welfare is relative in space too. That is, in its meaning and content it differs from country to country or region to region. What, according to our capacity, we consider welfare may not be fully so to more advanced communities in more progressive countries.

1.5 SCOPE OF LABOUR WELFARE

It is some what difficult to accurately lay down the scope of labour welfare work, especially because of the fact that labour is composed of dynamic individuals with complex needs. Hence it can be interpreted in different ways by different countries, with varying stages of economic development, political outlook and social philosophy. Accordingly, the labour welfare work can be divided into statutory and non-statutory or voluntary or into intra-mural welfare work or extra-mural welfare work. Statutory welfare measures in industry may stem from the direct concern for efficiency and productivity. But, to the extent these measures are employee-oriented, they could be considered to fall within the scope of labour welfare. Such measures consist of those provisions of welfare work which depend for their implementation on the coercive power of the government. That is, through the law. Every country is increasing gradually its statutory control over labour welfare. Non-statutory welfare measures include all those activities which employers and unions undertake on a voluntary basis.

ILO classified the welfare measures into intra-mural and extra-mural. Intra-mural are those welfare amenities which are provided within the precincts of the establishment such as latrines and urinals, washing and bathing facilities, creches, rest shelters, canteens, drinking water, health services safety measures, uniform and protective clothing, shift allowance, etc. Extra-mural are those welfare amenities which are provided outside the establishment like maternity benefit, social insurance measures including sports, cultural activities, library and reading room, holiday homes, leave travel facilities, consumer cooperative stores, fair price shops, vocational training for the dependents of workers transport to and from the place of work, etc.

According to Valid, there are certain requirements which labour welfare should meet. It should enable workers to live a rich and more satisfactory life; contribute to the productivity of labour and efficiency of the enterprise, be in time and harmony with similar services obtaining in the neighbourhood community, where the enterprise is situated, etc. Thus, labour welfare is very comprehensive and embraces a multitude of activities of employers, state, trade unions and other agencies to help workers and their families in the context of their industrial life.

1.6. APPROACHES TO PHILOSOPHY OF LABOUR WELFARE

Philosophy is a study of fundamentals relating to concepts, events or phenomena. It deals with the origin, purpose and destiny of anything. Philosophy is a rational system of beliefs. It is a theory or complex of theories relating to existence, being, purpose, activity or behaviour etc. ,

It is necessary for everyone to have a philosophy, his own or, derived from others. For, it is one's philosophy that determines one's values of life. It shapes one's patterns' of behaviour, influences one's reactions and relations to others, moulds attitudes and thinking, inspires ambition or anxiety, compromise or cunning. In short, philosophy lays the path for the way of life.

1.7. DIFFERENT TYPES OF PHILOSOPHIES

Constituting the conceptual frame work of labour welfare, M. V.Murthy has out lined seven approaches to the philosophy or theory of labour welfare, These are

- i) The Policing theory of labour welfare.
- ii) The Religious theory of labour welfare.
- iii) The Philanthropic theory of labour welfare.
- iv) The Paternalistic theory of labour welfare or the trustee ship theory of labour welfare.
- v) The Placating theory
- vi) The Public relations theory of labour welfare
- vii) The Functional theory of labour welfare.

The Policing theory of Labour Welfare

According to this theory, a majority of the people tend to do evil. Man is full of self interests, and does not hesitate to further his own ends at the cost of others welfare-particularly if he is placed in an advantageous position, exploiting those under him. According to this theory, managers and owners of industrial undertakings get many opportunities for this kind of exploitation. The welfare state has therefore step into prevent this kind of exploitation and coerce industrialists to offer a minimum standard of welfare to their workers. Such interference is in the interest of the progress and welfare of the state as well. Laws are enacted to compel managements to provide minimum wages, congenial working conditions. reasonable hours of work and social security. The policing theory, therefore, leads to :

- (a) the passing of laws relating to the provisions of minimum welfare for workers
- (b) periodical supervision to ascertain that these welfare measures are provided and implemented, and
- (c) punishment of employers who evade or disobey these laws. In this theory, the emphasis is on fear and not on the spirit of welfare which should be the guiding factor.

The Religious theory of Labour Welfare

This is based on the concept that man is essentially a religious animal Even today, many acts of man are related to religious sentiments and beliefs. Employers as well as employees as

human beings, do subscribe to the religious sentiments and beliefs. These religious feelings some times prompt employer to take up welfare activities in the expectation of future benefit, either in this life or in some future life. According to this theory, any good work is considered an investment, both the benefactor and beneficiary are rewarded. We came across many trusts and charitable institutions in India which function on the basis of this belief. Another aspect of the religious theory is the 'atonement' aspect. Some people take up welfare work in a spirit of atonement for their sins. This is why the benevolent acts of welfare are treated either as an investment or atonement. According to this theory, man is primarily concerned with his own welfare only and secondarily with the welfare of others.

The Philanthropic theory

This theory is based on man's love for mankind. In Greek, Philos means 'loving' and anthrops means man. So, philanthropic means "loving mankind". Man is believed to have an instinctive urge by which he strives to remove the sufferings of others and promote their well-being. When some employers have compassion for their fellowmen, they may undertake some welfare measures for the benefit of the workers. In India, Mahatma Gandhi was one of the eminent philanthropist who strive for the welfare of labour.

Paternalistic or Trusteeship Theory of Labour Welfare

According to this theory, the industrialist or the employer holds the total industrial state, properties and profits accruing from them in trust. In other words, he uses it for himself, but also for the benefit of his workers and also for society. Workers are like minors. They are ignorant because of lack of education and are not able to look after their own interests. Employers, therefore have the moral responsibility to look after the interest of their wards, who are the workers. The main emphasis here is on the idea that employers should provide, out of the funds under their control, for the well-being of their workers. Here too, labour welfare depends on the initiative of the top management. Since it has no legal sanction its value is based on the moral consciences of the industrialist. Also, this theory treats workers as perpetual minors and industrialists as eternal guardians.

The Placating theory of Labour Welfare

This theory is based on the fact that workers are becoming more conscious about their rights and privileges. They are welding themselves into personal groups. Their claim for higher wages and better standards of living can no longer be ignored. According to this theory, timely and periodical Acts of Labour Welfare can appease the workers. Workers are like children. As crying children are pacified by sweets, so workers should be pleased by welfare workers. This is a necessary show of kindness and friendly gesture. This is also the best way of securing the worker's Cooperation.

The Public Relations theory of Labour Welfare

This theory provides the basis for an atmosphere of goodwill between labour and management and also between the management and public. Labour Welfare programmes, under this theory, work as a sort of an advertisement and help the industrialist to build up good and healthy public relations. This theory is based on the assumption that the Labour Welfare movement may be utilised to improve

relations between management and labour. An advertisement or an exhibition of a Labour Welfare programmes may help an industrialist to project to the public a good image of his company. His sales as well as industrial relations may improve as a result a two fold benefit.

The Functional Theory of Labour Welfare

This is also called the efficiency theory. Workers are described as operatives. They are the productive group in the industry. They work strenuously in difficult environments. Really speaking, it is the workers who deliver the goods. Here, welfare work is used as a means to secure, preserve and develop the efficiency and productivity of labour. It is obvious that if an employer takes good care of his workers, they will tend to become more efficient and will thereby increase production. But, all this will depend on a healthy collaboration between union and management and their mutual concern for the growth and development of industry. Higher production is of benefit to both management and labour. The latter will secure better wages and perhaps a share in the profits. This is the functional aspect of welfare having efficiency as its object, which increases productivity. This will encourage worker's participation in Welfare programmes.

1.8. SUMMARY

The above Survey of the labour welfare movement reveals that there are schemes of two types in the development of labour welfare. First, a movement through voluntary effort by some of the employers and secondly, the legislative movement. In the field of labour welfare the government is now playing a triple role-that of a legislation, administration and promoter. In spite of all these efforts, the welfare work in India is still considerably below the standard set up when confined to other countries. However, it has come to stay as an accepted feature of employment conditions and is bound to make rapid progress in the years to come.

This unit presented you the concepts of social policy, Social Welfare and labour welfare. Social Welfare attempts to deal with well being of weaker sections in the Society. Labour, being considered as one of the weaker sections. Special attempts are made for their well being, as a part of larger social welfare programme. Thus labour welfare becomes a part of social welfare.

We have outlined above seven approaches to the building up of a philosophy of Labour Welfare. It is not suggested that anyone approach is exclusive of other approaches. In India, it is said, the industrial system clings largely to the paternalistic approach. Some managements, however try to achieve results through police control. Either way workers start expecting too much from employers as a result of which employers provide welfare measures in some what half hearted manner. In the long run it is better to get on the basis of the functional theory of Labour Welfare, for it works more effectively by reason of an intelligent and willing participation of workers.

1.9. KEY WORDS :

- * SOCIAL WELFARE : Efforts to enable the weaker sections of the society to overcome their hard ships and improve their quality of life.
- * LABOUR WELFARE : Efforts to make life worth living for workmen.

1.10 SELF ASSESSMENT QUESTIONS

1. Bring out the relation between Social Welfare and Labour Welfare
2. Define Labour Welfare and explain its concept.
3. Define the term "Labour Welfare" and explain how no single definition has been accepted universally and give a comprehensive and accurate meaning to this term ?
4. Discuss the scope of labour welfare ?
5. Describe the various theories of Labour Welfare ?
6. Compare the trusteeship theory vis-a-vis the functional theory of Labour Welfare.
7. State with reasons. as to which theory can be most suitably applied today in Indian Industries ?

1.11. FURTHER READINGS :

1. Government of India, Ministry of Welfare, Encyclopedia of Social Work in India. (Vol.3), Publications Division, New Delhi, 1987.
2. Rewar B.D., Labour Welfarism in India, Problems and Prospects, .RVSA Publishers, Jaipur, 1988.
3. Sarma A.M., Aspects of Labour Welfare and Social Security, Himalaya Publishing House, Bombay, 1985.
4. Water A Friend lender, Introduction to social Welfare, Printice Hall Inc., 1961.
5. S.D.Punekar, S.B.Deodhar, S. Sankaran; Labour Welfare, Trade unionism and Industrial Relations.
6. K.N. Vaid, Labour Welfare in India, Sri Ram Centre for Industrial Relations, New Delhi, 1970 .
7. Moorthy M.V., Principles of Labour Welfare, Oxford & IBH Publishing Co., Delhi 1982.

LESSON - 2**PRINCIPLES OF LABOUR WELFARE ADMINISTRATION****Objectives**

After reading this unit, you will be able to

1. Understand the nature of labour welfare administration at the plant level
2. Familiarise with the principles of labour welfare administration at plant level; and
3. Apply the principles at the plant level

STRUCTURE

- 2.1. Introduction
- 2.2. Labour Welfare work at plant level
- 2.3. Labour Welfare Administration at plant level
- 2.4. Principle of Labour Welfare Administration
 - 2.4.1. Principle of Social Responsibility
 - 2.4.2. Principle of Adequacy of wages
 - 2.4.3. Principle of Efficiency
 - 2.4.4. Principle of Re-presentation
 - 2.4.5. Principle of Totality of Welfare
 - 2.4.6. Principle of Totality of Employees
 - 2.4.7. Principle of Social concept of welfare
 - 2.4.8. Principle of Timeliness
 - 2.4.9. Principle of Authority
 - 2.4.10. Principle of Responsibility
 - 2.4.11. Principle of Accountability
 - 2.4.12. Principles of Participation
 - 2.4.13. Principles of Coordination
 - 2.4.14. Principles of Self help
 - 2.4.15. Principles of Evaluation and Assessment
- 2.5. Summary
- 2.6. Key words
- 2.7. Self Assessment Questions
- 2.8. Further Readings

2.1. INTRODUCTION

The success of welfare work will depend on the extent to which certain basic principles are observed. The principle of co.ordination or integration is an important one. We have already stated earlier that welfare is a total concept. Therefore, we should not plan welfare programmes in a piece meal and stop at that. This unit makes an attempt to provide insights on the administration of welfare work in an organisational context. There is need for a separate administrative wing to look after the welfare of the organisation at the plant level,. The structure and functions of this administrative wing will depend upon quality and quantity of welfare work under taken and the number of employees at the planet level.

2.2. LABOUR WELFARE WORK AT THE PLANT LEVEL

Washing facilities, storing facilities, sitting facilities, first aid appliances, shelters, rest, lunch rooms, canteen and creches are the statutory welfare facilities to be provided to the workers under the Factories Act 1948). In addition to these facilities, the organisation has to implement various social security legislations such as the Employees State Insurance Act 1948 the employees provident funds and miscellaneous provision act 1952, the payment of gratuity act 1972 etc.

Beside these statutory welfare and social security measures the organisations may undertake numerous welfare facilities for the benefits of workers and their family members. These include transport facilities, educational facilities for the workers and their children, housing facilities, cooperative stores, cooperative and credit societies, recreation facilities, community development programmes etc.

The number and nature of these welfare programmes depend upon the organisations philosophy towards the employees, pressure of trade unions and an agreement between the management and workers of the plant.

2.3. LABOUR WELFARE ADMINISTRATION AT PLANT LEVEL

As mentioned earlier, the structure and functions of labour welfare administration depend upon the total work force size and nature of welfare work undertaken at the plant level. Again, this nature of welfare work depends upon the organisation's personnel philosophy and the unions.

If the organisation believes in traditional and conservative values and considers welfare as barren liability, it confines its welfare work to the statutory welfare provisions only. If the organisation has broad based outlook and believes in employee well being, automatically it undertakes many voluntary welfare measures for the benefit of the employees and their family members. This type of organisation establishes a broad based administrative set up and employs the qualified, competent and committed personnel who are given required autonomy in discharging their multi innovative welfare functions. A general structure of labour welfare administrative set up of a large organisation which believes in employee welfare is shown in figure 1.

Figure - 2.1

Chief Executive

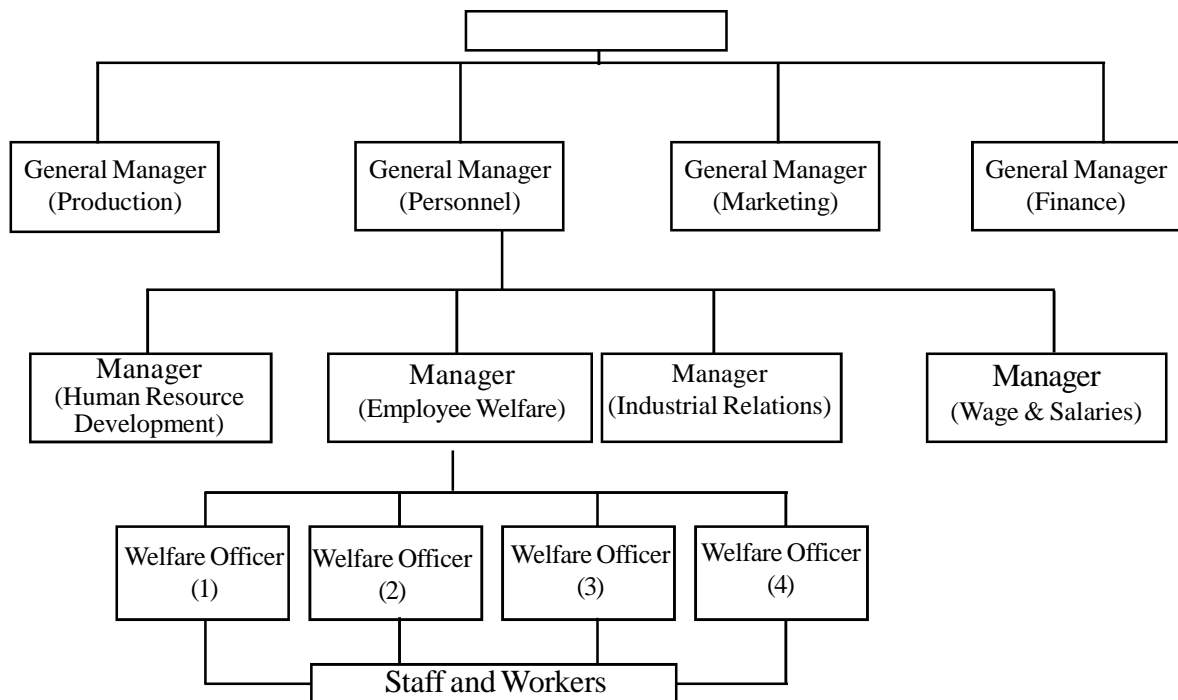


Figure 2.1 shows the structure of labour welfare administration set up of a large organisation established on the basis of functional division. As shown in the figure General Manager (Personnel) who reports directly to the chief executive of the organisation heads the personnel division. One of the wings under his control is employee welfare which is headed by a Manager., Under this Manager four welfare officers are there who are given different responsibilities relating to welfare. The division of functions of these welfare officer may be:

- Welfare Officer (1): In-charge of all statutory welfare measures
- Welfare Officer (2): In-charge of administration of welfare programmes
- Welfare Officer (3): In-charge of cooperatives, medical facilities and other voluntary welfare work.
- Welfare Officer (4): In-charge of Community Development and related functions.

The Manager (Employee Welfare) coordinates the functions all of the welfare officers who are working under his control and reports to General Manager (Personnel). This administrative set up implements various welfare programmes with the support of chief executive of the organisation and with the assistance of staff and workers keeping in view certain principles of labour welfare administration at the plant level.

2.4. PRINCIPLES OF LABOUR WELFARE ADMINISTRATION

The success of welfare administration of the organisation depends on the extent to which certain basic principles are observed. Here an attempt is made to discuss certain principles of welfare work, which must be kept in mind and properly followed for successful implementation of welfare programmes.

2.4.1 PRINCIPLE OF SOCIAL RESPONSIBILITY

According to the principle of social responsibility, the organisation has social obligation to provide welfare facilities to its employees. The constitution of India particularly, the Directive Principles of State Policy emphasises the social responsibility of the industry towards labour welfare by directing the state policy towards enactment of suitable legislation for the welfare of workers.

2.4.2 PRINCIPLE OF ADEQUACY OF WAGES

According to this principle, welfare work is not a substitute for wages. Wages should be paid as per the policy and procedures and the trade Unions have the right to demand adequate wages. The workers should be paid reasonable and fair wages which commensurate their qualifications, service and the efforts they put in. Welfare programmes should be designed and implemented keeping in view the welfare of workers and their family members but not on the basis of wages. What the workers get apart from this, there should not be any wage reduction simply on the ground that more welfare activities are undertaken by the organisations.

2.4.3. PRINCIPLE OF EFFICIENCY

According to this principle, welfare work is a means of securing, preserving and increasing the efficiency of workers. Efficiency results in increased production and the productivity which ultimately benefits the organisation, the workers and the society. Hence the organisation has to provide welfare facilities to the workers to secure, preserve and increase the efficiency of the workers. While designing and administering the welfare programmes at the organisational level this particular principle also must be kept in mind.

2.4.4. PRINCIPLE OF REPERSONALISATION

According to the principle of re-personalisation, the aim of the labour welfare should be counteracting the beneficial effects of industrial system. Therefore, it is necessary to plan and administer labour welfare programmes both inside and outside the factory which are helpful to the workers in re-personalisation.

2.4.5. PRINCIPLE OF TOTALITY OF WELFARE

Labour welfare is a total concept. It is a desirable state of existence comprehending physical, mental, moral and emotional well being to the employees, Therefore, labour welfare programmes must aim at total well being of the employees. According to this, while planning and implementing the

welfare programmes at the plant level, total concept of the employee welfare must be taken into consideration.

2.4.6. PRINCIPLE OF TOTALITY OF EMPLOYEES

Employees are spread in the organisation at different levels, One can see a human hierarchy in the organisation right from shop floor workers to chief executive. According to the principle of totality of employees, the labour welfare activities should pervade the entire hierarchy of the organisation. The planning and administration of welfare programmes and services must accommodate all employees of the organisation.

2.4.7. PRINCIPLE OF SOCIAL CONCEPT OF WELFARE

According to the Principles of social concept of labour welfare, in planning and implementing labour welfare programmes and services, the individual alone should not be taken into consideration. A man is a member of his family and a family is related to other families and to a community. As such the welfare of the employees not only depends upon welfare work undertaken for the individual alone. but also upon the welfare of his family and community. Hence besides the employee, his family and his neighbourhood also must be taken into consideration in organising the welfare work.

2.4.8. PRINCIPLE OF TIMELINESS

According to the principle of timeliness, when a need is felt for a particular type of welfare work, then that should be done. The timeliness of any welfare work helps its success, Discovering what kind of help is required to the workers and providing this help are necessary in planning and implementing labour welfare programmes.

2.4.9. PRINCIPLE OF AUTHORITY

Authority means a legitimate right to do or assigning some one else to do the work. It implies delegation of authority. According to the principle of authority, in the structure of welfare administration the officers concerned should have legitimate right to do welfare work and to delegate their authority in the welfare field to the persons and committees connected to labour welfare. There should be adequate resources made available for the authorised people of welfare

2.4.10. PRINCIPLE OF RESPONSIBILITY

Responsibility is one's obligation to do the particular work. According to this principle, the welfare administration at plant level should make certain officers responsible for certain welfare programmes. For instance one of the welfare officer may be given the responsibility of running industrial canteen. Responsibility succeeds when it is combined with authority and resources. Further when responsibility is shared by different groups labour welfare work becomes simple and easier. Therefore various committees such as canteen committee etc, are constituted with the groups of workers representative and management representatives and the related authority and responsibilities are given to them.

2.4.11. PRINCIPLE OF ACCOUNTABILITY

Accountability refers to one's answerability for his performance relating to his assigned work. According to this principles, in the administration of welfare activities, certain persons or groups must be made answerable to the management on their work. The persons or groups who are given authority and responsibility of certain welfare programmes are answerable to the higher authority of the organisation.

2.4.12. PRINCIPLE OF PARTICIPATION

According to this principle employees should have a say in planning and administering of welfare activities. Work with the individual is the motto of this principle. Welfare work aimed at the time work workers and if it is for the workers or in other words to ensure the success of welfare programmes, they are to be designed and administered in consultation, collaboration and association of the workers,. This implies that woerks though their representatives should be informed and taken into confidence at various stages regarding the welfare programmes and their implementaiton. The basic aim of constituting joing committee such as housing committee canteen managing committee, workers to participate in planning and adminstering of welfare programmes and services.

2.4.13. PRINCIPLE OF COORDIATION

As you know labour welfare is a total concept and social concept. Keeping this view in the mind management has to plan various welfare, programmes and implement them. Welfare work should not be a piece meal one. There must be proper coordinatiuon among various welfare activities and they must be integrated with one and another keeping in mind the total concept and social concept of welfare. The highest authority of the plant must make suitable arragements in the structure of labour welfare administration to coordinate all the welfare programmes and services. Generally the head of the welfare personnel department is entrusted with the responsibility of coordination and integration of welfare work.

2.4.14. PRINCIPLE OF SELF-HELP

According to the principle of selfhelp the welfare programmes and services of an organisation must aim at helping the employees to help themselves in the long run. Taking into consideration of this principle certain werlfare programmes may be provided to the employees by themselves. The organisation and implementation of these welfare programmes shall be the responsibility of employees themselves this principle enables the workers to become more responsible and more efficient.

2.4.15. PRINCIPLE OF EVALUATION AND ASSESSMENT

According to this principle, it is necessary to perodically look back and evaluate the welfare measures in terms of their utilisation and satisfaction levels of employees. This evaluation and assessment gives the required feedback about the welfare work to the management. Based on this feed back, the welfare programmes and services may be altered or deleted or added to suit the requirements of the target group i.e., the workers and their family members.

2.5. SUMMARY

In the administration of welfare work at the plant level, the principles of timeliness, authority, responsibility, accountability, participation, coordination evaluation and assessment and selfhelp principle must be taken into consideration.

In this unit you have been exposed to labour welfare administration at the plant level and you have also come across different principles of labour welfare and their application in labour welfare administration at the plant level. In planning the welfare work at the plant level the principles of social responsibility, adequacy of wages, efficiency, repersonalisation, total concept social concept and the principles of self help must be taken into consideration.

2.6. KEY WORDS

Authority	:	Right to do or pass orders
Accountability	:	Answerability for the work done.
Participation	:	Giving Employees an opportunity to associate in welfare work
Re-Personalisation	:	Attempts to counter act the gainful effects of industrial system
Self-help	:	People helping them selves.

2.7. SELF-ASSESSMENT QUESTIONS

1. Explain the principles of labour welfare administration?
2. Discuss the structure of labour welfare administration?
3. Explain the principle of totality in labour welfare ?

2.8. FURTHER READINGS

1. Moorthy, M.V. 'principles of labour welfare', Oxford & IBM Publishing Co., New Delhi, 1992.
2. Puneekar, Deodvar and Sankaran; Labour Welfare, Trade unionism and Industrial relations, Himalaya Publishing house, Bombay, 1994.

LESSON - 3**INDIAN CONSTITUTION AND LABOUR WELFARE****Objectives**

The objectives of this unit is to present you the Indian constitution, Directive Principles of State Policy and their influence on labour welfare.

Structure

- 3.1. Introduction
- 3.2. The Indian Constitution
- 3.3. The directive Principles of State Policy
- 3.4. The Directive Principles of State Policy and Labour Welfare
 - 3.4.1 Article 38 – Promotion of Welfare of People, Article 42-Just and Human conditions of work-relevant laws.
 - 3.4.1.1. The Plantation Labour Act, 1951
 - 3.4.1.2. The Mines Act, 1952
 - 3.4.1.3. The Motor Transport Workers Act, 1961
 - 3.4.1.4. The Merchants Shipping Act, 1958
 - 3.4.1.5. The Contract Labour (Regulation & Abolition) Act, 1970
 - 3.4.2. Article 39-Equal Pay for Equal work, Protection of Childhood
 - 3.4.3. Article 41-Public Assistance in case of unemployment, old age, sickness and disablement
- 3.5. Summary
- 3.6. Self Assessment Questions
- 3.7. References

3.1. Introduction

The proceeding unit has presented you the concept of Social Policy, social Development social welfare and this unit will provide you information on Directive Principles of State Policy as incorporated in the Indian constitution and the impact of them on labour welfare.

3.2. The Indian Constitution

The preamble of Indian Constitution provides the framework within which the labour policies and labour welfare can be formulated in India. The preamble of the constitution is that :

We the people of India, having solemnly resolved to constitute into a severting, socialist, secular, democratic republic and to secure to all its citizens :

- JUSTICE - Social, economic and political :
- LIBERTY - of thought, extension, belief, faith and worship
- EQUALITY - of status and of opportunity: and to promote among them all
- FRATERNITY - assuring the dignity of the individual and the unity and integrity of the Nation.

The 42nd Amendment of the Indian constitution specifically included the expression 'Socialist' to transform the country from a feudal exploitative slave to a vibrant, socialist welfare society. In conformity with the objectives of the constitution stipulated in its preamble, part III of the constitution lays down fundamental rights of the citizens. which include right to equity, right to freedom, right against exploitation etc. Part IV of the constitution lists the directive principles of state policy.

3.3. The Directive Principles of State Policy

The constitution enunciates the directive principles of State Policy which are not enforceable by any court. But the principles are fundamental in the governance of the courts and it's the duty of the State to apply these principles in making laws from time to time. The need for labour welfare is emphasised in the following directive principles of State Policy.

ARTICLE 38 : The State shall strive to promote the welfare of the people by securing and practicing as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

ARTICLE 39 : The State shall, in particular, direct its policy towards securing :

- (a) that the citizens, men and women equally, have the right to an adequate means of lively hood;
- (b) that the ownership and control of the natural resources of the community are so distributed as best to subserve the common good;
- (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;
- (d) that there is equal pay for equal work for both men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;
- (e) that childhood and youth are protected against exploitation and against moral and material abandonment.

ARTICLE 41 : The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want.

ARTICLE 42 : The State shall make provision for securing just and human conditions of work and for maternity relief.

ARTICLE : The State shall endeavors to secure, by suitable legislation or economic organisation or in any other way, to all workers agricultural, industrial or otherwise a living wage, conditions of work ensuring a decent standard of life and full employment of leisure and social and cultural opportunity

and, in particular, the state shall endeavor to promote cottage industries on an individual or cooperative basis in rural areas.

3.3. Directive Principles of State Policy and Labour Welfare

The Government made attempts to adopt and enforce the directive principles of state policy after the constitution came into force. It is significant to note here that even before the constitution came into force, the independent India started working in this direction. The following legislations are enacted before the constitution came into force. 1) The Minimum Wages Act (1948), 2) The Factories Act (1948) and 3) The Employees State Insurance Act (1948).

The Minimum Wage Act (1948) provides for fixing minimum rates of wages in certain employments which ensures decent standard of living. The Factories Act (1948), provide for the health, safety, welfare, leave with wages and other aspects of workers welfare in factories. The Employee's State Insurances Act (1948) provides for grant of cash benefits to the employees in the contingencies of sickness, maternity and employment injury. It also provides for medical benefit, in kind to the employees and their family members.

To what extent these principles of state policy have been adopted and enforced after the constitution came into force is an interesting one. There are certain legislations passed to adopt and enforce the directive principles. They include :

1. The Plantation Labour Act, 1951.
2. The Mines Act 1952.
3. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952.
4. Lay Off and Retrenchment Compensation under the Industrial Disputes (Amendment) Act, 1953.
5. The Working Journalists and other News Paper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955.
6. The Merchant Shipping Act, 1958.
7. Motor Transport Workers Act, 1961
8. The maternity benefit Act, 1961.
9. Beedi and Sigar Workers (Conditions of Employment) Act, 1966.
10. Beedi Workers Welfare Cess Act, 1976
11. Beedi Workers Welfare Fund Act, 1976
12. Child Labour (Prohibition and Regulation) Act, 1986.
13. Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
14. Cine- Workers Welfare Cess Act, 1981
15. Cine-Workers Welfare Fund Act, 1981.
16. Contract Labour (Regulation and Abolition) Act, 1970.
17. Dock Workers (Safety, Health and Welfare) Act, 1986.

18. Equal Remuneration Act, 1976.
19. Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976.
20. Iron Ore Mines, Manganese Ore Mines and Chrome Ore Labour Welfare Cess Act, 1976.
21. Limestone and Dolomite Mines Labour Welfare Fund Act, 1972.

The directive principles of state policy mentioned earlier, are instrumental in making the above legislations. A look at these legislations reveals that the different sectors of employment are covered under the legislations, In other words, the welfare of workers employed in the factories, mines, plantations, docks, motor transport, Cinema industry, Beedi and Cigar industry etc., is covered in these legislations. In what follows, an attempt is made to discuss briefly the objectives of some of the important legislations which are made in accordance with the spirit of directive principles of State Policy.

3.4.1. Article 38 -Promotion of the Welfare of People and Article 42 -Just and Human Conditions of Work -Relevant Labour Welfare Laws

As mentioned earlier, Article 38 of the Indian Constitution stipulates that the state shall strive to promote the welfare of the people and article 42 directs the state to make provisions for securing just and human conditions of work. Apart from the Factories Act enacted before adapting the constitution, the Government passed numerous laws by adopting these directive principles of State Policy.

3.4.1.1. The Plantation Labour Act, 1951

The main objective of the Plantation Labour Act (1951) is to make provisions of health, welfare, safety, proper working conditions and leave with wages with a view to promote welfare of plantation labour and to make just and human conditions of work. According to this Act canteen should be provided in the plantations employing 150 or more workers. Creche should be provided in plantations employing 50 or more women workers. The other provisions include housing facilities, recreational facilities and educational facilities for the children of plantation workers.

3.4.1.2. The Mines Act, 1952

According to the Mines Act, 1952 the main obligations of the mine owners regarding health and welfare of their workers include maintenance of creches for the use of children of women, provision of shelters, canteen, maintenance of first aid boxes and provision of (a) Pit head baths equipped with shower baths, (b) Sanitary latrines; and (c) Lockers separately and for men and women.

The Just and human conditions of work should be provided to the mine workers as per the Mines Act, 1952.

3.4.1.3 The Motor Transport Workers Act, 1961

The Motor Transport undertakings are required to provide certain welfare and health measures like canteen of prescribed standard, if employing 100 or more workers, clean ventilated well- lighted

and comfortable rest rooms at every place wherein motor transport workers are required to halt at night, uniforms, rain coats to drivers, conductors and line checking staff for protection against rain and cold, washing allowances and medical facilities at the operating centres and halting centres.

3.4.1.4. The Merchant Shipping Act, 1958

The provisions of the Merchant Shipping Act, 1958 relating to welfare and human conditions of work cover crew accommodation, supply of sufficient drinking water, supply of necessities, medical stores, and provisions of surgical and medical advice, maintenance of proper weights and measures on board and grant of relief to distressed seamen aboard a ship.

3.4.1.5. The Contract Labour (Regulation and Abolition Act, 1970)

The contract labour (Regulation and Abolition) Act, 1970 imposes obligations to provide a canteen, rest rooms or other suitable alternative accommodation, supply of wholesome drinking water, sufficient number of latrines and urinals, first aid boxes etc. The Act imposes liability on the principal employer to provide these amenities to the contract labour employees in his establishment if the contract fails to do so.

Thus the state made various labour welfare laws to provide welfare and just and human conditions of work as stipulated in Article 38 and Article 42 of the Constitution.

3.4.2. Article 39-Equal pay for Equal work, protection of Child-hood.

Article 39 (D) of the Indian Constitution stipulates that the State shall, direct its policy for equal pay for equal work for both men and women and for the protection of childhood. The State made attempts to adopt and enforce these principles by enacting: Equal Remuneration Act. 1976, and The Child Labour (Prohibition and Regulation) Act. 1986. The objective of the Equal Remuneration Act is to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex against women in the matters of employment. The Child Labour (Prohibition and Regulation) Act, 1986 prohibits the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments.

3.4.3. Article 41-Public Assistance in case of Unemployment, old age, sickness and disablement

According to the Article 41 of the Indian Constitution the State shall direct its policy for public assistance in cases of unemployment, old age, sickness and disablement and other cases of underserved want. In other words, the state shall provide for social security to the citizen. In the field of labour, before adopting the constitution, the workmen's Compensation Act and the Employees State Insurance Act, were enacted to provide social security in case of contingencies. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, lay-off and retrenchment compensations under the Industrial Disputes (amendment) Act, 1953 and the payment of Gratuity Act, 1972 are the legislations to implement this directive principle.

3.5. Summary

This unit provided you information on the Directive Principle of State Policy and Labour Welfare. These principles are guidelines to the Central and State Governments to make suitable legislation. Article 38 directs the State for the promotion of welfare of the people and Article 42 states the just and human conditions of work. Numerous labour laws are passed for the welfare and just human conditions of work. Article 39 provides for equal pay for equal work and protection of child hood. The Equal Remuneration Act and the Child Labour (Prohibition and Regulation) Act, were enacted keeping in view this Article. Article 41 provides for social security measures. A good number of social security laws are passed for the benefit of workers and their dependents. Thus labour welfare in India is heavily influenced by the Directive Principles of State Policy.

3.6. Self-Assessment Questions

1. Examine the impact of Directive Principle of State Policy on Labour Welfare in India.
2. State the objectives of the following labour laws;
 - a. The Mines Act, 1952,.
 - b. The Equal Remuneration Act, 1976.
 - c. The Merchant Shipping Act, 1958.
 - d. The Plantation Labour Act, 1951.

3.7. Further Readings

1. Agarwal, S.L. Labour Relations Law in India, Macmillan Company of India Ltd., New Delhi, 1978.
2. Sarma A.M. Aspects of Labour Welfare and Social Security, Himalaya Publishing House, Bombay, 2003.

LESSON – 4**HISTORICAL DEVELOPMENT OF LABOUR WELFARE IN INDIA****Objectives**

After going through this Unit, you shall be able to explain the origin and growth of labour welfare in India.

Structure

- 4.1. Introduction
- 4.2. Labour Welfare before Independence
- 4.3. Labour Welfare after Independence
- 4.4. Factors influenced origin and growth of Labour Welfare.
- 4.5. Summary
- 4.6. Self Assessment Questions
- 4.7. References

4.1. Introduction

In the earlier stages of industrialisation the conditions of labour were miserable. Long working hours, bad sanitary conditions, absence of safety and welfare provisions, exploitation of child labour etc., were the regular features of factory life. During this period some efforts were made by social workers, philanthropists and other religious leaders for labour welfare, We can study the origin and growth of Labour Welfare in India before Independence and after Independence.

4.2. Labour Welfare Before Independence

As a matter of fact labour welfare in India was originated before Independence. Welfare efforts were started voluntarily by some generous employers without any statutory stipulation. Before Independence also there were certain labour welfare legislation particularly regulating the employment of children and women and safety rather than improving conditions of work, health and welfare.

The Apprentices Act 1850

This is the first legislation in the Labour Welfare in India. Its Objective is to help the poor and orphaned children to learn various crafts and trades.

The Fatal Accidents Act 1853

Its aim is to provide compensation to the families of workmen who lost their life as a result of actionable wrong.

The Merchants Shipping Act 1959 :

It was enacted to regulate the employment of seamen and to provide health and accommodation facilities to them.

Indian Factories Act, 1881 :

It is the first factory legislation in India. It made certain provisions to protect the child labour, but no provision was made to the welfare of adult workers.

N.M. Lackande's Contribution

N.M. Lakhande is founder of Bombay Mill Hand's Association. He brought workmen together and succeeded in getting weekly holiday for the workers.

The Factories (Amendment) Act 1891

It regulated the working hours of child and women labour. Provisions relating to ventilation, cleanliness and for preventing over loading in factories were also made.

Factory Commission 1907

The Government of India appointed a Commission to study the working conditions of labour in 1907. Based on the recommendations of the Commission, the Factories Act was amended in 1911. In the Act certain provisions were made regarding health and safety of workers.

Voluntary Efforts

Some voluntary efforts were made for labour welfare during this period. The Amalgamated Society of Railway Servants of India and Burma (1897), the Printer's Union, Calcutta (1905), The Bombay Postal Union (1907), The Kamgar Hitavardak Sabha (1910) started labour welfare activities like friendly benefit schemes, mutual insurance schemes, night schools, educational stipends etc, which helped the workers in many ways.

The Factories (Amendment) Act, 1922

As a result of all these developments the Factories Act was amended and made certain provisions regarding women and child labour and appointment of inspecting authorities. It provided for 60 hours work per week. One weekly off was made compulsory.

J.H. Whitely Commission 1929

The Royal Commission under the Chairmanship of J.H. Whitely was appointed by Government of British India to study the conditions of labour and suggest measures to improve their conditions. The Commission made an in depth study of working and living conditions of workers and submitted

its report in 1931. It recommended for enactment of a number of legislations relating to payment of wages in time, minimum wages, need for health insurance for industrial workers and improvement of working conditions of plantation workers.

The Factories Act 1934

Based on the recommendations of the Royal Commission, the factories Act was again amended and brought certain changes in the conditions of labour. For the first time welfare measures like rest shelters and creches made compulsory in big factories.

Rege Committee 1944

Another milestone in the labour welfare movement in India is the appointment of Labour Investigation Committee under the Chairmanship of Rege. The Committee stressed the importance of welfare measures for workers in improving their social and economic life. It also emphasised the need for strengthening the enforcement machinery.

4.3. Labour Welfare After Independence :

After Independence the labour welfare movement acquired new dimensions. It was realised the labour welfare had a positive role to play in increasing productivity and reducing industrial tensions. The state began to realise its social responsibilities towards weaker sections of the society. The emergence of different central trade union organisations like INTUC (1947), HMS (1948), UTUC (1949), BMS (1955), CITU (1970), NLO (1969), gave a further filip to the growth of labour welfare movement.

Factories Act 1948

Based on the recommendations of the Rege Committee, Government of India enacted the Factories Act 1948 with the following objectives.

1. Wider coverage of factories
2. Appointment of inspecting staff
3. Provisions of health, welfare and safety
4. Regularisation of hours of work for adult and women workers.
5. Provisions of leave with wages.

In fact it is a comprehensive labour welfare legislation.

The Indian Constitution 1950

The need for Labour Welfare is emphasized by the constitution of India in its Directive Principles of state policy particularly in the following articles.

Article 38 : The State shall strive to promote the welfare of the people.

- Article 39 : a) The state shall direct its policy towards securing that the citizens, men and women equally have the right to an adequate means of livelihood.
- b) Health and safety of the workers shall be safeguarded.
- c) Equal pay for equal work
- Article 41 : Effective provisions for securing right to work, equal public assistance in case of unemployment, disablement etc.
- Article 42 : The State shall make provisions for securing just and human conditions of work and for maternity relief.

The First Five Year Plan (1951 -1956)

It paid more attention on the welfare of the working class. During this period the plantation Labour Act, 1951, The Mines Act 1952 and The Provident Funds Act 1952 were enacted. A subsidised housing scheme for industrial workers was also evolved in 1952.

The Second Five Year Plan (1956-1961)

In this period the importance of better working conditions was recognised. Greater stress was laid on industrial democracy. New enactments were made during this period. The coverage of E.S.I. Scheme was extended. The Dock workers (safety, health and welfare) schemes was drawn up in 1961. The plantation Employee's Welfare Fund Act was passed by Government of Assam in 1959. Various other States made certain legislations to regulate the working conditions of employees during this period.

The Third Five Year Plan (1961-1966)

It stressed the need for more effective implementation of various statutory welfare provisions. The plan recommended to set up cooperative credit society and consumers stores for industrial workers. Maternity Benefit Act, Apprentice Act and Iron ore Mines Labour Welfare Cess Act were passed in 1961. The payment of Bonus Act was passed in 1965.

The Committee on Labour Welfare (1966)

It was set up in 1966 by the Government of India under the Chairmanship of R.K.Malaviya. It reviewed the various statutory and non-statutory labour welfare programmes in various industries and made comprehensive recommendations for improvement.

National Commission of Labour (1966)

It also covered several aspects of welfare activities in different industries and made suggestions for improvement under the Chairmanship of Gajendra Gadkar.

The Fourth Five Year Plan (1969-1974)

It provided for the expansion of the E.S.I. Scheme to cover medical facilities for the family members of the insured person. The Contract Labour (Regulation & Abolition) Act, 1979. The Payment of Gratuity Act 1972, and the Employees Family Pension Scheme 1971 were passed during this period. The Plan directed that programmes for welfare centres should be included in the State Plans for labour welfare programmes a provision of Rs. 37.11 crores was made in this Plan.

The Draft Fifth Five Year Plan (1974-1979) :

It stressed the importance of industrial safety. An amount of Rs.57 crores was provided for Labour Welfare in this Plan.

The Sixth Five year Plan (1980-1985)

It also stressed the importance of labour welfare and implementation of enactments pertaining to labour welfare. An outlay of Rs.161.9 crores was proposed for labour and labour welfare for this plan period.

The Seventh Five Year Plan (1985-1990)

The seventh Five Year Plan emphasized on labour welfare and improvement in working and living conditions of labour. According to the Plan, "effective implementation of the existing legislation would greatly improve matters for the unorganised Urban workers". The workers should be trained to upgrade the skills and they should be educated on the legal provisions available to them. It also focused on better working conditions for child and women labour.

The Eight Five Year Plan (1992-1997) :

This Plan laid stress on strategic improvement in the quality of labour, productivity, skills and working conditions and provision of welfare and social security measures. Promotion of industrial and mines safety, workers education, enforcement of labour laws especially those relating to women, and Child labour and unorganised labour etc., are also emphasised in the Eighth Five Year Plan.

Ninth Five Year Plan (1997-2002) :

The Ninth five year plan emphasise the need to create conditions for improvement in labour productivity and for provision of social security. The plan envisages priority to agriculture and rural development. Special programmes will be implemented to develop skills, enhance technological levels and provide marketing channels for people engaged in traditional occupations.

4.4. Factors Influenced the Origin and growth of Labour Welfare :

The above description of historical development of labour welfare in India indicates that the immediate factor that affected the origin and growth of labour welfare is evil effects of industrialisation.

Nature of un-industrial employment, humanitarian considerations of some of the generous employers, trade unionism and the continuous and active involvement of State are the important influences of labour welfare in India. The first World War and the formation of I.L.O. in 1919 changed the situation. The reports submitted by the Royal commission on labour, the Labour Investigation Committee, the Committee on Labour Welfare and National Commission of Labour are also influenced the development of labour welfare. It is not an exaggeration to state that the constitution of India, particularly its preamble and Directive Principles of State policy moulded and strengthened the labour welfare in India.

4.5. Summary

This Unit offered job of description of origin and growth of labour welfare in India. The origin of labour welfare can be traced before Independence. Some attempts were made to regulate employment conditions in factories by enacting and amending the Factories Act from time to time. After Independence, in conformity with the Constitution of India so many labour welfare legislations were enacted. Trade Unionism, humanitarian aspects of employers, State intervention and recommendations of various labour enquiry committees contributed to the growth of labour welfare in India.

4.6. Self Assessment Questions

1. Trace the historical development of labour welfare in India.
2. "The labour welfare in India is largely spearheaded by Government action and controlled by legislation" comment.

4.7. Further Readings

1. Sarma A.M.: Aspects of Labour Welfare and Social Security, Himalaya Publishing House, 1997.
2. Vaid K.N.: Labour Welfare in India, Shri Ram Centre for Industrial Relations, New Delhi, 1970.

LESSON – 5**IMPACT OF INTERNATIONAL LABOUR ORGANISATION (ILO) ON
LABOUR WELFARE IN INDIA****Obejectives**

After going through this Unit, you shall be able to

- . Understand the objectives of the I.L.O.
- . Know the membership of the I.L.O.
- . Identify the strucutre and functions of I.L.O.
- . Analyse .the role of I.L.O. in pursuit of Labour Welfare.

Structure

- 5.1. Introduction**
- 5.2. Objectives of the I.L.O.**
- 5.3. Membership**
- 5.4. Structure and functions of the I.L.O.**
 - 5.4.1. The International Labour Conference**
 - 5.4.2. The Governing body**
 - 5.4.3. The International Labour Office**
- 5.5. The I.L.O's Welfare work**
- 5.6. Summary**
- 5.7. Self Assessment Questions**
- 5.8. Further readings**

5.1. Introduction

The ILO Symbolises social justice, Universal peace and human dignity. It was set up on April 19, 1919 as a result of peace conference convened at the end of World War -I at Versailles. It is a tripartite body consisting of three groups. As described by S.N. Dhyani, these three groups are namely "The Governments which finance it, the workers, for whose benefit it is created and the employers who share the responsibility for the welfare of the workers. This unit makes an attempt to present the objectives of the I.L.O., its membership, structure and functions and its impact on labour welfare in India.

5.2. Objectives of the I.L.O.

The Objectives of the I.L.O. are set out in the preamble to its constitution and in the Declaration of Philadelphia, adopted in 1944 and formally appended to the constitution in 1946. The preamble

affirms that universal peace can be established only if it is based upon social justice. draws attention to the existence of conditions of labour involving injustice hardships and privation to a large number of people and declares that improvement of these conditions is urgently required the failure of any nation to adopt human conditions of labour is an obstacle in the way of other nations which designing to improve labour conditions in their own countries.

The Declaration of Philadelphia is a reaffirmation of the fundamental principles are which the ILO was originally based and declares that :

1. Labour is not a commodity
2. Freedom of expression and of association are essential to sustained progress.
3. Poverty anywhere constitutes a danger to prosperity everywhere.
4. The war against want requires to be carried on with unrelenting vigour within each nation and by continuous and concerted international efforts in which the representatives of workers and employers enjoying equal status with those of Governments join with them in free discussion and democratic decision with a view to the promotion of the common welfare.

Declaration of Philadelphia set forth the objectives of I.L.O. The theme underlying these objectives is social justice. The objectives are as follows :

- a. Full employment and the raising of standards of living;
- b. The employment of workers in the occupation in which they can have the satisfaction of giving the fullest measures of their skill and attainments and make their greatest contribution to the common welfare well being;
- c. The provision, as a means to the attainment of this end, and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;
- d. Policies in regard to wages and earnings, bonus and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of protection;
- e. The effective recognition of the right of collective bargaining, the cooperation of Management and labour in the continuous improvement of productive efficiency and the collaboration of workers and employers in the preparation and application of social and economic measures;
- f. The extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;
- g. Adequate protection for the life and health of workers in all occupations.
- h. Provision for child welfare and maternity protection;
- i. The provision of adequate nutrition, housing and facilities for recreation and culture; and
- j. The assurance of equality of educational and vocational opportunity

5.3. Membership

The constitution of the ILO provides that all those states, who were members of the ILO on first November, 1945, and any original member of the United Nations can become member of the ILO,

by accepting the obligations of its constitution. Other states can also become members of the ILO by a vote of consent by two thirds of the delegates attending the session including two thirds of the Government delegates present and voting. India is one of the founder members of the ILO. There were 45 states who were members of the ILO in 1919 and by 1992 it numbered 151 states.

5.4. Structure and Functions of the ILO

The ILO consists of three principal organs. These are (1) The International Labour Conference (2) The Governing Body and (3) The International Labour Office. The International Labour Conference is the supreme deliberative body of the ILO and acts as the legislative wing of the organisation. The International Labour conference elect the Governing Body and adopts international labour standards in the form of Conventions and Recommendations collectively known as the International Labour Code.

5.4.1. The International Labour Conference

The International Labour Conference is composed of four delegates nominated by each of the member States, of whom two are Government representatives, and one each represent employees and workers of the member state. The Government delegates are generally ministers, diplomats or officials. Employers and workers delegates are nominated by the member states according to agreement with the most representative organisations of employers and workers.

It is the policy making body of the ILO. It meets once in a year and fomulates international labour standards in the shape of conventions and recommendations. It fixes the amount of contribution by the member states. It decides the expenditure and budget estimates prepared by the Director General and submits to the governing body. It is authorised to make amendments to the constitution. It considers the report of the Director General. It appoints committees to deal with different matters covering each sessions. It elects once in three years the members of the Governing Body.

5.4.2. The Governing Body

The Governing Body is another Principal bodies of the ILO. It consists of 56 members of which 28 represent Governments, 14 employers and 14 workers. Of the 28 government representatives, 10 are appointed by the members of the States of chief industrial importance. The remaining are delegates of other states. India is one of the ten states of industrial importance. The period of office of this body is 3 years. It meets many times in a year to make decisions on the programmes of the ILO.

It carries out the decisions of the International Labour Conference with the help of International Labour Office. It draws up agenda for each session and of the International Labour Conference. It appoints the Director General of the Office. It fixes the dates, duration and agenda of the Regional conferences. It scrutinises the budget.

5.4.3. The International Labour Office

The third major organ of the structure of ILO is in the International Labour Office. It functions as the secretariat of the ILO in Geneva. The Director General of the ILO is the Chief Executive Officer of this Office. He is appointed by the Governing Body for a period of 10 years. He is assisted by two Deputy Director Generals, six Assistant Director Generals, one Director of the International Institute for Labour studies, one Director of the International Centre of Advanced Technical and Vocational training, Advisors and other staff drawn from 100 nations.

The functions of this office are: to prepare documents on the items of the agenda of the conference, to assist Governments in framing legislations on the basis of the decisions of the International Labour Conference, to bring out publications dealing with labour problems of international importance and to collect and distribute information on international labour and social problems.

5.5. The ILO's Welfare work

The ILO has devoted considerable attention to the subject of Labour Welfare. The International Labour Conference in 1947 passed a recommendation concerning Welfare of Workers. In 1956 it considered some more welfare facilities and adopted a recommendation defining certain principles and establishing certain standards concerning labour welfare. The ILO suggested welfare funds on a collective costs to finance activities in small undertakings. It also adopted number of conventions and recommendations regarding industrial accidents and safety. The following are some of the important areas of ILO activities concerning labour welfare.

1. **Migrant Workers:** The ILO adopted a resolution in 1971 on the need to promote equality of migrant workers in all social and labour matters.
2. **Women Workers:** The constitution of the ILO specifically provides for the protection of women workers. The main conventions adopted by the ILO with regard to women workers were on maternity Protection, the night work of women, the underground work of women and the equal remuneration.
3. **Child Labour:** The ILO has done considerable work concerning child labour. It set standards to prevent the exploitation of child labour. It also set standards for regulating the recruitment of young persons.
4. **Social Security:** The ILO has done commendable work on social security. A number of conventions and recommendations were passed to deal with workmen's- compensation, sickness insurance, invalidity, old age and survivors, insurance, unemployment provisions and maternity protection. One of the most important investments adopted by the ILO is the Social Security (Minimum Standards) convention, 1952. Currently, the organisations main object is to extend social security to agricultural and plantation warkers.
5. **Conditions of Work:** The ILO has devoted considerable attention to the working conditions, hours of work, weekly rest, holidays with pay, principles and methods of wage regulation and labour administration and inspection. A large number of Conventions and Recommendations covering conditions of work of labour have adopted by the International Labour Conference.
6. **Health, Safety and Welfare :** The ILO has adopted many conventions and recommendations concerning the health, safety and welfare of industrial workers. It has established international standards in these matters. Prevention of accidents, protection of health of workers, and Protection against sickness, injury and disease are stressed by the ILO.

Thus the ILO has made commendable work in the field of labour welfare. The Labour welfare and social security legislations in India were largely influenced by the ILO conventions and recommendations.

5.6. Summary

The ILO was set up in 1919 which symbolises social justice, Universal peace and human dignity. It is a tripartite body consisting of Government workers and employers representatives of the member states. It consists of International Labour conference which is the Policy making body, the Governing Body, the executive wing and International Labour Office which is also the Secretariat. The ILO formulates international labour standards in the shape of conventions and recommendations. The member states implement them. In the field of labour welfare the ILO has done commendable work. It formulated certain standards for the welfare of women workers, and child labour. It has passed social security (minimum standards) convention and it made attempts in setting standards in working conditions, health, welfare and safety of workers.

5.7. Self Assessment Questions

1. Explain the objectives and structure of the ILO.
2. Discuss the role played by the ILO in pursuit of Labour Welfare.

5.8. Further Readings

1. Arun Monappa, Industrial Relations, Tata Mc Graw Hill Publishing Company Ltd., New Delhi, 1985.
2. A.M. Sarma, Aspects of Labour Welfare and Social Security, Himalaya Publishing House, Bombay, 1997.

- Dr. Nagaraju, Battu,
Acharya Nagarjuna University

LESSON – 6**AGENCIES OF LABOUR WELFARE AND THEIR RELATIVE ROLES****Objectives**

After going through this lesson you should be able to

- * Identify the Management as an Agency of Labour Welfare
- * Trace the early efforts of management in labour welfare
- * Explain the labour welfare activities of employers in major industries.
- * Identify the role of trade unions in labour welfare
- * Responsibility of Trade Unions in Labour Welfare
- * Role of State in Labour Welfare
- * Role of voluntary Agencies in Labour Welfare

Structure

- 6.1. Introduction**
- 6.2 Role of Management in Labour Welfare**
- 6.3. Early Efforts of Employers in Labour welfare**
- 6.4. Labour Welfare Work by Employers in major Industries**
- 6.5. Role of Trade Unions in Labour Welfare**
 - 6.5.1. Function**
 - 6.5.2. Responsibility**
- 6.6. Role of the State in Labour Welfare**
 - 6.6.1. Role of State in Labour Welfare before Independence**
 - 6.6.2. Role of State in Labour Welfare after Independence**
 - 6.6.3. Enactment of Labour Welfare Legislation**
 - 6.6.4. Enforcement of Labour welfare legislation**
 - 6.6.5. The five year plans**
 - 6.6.6. Welfare Centres**
 - 6.6.7. The state as an Employer**
- 6.7. Role of Voluntary Agencies In labour welfare**
 - 6.7.1. Labour Welfare work done by voluntary organisations**
 - 6.7.2. Appraisal**
- 6.8. Summary**
- 6.9. Self Assesment Questions**
- 6.10 Further Readings**

6.1. Introduction

Labour welfare is the collective responsibility of state, management, trade unions and voluntary organisations. A bulk of labour welfare programmes are administered by the state in India. However, some of the employers pioneered in welfare movement voluntarily on humanitarian grounds. The Unit offers you the role of employers in welfare work with a special emphasis on certain major industries in India.

6.2. Role of Management in Labour Welfare

The role played by the employers in labour welfare work is of two types, one is implementation of various, health, welfare, safety, leave provisions and social security schemes under the legislations applicable to their organisations and the second type of role played by the employers is undertaking of various welfare activities for the benefit of workers and their family members on voluntary basis without any statutory stipulations. The latter one really reveals the employer's commitment for the welfare of workers.

6.3. Early Efforts of Employers in Welfare work

Some employers have started welfare programmes for the benefit of the workers and their family members even in the earlier stages of industrialisation in India. In 1915 Calico Mills at Ahmedabad appointed a doctor and nurse to look after the health of workers. It opened a crèche and a maternity home for the benefit of women wardens. Miss Anasuya behen Sarabhai started a network of labour welfare activities in 1917 in Ahmedabad workers education, sanitation, medical relief and developing habit of thrift, saving etc. were undertaken by her.

Tatas started a Medical Unit in one of their mills in Bombay in 1918. Delhi Cloth Mills started construction of houses for workers in 1920. The Birla Mills in Delhi started a school. The British India Corporation in Kanpur, the Binny Group of Mills in Madras, the Empress Mills in Nagapur and the TISCO in Jamshedpur undertook various labour welfare programmes in the early 1920s. The Royal Commission on Labour (1931) has testified the usefulness of these programmes. Thus some employers started taking more interest in the labour welfare activities.

6.4. Labour Welfare work by Employers in major Industries :

The labour welfare work undertaken by the managements can be studied industry-wise. An attempt is made to analyse the welfare work done by employers in major industries such as Cotton, Jute, Iron and Steel, Sugar, Cement, Railways, Ports and docks, Mines and Plantations.

6.5. Role of Trade Unions in Labour Welfare

The primary function of a trade union is to promote and protect the interests of its members. It has to work to better the terms and conditions of employment and generally to advance their economic and social interests so as to achieve for them a higher standard and of living. Welfare activities like organizing mutual benefit societies, co-operatives, unemployment assistance, libraries, games, housing and cultural programmes are some of the aspects on which the unions work. Education of its members in all aspects of their working life, including improvement of their working and living

environment, are some of the programmes under taken by the trade unions. The important basic functions of Trade Unions listed by NCL are :

- i) To secure for workers fair wages
- ii) To safeguard the job security and to improve the conditions of service,
- iii) To enlarge for promotion and training.
- iv) To improve the working and living conditions.
- v) To provide for educational, cultural and recreational facilities,
- vi) To co-operate in and facilitate the technological advancement by broadening the understanding of workers on its underlying issues,
- vii) To promote identifying the interests of the workers with their industry.
- viii) To offer responsive co-operation in improving the levels of production and productivity, discipline and high standard of quality and generally to promote individual and collective welfare.

6.5.1. Function :

Thus, while a union will function in the interests of its members, it should also accept the social responsibility. Unions have to make a special effort in understanding the interests of the community as a whole. It is being widely suggested that the unions should seek to harmonize the sectional interests of their members with the larger interests of the society. This aspect of the role of unions in a developing economy has been emphasized in the Five Year Plans. In India trade unions have been associated with the India's independence movement. They were usually associated with planning commission, tripartite bodies at the central and state levels in the formulation and implementation of labour programmes.

Effective fulfillment of the traditional role will enable trade unions in promoting to some extent the social welfare and social life of its members. At times the trade unions create serious problems to the growth of national economic development at large and organisations in particular. The views of trade unions should be changed and should think objectively about the issues and by judging the issue and they should react and object by resorting to their own means. Thus the unions should take into consideration the interests of the organization/industry and of the national economic system on priority basis. In representing and deciding any issue they should resort to collaborative / consultative style rather than to conflict style. This will not reduce or eradicate their main role for job security, higher wages or better living conditions but their image will goup and the management, will also try to resort to soft appraoch whenever the union approaches with a request.

6.5.2. Responsibility :

The social responsibilities of the unions are :

- a) To educate the rank and file workers so that the traditional agitational role will be gradually transformed into one of understanding and co-operation.

- b) To keep the well-being and progress of society constantly by refraining from resorting to unnecessary strikes, work stoppages, go slow, intimidation etc.,
- c) To promote the interests of the consumer while discussing and agreeing in bipartite meetings.
- d) To work for the countries economic development by maximizing production and producing a quality product.
- e) To promote for national integration by inculcating the spirit of oneness.
- f) To work for the interest of the community and industry by involving themselves in socially useful programmes.
- g) To try to organise unorganised labour and try to uplift them from bondage, insecure jobs, poverty etc.
- h) To encourage and inculcate in the members the habit of saving.
- i) To support the technological change for the betterment and growth of the industry.
- j) To start counselling centres to change addicted employees and solve family problems etc.
- k) To start research wings to update their knowledge when they sit around the bargaining table.

The employees organise themselves into Trade Unions primarily to protect and further their own interests. The primary responsibility of trade unions is the wellbeing of their members. The secondary responsibility of trade unions is internal democracy and industrial peace. To achieve this, trade unions have to improve their internal administration, voluntary discipline and conduct among members, instill trust, unity and loyalty towards union and industry where they work, inculcate values and ethics, and importance of excellence. The protection of the interests of the union members is restricted not only to a narrower sphere of their jobs but also extends to a broader sphere to serve their members through the establishments and promotion of cooperatives, cultural and welfare organisations and by helping them to utilize other social services provided by the community. Another social responsibility of trade unions is in the area of making a common cause to fight all evils in society i.e., economic, social and political. This brings a close relationship among the members, union and society. The basic objective of a trade union is not simply limited in obtaining higher monetary benefits to its members but it should try to emulate and extend its hand in transforming relationship among the different groups in society. The trade unions can act as a change agent to bring about social change and economic progress.

The planning commission reiterates that the trade unions have the vital and constructive role in improving the quality of life of the workers. They should evince greater interest in welfare programmes for their members such as education, literacy, health and family planning and recreational and cultural activities. They can also promote personal and environmental hygiene and a sense of thrift and savings. The respective 'governments also can consider encouraging such trade unions through financial and physical facilities. Such involvement in constructive activities would help the trade unions in furthering the interests of its members.

The responsibilities which the unions have to undertake for the community cannot be discharged unless the members themselves are served better. The society has to discharge it

responsibility towards labour and the trade unions. The trade union movement cannot function effectively unless the society ensures democratic rights and civil liberties to its members and later to their economic and social interest. Thus the labour capital and society have common interests which have to be satisfied to ensure their survival and growth. If these common interest are acknowledged by the three parties, it becomes easier for them to discharge their responsibilities to each other in an atmosphere of harmony and mutual cooperation.

The conditions under which the trade unionism developed in India were not such as to enable and encourage them to introduce schemes of labour welfare. Poverty of workers and their reliance on outsiders who were mostly interested in the political issues of the day and radical views of a section of leadership were not conducive to such activities on the part of trade unions. Before independence the function of trade unions was relegated to the background because of more urgent issues and because it was generally believed that in free India the state would take appropriate steps to increase labour welfare. After independence, the trade unions expect and demand that should do everything. It is interesting to note here that in other countries in the early days of trade unionism, the trade unions were concentrating on providing the welfare programmes for their members. But in India from the very beginning the unions are expecting and depending on the employers and government. In our country there are some trade unions who have done considerable work. The most prominent among them is the Ahmedabad Textile Labour Association which is different from the more common in unions in India. According to the Indian labour Work Book, 1985 the most important work done by the Textile Labour Association, Ahmedabad is starting of reading rooms, libraries, type writing classes, and women's training classes in sewing and embroidery in working class localities. It organises paediatric vaccination programmes for children against tuberculosis, polimyelities, diptheria, whooping cough and tetanus. It maintains a prenursery schools and organises sports, excursions, competitions and cultural programmes. For the benefit of the workers, it runs a number of consumer cooperative stores and cooperative credit societies. The workers also construct houses under the co-operative bank - housing scheme, which they pay in installments.

In Indore, the Mill Mazdoor union runs labour welfare centres consisting of Bal, Kanya and Mahila Mandirs. It organises music, dances and social gathering. In the Balmandir (Children's section), education is provided and games are organised. In Kanya mandir (girls section) importance is attached to elementary education, tailoring, knitting, spinning, training in hygienic practices and care of children. The Mahila Mandir gives such lessons and training to women workers. Night classes, a reading room and a library are provided by the union, which also arranges indoor and out door games for workers.

A few of these welfare amenities are provided for the workers by the Mazdoor Sabha of Kaupur, the Railway men's Union, the Indian Federation of Labour in U.P and the Assam Branch of the Indian National Trade Union Congress. The Railwaymen's union has provided funds for retirement death, unemployment, sickness etc. They have also provided for life insurance and legal defence. Further, they have organised cooperative societies. In U.P., nearly 48 labour welfare centres have been organised by the Indian Federation of Labour, which under take different types of welfare activities. There are several unions whose work has not been recorded by the concerned though they have done commendable welfare work for their members, for eg. Visakhapatnam Port Employee's Union (HMS Union) of VPT, Visakhapatnam.

6.6. Role of the State in Labour Welfare

Labour Welfare may be defined as a total, social and relative concept which covers intramural and extramural amenities and social security benefits extended to labour by government, trade unions and voluntary organisations. The need for labour welfare is felt more in our country keeping in view of productivity, efficiency, industrial peace, rapid economic development and social development. There are different categories of labour such as industrial labour, agricultural labour, construction labour, contract labour, casual labour etc. The present unit makes an attempt to examine the role of state in promotion of labour welfare with special reference to industrial labour.

6.6.1. Role of State in Labour Welfare Before Independence

Labour Welfare is collective responsibility. As indicated in the above definition, state, employer, trade unions and voluntary organisations are the main agencies in the promotion of labour welfare. The role of latter two agencies is now-a-days negligible owing to many factors. However state made constructive efforts in promotion of labour welfare. Historically speaking, the workmen 's compensation Act (1923) is the first social security legislation. The second world war gave impetus to labour welfare in India. The state, for the first time introduced welfare schemes in the ordinance and ammunition factories to keepup morale and to boost war production factories. This trend continued after the second world war and some legislative measures were adopted in the pre-independence period in 1942. The Central Government appointed a labour welfare advisor and under him assistant labour welfare advisors and welfare officers were appointed. In 1944, the Coal mines Labour Welfare Fund was enacted. The Government also persuaded employers to increase the facilities provided to workers.

6.6.2. Role of State in Labour Welfare after Independence

After independence labour welfare acquired a new dimension. The Factories Act (1948) is the first comprehensive piece of legislation after independence. The welfare philosophy of the state is reflected in the constitution of India. Article 38 states that the state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political shall inform all the institutions of the national life. In the light of the Directive Principle of State Policy, the state is playing its role in promotion of labour welfare through :

- a) Enactment of Labour Welfare Legislations.
- b) Enforcement of the Legislations,
- c) Five Year Plans and
- d) Welfare Centres.

6.6.3. Enactment of Labour Welfare Legislations

The subject "Labour" is included in concurrent list of the constitution. Hence the Union and the States can pass legislations on the subject. After independence the Government India and respective State Governments have passed many legislations on labour. Some of important legislations passed by the Government of India for promotion of welfare are as follows:

Factories Act 1948.

Plantation Labour Act 1951

Mines Act 1952

Merchants Shipping Act 1958.

Motor Transport Workers Act 1961.

Dock Workers (Regulation of Employment) Rules 1962.

Beedi and Cigar Workers (Conditions of Employment) Act 1966.

Contract Labour (Regulation and Abolition) Act. 1970.

These legislations aim at providing health, welfare and safety of workers at the work spot and to regularise the hours of work and leave with wages. Besides these central legislations, State Governments passed certain labour welfare legislations such as shops and commercial establishments acts to provide welfare facilities to the workers employed in shops and establishments of the respective states. Labour Welfare funds are constituted under different Central and State laws to provide medical, recreational, educational facilities etc. The Central Government passed the following Social Securities legislations after independence.

Employees State Insurance Act 1948

Employee's Provident Funds and Miscellaneous Provisions Act 1961

Maternity Benefit Act 1961

The Payment of Gratuity Act 1972

The Objectives of the laws is to provide social security benefits i.e., protection from sickness, unemployment, old age, dependency and employment injuries.

6.6.4. Enforcement of Labour Welfare Legislations

The fruits of the legislations will be reached to the workers when they are properly enforced. The government appointed officers and deployed personnel to enforce different labour welfare legislations. There is no uniform machinery to enforce all the labour welfare legislations. These are enforced by both the Central and State Governments. For instance, the enforcement machinery for factories, plantations, shops and commercial establishments etc. is a part of labour administration of the State Governments. The Government of India enforces the Mines Act, the Employee's State Insurance Act and the Provident Fund Act are enforced by statutory autonomous bodies i.e. E.S.I corporation, Provident Fund Organisation respectively. Finally in this regard, we can say that Central Government enacts certain legislations and enforces them directly. Some of the legislations are passed by Central Government and enforced by State Governments. Another category of legislations are passed by Central Government and enforced by Statutory autonomous bodies. Besides, State Governments enacts certain legislations and enforce them directly.

6.6.5. The five year plans

Five Year Plans reflect the State's concern for labour welfare. The first five year plan (1951-56) paid considerable attention to the welfare of working class. A provision of Rs. 6.74 crores was

made in the plan. The plan stated that adequate provision has to be made for the basic need of workers so as to enable them to remain in a state of health and efficiency. In the Second Five Year Plan (1956-61) Rs.29 Crores was made for labour and labour welfare.

The Third Five Year Plan (1961-66) stressed the need for more effective implementation of various statutory welfare provisions. The plan also recommended for setting up of Co-operation Credit Societies and consumer's stores for industrial workers. An amount of Rs. 71.08 crores was provided for labour welfare and craft men training.

The Fourth Five Year Plan (1969-74) provided for expansion of the E.S.I. Scheme. For labour welfare programmes, a provision of Rs. 37.11 crores was made in the plan.

The Draft Fifth Five Year Plan (1974-79) provided an amount of Rs. 75 crores for labour welfare including craftman training and employment service.

An outlay Rs. 161.9 crores was proposed for labour and labour welfare programmes of the Sixth Plan period (1980-85). In Seventh Five Year plan (1985-90) an outlay Rs. 3,330 crores for social security where as in eight plan (1992-97) an outlay Rs. 13.15 (crores) for Labour Welfare.

6.6.6. Welfare Centres

All most all states runs labour welfare centres. For instance during the year 1984, Uttar Pradesh run maximum number (89) of labour welfare centres. Those centres provide medical assistance, recreational facilities, indoor and outdoor games, cinema shows, radio, educational facilities, schools for workers' children, libraries, reading rooms, literacy classes, training classes for women in crafts and cultural facilities. In some states the centres run schemes for providing supplementary income for worker's families.

6.6.7 The State as an Employer

Thus Central and State Governments play an important role in the promotion of labour welfare. Besides this role, the State as an employer, providing various welfare facilities to its employees. The Public Sector Undertakings such as B.H.E.L., O.N.G.C., H.P.C.L., etc., are providing worthy facilities which are many steps above to the welfare provisions prescribed under various Acts.

6.7. Role of Voluntary Agencies in Labour Welfare

The proceeding unit presented you a description of role of State in Labour Welfare in India. In this unit an attempt is made to discuss the role of voluntary organisations in promotion of labour welfare. This unit begins with the concept of voluntary organisation their characteristics and functions and analyses their role in labour welfare programmes.

6.7.1. Labour Welfare Work done by Voluntary Organisations

As mentioned by B P Tyagi, there are voluntary social service organisations which have interest in providing labour amenities to the workers.

The Bombay Social Service League, started by servants of Indian Society, conducted several activities, like promotion of education through night schools, libraries, recreation and sports.

It has also secured compensation for accidents to workers, propagated the cooperative movement, promoted public health and the boy scouts movement etc.

The Poona and Bombay Seva Sadan Societies have taken keen interest in providing educational, medical and social services to the women and children. They have also trained social workers for this purpose.

In Bengal, Women's Institute has established Mahila Samities which visit various villages and carry on educational and public health work.

In Assam, the Government has continued the policy of encouraging the activities of voluntary organisations like Hindustan Mazdoor Sevak Sengh and Assam Seva Samity for social, moral and economic welfare of the workers.

Besides, the YMCA, the Bombay Presidency Women's Council, the Maternity and Infant Welfare Association, the Depressed Classes Mission Society are some of the voluntary social service agencies which have taken interest in the welfare work for industrial workers.

These agencies have made significant contribution in improving the standard of living and working conditions of the workers and have made efforts in raising the minimum standards prescribed by law.

The voluntary social service agencies can play a more significant role in the better administration and utilisation of welfare services made available by the Government. The proper operation of statutory provisions relating to welfare can only be ensured by a strong public opinion, which in turn can be created by sustained efforts of voluntary organisations. These organisations have also played a very significant role in the industrialised countries.

6.7.2. An Appraisal

From the preceding analysis, it appears that the role of voluntary agencies in promotion of labour welfare is very less than that of other agencies of labour welfare. The basic reason for this may be the labour welfare is not a priority area for them. When compared to the other weaker sections of the society, the industrial labour is better positioned. In addition to the above, the institutional factors like lack of dedicated leadership, deterioration in quality of service, financial scarcity, inadequacy of trained personnel are some other reasons for the limited role of voluntary agencies in labour welfare.

6.8. Summary

This unit provided you an analysis of role of the voluntary organisations in welfare work. Voluntary organisations are those in which the membership is voluntary to the members and undertake various social services activities on their own. They have limited role to play in promoting labour welfare. However the Bombay Social Service League, the Poona and Bombay Seva Sadan Societies, Bengal women's Institute etc., conducted several labour welfare activities.

6.9. Self Assessment Questions

1. Examine the role played by the employer in Labour Welfare.
2. Explain the role of Trade Unions in Labour Welfare.
3. Describe the role played by the state in Labour Welfare in India.
4. Examine the role played by voluntary organisations in labour welfare programmes.
5. Define voluntary organisations. Mention its functions and critically examine their role in Labour Welfare.

6.10. Further Readings

1. Vaid KN., Labour Welfare in India, Shri Ram centre for industrial relations, New Delhi, 1970.
2. Pant, S C: Indian Labour Problems, Chitanya Publishing House, Allahabad, 1985.
3. Tyagi, B P, Labour Economics and Social Welfare, S V Nath, Meerut, 1994.
4. Sachdeva, B R, Social Welfare Administration in India, Kitab Mahal, Allahabad, 1992- 1993.
5. Government of India (1986), Minister of Labour, Indian Labour Year Book.

- Dr. Nagaraju, Battu,
Acharya Nagarjuna University

LESSON - 7**LABOUR WELFARE PROGRAMMES****Objectives**

After reading this unit, you will be able to :

- . Classify Labour Welfare Programmes.
- . Distinguish between intramural and extra mural labour welfare programmes
- . Distinguish between statutory and non-statutory welfare measures.
- . Describe statutory welfare measures under factories act, 1948.
- . Understand non-statutory welfare measures undertaken by employers in India.

Structure

- 7.1. Introduction**
- 7.2. Classification of Labour Welfare Programmes**
 - 7.2.1. Intramural and Extramural Labour Welfare Programmes**
 - 7.2.1 (a) Intramural Labour Welfare Programmes**
 - 7.2.1 (b) Extramural Labour Welfare Programmes**
 - 7.2.2 (a) Statutory Labour Welfare Programmes**
 - 7.2.2 (b) Non-statutory Labour Welfare Programmes**
- 7.3. Summary**
- 7.4. Key words**
- 7.5. Self assessment questions**
- 7.6. Further Readings.**

7.1. Introduction

The preceding Units provided you information on various agencies of labour welfare i.e., management, trade unions, State and voluntary agencies. This unit makes an attempt to classify the labour welfare programmes and distinguish between intramural and extramural welfare and statutory and non-statutory welfare measures. An attempt is also made in this unit to describe some of the statutory and non-statutory Labour welfare activities.

7.2. Classification of Labour Welfare Programme

The Labour Welfare Programmes may be classified broadly into two categories. On the basis of place of welfare Work, they may be classified into intramural welfare programmes and

extramural welfare programmes. On the basis of law, the welfare programmes may be classified into statutory and non-statutory welfare programmes.

7.2.1. Intramural and Extramural Labour Welfare Programmes

The Welfare facilities provided within the organisation for the benefit of workers are called as intramural welfare facilities. The welfare facilities provided outside the organisation for the benefit of workers and their family members are known as extramural welfare facilities.

7.2.1. (a) Intramural Labour Welfare Programmes

According to a committee of Experts on Welfare facilities for industrial workers, constituted by the ILO in 1963, the following are intramural labour welfare facilities.

1. Latrines and Urinals
2. Washing and Bathing facilities
3. Creches
4. Rest Shelters
5. Canteens
6. Arrangement for drinking water
7. Arrangement for prevention of fatigue.
8. Health services including occupational safety
9. Administrative arrangements to lookafter uniforms
10. Protective clothing
11. Shift allowances

In addition to the above, any welfare work undertaken within the precincts of the establishment comes under intramural labour welfare programmes.

7.2.1.(b) Extra-Mural Labour Welfare Programmes

Welfare programme undertaken outside the organisation are extramural labour welfare programmes. The following are some of the extramural welfare programmes as per the classification of the ILO.

1. Maternity benefits
2. Social insurance measures including gratuity, pension provident Fund and rehabilitation, benevolent funds.
3. Medical facilities including programmes for physical fitness and efficiency.
4. Family planning and child welfare
5. Educational facilities including adult education

6. Housing facilities
7. Recreational facilities including sports, cultural activities, library and reading rooms.
8. Holiday homes and leave travel facilities
9. Worker's Cooperative Stores and Cooperative Thrift and Credit Societies
10. Vocational training for dependants of workers
11. Welfare Programmes for welfare of women, youth and children
12. Transport facilities.

7.2.2 Statutory and Non-statutory Labour Welfare Programmes

Labour welfare programmes can be classified as statutory and non-statutory welfare activities. The welfare measures which are undertaken to implement the specific laws are statutory welfare measures. For instance, according to Factories Act, 1948, canteen should be provided by the occupier of the factory if it employed 250 or more number of workers. The provision of canteen in a factory comes under this category. Non-statutory welfare measures include all those activities which are undertaken for the welfare of workers on voluntary basis without any statutory compulsion.

7.2.2.(a) Statutory Labour Welfare Programmes

Factories Act 1948, Plantation Labour Act 1951, Mines Act 1952, Motor/Transport workers Act etc., include certain provisions for the welfare of the workers. The following are the statutory welfare facilities under the factories Act, 1948.

- 1) Washing Facilities : The management has to provide washing facilities for the workers. Separate facility must be provided for the male and female workers. Such facilities must be situated in the easily accessible places.
- 2) Facilities for storing and drying of clothes : Under the Factories Act, Section - 43, the occupier of the factory must provide facility for storing of cloths not worn during working hours. Facilities for drying cloth are also to be provided.
- 3) Facilities for sitting : Section 44 of the Factories Act Stipulates that where the workers have a chance for sitting while doing, they must be provided sitting facilities. For the workers whose work requires to stand, sitting facilities must be provided to the workers to sit during the intervals.
- 4) First Aid Appliances : Section -45 of the factories Act Stipulates that in every factory first aid boxes must be provided for the workers. The first aid box must consists of prescribed contents. These boxes shall be under the incharge of a trained person in first aid.

Ambulance Room with qualified medical personnel must be provided if there are 500 or more workers.

- 5) Canteen (Section - 46) : The occupier of the factory has to provide canteen, where in more than 250 workers are employed. The State Government may make rules regarding canteen constructions, constitution of canteen committee and the items of expenditure in running of the canteen.

- 6) Shelters, Rest Rooms and Lunch Rooms (Section - 47) : In every factory where 150 workers are employed adequate and suitable rest shelters or rest rooms and lunch rooms with provision of drinking water shall be provided. They shall be sufficiently lighted and ventilated and be maintained in clean condition.
- 7) Creche (Section - 48) : In every factory where in 30 women workers are employed they shall be provided and maintained creche for use of children under the age of 6 years of such women. The creche shall be adequately lighted and ventilated and maintained in a clean and sanitary condition and shall be under the charge of women trained in child care.
- 8) Welfare Officer : (Section - 49) : In every factory where in 500 or more workers are employed the management shall appoint a welfare officer. The State government make rules regarding qualifications, duties and employment conditions of the welfare officer.

The above are the statutory welfare provisions under the factories Act 1948. Besides the above, educational facilities for children, housing facilities and recreational facilities are statutory welfare provisions under the Plantation Labour Act, 1951. However these facilities are non- statutory facilities in factories and mines.

7.2.2. (b) Non Statutory Labour Welfare Programme

The facilities provided by the management without legal obligation are. non-statutory welfare facilities. The following are different non-statutory welfare facilities provided by the employers voluntarily. Hence these programmes are also called as voluntary welfare measures.

- 1) **Housing Facilities** : Many organisations recognised the importance of industrial housing. Besides provision of accommodation for the workers such facilities reduces the rate of absenteeism and turnover. Hence some generous managements provide housing facility for the workers on voluntary basis. Government is also extending subsidized housing facilities for the industrial workers. The management of TISCO, L & T, B.H.E.L., H.A.L. etc. provide good housing facilities for the iremployees.
- 2) **Educational Facilities** : The provision of educational facilities for workers and their children is a social service of great importance in India. Many employers provide children educational facilities such as school and colleges. Employers provide such facility and reimburse the cost of books and institute scholarships for deserving candidates. BHPV, Hindusthan shipyard Limited, Visakhapatnam Steel Plant etc. provide children educational facilities.

The management sponsors some of the workers to the workers education centres. The workers are trained as worker teachers. The worker teachers take unit level classes for the workers. Besides workers education, management gives financial assistance to improve the qualifications of workers.

- 3) **Recreational Facilities** : Recreational facilities give relief from monotony and drudgery of the workers. The recreational facilities provided by different management may be classified into (1) recreation club, (2) cultural programmes and (3) games and sports. The workers may become members in recreational clubs. These facilities are also extended to the family members of the workers. TISCO, Telco, Air India, Hindusthan Liver, Indian Railways and Defence Services are some examples for provisions of recreation facilities to the employees.

- 4) **Transport Facilities** : The growth of Industries out side the cities has made the problem of transport system. The fatigue of travel to and from the work place has an effect on the attendance of the workers. Hence the employers are providing transport facilities for the workers to and from the work place. This facility is also extended by some employers for the school going children of the workers.
- 5) **Medical Facilities** : Generally the workers are covered under E.S.I. Act 1948. But there are some organisations which provide medical benefits more than the benefits extended by the E.S.I. Corporation. Some companies are running full pledged hospitals with modern medical equipment and qualified medical officers. The medical facilities are extended to the workers as well as their family members.
- 6) **Cooperatives** : Some managements are providing different forms of Cooperative facilities to the benefit of workers. The Cooperative planning committee defined the cooperation as a form of organisation in which persons voluntarily associate together on the basis of equality for the promotion of their economic interests. It is based upon the following rules. (1) No one is compelled to join in a Cooperative Society, (2) The management of Cooperative society is democratic, (3) It is based on self help through mutual help, (4) It is not an association of selfish individuals. (5) It is not simply a movement of economic betterment but to develop higher values of life.

Cooperative stores and Cooperative Credit Society are two forms of Cooperatives.

Cooperative Stores: The objectives of Cooperative stores are :

- 1) To provide good quality of food grains, cloths and all necessary articles at reasonable prices i.e., lower than the market price.
- 2) To protect the consumers from the middle men and adulteration of products.
- 3) To protect factory workers from clutches of the money lenders and to inculcate the habit of savings.
- 4) To develop habits of mutual aid and
- 5) To strengthen the public distribution system.

Cooperative credit Society : The members of the Cooperative Credit Society get loans for the purpose of house construction, children education, marriage etc. The interest on the loans are reasonable. This is also to inculcate the habit of thrift and savings.

7.3. Summary

This Unit offered you the classification of labour welfare activities. The welfare activities undertaken within the premises of the establishment are intramural labour welfare facilities and the welfare activities undertaken outside the establishment are extramural labour welfare facilities. The facilities provided to the workers as per the legal obligations are statutory welfare measures and the facilities provided on voluntary basis without any legal compulsion are non-statutory or voluntary labour welfare measures. Washing facilities, facilities for storing and drying of cloths, facilities for sitting, first

aid appliances, canteen, shelters and rest rooms, creche etc. are statutory welfare provisions under the factories Act, 1948. Housing, education, recreation, transport, medical facilities, Cooperatives etc. are non-statutory welfare measures provided for the benefit of workers and their family member.

7.4. Key Words

Intramural Welfare Programmes : The benefits provided to the workers within the organisation are intramural labour welfare facilities.

Extramural Welfare Programmes : The facilities provided to the workers and their family members out side the organisation are extramural welfare facilities.

Statutory Welfare Measures : The Welfare facilities extended to the workers because of legal enactments are statutory welfare facilities.

Non-Statutory Welfare Measures : The welfare facilities extended to the workers without any statutory compulsion and on voluntary basis are non-statutory welfare facilities.

7.5. Self Assessment Questions :

1. Classify and discuss various welfare programmes extended to the workers.
2. Examine the statutory welfare measures under the Factories Act, 1948.
3. Briefly explain the non-statutory welfare measures adopted in India.

7.6. Further Readings :

Sarma A.M: Aspects of Labour Welfare and Social Security, Himalaya Publishing House, Bombay, 1985.

- Dr. Nagaraju, Battu,
Acharya Nagarjuna University

LESSON – 8**WELFARE OFFICER : ROLE STATUS AND FUNCTIONS****Objectives**

When you have completed this lesson you should be able to understand the following.

- . Requirement of the Welfare Officer under various Acts.
- . Qualifications and appointment of the Welfare Officers.
- . Duties or functions of the Welfare Officer.
- . Observations of National Commission on Labour.

Structure

- 8.1. Introduction**
- 8.2 Requirements for Welfare Officer under various Acts**
 - 8.2.1. Factories Act, 1948**
 - 8.2.2. Mines Act, 1952.**
 - 8.2.3. Plantation Labour Act, 1951.**
 - 8.2.4. Merchant Shipping Act, 1958**
- 8.3. Qualifications of welfare Officer.**
- 8.4. Duties of a Welfare Officer.**
- 8.5. National Commission on Labour Observations.**
- 8.6. Role of Labour welfare Officer in Industrial Relations.**
- 8.7. Self assessment Questions**
- 8.8. Further Readings.**

8. 1. Introduction

In the early days of industrialisation, the industrial undertakings recruited workers through middle men. His functions include recruitment of workers, disciplining of workers and controlling of workers. They are known by different names in different industries for example 'Mukadams' in the engineering industries, 'Sirdars' in plantation industries and 'Jobbers' in textile industries. This system continued upto First World War period. The British Government appointed a commission in 1931 to report on the condition of workers in India. The commission which was popularly known as Royal Commission on Labour was appointed to study and recommend for abolition of the above system. The committee recommended that a person with the qualities of integrity, personality, gift of understanding people and requisite affinity be appointed as Labour Officer and who's duty shall include recruiting, disciplining and looking after the welfare of the workers.

Thus the main objective for recommending the institution of Labour Officer is to eliminate prosecutions methods adopted by the middlemen. In those days the labour officer's functions include maintenance of law and order in an organisation. The cotton mills, textile mills and jute mills started employing labour officer. The Labour investigation Committee (1946) also recommended for the appointment of Labour Officers in all Industries.

During the pre-independence days some labour acts were enacted to make welfare measures compulsory in factories, Mines etc. Further, cash and medical benefits were provided in case of accidents for example, workman compensation Act, 1923. Thus the labour philosophy in India has changed from policing to welfare and consequently the institution of Labour Officer has changed to Labour Welfare Officer. The welfare function include provision for both statutory and non-statutory welfare measures and the non-statutory functions are voluntary in nature.

8.2. Requirement for Welfare Officer under Various Acts.

The statutory law requires for appointment of Labour Welfare Officers in the industrial establishments where the number of employees employed are more than a specified number. The different Acts under which a labour welfare officer has to be appointed are discussed below.

8.2.1. Factories Act, 1948

The Factories Act, 1948 stipulates for appointment of Labour Welfare Officer. Section 49 and clause (i) says "Officers with the duty to look after the welfare of the workers are required to be appointed by the occupier of every factory with more than 500 workers". The clause (ii) of the same section says "the Government by rules may prescribe the qualifications and conditions of service of these welfare officer's". Further, the Government may by rule exempt any factory or class of factories from the compliance with the above provision.

8.2.2. Mines Act, 1952

The Mines Act, 1952 requires that every occupier of a mine to appoint welfare officer under section 58 clause (q) the welfare officer is to be appointed in every mine where 500 or more workers are employed. The appropriate state government shall frame qualifications, duties and service conditions of welfare officers.

8.2.3. Plantation Labour Act, 1951

The Plantation Labour Act, 1951 requires the employer under section 18 clause (i) to appoint welfare officer in a plantation where 300 or more workers are employed and under clause (ii) the appropriate state government shall frame qualifications, duties and serve conditions of the Welfare Officer.

8.2.4. Merchant Shipping Act, 1958

The appropriate government may recommend for appointment to Seamans Welfare Officer. The qualifications, duties and service conditions are to be laid by the appropriate government.

All the above Acts requires the State Government to frame the necessary rules and guidelines for appointment of Welfare Officers. The Central Government has framed Model Rural prescribing qualifications, duties and conditions of services of Welfare Officer under each of the above Acts.

8.3. Qualifications

The Model Rules framed by the Central Government prescribed the following qualifications for Welfare Officers. The qualifications laid by model Rules for under each of the above acts are :

1. Factories : A degree recognised by the state government and degree or diploma in Social recognised by the state Government and knowledge of the local language.

2. Mines : A degree recognised by the State Government and degree or diploma in Social Science preferably in Social Work or labour welfare and knowledge of the local language.

3. Plantation : A degree recognised by the State Government, degree or diploma in social science and knowledge of the local language is a must.

Further, each State Government has framed their own rules based on guidelines and Model Rules for each of the Act. The Labour Welfare Officer must necessarily know the local language i.e. the language understood by majority of the workers.

8.4. Duties of a Welfare Officer

The factories Act, 1948 has framed the following duties under the Model Rules for a Welfare Officer :

1. To supervise the safety, health and welfare programs.
2. To advise management on matters related to labour welfare programs, policies and procedures.
3. To personally counsel the workers in matters related to their personal and family problems.
4. To maintain liaison with government agencies, management and workers.
5. To maintain and advise on measure to be taken for promotion of peace and harmony in the industry.

However, the Moedl Rules of each Act has framed separate duties for welfare officers and the State Governments has framed rules under the powers conferred to it by the Central Acts. The duties of a Welfare Officer framed by Government of Maharastra are;

1. To establish contacts and hold consultations with a view to maintaining, harmonious relations between the management and workers.
2. To bring to the notice of factory management, the grievances of workers, individual as well as collective, with a view to securing their expeditious redressal and to act as Liasion Officer between the management and labour.
3. To study and understand the point of view of labour in order to help the factory management to shape and formulate labour policies and to interpret these policies to the workers in a language they can understand.

4. To establish and maintain liaison with the government agencies like inspector of factories etc.
5. To see whether obligations both statutory otherwise concerning the application of the provisions of the Factories Act, 1948 and the rules made there under are fulfilled or not.
6. To advise on the fulfillment of medical services concerning medical examination of employees, health records, supervision of hazardous jobs, accident prevention and supervision of safety, educating workers on safety, maternity benefits and workmen's compensation.
7. To advise workers against anti-social and anti-legal activities.
8. To maintain impartial attitude.
9. To take measures for maintenance of peaceful and harmonious relations between management and workers.
10. To encourage workers participation in management and for formation of various statutory and non-statutory committees like welfare committees, safety committee, works committee, quality circles, co-operative societies, thrift societies and joint management councils.
11. To advise management in fulfilling the statutory and non-statutory welfare provisions such as canteens, shelter for rest, creches, latrines and urinals, drinking water, recreational facilities, transport etc.
12. To help employees in payment of benevolent and sickness benefits, pension, gratuity and other retirement benefits.
13. To help the factory management in regulating the grant of leave with wages and explain to workers the provisions relating to leave with wages and other leave privileges and to guide the workers in the matter of submission of applications for regulating authorised absence.
14. To advise the management in maintaining accident free environment where there is no safety officer.
15. To advise the factory management on training apprentices, workers on transfer and promotion, supervision and control of notice board and information bulletins.

8.5 National Commission On Labour Observations

The National Commission on Labour (1969) has made the following observations on the post of Welfare Officer.

1. The Subject of Welfare is not being given enough importance.
2. There is no demarcation between personnel functions and welfare functions.
3. The welfare officers should not be allowed to handle or negotiate with workers on terms and conditions of service.

8.6. Role Of Labour Welfare Officer In Industrial Relations

The labour welfare officer has an important role to play in maintaining harmonious and peaceful industrial environment. The government has identified the importance of labour Welfare. A happy

worker is a productive worker. In framing model rules, the Central Government has laid emphasis on the institution of labour welfare officer in maintenance of harmonious industrial relations. The role of labour welfare officer in maintenance of industrial relations may be divided into :

1. Redressal of grievances
2. Administration of standing orders
3. Peaceful settlement of disputes
4. To strive for harmonious labour-management relations.

1. REDRESSAL OF GRIEVANCES : The labour welfare officer is expected to identify and solve the grievance of employees. The labour welfare officer has to meticulously identify and distinguish between personal and family grievances with that of work related grievances. The model grievance procedure should be amended and labour welfare officer should be held responsible for redressal of grievances at the first stage. If not solved, he can take up the matter with employer. The labour welfare officer has also a major role to play in personal counselling, exit interviews etc. The labour welfare officer is expected to speak with workers in a language understood by majority.

2. ADMINISTRATIONS OF STANDING ORDERS : The administration of standing orders a critical task. The interpretation of standing orders often manifest in industrial conflicts. The labour welfare officer is required to provide the meaning of standing orders and make aware to each employee the do's and not's. This helps in maintaining proper industrial relations.

3. PEACEFUL SETTLEMENT OF INDUSTRIAL DISPUTES : The labour welfare officer is expected to make use of his good offices during industrial disputes and negotiate with unions for peaceful settlement.

4. TO STRIVE FOR HARMONIOUS LABOUR-MANAGEMENT RELATIONS : The labour welfare officer is expected to maintain liaison with labour unions and employer's. He can hold consultations with unions and employer's to explore the means for maintaining harmonious Labour-Management relations and elicit views of various organisations associated with Labour Welfare. The view expressed by them are :

1. The employers shall deposit the pay of Welfare Officer with the government and the government shall pay the amount to labour welfare officer.
2. The personnel and welfare functions should be clearly separated and the office of welfare officer should be statutorily protected.
3. The Welfare Officer shall be statutorily protected so that he may give his independent views without fear. The welfare officer should not act as a tool in the hands of management.
4. The labour welfare officer should not be allowed to do prohibited functions like, to appear in law courts on behalf of the management, to take disciplinary action against the workers. The Acts should be amended in this regard.
5. The labour welfare officer is paid by the management and his performance is appraised by the same management and therefore he cannot maintain neutrality and the concept is meaningless.

8.7. Self Assessment Questions

1. Discuss the role of Labour Welfare Officer under the various Acts.
2. Labour Welfare Officer is a middle man between the employer and workmen Justify.
3. Explain the necessity of labour welfare officer.
4. Discuss role of Labour Welfare Officer in Industrial relations.

8.8. Further Readings

1. Vaid K.N. 'Labour Welfare in India', Shri Ram Centre for industrial relations, New Delhi, 1970.
2. Sarma, A.M., 'Aspects of Labour Welfare and Social Security, Himalaya Publishing House, Bombay, 1997.
3. Moorthy M.V., 'Principles of Labour Welfare'
4. Report on the National Commission on Labour, 1969.

- Dr. Nagaraju, Battu,
Acharya Nagarjuna University

LESSON – 9**SOCIAL SECURITY : CONCEPT AND SCOPE****Objectives**

After studying this lesson, you will be able to understand

- . About significance of social security
- . Explain the concept of social security
- . Present the scope of social security
- . Describe the Aims and Objectives of Social Security

Structure

- 9.1. Introduction**
- 9.2. Concept of Social Security**
 - 9.2.1. Definitions**
 - 9.2.2. Scope of Social Security**
 - 9.2.3. Aims and Objectives of Social Security**
- 9.3. Summary**
- 9.4. Self-assessment questions**
- 9.5. Further Readings**

9.1. Introduction

Every society today faces a situation which has never been known before. The unprecedented rise in population growth and unbalanced development of industries have created certain implications. Insecurities of life have increased to a large extent. Hence to protect the individual and society from the uncertainties of future, social security has been adopted as an indispensable national programme. Thus, it refers to the provisions of the State for the greater good of society. In essence, any measure of social security strikes at the root of exploitation. *Its ultimate aim is to create and sustain a welfare state for social justice in addition to economic and political.* It is thus a welfare programme in which security is provided to the members of society against the unexpected accidents of their future.

9.2. Concept of Social Security

The social security situation in India is characterised by ambiguity in policy and responsibility. There is a variety of schemes but these have been framed at various points of time and, therefore, do not conform to any overall design reflecting a comprehensive and consistent policy or direction. Indeed, till the 9th Five Year Plan Plans, made no mention of social security. The working group on Labour Policy set up by the Planning Commission also pointed out that the schemes of social security, types

of benefits or protection provided thereunder do not conform to any overall plan or design. There is, as a matter of fact, no policy on social security, no plan for social security and the Five Year Plans are practically silent about this important aspect. However, in the light of what has been said about the Directive Principles and so on, earlier in the chapter, no one can argue that the India Constitution (State) does not visualise a regime of social security.

The concept of social security has evolved in the course of the last few decades. A sense of insecurity seems to be inherent in humans who are exposed to various kinds of risks and dangers. According to the United Nations Development Programme (UNDP), for most people, a feeling of insecurity arises more from worries about daily life than from the dread of a cataclysmic world event. Will they and their families have enough to eat? Will they lose their jobs? Will they become victims of violence because of their gender? Will their religion or ethnic origin target them for persecution?

Human security can be said to have two main aspects. It means, first, safety from such chronic threats as hunger, disease and repression from sudden and hurtful disruptions in the patterns of daily life - whether in homes, in jobs or in communities. Such threats can exist at all levels of national income and development.

The term social security has been defined differently by various authorities and thus, there is no commonly accepted definition of the term. There are two streams of thought on this issue, one represented by the ILO that limits the scope of social security to maintenance of one's income against loss or diminution. (This has been described as the protective form of social security). Another view perceives social security in a broader sense. It is a basket of policies and institutions fashioned to enable a person to attain and maintain a decent standard of life. This may be described as a preventive or promotional form of social security.

According to Dreze and Sen (1991) 'Economic Growth alone cannot be relied upon to deal either with the promotion, or with the protection of living standards. The strategy of public action for social security has to take adequate note of the problems that limit what aggregate expansion can do in enhancing living conditions. The public action includes measures taken at the level of the State, the community of the family. While Guy promotion of seven forms of labour security as the essence of social and development policy, Amartya Sen views social security as a system of proper distribution of income and also a right mechanism of wage fixation. Poverty reduction, in this case, is not question of industrial relations, of production relations of ultimately, the question of social relations.

Recently, some new concepts of social safety nets, social protection and, social funds relating to social security have emerged. Social protection and, social funds relating to social security have emerged. Social safety nets are measures to mitigate the negative effects of structural adjustments, mostly in the form of cash payments. The working group of labour policy has distinguished social security being seen as the universal need of all workers while social safety net is seen as that which is necessary for those who are temporarily or permanently thrown out of the system. Social funds are the brainchild of the World Bank for building up local level capacity in local governance. Social protection provides guarantees of basic social support for citizens, based on their needs rather than on their right (ILO). The World Bank has defined the term as human oriented, capital oriented interventions. This definition integrates labour market intervention social insurance programmes and social safety nets. Some analysts like Chatterjee and Vyas have held that social security needs to be viewed as a basic right rather than a charity oriented intervention.

In a nutshell the concept of social security implies collective action by the community to help a member against misfortunes and wants he cannot meet with his own resources. The concept finds its mention in the early Vedic hymns which wishes everyone to be happy, free from ill health, enjoy a bright future and suffer no sorrow. Today, it is based on the “ideals of human dignity and social justice.”

Social security according to Lord Beveridge, “is an attack on five giants, viz. want, disease, ignorance, squalor and idleness.” It is one of the pillars on which the structure of the welfare state rests. It is a major aspect of a public policy today and the extent of its prevalence is a measure of the progress made by a country towards the ideal of welfare state. It is a dynamic concept the contents of which changes with social, economic and political system obtaining in a given country at a given time. It is a wise investment which yields good dividends in the long run.

9.2.1. Definitions

It has been defined by the ILO as “the security that society furnishes, through appropriate organisation, against certain risks to which its members are exposed. these risks are essentially contingencies against which the individual of small means cannot effectively provide by his own ability or foresight along or even with private combination with his fellows. According to it while all state policy has some bearing on social security, it is convenient to regard social security services only such scheme as provide the citizen with benefits designed to prevent and cure disease, to support him when unable to earn and to restore him to gainful activity.” Not all such measures, however, can be considered as affording security. For security is a state of mind as well as an objective fact.

To enjoy security, one must have confidence that the benefits will be available when required, and in order to afford security, the protection must be adequate in quality and quantity. It further emphasised the importance of comprehensive social security measures in the preamble to its constitution, in which it proclaimed “protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provisions for old age and injury”.

According to Weber and Cohen, “Social security is a controversial and dynamic subject with various facets - philosophical, theoretical, humanitarian, financial, administrative, social, economic, political, statistical, actuarial, medical and legal,” Friedlander defines social security as “a programme of protection provided by society against the contingencies of modern life - sickness, unemployment, old age, dependency, industrial accidents and invalidism against which the individual cannot be expected to protect himself and his family by his own ability or foresight.”

Social security is also broadly defined as “the endeavor of the community, as a whole, to render help to the utmost extent possible to any individual during periods of physical distress inevitable on illness or injury and during economic distress consequent on reduction or loss of earnings due to illness, disablement, maternity, unemployment, old age or death of working member”.

It is not enough if an individual has foresight or assistance from members of his family and from his friends. These contingencies can imperil a working man's ability to support himself and his dependants decently and in a healthy manner. Therefore, supplementary comprehensive measures should be organised by society or by the state. All the industrial countries of the world have developed such supplementary comprehensive measures to promote the economic security and welfare of the individual worker and

his family. These measures in general are called social security measures. This term came into general use only after 1935, when United States passed the Social Security Act. It was mentioned in the Atlantic charter of 1941. After this enactment, the concept of social security spread rapidly and was accepted throughout the world.

Article 41 of the Constitution of India says that “the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of underserved want”.

Thus, social security measures seek to relieve individuals of anxiety as to that they would do in the case of loss or stoppage of income. The feeling of confidence so gained enables them to apply themselves to work wholeheartedly.

9.2.2. Scope of social security

If we have the Idea of Industrial Democratic and welfare state, we must see the social security with reference to the activities of the state. In such a social order Individual is considered to be an important unit of society.

Therefore, any state where provisions regarding material and non-material well being of individual and society exists, is called a welfare state.

It covers both social assistance and social insurance in which social contingencies such as inability to work, or to find work, need for medical care, child welfare, and maternity welfare, old age and unemployment are fully assured for every citizen.

Through these Two social security methods, state tries to cover

1. Medical care in times of illness,
2. Medical care and cash allowances during the absence of work on account of employment injury.
3. Maternity facilities and cash allowances before and after birth of the child in case of female employees.
4. Pension during inability.
5. Pension in old age after retirement
6. Payment of funeral expenses.
7. Cash allowances to wife and dependents in case of death,
8. Allowance during the period of Unemployment.
9. Allowance of children for their education and Upbringing.

9.2.3. Aims and Objectives of Social Security

The aim of all social security measures is three-fold: Compensation, restoration and prevention. Compensation goes to income security and is based upon the idea that during spells of risks, the individual and his family based upon the idea that during spells of risks, the individual and his family should not be subjected to a double calamity involving both destitution and loss of health, limb, life or work. Restoration implies cure of the sick and the invalid re-employment and rehabilitation, and is in some ways, an extension of the earlier concepts of the functions of social security. Prevention is designed to avoid the loss of productive capacity due to sickness, unemployment or invalidity and to

render the available resources which are used up by avoidable disease and idleness and thus increase the material, intellectual and moral well being of the community.

The development of services for prevention and rehabilitation should receive the highest priority in social security policy. Till now social security has tended to concentrate on providing access to what are mainly curative health services and on providing cash defined contingencies. Prevention needs to permeate virtually all departments governments, the actions of employers and employees, the activities of voluntary bodies and most important of all, the actions of individuals and families.

Social security has wider aims than the prevention or relief of poverty. Where social security programmes did have as an objective the fight against poverty, the effort was mainly concentrated on those not at work : family allowances and health services were the only instruments used to help those who were at work. Its fundamental purpose is to give individuals and families the confidence that their level of living and quality of life will not be greatly eroded by any social or economic eventuality. This involves not just meeting needs as and when they arise but also preventing risks from arising in the first place, and helping individuals and families to make the best possible adjustment when faced with disabilities and disadvantages which has been or could not be prevented. In short, its aim has been widened to include the promotion of the whole quality of life.

Access to social security has become a fundamental human right to which every individual is entitled as a member of the society. This right has been embodied in the Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948 and also has been granted under numerous national constitutions. But it has been realised in differing degrees depending upon the tradition, history, level of economic development and the political and social philosophy of a country.

9.3. Summary

Social security is one of the main aspirations of the workers and its attainment strengthens the foundations of Industrial peace. Insecurity whether relating to life, employment, income or of family raises fears and anxieties, frustrations and, thus, affects efficiency and commitment. Hence, need of providing social security is one of the pillars on which the structure of the welfare state rests. In a modern welfare state comprehensive social security schemes, take care of persons from 'cradle to grave' or from 'womb to tomb'.

9.4. Self assessment questions

1. Define Social security and explain its aims.
2. Write short notes on :
 - i) Concept of Social Security
 - ii) Definition of social security
 - iii) Scope of Social security
 - iv) Objectives of Social Security.

9.5. Further Readings

1. Sarma, A.M. Aspects of Labour Welfare and Social Security, 1991, p.p. 200-300
2. Vaid, K.N., Labour Welfare in India 1970, ch. 10.

-Dr. Nagaraju, Battu.
Acharya Nagarjuna University.

Lesson – 10**SOCIAL SECURITY METHODS : SOCIAL ASSISTANCE
AND SOCIAL INSURANCE****Objectives**

After reading this lesson, one should be able to know :

- About social security
- Methods of social security
- Principal features of social assistance and social insurance

Structure

- 10.1. Introduction**
- 10.2. Methods of Social Security**
 - 10.2.1. Social Assistance**
 - 10.2.2. The principal features of social assistance**
 - 10.2.3. Social insurance**
 - 10.2.4. The principal elements of social insurance**
- 10.3. The distribution of functions**
- 10.4. Examples of co-ordination and integration.**
- 10.5. Between insurance schemes**
- 10.6. Between Assistance Schemes**
- 10.7. Between Insurance and Assistance Schemes**
- 10.8. Summary**
- 10.9. Self assessment questions**
- 10.10. Further Readings**

10.1. Introduction

Social security is the security that society furnishes, through appropriate organisation, against certain risks to which its members are exposed. These risks are essentially contingencies against which individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows. It is characteristic of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency. The State is an association of citizens while exists for the sake of their general well-being, and proper function of the State is to promote social security. While all the State Policies have some bearing on Social Security, it is convenient to regard only such schemes will provide the citizen with benefits designed to restore him to gainful activity as social security services. Not all such measures, however, can be considered as affording security. For security is a state of mind as well as an objective fact, To enjoy security, one must have confidence that the benefits will be available when required, and in order to afford security, the protection must be adequate in quality and quantity

Neither of these conditions is realised in poor relief, society's ancient mode of covering social risks. For poor relief, though it may be in principle, an obligation for local community, is not a right for the individual: the communal authority is sole judge of the necessity for relief and of its nature extent in each case, and the claimant, say in a few countries, cannot appeal to higher authority. In fact, poor relief is very often inadequate in quality because the local community affords too small basis for a system of diversified benefits, while the quantity of the relief depends in each community on the accidents of its politics and wealth.

In order to remedy these deficiencies of poor relief and supply, at least in some fields, the social security that was lacking, two approaches have been found and are being followed, namely, social assistance and social insurance.

10.2. Methods of Social Security

The social security system of a country may comprise several programmes such as health and unemployment insurance; family allowances; provident funds; pensions and gratuity schemes; widow and survivors' allowances; a variety of social assistance programmes and relief measures, etc. However, there are two basic methods of social security, namely, social assistance and social insurance.

Though both of them differ in their evolutionary process and approach, they have been designed to serve the same ends, and both are complementary and supplementary to each other. They are two sides of the same coin and form an integral part of the social security system of a country.

10.2.1. Social Assistance

The Social Assistance is one of the oldest forms of social security. Social assistance has been defined by the International Labour Office as "a service of scheme which provides benefits to persons of small means as of right in amounts sufficient to meet minimum standards of need and financed from taxation." As this definition reveals, social assistance schemes are funded from general revenue rather than from individual contributions, with statutory scales of benefit adjusted according to a person's means. The social assistance schemes are designed to help people who are in financial difficulties. Conditions of entitlement are prescribed by statute and require that applicants have limited income and assets; the assessment of the claimant's financial status is known as the means test. Other conditions may also be prescribed, for example, claimants may have to prove that they have no relatives to support them or that they are physically handicapped or unable to work for other reasons. Social assistance is closely associated with social work services in many countries; social workers are often required not only to assess the claimant's eligibility but to provide case work services and encourage the claimant to become financially self-sufficient. Social assistance programmes cover such programmes as unemployment assistance, old age assistance, public assistance and national assistance.

Social assistance represents the unilateral obligation of the community towards its dependent groups, it is provided by the society or the government to the poor and needy individuals.

10.2.2. The principal features of social assistance

(i) the whole cost of the programme is met by the state and local units of government; (ii) benefits are paid as of legal right in prescribed categories of need; (iii) in assessing need, a person's

other income and resources are taken into account : certain resources, such as a reasonable level of personal savings, are disregarded; and (iv) the benefit grant is designed to bring a person's total income upto a community-determined maximum, taking into account other factor such as family size and unavoidable fixed obligations such as rent; grants are not related to the applicant's previous earnings or customary standard of living.

10.2.3. Social Insurance

Beveridge defined social insurance as the giving in return for contribution, benefits upto subsistence level, as of right and without means-tests, so that an individual may build freely upon it. Thus, social insurance implies that it is compulsory and that men stand together with their fellows." This is based upon the principles of compulsory mutual aid.

10.2.4. The principal elements of social insurance

(i) social insurance is financed by contributions which are normally shared between employers and workers, with perhaps, state participation in the form of a supplementary contribution or other subsidy from the general revenue; (ii) participation is compulsory, with few exceptions; (iii) contributions are accumulated in special funds out of which benefits are paid; (iv) surplus funds not needed to pay current benefits are invested to earn further income; (v) a persons' right to benefit is secured by his contribution record without any test of need or means; (vi) the contribution and benefit rates are often related to what the person is or has been earning. The two most important social insurance schemes at present in our country are the employees' state insurance scheme and the employees' provident fund and miscellaneous provisions scheme.

Social insurance is different from commercial insurance, for the latter is voluntary and is meant for the better-paid section of the populato¹, and its benefits are in proportion to the premiums paid; it offers protection only against individual risks and does not aim at providing a minimum standard of living.

Social security is a combination of the principles of social assistance and social insurance. Social insurance, however, falls midway between the two, for it is financed by the state as well as by the insured and their employers; whereas social assistance is given gratis to the needy by the state or the community. Social insurance and social assistance are methods complementary to one another. Usual, those persons who do not qualify for benefits under social insurance and whose needs are not fully met through it, apply and are considered for granting of social assistance benefits. Neither of the two methods prevents suffering; they only alleviate it. It may, therefore, be said that social security measures work better when accompanied by other policy measures such as full employment, extensive training and re-training programmes, comprehensive medical care, it housing, etc. The distinction between the two lies in their origin. The roots of social assistance lie in the general problem of poverty and it is based on the general liability of the entire society. On the other hand, social insurance is an invention which provides cover against certain risks which are an outgrowth of industrial society, and, thus, it remains the liability of the employer.

Social assistance and social insurance go side by side. From the present day developments it seems that the basic framework of social security is fast changing and both social insurance and social assistance are moving closer to sc one another towards the common goal of a national system of social security.

10.3. The Distribution of Functions :

All the social risks i.e., incapacity for work, inability to find work, need for medical care, etc., can be covered either by social insurance or social assistance. In practice however, certain risks are usually covered by insurance, and others are generally regarded as the special province of assistance, while for a third group it seems that either method may be more suitable according to the conditions of the country concerned. It may be said that cash benefits and, general medical services are more often provided by the insurance method, and that assistance is preferred for certain forms of benefit in kind.

Insurance is always adopted wherever there exists an apprehension of exaggerated claims and exploitation of a common fund, even if insurance means a somewhat less extensive coverage of the risk: it must be adopted if the cash benefit is to be proportioned to the wage loss. As regards industrial accident and disease, no question of assistance has ever risen, by reason of the firm tradition of employer's liability. The general risk of sickness is invariably covered by insurance: here also tradition has been decisive, and the forms appropriate to voluntary insurance, with its contractual arrangements with private practitioners have been carried over into compulsory insurance. In the case of pensions; especially for the aged, the choice between insurance and assistance has been hard to decide. Reverting to our Danish and German models, we may note that Denmark was thinking mainly of a peasant population in which the aged were represented in a normal proportion, while Germany had a new class of industrial wage earners they solve the immediate problem of existing needs, non-contributory pensions have been more readily adopted because the situations in respect of which they are paid are fairly easily verified. However, the financial plan and its pension related to the contributive effort of the individual. As for the unemployed, they have had the misfortune to inherit some of the odium which 'traditionally attached to the masterless man, and only with the greatest reluctance cash benefits have been paid to them out of public funds. Schemes of unemployment assistance were improved in the early thirties, but they are being or have already been replaced by insurance schemes. at least as a first line of defense.

Social assistance was confined itself to the spheres of service in which the public interest is pre-eminent, and which at the same time offer little occasion for abuse. Important examples, may be cited such as general- hospitals, mental hospitals, tuberculosis sanatoria and dispensaries, treatment centers, for venereal diseases, maternity and child welfare centers, school health services, placement and rehabilitation agencies. These services are provided under similar conditions for all clients; but a contribution towards their cost it, in many instances required from those who have sufficient means, especially for such costly service as hospital treatment. In some countries a general medical service subsidised or wholly maintained from taxation is provided for the rural population.

The social security system of a country consists of the complex of its social insurance and social assistance schemes. In very few countries does that system approach comprehensiveness in respect to persons and risks. Its incompleteness arises from the very natures of both its elements. An insurance scheme, by hypothesis, can grant benefits only in the presence of certain precisely defined conditions, and cannot help the excluded fringe of cases. Social assistance schemes, as we know them, result from the selection of certain categories of need for specialised care; these categories are removed one by one from the competence or rather incompetence of poor relief. Some emergencies are bound to fall outside the limits of all the categories for which special schemes have been established, though social assistance is more elastic in its adaptation to uncommon cases than social insurance.

A diminishing residue of need is left to be covered by the poor law. It consists of the "deserving" and "undeserving" poor. The former are because of the imperfections of the social security system, and the latter for causes as yet not fully diagnosed, but which in part involve the responsibility of society as whole. The gaps in the social security system through which the deserving poor fall into the in hospitable but inclusive embrace of the poor law will gradually be closed. The poor law remains with its old deterrent character for the "underserving" the loafer, the tramp, the unemployable with character defects-pending the development of a -case work system on behalf of this group.

10.4. Examples of Co-ordination and Integration

It is true of most countries that their social security systems such as they are-have been built up piece, and not according to a comprehensive plan: no other process of creation would be natural except where, as in the Soviet Union, society is reconstructed entirely on a new principle. But though a comprehensive plan is lacking, some regard is always paid to existing institutions when the creation of a new one is under consideration: that is co-ordination in its most elementary form, Co-ordination, however, remains inefficient and unsystematic until the legal provisions of neighboring schemes are fitted into one another and administrative links are established between them. When this process of organic co-operation is entered upon, the question inevitably arises; are two (or more) schemes necessary, or expedient in the public interests to perform the related functions distributed among them, or can they be combined to the general advantage? If the answer is yes and action follows, the result is integration. The problems of co-ordination and integration arise as between one social insurance scheme and another one social assistance scheme and another, and as between a social insurance scheme and a social assistance scheme. The situations in which such problems present themselves are endless in their variety. The difficulties of co-ordination are due only in part to the necessity for discriminating at some arbitrary point between one category of need and another; they are due also to the different conceptions on which neighbouring schemes are based and to the resistance of these schemes to a theoretical case for fundamental reorganization which would harmonize their relations. A few examples are given below of the situations and ways in which co-ordination or integration is achieved.

10.5. Between Insurance Schemes

Since all branches of social insurance provide compensation for loss of earnings, it is expedient to establish rules that eliminate gaps between the risks covered by the several insurance schemes and determine the extent to which two or more benefits shall be payable in cases where simultaneous claims arise under different schemes. These questions are most important where the case is one of incapacity for work. As between accident insurance and sickness insurance both questions are usually settled by defining sickness as temporary incapacity that is not compensable under accident insurance; but in several European countries (including the Soviet Union) they are avoided by the identification of the sickness benefit with the accident benefit for temporary incapacity. As between accident and pension insurance considerable gaps exist by reason of the much stricter physical and other conditions that the latter imposes for the award of pensions. Overlapping occurs in cases of severe incapacity, old age and death, and national systems exhibit diverse policies as regards this situation in; in several countries the pensions under both schemes are paid in full, and in others the beneficiary receives the entire accident pension and part of this contributory pension.

The co-ordination of the medical benefits of different branches of social insurance is mainly a matter of avoiding duplication of medical facilities. As regards the medical benefits of accident and

sickness insurance, there is no over-lapping of rights if each risk is defined so as to exclude the other. what may occur, however is a duplication of medical organisation. When as is normal if liability for accident compensation rests on the employer individually no special organisation exists for the treatment of accident cases, then of course duplication cannot occur. But where the accident risk is covered by a branch of social insurance, systematic provision must be made in some form for medical care. In Germany for example, accident victims receive the medical benefit of sickness insurance, in so far as that is sufficient and appropriate, but since accident insurance, in so far as that is sufficient and appropriate but since accident insurance has both means and the will to effect the fullest possible cure, it supplements. that medical benefit by specialised services of its own incases where these are indicated. In Germany and several other European countries, a some what similar co-ordination is established between the medical benefits of sickness insurance and the special forms of treatment which, at their own discretion, pension insurance and the special forms of treatment which, at their own discretion, pension insurance institutions may be provided for the prevention of invalidity. pension insurance may even assume entire responsibility for diseases such as tuberculosis is which cause much invalidity. Where, as in the plan which Czechoslovakia was the first to adopt, sickness insurance, funds are subordinate to the central institution which administers pension insurance, the medical benefits of sickness insurance and pension are the integral parts of a whole. In Rumania there is even a common medical organisation for sickness, accidents and invalidity.

The adoption of an identical formula for the definition of their scope enables different branches of social insurance to simplify their administrative machinery and the procedure to be followed by employers paying contributions and by insured persons in exercising their right. The simplification is ~specially evident in the collection of contribution; In many countries (Chile, Czechoslovakia, France, Great-Britain, Peru (etc) the contributions of sickness and pension insurance are collected as a single amount. In Poland, and Rumania there is an inclusive contribution for these two branches and accident insurance as well. After collection the inclusive contribution is shared out among the different institutions or accounts in the proportions that the law prescribes. There are many other departments of administration in which different branches use a common service. controlled by a central policy-making authority to which all are subject; such common services include tribunals for the settlement of disputes and (in Poland, Rumania and the United States) research in social insurance problems.

10.6. Between Assistance Schemes :

The personal healthy services provided by way of social assistance are, in the great majority of countries, administered by local authorities those services especially which involve individual care or the employment of a specialised staff being usually furnished by the large local authorities, such as cities, countries or provinces. The latter generally posses a health department in which all public activities in the fields of medicine and hygiene are integrated. Cash benefits by way of social assistance consist in the main of non-contributory pensions and these are. in most of the countries where they exist, administered by the State. Responsibility for poor relief in the form of maintenance and elementary medical care is assigned to the small or medium-sized local authority, which discharges it through a committee of its council.

Co-ordination between the poor relief authority and the health authority in the same locality is a simple matter of financial and administrative arrangement concluded in accordance with broad statutory principles. In some countries, such as Belgium, personal health services and poor relief are administered by the same local boards.

Under most schemes of non-contributory pensions, no provision is made for the medical needs of the beneficiaries, who obtain publicly provided health services under the same conditions as all other individuals of similar economic status, through in Australia, Great Britain and France the scheme expressly provides that while the pensioner is being treated in hospital, the rate of the pension shall not be reduced on that account, A number of the State laws on old- age and mother's pensions in the United States enables the pension authority, name]y the State department of public welfare, to furnish medical care for the pensioners.

In countries where several types of non-contributory pension schemes are in force-for the aged, invalid, blind, and dependent children they are administered by the same State department (just as in pension insurance the same institution administers invalidity, old-age and survivors' pensions).

In Great Britain a odd situation has developed in which one form of old-age assistance is superimposed on another; both are State services yet administratively they are quite independent. This set-up becomes intelligible, however, when seen against its historical background. No-contributory old-age pension were never intended, either at the time of their introduction in 1908, or later, in 1925 when they are embodied in an insurance scheme for the employed class, to be sufficient for maintenance: the theory was that they should afford a substantial basis to be supplemented by private thrift or poor relief, as the case might be. At present the majority of old-age pensioners are receiving their pensions in their capacity as insured persons and without a means test, and only a dwindling minority are receiving them in the form of social assistance, subject to a means test. In 1940 it was decided to free the aged as a group from dependence on poor relief. and a State Scheme of old-age assistance was introduced, primarily for the purpose of supplementing the pensions was introduced, primarily for the purpose of supplementing the pensions of insured persons, but incidentally granting the same advantages to non-contributory pensioners also. Now the purpose of the supplementary pension was to assure a minimum of subsistence to every aged individual, and there already existed a State scheme' of unemployment assistance performing the same function for set of rules and policies for the uniform application of the unemployment assistance scheme, and possessed the local machinery necessary for the examination of claims and the payment of benefit. In these circumstances *it* was more expedient to attach old-age assistance to unemployment assistance than to non- contributory pensions. In fact old-age assistance have been integrated in the hands of a national assistance board.

10.7. Between Insurance and Assistance Schemes

The creation of a social security system is nearly every where a gradual process, in which simultaneous use is made of social insurance and social assistance, the choice of method t-or a given purpose being determined by its appropriateness to national conditions. The goal is the provision of complete and continuous services: there should occur neither gaps nor overlapping in the range of the services or in their temporal disposition.

In most countries social assistance is the auxiliary of social insurance. It has to provide necessary benefits in kind which the insurance scheme does not fulfil the qualifying conditions or has exhausted his rights, and supplements to the cash benefits of insurance where these do not meet the individual's needs. In order that these purposes may be accomplished, co- ordination is required between insurance and assistance, both in the mapping out of their functions and in the details of their contacts; often however, co-ordination goes no further than the designation, in general terms, of the field for which each scheme is competent.

Social assistance is largely concerned with health services: hospitals, sanatoria, maternity and infant welfare centres, etc. Sickness insurance in most countries contracts with public hospitals to provide accommodation, but where there is a deficiency of public hospitals the social insurance institution-Peru affords signal example-may build hospitals for its members. In two countries namely the Soviet Union and Ireland, there is no insurance medical services: the insurance institutions neither employ doctors to treat insured persons nor contract with the public health authorities to do so, but insured persons, like other groups of the population, avail themselves of the free medical services that the public health authorities of the free medical services that the public health authorities of these countries provide. The insurance institutions confine themselves to the certification of incapacity and the grant of certain supplementary benefits such as rest cures. There is an important difference, however between the free medical services in the countries, in that those of the Soviet Union are, since 1937, available to all persons regardless of their means, whereas in Ireland only persons who cannot but the care they need may use them.

The Social insurance system of the Soviet Union affords unique illustration of collaboration between the social insurance and social assistance organisations in the application of pension insurance. As a feature of reconstruction of that system in 1937, the financial and administrative responsibility for invalidity, old-age survivors' pensions has been transferred from the insurance institutions, that is to say the trade unions, to the State Commissariats of Social Assistance and their local branches. The pensions, as before, are based on the nature of the work performed by the individual the duration of his employment and the average wage on which contributions were paid during the last 12 months of employment, The transfer was facilitated by the fact that the insurance contributions are paid entirely by the undertakings; for, the latter being publicly owned, it is essentially a matter of bookkeeping whether the cost of the pensions should be treated as a charge on the expenses of the undertaking or on the State and local budgets. One of the purposes of the transfer appear to have been to simplify the social insurance functions of the trade unions so that they could be discharged effectively by elected committees in each undertaking. These functions are now limited to the maintenance of insured persons and children in rest homes and sanatoria, checking in capacity certificates, and helping insured persons to obtain, proper medical care from the public health authorities and pensions from the social assistance authorities.

The Provision of assistance benefit as a substitute for insurance benefit is most prominently exemplified in the field of old-age security. In France, Great Britain and the United States, there are non-contributory pensions for persons who are not insured, or who are insured but failed to satisfy the qualifying conditions for the contributory pension.

The benefits of sickness insurance and unemployment insurance are payable for a maximum term only: there after, in most countries, the sick person becomes the responsibility of invalidity insurance, but the unemployed must turn to poor relief. In Denmark contrary to usual practice, there is no automatic transition from sickness to invalidity. The awarding of an invalidity pension is a rather elaborate affair, and, in cases where permanent invalidity is not expected to result, it is found preferably to have the benefits of sickness insurance continued as assistance benefits, by the sickness fund at the expenses of the commune, Great Britain is one of the very few countries in which entire wage earning class is protected *in case of unemployment*, however long it lasts: insured persons who have exhausted their 26 weeks insurance benefit (and likewise the relatively small group of uninsured wage earners) have a right to an assistance benefit adjusted to their family responsibilities and to their means, of which certain items, including war savings are ignored. In unemployment assistance (as

also in the supplementary old-age assistance already referred to) the aim has been to conciliate the idea of assistance as meeting the minimum needs of the individual concerned, by prescribing a very detailed table of possible family sizes, personal means and appropriate benefit rates.

The integration of social insurance and assistance within a single scheme yields advantages in the way of simplicity and security for the insured and economy in the administration. The main obstacle to integration is that, in most countries, the scope of insurance is limited to employed persons, while that of assistance extends to all persons in need of its services. When, however, insurance is national in scope, and embraces all adults and their children.

In Sweden, the national pension scheme provides a pension based on the contribution record of the insured person and, in necessitous cases a supplement subject to a means test.

The integration of social insurance and assistance institutions providing health services under single national direction seems about to be accomplished in Chile. Until the present time, the social insurance institution was responsible for the dispensary and domiciliary service and the national welfare institution for the hospital service. But the experience gained in administering an emergency relief programme in the earthquake area has demonstrated the advantages in the way of continuities of treatment and economy in staff and equipment, that undivided responsibilities affords. It is now proposed therefore that the insurance and assistance institutions should pool their resources and create a single national medical services. At the same time the scope of compulsory insurance, would be extended to all gainfully occupied persons of small or moderate means. In Denmark and New Zealand the existence of a national insurance scheme providing a full range of health services has not entailed destruction of the independence of hospitals or the involvement of the medical profession in a salaried service: in Denmark medical and hospital benefits are furnished by contract between sickness funds and the doctors and hospitals, while in New Zealand the social insurance fund pays the doctors and hospitals for the services they render according to a statutory scale.

Old-age pensions, formal, non-contributory, have been integrated with other contributory pensions in the social insurance systems of Great Britain and Denmark. Because the British social insurance system is limited to employed persons, the non-contributory pension scheme has been maintained for the protection of the uninsured, but in Denmark all adults are required to insure themselves against sickness and invalidity, and the old-age pension is granted only to persons who are insured.

In New Zealand a social security system has been created by bringing together a series of social assistance schemes that provided old-age, invalidates and survivors pensions, unemployment benefit and family allowances, and adding sickness benefit and all forms of health benefits. Every permanent resident in the country is entitled to these benefits, and all must pay a special contribution at the rate of 5 percent of income; about one-third of the cost of the 'scheme is defrayed from general taxation. Most of the cash benefits are granted subject to a means test, which is so high, however, that it affects only the middle classes and excludes only the middle classes and excludes only the well to do, the cash benefits vary according to the number of dependants of the bread winner concerned, and bear no relation to his freely available to all individuals, irrespective of means.

In New Zealand Social System is of a unique and novel character. It assures a minimum of subsistence to every citizen and his dependants in any emergency which may deprive them of their livelihood and also a complete range of health services. All expenditure is defrayed from the social

security, fund, which is mainly fed by contributions. While the contributions are proportional to income, cash benefits vary with need. The system is a very full realisation of the idea of social security. It is not an insurance system by any ordination criterion. In Private Insurance there must be equity in the contribution-benefit relation: the individual is assigned, on entering insurance, to the appropriate group, homogeneous with respect to the risks its members represent and pays the corresponding contribution. But what if insurance begins to grant benefits to the individual at birth, and only begins to key a contribution when he attains manhood? The all inequalities due to heredity and environment are discounted in advance, and the contribution corresponds to the average risk of all individuals: the principle of equality is preserved.

10.8. Summary

Social security policy can only be planned as part of larger programme which includes measures for promoting employment and maintaining it at a high level, for increasing the national dividend and sharing it more equitably, for improving nutrition and housing, multiplying facilities for medical care and widening opportunities for general and vocational education. Social security services are advantaged by economic adjustments that make for the expansion of employment and for the distribution of income in such a way as to procure the essentials of decent living, with due consideration for family charges. Such adjustments render it, easier to finance social securities services, for they not only keep benefit expenditure within bounds, but also tend to reduce it, since improved conditions of life and reduce the frequency and severity of social and industrial risks. But the most far-reaching economic adjustments, and the most active prevention will not avail to abolish entirely the hazards of unemployment and incapacity resulting from disease or injury, and the dependency of the aged and the family deprived of its bread-winner.

10.9. Self Assessment Questions

1. What are the social security methods, distinguish the social insurance from social assistance method?
2. Write short notes on
 - a) Main features of social assistance
 - b) Main features of social insurance

10.10. Further Readings

- A.M. Sarma, 'Aspects of Labour Welfare and Social Security, Himalaya Publishing House, New Delhi, 1988.
- Hallen, G.C 'Dynamics of Social Security, Restogi Publications, New Delhi, 1967.
- I.L.O. 'Approaches; of Social Security', International Labour Office, Geneva, 1953.
- Vaid, K.N. 'Labour Welfare in India' Shri Ram Centre for Industrial Relations, New- Delhi, 1970.

- Dr. Nagaraju, Battu
Acharya Nagarjuna University

LESSON - 11**ORIGIN AND DEVELOPMENT OF SOCIAL SECURITY IN INDIA****Objectives**

After going through this Unit, you will be able to:

- . Trace the origin and growth of social security in India.
- . Identify the factors contributed to the evolution of Social Security in India.
- . Describe Social Security measures in India

Structure

- 11.1. Introduction**
- 11.2. Origin and growth of social security**
- 11.3. ILO and Social Security Measures**
- 11.4. Indian Social security system**
- 11.5. Financing of social security schemes**
- 11.6. Social Security legislation in India**
- 11.7. Summary**
- 11.8. Self Assessment Questions**
- 11.9. References**

1. INTRODUCTION

The precedent Units presented you the conceptual frame work of Social security and its forms i.e., social assistance and social insurance. This unit is intended to explain the origin and growth of social security in India and various social security measures available to industrial workers.

2. ORIGIN AND GROWTH OF SOCIAL SECURITY

Although the origin and growth of social security in India in modern sense is a recent one, its forms can be traced in ancient India, In the past the Joint family system, the caste organisation and the village Panchayat are the major Institutional forms of social security. Many other institutionised measures of mutual help and collective responsibility could be found in the social customs and rituals practiced by the Indian community. The joint family system discharged the responsibilities of Social Security agency by taking care of other unemployed, the aged and the handicapped. The caste safeguarded the invalid, similarly the village panchayat also extended social assistance to the needy people. Thus in India in the past, social security in a crude form was available to the needy and the unfortunate people.

Modern industrialisation create a new working class. which with its several back-ground and with very little social material resources, is in great need of systematic help through social security agencies. The social security system in India has evolved in obedience to the impact western influence and the modern urban industrial system. The growth of industrialisation, extends to the cities. the disintegration of joint family if the needy people without any help to cope with unexpected risks. After Independence, The Indian Constitution in one of its Directive principles of State Policy laid down that the state shall make "effective provision for securing the right to public assistance in cases of unemployment, old age sickness and disablement and in other cases underserved want". In conformity with this Directive Principle, the State took several steps. Thus social security systems are evolved in India.

The germ of social security is in the provision made by the family, village, tribe, or clan for its sick, infirm and aged members. Among nomadic peoples their way of life made it difficult to give this care and often the infirm and aged were left behind as stragelers to fend for themselves, which frequently meant death from starvation or from hostile tribes. In more settled communities, however, the fit usually aided the unfit, and in the large centres of population individual charity was supplemented by organized assistance, by guilds, by monasteries, and other religious foundations, and by the whole community as under the Elizabethan Poor Law.

Social security began, therefore, on a voluntary and local basis. With the rapid development of industry and transport in the nineteenth century and mobility of labour, the sense of personal and local responsibility was weakened, and the need arose for more extensive and comprehensive schemes. Yet in that period, action remained largely voluntary, except in the public relief of destitution, as the State was dominated by Laissez-faire doctrine in economic and social affairs. Haphazard and indiscriminate private charity was supplemented and in part replaced by the work of charitable organizations.

Gradually, society realised that it should strive to eliminate as far as possible the risk element in the industrial life of individuals, especially that of workers engaged in production. This led to the introduction of social assistance and social insurance schemes.

Originally, most forms of social insurance were offered by trade unions and mutual benefit societies. The trade unions on a wider geographical basis made such activities, including pensions and unemployment schemes, an important part of their work, while friendly societies were formed in growing numbers to meet similar needs. By 1939 in Britain the registered friendly societies, including trade unions, had an approved society membership of 5-1/2 million persons. Also an increasing number of firms introduced schemes for their own workpeople. Alongside these non-profit-making societies there developed life insurance companies, some of which were on a mutual basis, distributing profits among the persons insured, but others paid dividends to shareholders.

Towards the end of the nineteenth century the decline of laissez fair opened the way for State schemes of social to supplement voluntary provision and State relief of destitution. Intervention by the State was at first tentative and cautious, so much so that the earliest measures dealt not with the greatest needs but with those involving the least responsibility of the State. This was one of the reasons why workmen's compensation was one of the first State measures of social security to be adopted, with the main responsibility resting on the employers through the application of the policy of employer's liability. Schemes involving direct State responsibility and an elaborate administrative system

were usually left till later, and were then introduced piecemeal, each problem -sickness, unemployment, old age, and rest - being dealt with at different times, as determined by the force of political and social pressures.

In 1908, Great Britain introduced a scheme by which she provided non-contributory pensions for needy persons who had reached the age of 70. In 1911, she first adopted a national scheme for unemployment insurance, as well as a compulsory health insurance programme which was extended in 1920. In 1925, a national scheme for contributory pensions for older people, widows and orphans was enforced, and a scheme for unemployment assistance was formulated in 1934. In the U.S.A. the Social Security Act of 1935 was the first comprehensive legislation. Another important social security Act was passed in 1938 in New Zealand, which provided for a social security tax to finance a universal and compulsory social insurance scheme.

The Second World War witnessed a rapid expansion in social security activities all over the world, which was necessitated by the generation of scarcities of almost all essential commodities. The Beveridge Report of 1942 on British Social Insurance has now been implemented. It described social security as a necessary armament for an attack on five 'giants' - want, disease, ignorance, squalor and idleness. For this purpose, a comprehensive programme of social security consisting of economic (income) security, national health service, education, hygiene and sanitation and full employment was drawn up. The Beveridge Report was in fact the foundation on which was reared the whole framework of British social security legislation (1945-48) on national health service, national insurance, national assistance and family allowances. Complete compulsory state insurance was envisaged to protect individuals against want and insecurity. As a result after 1950, more than one-half of the pension system as it exists today was adopted. By the late 1960s, social security programmes were in operation in some form or the other in more than 120 countries. Almost every industrially advanced country has now recognised and accepted the importance of social security measures, generally tilted in favour of social insurance.

11.3. ILO and Social Security

The international Labour organisation was founded in 1919 for the primary purpose of promoting social justice and improving the living and working conditions of workers throughout the world. It made a beginning in this field by emphasising the importance of comprehensive social security measures in the Preamble to its Constitution, in which it promised "protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury."

In order to implement these measures, the ILO took certain steps (i) It formulated international standards by way of recommendations regarding the definition of social security. (ii) It collected and spread the information about social security schemes in various countries (iii) It provided technical assistance and guidance so that social security schemes might be properly formulated by means of co-operation with other social organisations. Till June 1970, 29 out of 132 conventions and 27 out of 136 recommendations helped in formulating international standards regarding social security.

The 1952 ILO convention on Social Security (Minimum Standard) divided social security into nine components :

- (i) **Medical Care** : This should cover pregnancy, confinement and its consequences and any disease which may lead to a morbid condition. The need for pre-natal care, in addition to

hospitalisation, was emphasised, A morbid condition may require general practitioner care, specialist care, provision of essential pharmaceuticals and hospitalisation.

- (ii) **Sickness Benefit** : This should cover incapacity to work following morbid condition resulting in a less of earnings. This calls for periodical payments based on the convention specification. The worker need not be paid for the firm three days of suspension of earnings and the payment of benefit may be limited to 26 weeks in a year.
- (iii) **Unemployment Benefit** : This should cover the los of earning during a worker's unemployment period when he is capable and available for work but remains unemployed because of lack of suitable employment. This benefit may be limited to 13 weeks' payment in a year, excluding the first seven days of the waiting period.
- (iv) **Old Age Benefit** : This benefit provides for the payment the quantum depending upon an individual's working capacity during the period before retirement - of a certain amount beyond a prescribed age and continues till death.
- (v) **Employment Injury benefit** : This should cover the following contingencies resulting from accident or disease during employment :
 - (a) Morbid condition
 - (b) Inability to work following a morbid condition, leading to suspension of earning;
 - (c) Total or partial loss of earning capacity which may become permanent end.
 - (d) Death of the bread winner in the family, as a result of which the family is deprived of financial support. Medical care and periodical payment corresponding to an individual's need should be available.
- (vi) **Family Benefit** : This should cover responsibility for the maintenance of children during the entire period of a contingency. Periodical payment, provision of food, housing, clothing, holidays or domestic help in respect of children should be provided to a needy family.
- (vii) **Maternity benefit** : This benefit should cover pregnancy, confinement and their consequences resulting in the suspension of earnings. Provision should be for medical care, including pre-natal confinement, post-natal care and hospitalisation. If necessary periodical payment limited to 12 weeks should be made during the period of suspension of earnings.
- (viii) **Invalidism Benefit** : This benefit, in the form of periodical payments should cover the needs of workers who suffer from any, disability arising out of sickness or accident and who are unable to engage in any gainful activity. This benefit should continue till invalidism changes into old age, when old age benefits would become payable.
- (ix) **Survivors' Benefit** : This should cover periodical payments to a family following the death of its breadwinner and should continue during the entire period of contingency.

The ILO has suggested various methods of organising, establishing and financing various social security schemes. For the benefit of the less developed countries, it has fixed the level of

benefits fairly low, so that the schemes may be practicable. We shall now deal with the social security system in India, which is not dissimilar to that operating in other developing countries.

11.4. Indian social Security System

In our country social programmes have been in existence since times immemorial and joint families, Panchayats (Guilds), religious and charitable institutions have continued to provide assistance to the needy for various common risks, misfortunes and calamities. Kautiya's Arthashastra and Manusmriti bear testimony to the fact that social structure in those days was so evolved and codes so designed as to provide security to all the people. The joint Hindu family was the original cell of security and first line of defense which could cope only with limited misfortunes. In cases of longer calamities, appeal was made to the neighbors or the guilds. References to such guilds are found in Rigveda, Upanishads and in other ancient Indian literature. Their main purpose was collective security of life and property, freedom from want and misery, and security against common risks. But organized social security measures in statutory form are only of recent origin. Our Constitution guarantees social security in the following words :

The State shall, in particular, direct its policy towards securing :

- a) "Rate to an adequate means of livelihood." (Article 39 (a))
- b) "The state shall within the limits of its economic capacity and development, make effective provision for securing public assistance in case of unemployment, old-age, sickness, disablement and other cases of undeserved wants". (Article 41)
- c) "The state shall endeavor to secure to all workers agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life". (Article 43)

Social security legislation in India in the Industrial field consists of the following enactments :

(1) The Workmen's compensation Act, 1923; (2) the employees' State Insurance Act, 1948; (3) the Coal Mines Provident Funds and Miscellaneous Provisions Act, 1948; (4) the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; (5) the Maternity Benefit Act, 1961; and (6) the Payment of Gratuity Act, 1972.

A table summarising the position of the existing legislation bearing on the administration, coverage, sources of funds, benefits and other relevant aspects of major enactments providing social securities to industrial workers in the country has been reproduced in the annexure at the end of this book.

11.5. Financing of Social Security Schemes

No social security scheme will deserve its name unless there is a reasonable certainty that the promised benefits will be paid as they fall due. The methods of financing the proposed benefits must be thoroughly studied, and a viable solution found, before the scheme is promulgated. This applies equally to statutory and non-statutory schemes. The cost of social security schemes is the amount needed to pay for the benefits and for the expenses of administration. The amount will vary from year to year depending upon various factors. The basic problem of financing is how to raise the necessary resources whether from regular and systematic way, even though the benefits fall due at irregular intervals, in the short term and in the long term".

The money necessary to provide social security benefits may be provided either by the contributory or the non-contributory method. When the latter is adopted the funds are drawn from the revenues of the State, and this method can be supported on grounds of simplicity and because the tax system which provides these revenues can be adjusted so that the whole burden of taxation is distributed fairly between different sections of the community. In the contributory system, either the workers or the employers or more usually both contribute, and often the State also participates by paying a specified amount per head or lump sum and frequently also bears the cost of administration. Every variety and combination of these methods is in operation in one country or another, and many countries have mixed systems. Thus, in Britain, children's allowances, National Assistance and some old age pensions are non-contributory, while most other social security benefits are based on a tripartite system of contributions by the workers or other beneficiaries, by the employers, and by the state out of its general revenue in the United States the costs of unemployment benefits and old age pensions are based on contributions by employers in the form or percentages of the wages they pay, and in most countries the cost of industrial accident compensation is borne by employers.

Joint contributions by employers and work people tend to make insurance schemes more acceptable than if the burden, apart from State participation, were borne either by the employers alone or by the workpeople alone. It is reasonable that workpeople who are the beneficiaries, should contribute, in effect, their contributions are a form of taxation and can be supported on the "benefit" principle of taxation. If substantial, they serve as a check on irresponsible exaggerated demands for increased benefits, it being realized that such increase will involve higher contributions. Also where beneficiaries make substantial contributions they are in a stronger position to claim benefits as a right without having to submit to a means test.

Employer's contributions are, in effect, a tax on employment, or they may be regarded as part of the labour costs of production. From the economic point of view the results would be mainly the same whether an amount equal to the total of the joint contributions is paid wholly by the employers, wholly by the workpeople, or divided equally or in other proportions between them. The combined contribution is essentially a part of wages; if paid wholly by the employers, wage rates would be correspondingly lower, and if paid wholly by the workers their wage rates would be correspondingly higher. Amounts which are paid in contributions could otherwise have been paid in wages. The problem is complicated by some shifting of the burden or incidence of the contributions a part of which may be passed on to consumers by a rise in prices, and the extent to which this can be done will vary according to the conditions of market demand for different commodities.

With certain types of schemes, the solution to the financing problem is obvious. While social assistance rested traditionally to public funds, social insurance schemes were financed out of the contributions of workers and employers. Both short-term and long-term benefits are payable under different social security programmes. Tripartite financing has been accepted in many countries as the mechanism for financing the social insurance system. Beveridge Report of 1942 has laid down certain guiding principles relating to the tripartite structure of financing: "The cost of benefits, including the cost of administration should be distributed among insured persons, employers and taxpayers, in such a way as to be equitable to insured persons and to avoid hardship to insured persons of smaller means or any disturbance to production."

A development common to all industrialised countries is the rise in their social security expenditure, which necessitates higher receipts from social charges, obtained either by a widening of

the contribution base or an increase in contribution rates, or by the introduction of new methods of levying contributions. The social security system experienced, rather severely, the simultaneous impact of inflation and recession. Despite the concern felt by governments, it seems unavoidable that social security expenditure will continue to rise, perhaps at a slower rate, for sometime to come, especially in the light of demographic trends and the economic outlook. Need for containing ever increasing expenditure has forced social security administrations to think increasingly in terms of programme priorities and greater efficiency in the management of social security schemes.

Summing up, Social security measures are usually divided into the following two categories : (i) social insurance and (ii) social assistance. Social insurance schemes are usually financed through contributions by the employees, employers and the State. The benefits to insured persons are linked to their contributions. Social assistance schemes seek to provide assistance to the poor and needy persons. They are not linked to the contributions made by the persons and are financed from the general revenues of the State.

11.6. Social Security Legislation in India :

The important social security legislations in India are The Workmen's compensation Act; The employees' State Insurance Act; The maternity Benefits Act; The Employees' Provident Fund and Misc. Provisions Act; The Payment of Gratuity Act, etc., while have discussed in the following chapters under the Labour Legislation.

11.7. Summary

The unit presented you origin and growth of social security in India, in olden days joint family system, case and village panchayat extended the social assistance to needy people. After industrialisation a new working class emerged with village people migrated to cities to work in industries. The joint family system disintegrated and state started making attempts to extend social security to the workers. The ILO was set up in 1919 which symbolises social justice, universal peace and human dignity. The ILO formulates international labour standards in the shape of conventions and recommendations. The number states implement them. In the field of social security the ILO has done commendable work.

11.8. Self assessment questions

1. Explain the genesis and growth of social security in India.
2. Describe ILO and social measures available to industrial employees.

11.9. Further readings

1. Sarma AM, aspects of labour welfare and social security, Himalaya publishing house, Bombay, 1997.
2. Report of the National Commission on Labour, Ch.13.

- Dr. Nagaraju, Battu.
Acharya Nagarjuna University.

LESSON - 12**SOCIAL SECURITY MEASURES FOR INDUSTRIAL EMPLOYEES****Objectives**

After reading this unit, you will be able to :

- . Discuss the social security measures in India
- . Explain the need for integrated social security
- . Understand the workmen compensation, ESI, PF, Maternity and gratuity benefits for employees.

Structure

- 12.1. Introduction**
- 12.2. Social Security measures for industrial employees**
 - 12.2.1. Workmen's Compensation**
 - 12.2.2. Employee's State Insurance**
 - 12.2.3. Provident Fund**
 - 12.2.4. Maternity benefit**
 - 12.2.5. Gratuity**
- 12.3. Limitations**
- 12.4. Need for Integrated Social Security**
- 12.5. Summary**
- 12.6. Self assessment questions**
- 12.7. Further Readings**

12.1. Introduction

The social security system should be comprehensive so that it may cover all contingencies from which citizens are expected to suffer, such risks deprive the citizens of their earning capacity. They may arise on account of the factors like (i) sickness, (ii) accidents, (iii) maternity, (iv) Unemployment, (v) Disablement, (vi) Old age and (vii) death in view of these factors, the main ingredients of a complete social security system, should comprise of these items (i) sickness and invalidity insurance, (ii) Accident insurance, (iii) Maternity insurance, (iv) Un employment insurance, (v) Old age insurance and, (vi) Supervisor ship insurance.

12.2. SOCIAL SECURITY MEASURES FOR INDUSTRIAL EMPLOYEES

As pointed out of NCL (1969) social security is a major aspect of public today and the extent of its prevalence is a measure of the progress made by a country towards the idea of a welfare state. The Workmen's Compensation Act. the Employee State Insurance Act, the Provident Fund legislations the maternity benefit act and the payment of gratuity act are legislative measures adopted by the Government to provide social security measures for industrial workers.

12.2.1. WORKMEN'S COMPENSATION

The Legislative measures for social security of industrial workers started in India with the enactment of the Workmen's Compensation Act, 1923. The object of the Act is to impose an obligation upon the employees to pay compensation to the workers for accidents arising out of and in the course

of employment. It extends to the whole of India and apply to any workman who is employed, otherwise than in a clerical capacity and in a casual nation of employment. This act is not applicable for the employees covered under the Employees State Insurance Act 1948.

The compensation has to be paid by the employer to a workman for any injury caused by an accident arising out of and in the course of employment. The amount of compensation is decided based on the percentage of loss of earning capacity or disablement which does not continue for more than three days the injury is caused when the workman was under the influence of drinks or drugs or willfully disobeyed a clear rule of safety.

The Act is administered by the State Governments who are required to appoint commissioners under this act. The Commissioner settle the disputed claims, dispose the cases of injuries involving death and revise periodical payments. They have powers to impose penalty on employers who fail to pay compensation under the act.

12.2.2. EMPLOYEES' STATE INSURANCE

The Government of India enacted the Employees' State Insurance (ESI) Act in the year 1948 which is a pioneering measure in social security in our country. The scheme under the Act aims at providing for certain cash benefits to employees in the cases of sickness, maternity, employment injury and medical facilities in kind. The act was amended from time to time to cover more member of organisations and employees and provide more benefits.

According to the provisions of the Act the employee has to make contribution at the rate of 1.75 percent of the wages paid/payable for every wage period. The employer's contribution is at the rate of 4.75 per cent of the total wages to all employees covered under the ESI Act in each wage period. The ESI Act provides for sickness benefit, extended sickness benefit, enhanced sickness benefit, disablement benefit, dependent benefit, maternity benefit, medical benefit, funeral benefit and rehabilitation benefit to the ensured employees under certain contributory conditions.

This act is administrated by a corporate body, i.e., ESI Corporation consisting of Minister of Labour at the centre as its Chairman, the Minister of Health as its chairman and representatives of State Governments, employers, employees and the medical professionals. This office is located at new Delhi. It operates through its regional offices and local offices all over India.

12.2.3. PROVIDENT FUND

Provident Fund is another important social security measure available to employees in India. There are some legislation enacted for the provision of Provident Fund to the employees, namely, the Coal Mines Provident Fund and miscellaneous provisions act 1948, the seamen's provident fund act, 1966 and the Employees Provident fund and miscellaneous provisions Act 1952. Among then the latter one is the most important Act. The object of the Act is to provide substantial security and timely monetary assistance to employees and their families when they are in distress and/or unable to meet family and social obligations and to protect them in old age, disablement, early death of bread-winner and in some other contingencies.

The normal rate of contribution to the provident funds is 10 per cent of the employees' salary. The match contribution is paid by the employer. This fund is administered by the Provident Fund

Organisation. The fund accumulations are Invested in Government Securities, negotiable securities etc., The interest on the accumulations are credited. annually to the accounts of the provident fund subscribers i.e., employees.

Under the provident fund scheme, a member may withdraw the full amount standing to his credit in the event of retirement, migration from India, and termination of his services in the course of mass retrenchment. Advances are granted to the members from their provident fund account for the purposes of house conciliation, children education, children marriages, illness of the member or his family members, financing life insurance policy etc.,

The Employees Provident Fund Act was amended and a separate pension scheme came into effect from November, 1995. Under the Scheme pension will be paid on superannuating/retirement from service and upon disablement, Widow/Widower and children will be paid pension. The pension payable shall be 1/7th of pensionable salary for each year of service. On completion of 33 years of pensionable service, pension entitlement shall be 50% equivalent to member's salary.

The Provident Funds Act provided for the Employees' Deposit linked insurance Scheme 1976. Under the scheme, the nominees of the employees who are covered under the Act, in case of death of the employee, while in service. will get an additional amount equal to the average balance in the P.F. Account of the deceased during preceding 12 months wherever the average P.F. Balance is less than Rs. 25,000 in case it exceeds Rs. 25000 the amount payable shall be Rs. 25000 and 25% of the amount in excess of Rs. 25000 subject to a Rs. 35000/-.

12.2.4. MATERNITY BENEFIT

The maternity benefit for women workers is covered under two legislations. One is the ESI Act and the second one is the maternity benefit act, 1961. The women can claim benefit under one legislation only. The maternity benefit act is enacted to promote the welfare of working women particularly to protect their motherhood.

The maximum period for which a woman can get maternity benefit is 12 weeks of this six weeks must be taken prior to the date of delivery of the child and six weeks immediately following the date of delivery. She is also entitled to a medical bonus of Rs. 250 if no pre-natal confinement and postnatal care and provided for by the employer free of charge. In case of miscarriage a woman is entitled to six weeks leave with pay from the day of miscarriage, for illness, arising out of pregnancy, delivery, premature birth or miscarriage, she is entitled six weeks leave with pay.

12.2.5. GRATUITY

Gratuity is another Social Security benefit extended to the working class in Indian. In early stages, it was treated as a payment gratuitously made by an employer at his will and pleasure for the retiring employees. In course of time it become a subject matter of bilateral agreements between the workers and management. Some State Governments like Kerala and West Bengal passed legislations to provide gratuity to the workers. The proposal for a uniform law on gratuity was discussed Indian Labour conference in 1971 and the Government of India passed the payment of Gratuity Act in 1972.

According to the Act it is obligatory on the part of the employer to pay gratuity to an employee on the termination of his employment after he rendered continuous service for not less than five years. However this five years condition is not applicable in case of death or disablement of the employee.

The Employer has to pay gratuity to an employee at the rate of 15 days wages based on the rate of wage last drawn by the concerned employee for every year of completed service. The amount of gratuity payable to an employee is not to exceed rupees one lakh.

12.3. LIMITATIONS

The above described are different social security measures available to the workers in India. But these measures suffer from such defects as uneven scope, inadequacy of benefits, duplicator and overlapping of provisions and different administrative authorities for implementation and enforcement.

12.4. NEED FOR INTEGRATED SOCIAL SECURITY

The study group (1957-58) appointed by the Government of India recommended for integration of various social security measures with a unified scheme of administration and contribution, providing for medical care and coverage against sickness, maternity employment injury, oldage and death. The government appointed a one-man commission with N.N Chatterjee to draw up a blueprint for the enactment of a common code of social security. He drafted a five year plan for a step by step integration of ESI and P.F. Schemes and a comprehensive piece of legislation for all social security schemes. But these recommendations are not considered so far.

12.5. SUMMARY

This unit presented you origin and growth of social security in India. In olden days joint family system, caste and village panchayat extended the social assistance to the needy people. After industrialisation a new working class was emerged with village people migrated to cities to work in industries, The joint family system disintegrated and state started making attempts to extend social security to the workers. The Workmens' Compensation Act imposed on obligation on the employer to provide compensation in case of employment injury. The ESI Act provided for sickness benefit, medical benefit, disablement benefit, dependent benefit etc., The P.F. Act provided for advancing P.F Amount to the employees in certain cases and family pension. Maternity benefit is extended to the women by the Maternity Benefit Act and the payment or gratuity act imposed on obligation to pay gratuity to the employees on termination of employment.

12.6. SELFASSESSMENT QUESTIONS

1. Explain the Genesis and Growth of social security in India.
2. Describe social security measures available to workers.
3. Write short notes on the following.
 - a) Gratuity
 - b) Workmen's compensation
 - c) Maternity benefit
 - d) Provident fund

12.7. Further Readings

1. Sarma A.M. Aspects of Labour Welfare and social security Himalaya Publishing Housing, Bombay, 1997.
2. Vijay Asdhir, Labour problems and Labour Welfare, Kalyani Publishers, New Delhi, 1994, p. 330-347

- Dr. Nagaraju, Battu.
Acharya Nagarjuna University.

Lesson -13**LABOUR ADMINISTRATION****Objectives**

The objective of this unit is to give an introduction to labour administration in India.

Structure

- 13.1. Introduction**
- 13.2. Labour administration - Agencies and Government departments.**
- 13.3. Labour legislation is a necessary instrument**
- 13.4. Principles governing the collective agreements**
- 13.5. Policy Recommendations (II NCL on Labour Administration)**
- 13.6. Summary**
- 13.7. Self-assessment questions**
- 13.8. Further Readings**

13.1. Introduction

Labour administration is a wide term. It is primarily concerned with labour affairs and administration of social policy. The meeting of experts on labour administration held in Geneva in October 1973 felt that to deal with the major substantive programmes of labour administration, there should be central specialised units for each of the following:

- (a) Labour protection (formulation of standards relating to working conditions and terms of employment, including wages);
- (b) Labour inspection;
- (c) Labour relations;
- (d) Employment or manpower, including training; and
- (e) Social security.

13.2. Labour administration - agencies and government departments

Labour administration is not simply the sole responsibility of the department of labour. Many agencies and government departments such as chambers of commerce, factory and mines inspectorate, social insurance directorate, and department of human resource development and education are involved in it. In some countries, the organisations of employers and workers are also involved in the administration of labour matters. But it is primarily the responsibility of the department of labour to lay down, develop and apply sound labour policies, coordinate various recommendations received from various departments which have a bearing on labour affairs. Formulation of policy decisions are based on consultation with other interests (particularly of employers and workers organisations) and of research and field investigation. Most of the labour policy proposals may emanate from the minister of labour himself or from his department. The department of labour is the body which receives most such proposals and initiates the preparatory process. In some cases, labour courts, arbitration bodies and different ad-hoc commissions can be regarded as forming part of the labour administration machinery, though they are usually outside the department of labour. These bodies are either bipartite or tripartite in character.

Most of the work done in department of labour is either professional or technical. The meeting of experts on labour administration viewed that labour administration officials in particular services

should have the basic academic qualifications required for such services (especially in law, economics, socio-logy, administrative sciences, psychology, statistics, actuarial sciences, medicine, engineering and so forth). The exact qualifications required for each post can be determined by the government of each country.

13.3. Labour Legislation is a necessary Instrument

It is a part of the job of labour administrator to give effect to laws governing employment and conditions of work. Labour legislation is a necessary instrument for a governments' administration of labour affairs. Standards established by legislation may be further developed, complemented or applied through administrative action. Legislation automatically entails the prescribing of procedures for enforcement and imposition of penalties. A system of law is a guarantee for people's personal safety, liberties and rights. To maintain respect for the law in general, the laws that are adopted must be strictly applied, without fear or favour. Labour administrators have a fundamental duty to uphold the rule of law at all times. To inculcate a respect for the law, they must also remember the old maxim that justice must not only be done, but must manifestly be seen to be done.

Labour law does not consist entirely of laws produced by law makers. Unwritten customary and case law deriving from generations of judicial practice also play a role, particularly with regard to contracts, torts and the right to receive compensation for damages. There are countries where the entire labour legislation has been codified covering entire gamut of labour laws and labour administration. The greater number of non-statutory legal requirements in the labour field are derived from the practice of industrial relations. A highly developed system of collective bargaining operated by strong organisations of employers and workers can cut out much of the need for subsidiary regulations.

13.4. Principles of governing collective agreements

There are various ways in which collective agreements amplify the law and serve as an alternative to statutory rule making. Two basic principles governing such collective agreements are: (a) there should be no conflict between the agreement and the law; (b) better terms and conditions will prevail, i.e., an agreement may grant employees conditions more favourable than the minimum laid down by the law of the land.

It is a basic principle of modern law that, to be valid, a contract has to involve a "consideration", i.e., something to be given in return for the other party's performance of the contract; this is usually wages, rent or purchase price. There are various forms of contract of service, whether written or verbal.

In certain countries, collective agreements are contracts binding on the parties. They would not supersede the "contracts of service" of employers and workers who were not parties to the agreement. However, in many countries the legislation now states that the terms of collective agreements with unions that enjoy recognised bargaining status shall be deemed to be legally binding on all persons in the specified occupations in the industry or service for which the agreement was made. In such countries and in such cases the agreements can be enforced in the courts. Consequently, in the later case, labour inspectors are also involved in enforcing these conditions just like the minimum conditions laid down by law.

13.5. Policy Recommendations

(I) For effective labour administration, there should be legislative backup for the simplification of laws and procedures through uniform definitions of appropriate government workmen, employer

etc., enabling provisions to cover all employments in the unorganised sector under the Minimum Wages Act, speedy recovery of the dues payable to workers, empowerment of the appropriate government of the appropriate government to exempt from the provisions of the laws in deserving cases, ensuring that the employment of contract labour is restricted to areas beyond those of core competence, deterrent punishment to make the cost of violation derer than the cost of implementation, clubbing of the existing set of labour laws into five or more groups pertaining to (i) industrial relations, (ii) Wages, (iii) social security, (iv) safety and (v) welfare and working conditions etc., and reduction in the number of registers to be maintained and returns to be submitted.

(II) The changes brought about by globalisation, liberalisation and the market driven economy, require that Indian industry should be competitive, both in quality and cost. In order to be competitive, voluntary resolution of disputes should be encouraged over the legalistic approach of settlement of disputes through adjudication. Labour administration should encourage information-sharing, better human resource practices the emergence of a participative workforce, relationship and trust building, workplace cooperation between the employers and the workers and other cooperative practices. Workmen should take more and more decisions at the workplace. The focus should be on bipartite consultation at enterprise rather than resolution of disputes by adjudication.

(III) There should be a legislative framework for voluntary disputes settlement. The first and foremost requirement should be to place a system of recognition of negotiating agency on the statute. It is difficult for the employer to deal separately with multiple unions having different ideologies. Once there is a system of recognition of a negotiating agency, the employer can negotiate with the recognised negotiating agent or the negotiating council. The responsibility of conducting verification of trade union membership for recognition of trade unions and the formation of a negotiating council should be vested on the Central Labour Relations Commission in the case of the Central sphere and the State Labour Relations Commissions in the case of the Central sphere establishments. The Workers Committee to be constituted under Section 3 of the Industrial Disputes Act (IDA) should be substituted by an Industrial Relations Committee to promote in-house dispute settlement and resolve all the differences at the unit level as far as practicable.

IV) Adhocism should end in the appointment of presiding officers of the industrial tribunals. There should be a regular cadre of labour adjudicators drawn from experienced judges and conciliators to improve the quality of adjudication as well as to improve prospects of their professional advancement. We have already said earlier that we visualize only labour courts - not tribunals as different from courts. These Courts should work under the superintendence of the Central LRC or the State LRC respectively. LRCs should also function as appellate tribunals in respect of decisions given by the labour courts to bring uniformity. At present, there is no appellate jurisdiction against the decisions of the tribunal. However, the aggrieved parties take recourse to the writ jurisdiction under Article 226 in different High Courts. There is lack of uniformity in the decisions of the different High Courts. The National LRC with should function as the appellate authority against the decisions of the Central and State LRCs, as national appellate tribunal, may bring uniformity, speed and consistency in the decision making process on appeal.

13.6. Summary

This unit made an attempt to introduction of labour administration in India. Labour administration is not solely the responsibility of the department of labour. Many agencies, government departments, organisations of employers and workers are involved in the administration of labour matters. Labour

legislations are a necessary instrument for a government's administration of labour affairs. It is further explained the principles of governing collective agreements and Policy Recommendations.

13.7. Self - Assessment questions

1. What do you understand by "Labour administration"?
2. Outline the government departments which are involved in the administration of labour matters.

13.8. Further Readings

1. Sarma A.M., Labour Administration in India, Himalaya Publishing House, Bombay, (1993)
2. Government of India, Ministry of Labour; Report of the National Commission on labour, (1969)
3. Government of India; Ministry of Labour; Report of the National Commission on Labour (2002)

-Sri. M. Thrimurthi Rao
Acharya Nagarjuna University.

Lesson -14**EVOLUTION OF MACHINERY FOR LABOUR ADMINISTRATION****Objectives**

The objective of the unit is to you familiarise with the evolution of machinery for labour administration in India.

Structure

- 14.1. Introduction**
- 14.2. Evolution of Machinery for Labour administration**
 - 14.2.1. Union List**
 - 14.2.2. Concurrent List**
 - 14.2.3. State List.**
- 14.3. Summary**
- 14.4. Self Assessment Questions**
- 14.5. Further Readings**

14.1. Introduction

With the rapid growth of Indian Industrialisation in India, labour administration has become an important part of factory organisation and needs as much attention as the technical process of production and the complicated methods of marketing concerted action on the part of the workers and the substitution of collective for individual bargaining are inevitable concomitants of labour problems. Trade Unionism has developed into a powerful and articulate force and, therefore, it has become imperative for the entrepreneur to have his own scientific labour administration with due regard to the susceptibilities and prejudices of the workers. Thus as a result of industrial growth, labour administration has assumed an important role.

14.2. Evolution of Machinery for Labour Administration

In the Government of India Act, 1919, the Central Legislature was given the power to legislate in respect of practically all labour subjects. The Provincial Governments were empowered to legislate only in respect of those labour matters which were classified as Provincial. But they were required to take the sanction of the Governor General in respect of these subjects also. All labour legislation was enacted by the Central Legislature during this period.

With the Whitley Commission report in 1931, the bulk of the labour problems within the jurisdiction of the Government of India was dealt with by the then Department of Industries and Labour under the charge of a Member of the Governor General's Executive Council. Its administrative head was a Secretary to Government. While 'Industries and Labour' was a short title for the department, it dealt with a variety of subjects, such as Posts and Telegraphs, Public Works, Civil Aviation, Patents and Copyright and Broadcasting. The department, however, did not cover all labour within the jurisdiction of the Central Government. Questions relating to labour matters in docks, and transport by sea or

inland water, were the concern of the commerce department; matters pertaining to the railway labour were dealt with by the Chief Commissioner for Railways. The Department of Education, Health and Lands looked after emigrant labour. In the Chief Inspector of Mines, the Department of Industries and Labour had an adequate source of advice on all subjects relating to mining labour. No specialist advice was considered necessary on the conditions of work in factories, workmen's compensation, trade unions and trade disputes. Administration of such legislation on these matters was the responsibility of the Governments of Presidencies/provinces.

In the Provinces, the labour portfolio was handled by a Member of the Executive Council who was responsible also for other subjects. Labour problems had acquired neither the vastness nor the complexity to warrant the attention of a full-time Member. Except in some industrially advanced Provinces which had their respective Labour Officers for the limited responsibilities they had to carry, no specialised agency existed for administration. It is in this context that the Whitley Commission recommended the setting up of the office of the Labour Commissioner in the Provinces.

On the introduction of Provincial autonomy under the Government of India Act, 1935, labour was included in the Concurrent List. Accordingly, Central Legislature was empowered to enact legislation on labour in respect of matters exclusively included in the Federal List and Central and State Legislatures were given authority to enact legislation in respect of all other labour matters.

When popular ministries took over administration under the Government of India Act, 1935, labour problems started attracting more attention. The appointment of the Labour Commissioner in industrially important provinces as recommended by the Whitley Commission *did* help labour. However, problems of coordination still remained. The Labour Ministers' Conference and the Indian Labour Conference /Standing Labour Committee (I.L.C./S.L.C.) which were the products of the forties, partly met this need. With the impact of the Second World War, the machinery for labour administration at the Centre expanded. According to the Rege Committee report, the institution of Labour Officers under the Commissioners of Labour to whom workers could represent their grievances, was well established in most provincial governments. Likewise, the Government of India appointed, under its Chief Labour Commissioner, a number of Regional Labour Commissioners and Conciliation Officers who were entrusted with duties of settling labour disputes. The Chief Labour Commissioner's organisation had also an inspectorate for supervising the implementation of labour laws. The Government of India appointed Labour Welfare Advisers in ordinance factories. An advisory service was built up at the Center for the factory inspectorates in the States which were operating under the auspices of the State Governments. The Labour Bureau was established. A network of National Employment Service and Training Institutes was getting organised. The Five Year Programme for Labour (1946) had many elements in it requiring the strengthening of the administration and intensifying its operations. The legislative support given to the programme resulted in (a) the creation of administrative machinery for the implementation of new enactments and (b) the strengthening of the then existing set-up to cope up with the additional functions entrusted to it. The expanding operations of the tripartite bodies also added new responsibilities.

The beginning of World War II in 1939 necessitated the creation of an adequate and contented labour force in order to maximise production for meeting the increased demand of Indian manufactured goods. The Central Government therefore, assumed wide powers to control and regulate the industrial labour welfare. The labour Department was strengthened and a machinery to deal with industrial relations was created. An integrated re- settlement organisation for demobilised war personnel was

established. For advising the government to improve working conditions in factories, a Chief Adviser of Factories was appointed. A new Department of Works, Mines and Power were created and certain subjects which were having only an indirect bearing on labour were transferred to this department. This lessened the burden of the Labour Department. In pursuance of the decisions of the Provincial Labour Minister's Conference in 1946 the Central Ministry of Labour chalked out a five Year programme of legislative and administrative measures for improving the health, efficiency and working conditions of the labourers.

At present there is a Tripartite Labour Machinery .It consists of the Indian Labour Conference, the Standing Labour Committee, the Industrial Committees and a few other committees of a tripartite nature. Labour Ministers' Conferences are also associated with it. There is also a bipartite joint consultative Committee of the Ministry of Labour and Employment. In addition there are Committees and Boards such as Committee on I.L.O. Conventions, Central Implementation and Evaluation Committee, Steering Group on Wages, Wage Board, Central Board for Workers ' Education, Central Committee on Labour Research.

According to the Constitution of India, the enactment and administration of Labour laws is the responsibility of both the Union and State Governments. There are three lists, viz., the Union List, the Concurrent List and the State List adopted in the Constitution. Laws concerning the union, are made both by Parliament and Legislature of any State and the laws of the State List are made by States' Legislatures. The following are the principal matters of labour interest enumerated in each of these lists:

14.2.1. Union List

- (1) Participation in international conferences, associations and other bodies and implementing decisions made thereat;
- (2) Port quarantine, including hospitals connected therewith, seamen's .and marine hospitals;
- (3) Regulation of labour and safety in mines and oilfields;
- (4) Industrial disputes concerning union employees;
- (5) Union agencies and institutions for:
 - (a) Professional, vocational or technical training; and
 - (b) The promotion of special studies or research;
- (6) Enquiries, surveys and statistics for the purpose of any of the matters in this list.

14.2.2. Concurrent List

- (1) Economic and social planning;
- (2) Trade Unions, industrial and labour disputes;
- (3) Social security and social insurance; employment and unemployment;
- (4) Welfare of labour, including conditions of work, provident fund, employers' liability, workmen's compensation, invalidity and old age pensions, and maternity benefits;
- (5) Vocational and technical training of labour;
- (6) Factories; and
- (7) Inquiries and statistics for purposes of any of the matters specified in the Concurrent List and the State List.

14.2.3. State List

- (1) Public order;
- (2) Public health and sanitation, hospitals and dispensaries;
- (3) Relief of the disabled and unemployable.

The Governments of all the states have established organisations for the administration and enforcement of the various labour laws in force in their territories and for the collection, compilation and dissemination of statistical and other information relating to labour. Every state has appointed Labour Commissioners for the purpose of administration of labour laws and welfare activities in their respective areas. These Commissioners are assisted by Deputy Labour Commissioners and/or Assistant Labour Commissioners. Most of the states have also appointed chief Inspectors of Factories and Chief Inspectors of Boilers to administer the Factories Act, 1948 and the Indian Boilers Act, 1923 respectively. In addition, they have appointed Commissioners of Workmen's Compensation under the Workmen's Compensation Act, 1923 and Registrars of Trade Unions under the Trade Unions Act, 1926 and various other authorities with a view to discharging labour administration work in their respective jurisdictions. Certain States have also special machinery for the collection of labour statistics.

14.3. Summary

This unit gave you a description on the evolution of machinery for labour administration. Government of India Act, 1919; Whitley Commission report 1931 and the introduction of provincial autonomy under the Government of India Act, 1935, Labour was included in the concurrent list. It is further outlined the present tripartite labour machinery and its nature.

14.4. Self Assessment questions

1. Discuss the evolution of labour administration machinery in India?
2. Explain the statement, "Labour is in concurrent list" ?

14.5. Further Readings

1. Sarma A.M., Labour administration in India, Himalaya Publishers, Bombay, (1993)
2. Government of India, Ministry of Labour Report of the National Commission on labour, (1969) & (2002).

- Sri. M. Thrimurthi Rao
Acharya Nagarjuna University.

Lesson -15**CENTRAL LABOUR ADMINISTRATION MACHINERY IN INDIA****Objective :**

The objective of this unit is to familiarise with administration of labour welfare at the Central level in India.

STRUCTURE :

- 15.1. Introduction**
- 15.2. Labour Administration in India**
- 15.3. Labour Administration at the Central level**
 - 15.3.1. Director General of Employment and Training**
 - 15.3.2. Director General of Factory Advice, Service and Labour Institutes.**
 - 15.3.3. Director General of Mines Safety**
 - 15.3.4. Director of Labour Bureau**
 - 15.3.5. Office of the Chief Labour Commissioner (Central)**
 - 15.3.6. Other offices**
- 15.4. Labour welfare Administration**
 - 15.4.1. Labour Welfare Funds**
 - 15.4.2. Social Security**
 - 15.4.3. Occupational Safety**
- 15.5. NCL on Labour Administration**
- 15.6. Summary**
- 15.7. Self Assessment questions**
- 15.8. References**

15.1. INTRODUCTION

Labour administration is concerned with labour matters or administration of various labour laws. According to ILO formulation of standards relative to working conditions and terms of employment, including wages, labour inspection labour relations, employment or manpower, including training and possibly social security are the areas of labour administration. This administration is not simply the responsibility of the department of labour. Many agencies and government departments are involved in it. This Unit makes an attempt to discuss the labour administration at the central level in India.

15.2. LABOUR ADMINISTRATION IN INDIA

According to the Indian constitution the subject "Labour" is in the concurrent list. Hence the enactment and administration of labour laws is the responsibility of both the Central and State Governments. The jurisdiction between Central and States is provided by the constitution which makes distinction between matters of, Central and States. The Ministry of Labour and Employment of the Central Government is the main agency of policy of formulation and it coordinates the work of statutory corporations and Boards relating to the labour.

15.3. LABOUR ADMINISTRATION AT THE CENTRAL LEVEL

As mentioned above, Ministry of Labour and Employment is the Supreme organ in the administration of Labour. It is policy making and coordinating and monitoring agency at the national

level. The Ministry at the center discharges its functions through a number of Directorates described below.

15.3.1. DIRECTOR GENERAL OF EMPLOYMENT AND TRAINING

It lays down the policies, procedures, standards, and overall coordination of employment service procedures and conducting vocational training programmes throughout the country.

15.3.2. DIRECTOR GENERAL OF FACTORY ADVICE SERVICES AND LABOUR INSTITUTES

It is concerned with the safety, health and welfare of workers in factories and docks and is also responsible for coordinating the implementation of Factories Act. It runs a Central Labour Institute and Regional Labour Institutes.

15.3.3. DIRECTOR GENERAL OF MINES SAFETY :

It looks' into the working conditions and implementation of Mines Act, 1952 and Maternity Benefit Act, 1961 in mines other than coal mines.

15.3.4. DIRECTORATE OF LABOUR BUREAU

It is responsible for collection and Publication of statistical and other information regarding employment, wages, earnings, industrial disputes, working conditions,. It also compiles and publishes the Consumer Price Index Numbers for industrial and agricultural workers.

15.3.5. OFFICE OF THE CHIEF LABOUR COMMISSIONER (CENTRAL)

It is responsible for the prevention, investigation and settlement of industrial disputes under the Industrial Disputes Act, 1947, and implementation of labour laws in industries and establishments in respect of which the central government is the appropriate authority, and verification of membership of the unions affiliated to the Central Workers Organisation. Besides the Chief labour commissioner (CLC) who is the head of this office, there are 18 regions each headed by a Regional labour commissioner as head quarters at state capitals or in industrial areas of important states and union territories. The field organisation has also two deputy labour commissioners, 75 assistant labour commissioners, and 1641 labour enforcement officers for discharging all the duties of the CLC office already mentioned above.

15.3.6. OTHER OFFICES

Other officers with the Central Labour Ministry are (a) eleven industrial tribunal-cum-labour courts set up under the provisions of the industrial disputes act for adjudication of disputes for which the central government is the appropriate government, (b) Nine Welfare Commissioners responsible for providing welfare services to workers in non-coal mines, and beedi and cinema industries (c) Board of Arbitration set under the Scheme for joint consultative Machinery, and compulsory Arbitration for resolving differences on pay and allowances, weekly hours and leaves (d) Autonomous organisations like Employee State Insurance Corporation, Employees Provident Fund Organsiation, National Safety Council, Central Board for Workers Education, National Labour Institute, and Vocational Council for Safety in Mines. There are wage Boards, Committees of Enquiry, and Tripartite Forums like Indian Labour Conference and standing Committee to provide direction and advice on matters that come under their jurisdiction.

15.4. LABOUR WELFARE ADMINISTRATION

Labour Welfare Administration is part of labour Administration. As a matter of fact, all the Directorates, autonomous organisations described above function with the ultimate goal of well being

of workers. As such it is not necessary to focus particularly on labour welfare Administration at the Central level. However an attempt is made here to emphasize on some important aspects of labour welfare administration.

15.4.1. LABOUR WELFARE FUNDS

Welfare Fund laws were enacted passed to provide welfare facilities to the workers and to supplement the efforts of employers in labour welfare. The following are some of the important welfare fund laws.

1. The Mica Mines Labour Welfare Fund Act 1946
2. The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972; and
3. The Iron Ore mines, Manganese Ore mines and Chrome Ore Mines Labour Welfare Fund act 1976.

The Labour Welfare Funds are constituted under these Acts and welfare measures like Medical care, housing education, water supply, recreation etc., are under taken for the benefit of workers and their family members who are covered under the Acts.

15.4.2 SOCIAL SECURITY

Certain Social Security benefits are extended to the employees under the following laws.

1. The Employees State Insurance Act, 1948.
2. The Employees Provident Fund and Miscellaneous Provisions Act, 1952.

These two legislations provide security to the workers and their family members in case of sickness, old age, unemployment and disablement of the employees. These laws are administered by autonomous organisations constituted under the law. The other social security laws such as Workmen's Compensation Act, Payment of gratuity Act are administered by the respective State Governments.

15.4.3 OCCUPATIONAL SAFETY

Safety in mines, Safety in Ports, and docks are looked after by Central Government i.e., The Directorate of Factory Advice service and labour institutes. The Directorate of Mines Safety and the National Safety council look after the Safety of workers.

15.5 NCL ON LABOUR ADMINISTRATION

The National Commission on labour (1969) has made certain observations and recommendations on labour administration Which are given below:

1. Industrial relations in mines attached to factories should be brought under the purview of the same agency i.e., Central or State.
2. The extension of jurisdiction of the Central Government to industrial relations in industries which come across State boundaries or which are of importance to the economy, should be left to the discretion of Parliament.
3. Inter-State collaboration for handling matters of labour administration has taken place so far under the auspices of the Central Government. It should be possible for neighboring States to come together more frequently for evolving common line of approach on problems to mutual advantage.

4. The tenure of office for the State Labour Secretary/Commissioner should be longer. There should be an arrangement by which the labour Department can have the benefit of at least two years experienced persons as Labour Secretary or the Labour Commissioner. An officer, who in the early stages of his tenure worked as Labour Commissioner, should preferably be chosen as labour secretary.
5. Autonomous. Boards/Corporations which have been set up to administer labour laws or voluntary arrangements should have a greater feeling of independence than at present in carrying out their functions.
6. Greater vigilance on the part of Government is necessary for improving implementation of labour laws in small units.
7. Refresher courses are necessary for officers who are permanently located in the Office of the ministry/department. There should be institutional arrangements for this purpose. The concerned institutions are required to be strengthened with a view to make them more useful as training grounds for officers at different levels.

15.6 SUMMARY

This unit offered you a description on labour administration at the Central level. Ministry of Labour and Employment is the main agency for labour policy formulation and its administration. Directorates of Factory advice, services Mines safety, Employment and training Office and all India Network of Labour department, Statutory autonomous bodies like ESI Corporation etc, are the agents of Central Government in the administration of labour.

15.7 SELF ASSESSMENT QUESTIONS

1. Describe the Labour Administration at the Central level in India.
2. Write Short notes on the Following:
 - a) Office of the Chief Labour Commissioner
 - b) NCL on labour administration.

15.8 REFERENCES

1. Agarwal S.L., Labour Relations Law in India, Machmillan Company, Meerut (1980)
2. Government of India, Ministry of Labour Report of the National Commission on labour, (1969) & (2002)
3. Sarma, A.M. Labour Administration in India, Himalaya Publishing House, Bombay (1993).

- Sri. M. Thrimurthi Rao
Acharya Nagarjuna University.

LESSON - 16**LABOUR WELFARE ADMINISTRATION IN ANDHRA PRADESH****Objective :**

The Objective of the Unit is to familiarise the labour welfare administration at the state level with special reference to Andhra Pradesh.

STRUCTURE :

- 16.1. Introduction
- 16.2. Labour Welfare Administration in Andhra Pradesh
- 16.3. Department of Labour
- 16.4. Functions of Labour Department
- 16.5. Powers and functions of deputy commissioner of labour
- 16.6. Powers and functions of assistant commissioner of labour
- 16.7. Powers and functions of labour officers
- 16.8. Power and function of assistant labour officers
- 16.9. Department of Factories
- 16.10. Functions of the Department of Factories
- 16.11 Summary
- 16.12 Self Assessment Questions
- 16.13 References

16.1. INTRODUCTION

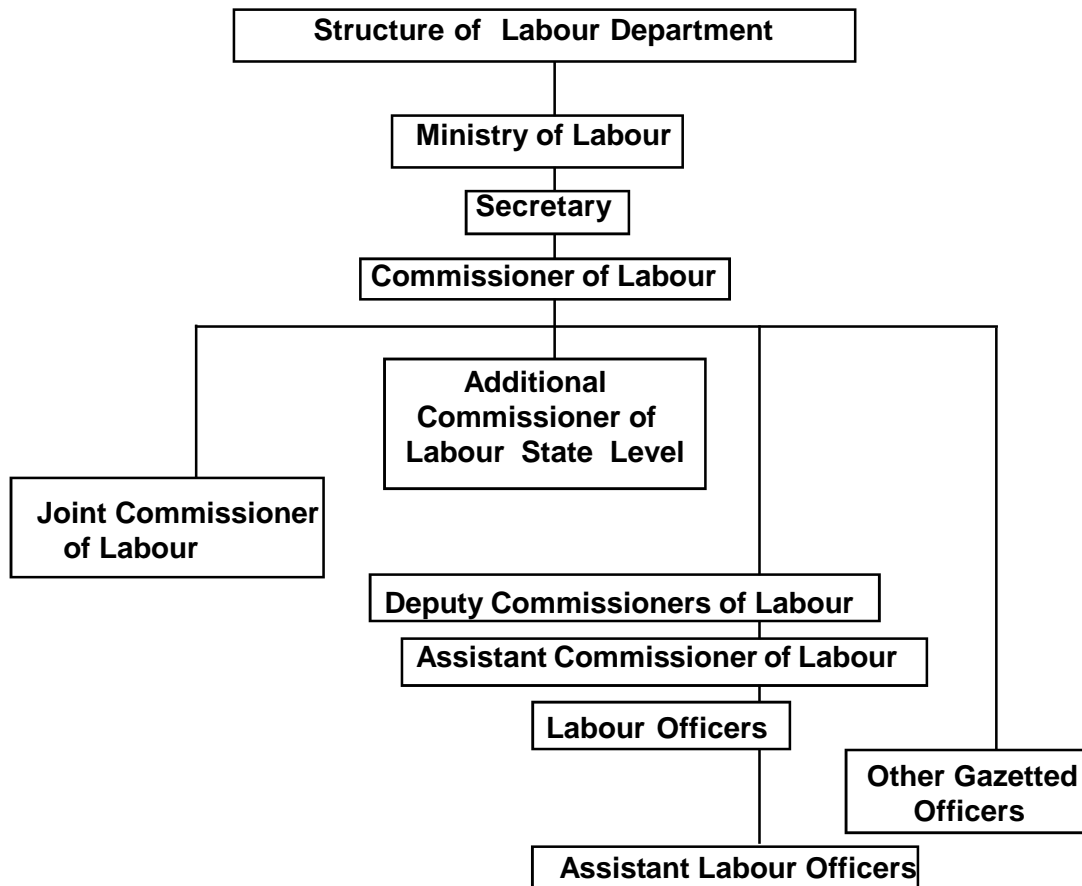
Having presented an overview of labour Administration at the Central level in the preceding Unit, this unit makes an attempt to describe labour administration at the State level with special reference to Andhra Pradesh. Department of labour and Department of Factories are Major wings in the administration of labour in Andhra Pradesh. The details are presented in the following paragraphs.

16.2. LABOUR WELFARE ADMINISTRATION IN ANDHRA PRADESH

The government of Andhra Pradesh enforces many of the central labour legislations in addition to enactment and enforcement of certain laws with its jurisdiction. As mentioned above, department of labour and department of Factories are major wings in the administration of labour Welfare.

16.3. DEPARTMENT OF LABOUR

Under the Ministry of Labour, the labour department is established. The head of the department is the Commissioner of Labour. The Head Office is located at Hyderabad, The Commissioner of labour is assisted by Additional Commissioners Labour, Joint Commissioners of Labour, Deputy Commissioner of Labour / Assistant Commissioner of Labour and other Gazetted Officers, the whole state is divided into seven zones for the, administrative Convenience. They are Visakhapatnam, Eluru, Guntur, Kurnool, Warangal, Rangareddy and Hyderabad. Each Zone generally covers three districts. The Administrative Head at the Zonal level is Deputy Commissioner of Labour. He is assisted by Assistant Commissioners of labour and labour officers. The structure of labour Department is presented in Figure No. 1.



16.4. FUNCTIONS OF LABOUR DEPARTMENT

The Functions of the Department are enforcement of labour laws, maintenance of industrial peace and harmony and labour welfare both in the organised and un-organised sectors. More than twenty labour laws are being administered by the Department.

16.5. POWERS AND FUNCTIONS OF DEPUTY COMMISSIONER OF LABOUR

The Deputy Commissioner of Labour, the Zonal Heads, are notified as authority to exercise the following functions.

1. As conciliation officer under Industrial Disputes Act 1947.
2. As authority under Payment of Wages Act 1936.
3. As authority under Minimum wages act 1948.
4. As appellate Authority under Equal Remuneration Act 1976.
5. As appellate Authority under Payment of Gratuity Act 1972.
6. As appellate Authority under Section 48 of AP Shops and Establishment Act 1988.
7. As appellate Authority under Beedi and Cigar Workers (Conditions of Employment) Act 1966.
8. Registering and Licensing Authority under Inter-State Migrant workmen (Regulation & Employment Act. and conditions of service)

9. Registering and Licensing Authority under Contract Labour (Regulation and Abolition) Act. 1970.
 10. As certifying Officers under the Industrial Employment (Standing Orders) Act 1946.
 11. Deputy Registrar under Trade Unions Act 1926.
 12. Commissioner for Workmen's Compensation Act 1923.
 13. Authority under section 33 C(1) of the Industrial Disputes Act, 1947 and 17(1) of the working Journalists Act 1955.
 14. Appointing authority for Assistant Labour Officers and other staff.
 15. Administrative functions.
- They are also notified as Inspectors under various labour laws.

16.6. POWERS AND FUNCTIONS OF ASSISTANT COMMISSIONERS OF LABOUR

The Assistant Commissioner of Labour are given certain powers and function under various labour laws. They are as follows :

1. Conciliation Officers under Industrial Disputes Act 1947.
2. Authority under Payment of Wages Act 1936.
3. Controlling Authority under payment of Gratuity Act 1972.
4. Commissioner for workmens compensation Act 1923.
5. Registering and Licensing Authority under Contract labour (Regulation and Abolition) Act 1970.
6. Appellate Authority under section 50 of A.P. Shops and Establishment Act. They are also noticed as Inspectors under all Labour laws.
7. Authority under section 48 of the A.P. Shops and Establishment Act 1988.
8. Verification officer under Trade Unions Act 1926.
9. They are also notified as Inspectors under various Labour laws.

16.7. POWER AND FUNCTIONS OF LABOUR OFFICERS

The Labour Officers are entrusted with the following functions.

1. Authority Under Section 50 of A.P. Shop and Establishment Act 1988.
2. Enforcement of Contract Labour (Regulation and Abolition) Act. 1970.
3. Authority under Minimum Wages Act 1948.
4. Enforcement of Payment of Bonus Act 1965.
5. Supervision of the work of the Assistant Labour Officers.
6. Licensing Authority under Motor Transport Workers Act 1961.
5. Licensing Authority under Beedi and Cigar Workers (Conditions of Employment) Act 1966.
6. Implementation Authority for Awards and Agreements.
7. Enforcement of various Labour laws.

They are notified as inspectors to enforce various labour laws such as AP. Shops and Establishment Act. 1988, Motors Transport Workers Act 1961, Minimum Wages Act 1948, Equal Remuneration Act 1976 and Contract Labour (Regulation and Abolition) Act 1986, AP. Labour Welfare Fund Act, Beedi and Cigar (Conditions of Employment Act), Licencing Authority under AP Shops and Establishment Act 1988.

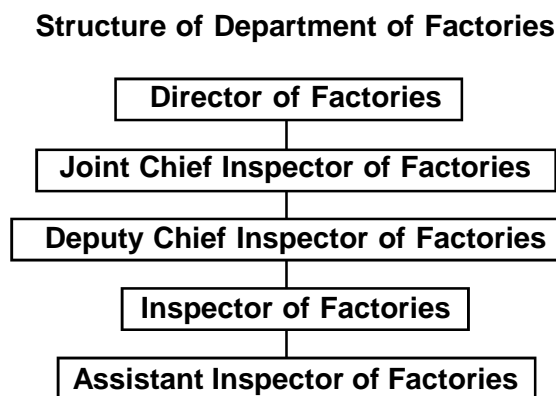
16.8. POWERS AND FUNCTIONS OF ASSISTANT LABOUR OFFICERS

The Assistant Labour Officers are in charge of four or five Mandals on an average. They are responsible for effective implementation of the A.P. Shops and Establishment Act, Motor Transport Workers Act, A.P. Factories and Establishment (National, Festival and other Holidays) Act, Minimum Wages Act, Equal Remuneration Act, A.P. Labour Welfare Fund Act, and Beedi and Cigar Workers (Conditions of Employment) Act.

16.9. DEPARTMENT OF FACTORIES

The factories Act (1948) Provides for the health, welfare, safety, leave with wages, and regularisation of working hours for the benefit of workers. This Act is administered by the Factories Department. At the state level, it consists of one Director of Factories, who is assisted by Joint Chief Inspectors of Factories and Deputy Chief inspectors of the Factories. For administrative convenience, the State is divided into Seven Zones for one or two districts a Deputy Chief Inspector of Factories is kept incharge there are forty circles covering all districts in the state. Each circle is headed by one inspector of factories. The structure of the Department is as follows :

Figure : 2



16.10. FUNCTIONS OF THE DEPARTMENT OF FACTORIES

The Department of Factories enforces Factories Act, payment of Wages Act and Maternity Benefit Act. Enforcement of the Factories act 1948 and also notified as licensing authority under Factories act. Enquiry on reports received from the employer of factories and accidents and other matters. It organises training Programmes, monitors hazardous Factories for safety and launches prosecution if necessary.

16.11. SUMMARY

This unit outlined the labour welfare administration in Andhra Pradesh Department of Labour and Department of Factories are major wings in the Labour Welfare Administration in Andhra Pradesh. The department of labour is headed by commissioner of labour at Hyderabad and the entire state is divided into seven zones for administrative purpose. Each zone is headed by Deputy Commissioner of Labour and Assistant Commissioners of Labour at district level labour Officers and Assistant Labour Officer Works at the mandal level. Enforcement of labour laws, maintenance of industrial harmony and labour welfare are the major functions of the department.

The Factories Department at the State level is headed by Director of Factories, At the zonal level deputy chief inspector of factories is the head. Inspector of factories is appointed in each District. This department enforces Factories Act, payment wages Act, Maternity benefit act for the welfare of the workers.

16.12. SELF ASSESSMENT QUESTIONS

1. Explain the labour welfare administration in Andhra Pradesh.
2. Examine the role played by the Department of Labour in the Administration of Labour Welfare in Andhra Pradesh.

16.13. REFERENCES

1. Sarma, A.M. Labour Administration in India, Himalaya Publishing House, Bombay, (1993)
2. Government of India, Ministry of Labour; Report of the National Commission on labour, (1969)
3. Government of India, Ministry of Labour; Report of the National Commission on labour, (2002)

- Sri. M. Thrimurthi Rao
Acharya Nagarjuna University.

Lesson - 17**DIRECTOR GENERAL OF EMPLOYMENT TRAINING AND
DIRECTOR GENERAL OF FACTORY ADVICE****Objectives**

The objective of this unit is to sensitive about administration of Director General of Factory Advice.

Structure

- 17.1. Introduction
- 17.2. National Employment Service
- 17.3. Special employment exchanges for physically handicapped.
- 17.4. Vocational rehabilitation centers for handicapped.
- 17.5. Craftsmen Training Scheme.
- 17.6. Craft Instructor Training
- 17.7. Apprenticeship Training Scheme
- 17.8. Vocational Training Programme for Women
- 17.9. Supervisory Training
- 17.10. Workers Education Scheme
- 17.11. National Labour Institute; Noida, UP
- 17.12. Directorate of Factories
 - 17.12.1. The Factories Act 1948
 - 17.12.2. Safety
 - 17.12.3. Chemical and Medical Cell
 - 17.12.4. Industrial Hygienic Cell
 - 17.12.5. Welfare
 - 17.12.6. The Payment of Wages Act 1936
 - 17.12.7. The Maternity Benefit Act 1961
- 17.13. Summary
- 17.14. Assessment questions
- 17.15. Further readings

17.1. Introduction

This unit deals with the policies, procedures, standards and over all co-ordination of employment services, procedures and organising vocational training programmes throughout the country,

17.2. National Employment Service

The National Employment Service consisted of a network of 851 employment exchanges in the country at the end of 1990. This network included 82 University Employment Information and Guidance Bureau , 15 Professional and Executive Employment Exchanges, 7 Colliery Exchanges, 10 Project Employment Exchanges, 23 Special Employment Exchanges for the Physically Handicapped and one Special Employment Exchange for Plantation Labour.

Registration of job-seekers and their placement against vacancies notified by employers is one of the main activities of the employment exchanges. The total number of job-seekers on the live-

register of employment exchanges at the end of 1990 was 346.32 lakhs which is 5.7 per cent higher than the number at beginning of the year. The employment Exchanges (Compulsory Notification of Vacancies) Act covered 1.89 lakhs of establishments at the end of March, 1989 (provisional) as against 1.83 lakhs at the end of March, 1988. Of these 1.441 lakh establishments were in the public sector and 0.45 lakhs in the private sector.

The Employment Service renders special attention to the needs of the weaker sections of society. Seventeen vocational Rehabilitation centres provide a comprehensive package of services to the handicapped. Two of these centres located at Vadodara and Patna, cater to the needs of handicapped women only. Vocational guidance and confidence building training is being provided to job-seekers from the scheduled castes and the scheduled tribes at nineteen coaching-cum-guidance centres for scheduled castes and scheduled-tribes. Besides, schemes to provide facilities to these jobseekers for practising shorthand and typing is in operation in 13 of the above centres.

During the first half of 1990, 21.9 thousand scheduled castes and 13.8 thousand scheduled tribes were placed in employment. There were 43.24 lakhs scheduled caste and 11.03 lakhs scheduled tribe job-seekers on the live register of employment exchanges at the end of June 1990.

17.3. Special Employment Exchanges for Physically Handicapped

Twenty three special employment exchanges are functioning in the country to cater to the needs of the handicapped and assist them in getting suitable and satisfying employment. These are located at Vishakhapatnam, Hyderabad, Ahmedabad, New Delhi, Bangalore, Bombay, Ludhiana, Madras, Calcutta, Kanpur, Jabalpur, Trivandrum, Patna, Chandigarh, Shimla, Jaipur, Bhuvaneshwar, Guwahati, Agartala, Baroda, Surat, Rajkot and Imphal.

17.4. Vocational Rehabilitation Centres for Handicapped

Seventeen Vocational Rehabilitation Centres for Handicapped (VRCs) are functioning in the country one each at Ahmedabad, Bombay, Bhuvaneshwar, Bangalore, Calcutta, Delhi, Hyderabad, Jabalpur, Jaipur, Guwahati, Kanpur, Ludhiana, Madras, Trivandrum, Vadodara, Agartala and Patna. Out of these, the VRCs, at Vadodara and Patna have been set up exclusively for handicapped women. These Centres evaluate the handicapped and provide adjustment training, facilitating their early rehabilitation. Efforts are also made to assist them in obtaining other suitable rehabilitation services such as job placement, training, self-employment and in-plant training.

In order to facilitate speedy rehabilitation of the handicapped, arrangements for skill development have also been made. Seven skill training workshops have been set up at Bombay, Ahmedabad, Bangalore, Madras, Trivandrum, Hyderabad and Kanpur. Non-form Job-oriented skill training is provided at these centres.

Rehabilitation services are also extended to the handicapped living in rural areas. This is done through mobile camps and rural rehabilitation extension centres.

17.5. Craftsmen Training Scheme

The Craftsmen Training Scheme is a national scheme introduced in 1950 for imparting training in various vocational trades to meet the technical manpower requirements for technological development and industrial growth of our country. The objective of the scheme is to ensure a steady flow of skilled workers in different trades, to raise the quality and quantity of industrial production by

systematic training of potential workers and to reduce unemployment among the educated youth by equipping them for suitable industrial employment.

The Central Government, Ministry of Labour, formulates national policy of training under the scheme and prescribes curricula, various standards and norms for training. For this, the Government is advised by the National Council for Vocational Training (NCVT) which is an apex non-statutory advisory body. The Union Labour Minister is the chairman of this Council. Under this scheme, training is provided in 39 engineering and 26 non-engineering trades in ITIs (State Government and private) in various States/union territories of the country. The period of training varies from one year to two years and educational qualifications for admission vary from the 8th standard to the 12th standard or equivalent depending upon the trades. The All India Trade Test is conducted by DEGT. The Ministry of Labour and National Trade Certificates (NTCs) are awarded to successful candidates on behalf of NCVT. This certificate is recognised qualification for recruitment to relevant subordinate posts in all Central/State Government establishments. All the institutes under this scheme are within the administrative control of respective State Governments/Union Territory administration. Training in Government ITIs is provided either free or on a very nominal tuition fee. There is a provision for the award of a stipend of Rs. 40/- per month per trainee. Trainees are also entitled to concessions like free workshop clothing, sports, medical facilities and hostel accommodation wherever available. There is a provision of reservation of seats for admission of SC/ST candidates, physically handicapped and wards of defense personnel under the scheme.

Syllabi of trades are periodically revised under expert guidance of trade committees to keep pace with the emerging and new sophisticated technologies and rapid diversification in industries. Training in new trades is being offered in areas like chemical, computer fields, electronics etc.

17.6. Craft Instructor Training

The Advanced Training Institutes at Howrah, Bombay, Kanpur, Ludhiana and Hyderabad and the Central Training Institute for Instructors at Madras, train instructor trainees in the techniques of imparting industrial skills, who in turn train and make available skilled manpower for industry. These institutes offer a series of one year courses which provide comprehensive training, both in skill development and principles of teaching. Refresher courses are also conducted to update and upgrade the knowledge and skill of the instructors and to keep them abreast of technological developments in industry.

17.7. Apprenticeship Training Scheme

The development of human resource is a vital factor for the industrial development of any nation. This problem has become more acute because of the rapidity with which changes in skill profiles are being brought about by the technological developments. Hence, the Apprentices Act, 1961 was enacted

with the following objectives:

- (i) To regulate the programme of training of apprentices in industry so as to conform to the prescribed syllabi, period of training etc., as laid down by the Central Apprenticeship Council; and
- (ii) To utilise fully the facilities available in industry for imparting practical training with a view to meeting the requirements of skilled workers in industries.

The actual implementation of the training programme under the Apprentices Act commenced w.e.f. 1.1.63. Initially the Act envisaged the training of trade apprentices. The training of graduates and diploma holders in Engineering and Technology as graduate and technician Apprentices was brought within the preview of the Act through an amendment in 1973. The Apprentices Act has been further amended to bring within its purview the training of students passing out from the 10+2 vocational stream as technician (vocational) apprentices. The training of this category of apprentices has commenced as per the requisite rules notified in October 1987.

The Act makes it obligatory on the part of the employers, both in the public and private sector industries to engage trade apprentices according to the ratio of apprentices to workers (other than the unskilled) in designated trades prescribed under the rules. In order to locate the maximum facilities for apprenticeship training, the training places are located as a result of intensive surveys conducted in the establishment. The duration of training for trade apprentices varies from six months to four years depending upon the requirements of the trades. The syllabi for different trades are prepared by the respective trade committees comprising trade experts from industry. The apprenticeship training is undertaken twice a year during February-March and August-September.

The Central Government is responsible for implementing the Apprenticeship Training Scheme for trade apprentices in central establishments/departments. This is implemented by Directorate General of Employment and Training in the Ministry of Labour with the assistance of six regional directorates located at Calcutta, Bombay, Madras, Hyderabad and Faridabad. The State Government/UTs administration are responsible for implementing the scheme in their respective departments, undertakings and private sector establishments through their State Apprenticeship Advisers. The training programme for graduate engineers, diploma holders and technician (vocational) apprentices is controlled by four Regional Boards of Apprenticeship Training (Autonomous Bodies under the Department of Education, Ministry of Human Resources Development). But the overall responsibility for the implementation of the Apprentice Act rests with the Central Apprenticeship Adviser in the Ministry of Labour .

Trade Apprentices: As on 31st December 1990, the number of trade apprentices undergoing training in the Central, State and Private Sector establishments was 1,33,156. Care has been taken to ensure that the scheduled castes, scheduled tribes, minorities, physically handicapped and women get a fair deal in the recruitment of apprentices. Out of a total of 1,33,156 trade apprentices undergoing training, the number of apprentices belonging to these categories was: scheduled castes 15,979, schedule tribes 3734, minorities 16,551, physically handicapped 565, and women 2151. So far 29 categories of industries have been specified to train apprentices in various designated trades. These trades have been divided into 29 trade groups such as Machine shop trade group, Foundry trade group, Refrigeration and Air-Conditioning trade group etc. The educational qualifications for apprentices vary from a pass in the 8th class or equivalent, to Higher Secondary/PUC or equivalent.

Syllabi for imparting training in the designated trades under the Apprentices Act, are continuously reviewed every five years by the respective trade committees, keeping in view the changing technological requirements of trade and industry.

Related Instructions are imparted to all trade apprentices to equip them with appropriate theoretical knowledge related to the trade. These are imparted throughout the period of training including basic training. The cost of imparting related instructions is borne by the appropriate Government.

However, whenever required, the employers afford all facilities for imparting such instructions, the cost incurred by the employers in such cases is reimbursed.

At the end of the training period, apprentices are trade-tested twice a year, i.e., in April and October by the National Council for Vocational Training. Successful candidates are awarded National Apprenticeship Certificates. With a view to fostering a spirit of healthy competition among the apprentices and also the establishment, skill competition at local, regional and at an all India level are organised.

Graduate, Technician Apprentices and Technician (Vocational) Apprentices: The Scheme of Apprenticeship Training of graduate technician apprentices and technician (Vocational) apprentices under the Apprentices Act, is being administered by the Department of Education, Ministry of Human Resource Development (HRD). Seventy-one subject fields in Engineering and Technology have been designated under the Act for training of graduates and diploma holders in engineering/technology.

The Bill for amendment of the Apprentices Act 1961 creating a separate category of technician (vocational) apprentices was passed by both Houses of Parliament on 31.7.1986 and 20.8.1986 respectively. The Apprentices (Amendment) Act, 1986 was notified in the Gazette of India on 9.9.1986, and the rules framed under the Amended Act were also notified in the Official Gazette on 17.10.1987. The amended Apprentices Act, 1986 came into force on 16.12.1987.

17.8. Vocational Training Programme for Women

The Directorate General of Employment and Training has been operating a number of schemes for promoting women's participation in training. Under the women's Vocational Training Programme, a National Vocational Training Institute for Women, and six Regional Vocational Training Institutes have been set up. These institutes provide facilities for training in a three-tier system, namely, basic skills, advanced skills and instructional training in selected trades having high employment potential such as Instrument Mechanic, Electronics, Data Preparation and Computer Software, Hair and Skin Care, Secretarial Practice, Dress Making, Embroidery and Needle Craft. Part-time, short-term and ad hoc courses are also organised by these institutes as per the local needs of the industries. Some courses are also organised for the benefit of housewives or other women in trades like repair and servicing of common domestic appliances, hair and skin care, and dress making under the innovative/non-formal training. The total sanctioned capacity in these institutes is 1,220 as in December 1990.

17.9. Supervisory Training

The Training programmes for supervisors/foremen from industry to improve their skill and technical ability are organised at two Foremen Training Institutes located at Bangalore and Jamshedpur.

The Institute set up at Bangalore with collaboration from the State of Baden Wuettemberg in Germany is responsible for organising and conducting training programmes for existing and potential shop foremen and supervisors in technical and managerial skills through full-time courses.

The training programmes meant for supervisors/foremen are mainly aimed at achieving the following objectives:

- (a) To improve skill and technical ability;
- (b) To develop and accept more shop floor responsibility;
- (c) To raise the awareness of the need for higher productivity;

- (d) To impart training in the use of modern techniques of industrial engineering for optimum utilisation of men, machines and materials.
- (e) To develop the skill of dealing with people in solving problems and handling grievances to improve the morale and team spirit of the employees.
- (f) To develop the ability of effective cooperation and coordination at all levels.
- (g) To develop the skill to train others as a line of responsibility.
- (h) To create safety consciousness and proper housekeeping.
- (i) To develop the ability in the effective utilisation of equipment and resources and their proper upkeep and maintenance.
- (j) To develop the ability to reduce costs, improve quality and increase production.

17.10. Workers Education Scheme

A tripartite semi-autonomous body known as the Central Board for Workers Education, registered as a society, was set-up under the Ministry of Labour, Government of India, to formulate policies and programmes and to administer the Workers Education Scheme. The Board has its representatives from central and state governments, organisations of employers and workers and educational institutions. The headquarters of the Board is in Nagapur where the office of the Director is situated. In the organisational set-up, the Indian Institute of Workers Education, Bombay, the Regional Centres, the Sub- Regional Centres and the Unit Level Classes are below the Head Office. As on March 31, 1992, forty-three Regional Workers Education Centres were functioning all over India each under the charge of a Regional Director.

The Indian Institute of Workers Education was established by the Board in 1970 to conduct training programmes at national level for its officials and trade union leaders. It serves as an apex level demonstration and training Institute. The Institute conducts training programmes and refresher courses for education officers, courses for trade union functionaries and provides library and allied services.

17.11. National Labour Institute NOIDA, U.P.

The National Labour Institute was set up as a registered society in 1972 with the objectives of providing for education, training, study and research in labour and related subjects. The Institute is mainly funded by the Government of India through a grant-in-aid. It also generates some income of its own through its activities.

The education and training programmes of the Institute are primarily designed to benefit four groups of beneficiaries:

- * Labour administrators and other officials including personnel involved in inspection, conciliation, and enforcement from Central and State Governments.
- * Leaders and office bearers of trade unions from both the public and private sectors.
- * Organisers of the rural poor particularly those belonging to SC/ST and trade unions, and office bearers of agrarian workers union and;
- * Managers and supervisors of public and private sector industry.

The programmes fall under four broad categories :

- * Short-term theme/issue based training programmes;
- * Motivational camps for organising rural labour;
- * National seminars and workshops; and

- * Programmes in collaboration with international agencies.

The main focus of the training efforts has been to reinforce participative institutions and methods and to help participants to develop appropriate skills, motivation and attitudes. The emphasis in training has been on learning through small group work discussions, applied behavioral science technique and case studies.

The Institute is also engaged in carrying out certain educational activities specifically designed for different categories of the rural poor. One of the activities under this programme is to organise rural labour education and training camps.

17.12. Directorate of Factories

The Director of factories administers the Directorate with the assistance of other officers.

Seven Regional Offices of the Directorate are situated at Barrackpore, Serampore, Kalyani, Asansol, Durgapur, Jalpaiguri and Haldia. The offices at Barrackpore and Asansol are each administered by a Deputy Chief Inspector of Factories, while the others are controlled by Inspectors of Factories posted in those areas.

The Directorate of Factories is responsible for administering the following Acts and respective rules framed there under:

- (i) The Factories Act, 1948, and the Andhra Pradesh Factories Rules, 1958.
- (ii) The Payment of Wages Act, 1936, and the Andhra Pradesh Payment of Wages Rules, 1958.
- (iii) The Maternity Benefit Act, 1961 and the Andhra Pradesh Maternity Benefit Rules, 1965.

17.12.1. The Factories Act, 1948

The purpose of the Act is to secure safe and healthy work environment in factories. There are stipulations in respect of working hours, leave with wages, employment of women and young persons and special provisions regarding dangerous operations, hazardous processes, intimation of accidents, dangerous occurrences, occupational diseases, safety and occupational health surveys, etc. There are also provisions to deal with contravention of the statutes. In addition, the 1987 Amendment of the Act lays down provisions for "Compulsory disclosure of information about dangers including health hazards and the measures to overcome such hazards", "statement of policy with respect to the health and safety of the workers employed", "maintenance of medical records of the workers who are exposed to any chemical, toxic or any other harmful substance", "disaster control measures", "workers participation in safety management", "right of workers to warn about imminent danger", etc. thereby strengthening the provisions relating to safety and health at work.

The objective of the Factories Rules is to regulate (a) approval of site and plans, registration and license; (b) appointment and duties of Inspectors and Certifying Surgeons; (c) health safety and welfare of workers and (d) conditions of employment of adult and young persons. The rules also incorporate 25 schedules to safeguard the health of the workers engaged in processes which have been declared "Dangerous Operations." The rules are amended from time to time to make the provisions stronger.

17.12.2. Safety

In the year 1990 sixty-one fatal accidents occurred in different factories situated in the State, as compared to 47 such cases in the previous year. The number of non-fatal accidents (Table 17.24) shows a decrease of about 5,600 accidents as compared to the number of non-fatal accidents reported

during the previous year.

17.12.3. Chemical and Medical Cell

The Chemical Cell established during the second year of the 7th Plan period is carrying out a detailed study / survey on safety and health problems in the industries handling hazardous chemicals. The officers under the cell are undertaking inspection of the factories to prevent chemical accidents, viz., fire, explosion and toxic releases, and suggesting various remedial measures that may be necessary for the control of chemical hazards in the factories. They are also effectively contributing towards preventing major industrial accidents.

17.12.4. Industrial Hygiene Cell

This cell is engaged in the anticipation, recognition, evaluation and control of environmental factors or stresses arising in, or from, the work place for preventing sickness, health impairment or significant discomfort among workers or among citizens of the community. The activities of the cell, among many other factors, consist in the application of knowledge to the anticipation and recognition of health hazards arising out of work operations and processes, evaluation and measurement of the magnitude of the hazard based on study and experience and control of the hazard. The Cell concentrates on the following main objectives:

1. To assess the air-borne concentration of hazardous chemicals, toxic substances, in the work environment of factories.
2. To assess the fire and explosion risk due to presence of flammable/explosive substances in the work environment.
3. To assess physical stress conditions in the work environment, such as heat stress, ventilation, noise, illumination etc.
4. To compare the results of the above assessments with the permissible exposure limits.
5. To suggest engineering revision to control the work environment within such standard.
6. To assess the occupational health status of the workers exposed to such chemical and physical stresses in the work environment.
7. To suggest remedial medical measures to reduce the possibility of occupational diseases amongst exposed workers.

17.12.5. Welfare

A few complaints in respect of inadequate first-aid appliances, the quality of food served in canteens, etc., were received by the Directorate. In most cases the requirements of law were complied with by the managements of the factories concerned in accordance with the instructions of the officers of the Directorate. Legal action was also taken against managements when they failed to comply with the statutory requirements.

Prosecution

During 1990, 123 prosecutions were filed against 67 factories under section 92 of the Factories Act for violation of various provisions of the Act and of the rules framed there under.

17.12.6. The Payment of Wages Act, 1936

The Act applies to all persons employed in factories whose average monthly wages are not more than Rs. 6500/-.

Within the administrative jurisdiction of the Directorate, the total number of factories covered

by the Act was 8,698 at the close of the year 1989, of which only 2,188 factories submitted annual returns. The total daily average number of persons employed in such factories was 1,66,084.

During the year under review a total of 5,494 visits were paid to factories. Of these, 14 visits were made exclusively to deal with matters arising out of complaints, delayed payment of wages, etc.

The amount of fines imposed and realised during 1989 was reported to be Rs. 5,690.60 only. There were cases where employers failed to make regular payment to the workers on the plea of financial stringency. But owing to the lengthy legal process involved, immediate relief could not be given to these workers.

In 1990, 34 complaints were received from persons employed and from trade unions of different factories. These complaints generally relate to non- payment of wages, delay in payment of wages, illegal deduction of wages, payment of overtime wages at reduced rates, etc. All these complaints were investigated and in most cases the managements were persuaded to comply with the statutory provisions.

17.12.7. The Maternity Benefit Act, 1961

This Act applies to the women workers in factories or other establishments to whom the provisions of ESI Act do not apply. The total number of factories and plantations under the purview of the Act was 726 in 1989. Of this 217 units were tea factories and tea plantations, two were cinchona plantations and one was a tea plantation without any factory. The remaining 506 factories belonged to other industrial groups.

The total number of factories and plantations from which returns were received was 412, and the aggregate number of women workers employed in these factories and plantations was 45,329.

During 1989, the total number of claims according to the returns received from the factories and plantations was 3,692, and the total claims accepted and paid either fully or partially were 3,790, which included 156 claims from 1988. The amount of a maternity benefit paid against such claims was Rs. 38,13,872.43 out of which Rs. 37,76,730.61 was paid as maternity benefit in tea factories and tea plantations. Prenatal care and post-natal care were reported have been provided free of charge by the management in all cases.

17.13. Summary

This unit offered a description on Director General of Employment Training and Director General of Factory Advice Services Ministry of Labour and Employment is the main agency for labour policy formulation and its administration. The Directorate of factory advice, services, safety, employment and training office and all India network of labour department were also discussed.

17.4. Self-Assessment Questions :

- * Describe the Director General of Employment and Training
- * Explain the administration of Directorate of Factory Advice Services.

17.5. Further Readings

1. Sarma. A.M., Labour Administration in India, Himalaya Publishing house, Bombay (1993)
2. Government of India, Ministry of Labour Report of the National Commission on Labour, (1969)
3. Government of India National Commission on Labour Report, (2nd Labour Commission Report) Akalank Publications, Volume 1 (Part one), Delhi, (2002).

- Dr. G.B.V.L. Narasimha Rao

Lesson -18**THE EMPLOYEE'S PROVIDENT FUND SCHEME****OBJECTIVES**

After reading this unit, One can understand :

1. Benefits that are available under Provident Fund Scheme
2. Deposit-Linked Insurance Scheme available to employees and
3. The latest pension scheme.

Structure

- 18.1. Introduction
- 18.2. Applicability of Act
- 18.3. Administration of Act
- 18.4. The Employee's Provident Fund Scheme 1952
- 18.5. The Employee's Pension Scheme 1995
- 18.6. Self Assessment Questions
- 18.7. Summary
- 18.8. Self-Assessment
- 18.9. Further Readings

18.1. INTRODUCTION

Social security is the security that society furnishes through appropriate organisations against certain risk to which its members are perennially exposed. An ILO publication states that in the life of man there are two important stages of dependency, firstly, the child-hood, and secondly the old age. There was no statutory provision for the institution of provident funds for employment in industrial and commercial establishments before 1952. A few big employers had instituted their private schemes of provident fund voluntarily, but there was no legislation covering employees of the industrial and commercial establishments.

The labour investigation committee 1946 observed that absence of Provident Funds and, pension schemes, has largely contributed to the migratory character of Indian Labour and is one of most important causes of large labour unrest in factories. On 15th November 1951 the Government of India promulgated the Employees Provident Funds ordinance and it was subsequently replaced by the Employees Provident Funds Act on 4th March 1952. Subsequently the Act was amended, certain schemes are deleted and new schemes are introduced to suit the needs of workers. Presently the *act is called Employees' Provident Funds and Provisions Miscellaneous Act, 1952* and contains three important parts.

The scheme will be contributory in which both the worker and the employer contribute. It obviously cultivates a spirit of saving among the workers. The institution of a provident fund of this type would also encourage the stabilisation on a steady labour force in industrial centres it is a self supporting scheme and the employers of the establishments are responsible to report its compliance.

18.2. APPLICABILITY OF ACT

The Act applies in the first instance to factories and industries in which twenty or more persons are employed and central government is empowered to apply the Act to nonfactory establishments also which employs twenty or more after giving not less than 2 months notice by notification in official gazette to any establishments employing even less than twenty persons. Thus this act applies even if employees are less than 20, the employer and the employees of any establishment can also have the act by agreement. Once the Act is made applicable to any factory, it continues to be applied even if the number of persons employed there falls below twenty.

Where an establishment consists of different departments or has branches in the same places, all such departments or branches shall be treated as parts of the same establishment for the purpose of applicability of the act.

It also applies to contract labour. The Central Government. is empowered to add more industries so as to cover them under the Act. Every employee of concerned factories and establishments is entitled and required to become a member of the fund on the day of his joining. He is entitled to become a member of the fund, if his salary does not exceed Rs. 5,000 per month. An employee who is a member of the fund will continue to be so even after his pay exceeds Rs. 7500 However his contributions will be based on the said amount only.

Contribution is 10% if the number of employees are less than 20 (w.e.f 22-09-1997) and 12% if the member of employees are more than 20 (w.e.f 22-03-1997).

18.3. ADMINISTRATION OF THE ACT

The Act is administered by Central Board of Trustees- a tripartite body consisting of nominees of the Central Government, State Government and workers organisations and employers.

The Board has set up Regional offices and Sub-Regional Offices for Administering the scheme. Regional Committees work for each region and they advise the Central Board on all matters connected with the administration of scheme.

18.4. THE EMPLOYEES' PROVIDENT FUND SCHEME, 1952

The Scheme framed under section 5 of the act came into effect from November 1952. It aims at making some provision for the future of the covered employees after they retire and also for their dependents in case any worker meets an early death.

Under the scheme a contributory provident fund has been instituted and both the workers and employers are required to contribute to it. Out of the total contributions (i.e. 12% of employees, wage and matching contribution of employer total 24%) 15.67% shall be divided to this scheme. The amount standing to the credit of each individual members of the fund is paid to him or his nominees in full on his retirement, migration from India or Termination of service etc. Each member is entitled to utilise the amount in various other ways while in service. Members of the fund is allowed to draw' advances for purchase of a dwelling house, for illness, for marriages or post-matriculation education of children and for certain other contingencies like floods, earthquakes etc.

18.5. THE EMPLOYEES DEPOSIT -LINKED INSURANCE SCHEME 1976

This scheme has been framed for the purpose of providing life insurance to all the employees covered. The employees are not required to make any contribution to the Deposit linked insurance

fund. Only the employer and the Central Government are required to contribute to the fund in respect of each employee.

Employer has to pay to Deposit-Linked Insurance Fund one percent of the aggregate to basic wages, dearness allowance and retaining allowance of employee. For the purpose of administration of the scheme employer shall pay into the insurance fund such further sums of money not exceeding one-fourth of the contribution which he is required to make. The amount of administrative charges payable by the employers under this shall be subject to a minimum of Rs. 2 per month.

18.6. THE EMPLOYEES' PENSION SCHEME, 1995

This scheme came into force from 16th November 1995. The scheme is applicable to the employees working in both Private and Public Sector and are subscribing to EPF under the Act and who are not covered by any other scheme for better terms of pension. This is applicable to all EPF subscribers working in factories, shops and establishments. This is applicable even to contract labour subscribing to the fund. Members of the Family Pension Scheme 1971 who were out of employment may get for this scheme within 6 months.

It is the responsibility of employers to divert their contribution to the extent of 8.33% of the employees pay to the employees pension fund within 15 days of the close of every month.

Principal employers are responsible to pay the contributions payable to the pension fund even in respect of contract labour. The Central Government also contribute at the rate of 1.16 per cent of the pay of the employee and credit it to employees pension fund.

Minimum Qualifying Service

In case of permanent disability after joining scheme	One month contribution
Short service pension at discounted rate	10 years services min.
Pension payable at normal rate	20 yrs. minimum service

Pension payable under this scheme shall be calculated as follows:

$$\text{Monthly members pension} = \frac{\text{Pensionable salary} \times \text{Pensionable service}}{70}$$

Person who has rendered 20 years of pension able service or more shall be eligible for a weight age of 2 years.

Different type of pensions:

Employees are eligible for the following types of pensions.

Superannuation pension when he has rendered eligible service of 20 years or more and retires on attaining the age of 58 years.

Retirement pension if he has rendered eligible service of 20 years or more and retires or otherwise ceases to be in the employment before attaining the age of 58 years.

Short service pension if he has rendered eligible service of 10 years or more but less than 20 years.

Widow pension shall be payable when an employee dies, widow pension shall be payable which is equivalent to the monthly members pension. The monthly widow pension shall be payable upto the death of widow or re-marriage which ever is earlier.

Monthly Children Pension

If there are any surviving children of the deceased member, monthly children pension shall be payable in the case of a son until he attains the age of 25 years and in case of daughter until she attains the age of 25 years or gets married, which ever is earlier. Monthly children pension shall be admissible to the maximum of two children' at a time.

Disablement Pension

A member who is permanently and totally disabled during employment shall be entitled to pension subject to a minimum of Rs. 250/-

Exemption from the operation of the pension scheme

Central Government may grant exemption to any establishment or class of establishment from the operation of this scheme if the employees are in receipt of pensionary benefits at par or more favorable than the benefit provided under this scheme.

18.7. SUMMARY

The Employees' Provident Scheme is a social piece of legislation for providing social security benefits to the workforce engaged in non-governmental sector. Main aim is to provide security to bread earners in their old age. It is amended, many a times to suit the needs of the employers. There is a long felt need to introduce pension for the employees. To have a steady supply of money after retirement, employees are brought under the purview of pension scheme.

Many a time even schemes launched with good intentions create hell of problems., Every worker whether a daily wager, a casual or a temporary will have to contribute for the provident fund scheme. Construction workers who are mainly migratory employees would never like the P.F contributions to be deducted. The reason is that for them, as low paid workers, the present needs are more important than the future needs.

Inspite of all the difficulties, this act is a pioneering legislation in the field of social security and introduction of pension is the first step towards comprehensive social security for which employers and also employees are looking forward.

18.8. SELF-ASSESSMENT QUESTIONS

1. Explain the Provident Fund Scheme 1952?
2. "Employee Pension Scheme is forerunner towards comprehensive social security" comment ?
3. Write short notes on

- a) Deposit Linked Insurance Scheme
- b) P.F. Act as a social security measure.

18.9. Further Readings

1. Sarma, A.M. Labour Administration in India, Himalaya Publishing House, Mumbai, 1993.
2. Government of India National Commission on Labour Report (2nd Labour Commission Report) Akalank Publications, Volume 1 (Part one), Delhi, 2002.

- **Dr. G.B.V.L. Narasimha Rao**
Acharya Nagarjuna University.

LESSON - 19**EMPLOYEE STATE INSURANCE SCHEME****Objectives**

After going through this unit one should be able to

- Historical background of the ESI scheme
- Objectives and applicability of the ESI scheme
- Administration of the ESI scheme
- Contributions and benefits of the ESI schemes.

Structure

- 19.1. Introduction**
- 19.2. Historical Background**
- 19.3. Objectives**
- 19.4. Applicability**
- 19.5. Administration**
- 19.6. Contributions**
- 19.7. Benefits**
 - 19.7.1. Sickness benefit**
 - 19.7.2. Extended Sickness benefit**
 - 19.7.3. Enhanced sickness benefit**
 - 19.7.4. Disablement benefit**
 - 19.7.5. Dependents benefit**
 - 19.7.6. Maternity benefit**
 - 19.7.7. Medical benefit**
 - 19.7.8. Funeral benefit**
- 19.8. Problems**
- 19.9. Suggestion**
- 19.10. Summary**
- 19.11. Self Assessment Questions**
- 19.12. References**

19.1. INTRODUCTION

In one important piece of social security measure extended to employees in India is E.S.I Scheme. It attempted to cover social security benefits from 'womb to tomb'. This unit presents you the E.S.I Scheme, its administration, benefits and problems involved and finally offers some suggestions.

19.2. HISTORICAL BACKGROUND

The subject of health insurance for industrial workers was first discussed in 1927 by the Indian Legislature.

The Royal Commission on Labour stressed the need for health insurance for workers in India. Labour Ministers conferences held in 1940 and 1942 decided to invite an expert to formulate a scheme that provide health insurance and as a result Prof. B.P. Adarkar was entrusted with this duty

in 1943. He submitted his report in 1944. His report was considered and finally the Employees' State Insurance Act came into force from April, 1948.

19.3. OBJECTIVES

The E.S.I Scheme under the Act aims at providing for certain cash benefits to employees' in the case of sickness, maternity, employment injury, and Medical facilities in kind. The Act was amended from time to time cover more organisations and more number of employees and to provide higher benefits.

19.4. APPLICABILITY

Under the Act the implementation of the Scheme is territorial. It applies to all factories, shops, hostels and restaurants, cinema theatres news paper establishments, and motor transport undertakings employing 20 or more persons. However, the Act does not apply to mines, railways and specified seasonal factories. The employees whose remuneration does not exceed Rs. 6,500 a month are covered under the Act. This act applies even to temporary, casual and contract labourers.

19.5. ADMINISTRATION

The ESI corporation, located at New Delhi is the corporate body which administers the ESI Scheme. Union Labour Minister is the Chairman of the corporation and Union Health Minister is Vice Chairman. The Corporation consists of workers representatives, employers representatives, medical professionals and state governments representatives.

The affairs of the Corporation are looked after by standing committee constituted from amongst its members. There is a medical benefit council to advise the corporation on medical care. The Chief Executive Officer of the corporation is Director General who is an ex-officio member of the corporation and its standing committee.

The ESI Corporation has set up a network of regional and local offices all over the country for implementation of the scheme. At regional level, regional boards are constituted and at the local level, local committees are constituted. There are about 17 regional offices, sub-regional offices and 813 local offices all over the country for the administration of the scheme. There were altogether 122 ESI hospitals and 42 ESI annexes as on 31st March, 1995 to cater to the needs of employees and their family members.

19.6. CONTRIBUTIONS

Each employee who is covered under ESI Scheme has to contribute 1.75 per cent of the wages paid/payable to him for every wage period. The employer has to contribute to the corporation at the rate of 4.75 per cent of total wages paid to the employees covered under scheme in each wage period. All the contributions paid under the act are deposited into a fund called the employees state insurance fund.

19.7. BENEFITS

The scheme provides for sickness benefit, extended sickness benefit, enhanced sickness benefit, disablement benefit, dependent benefit, maternity benefit, medical benefit and funeral benefit. The details are given below:

19.7.1. Sickness Benefit

The insured employees will get sickness benefit upto 91 days, in two consecutive benefit periods at the rate of about half of the wages. The contributory condition to get the benefit is payment for atleast half the number of the days in the relevant contribution period.

19.7.2. Extended sickness benefit

The insured person who is in continuous employment for a period of two years will get extended sickness benefit at the rate of 70% of the wages to a period of 400 days.

19.7.3. Enhanced sickness benefit

This benefit is given to the insured persons for the duration of 7 days for vasectomy, 14 days for tubectomy at the rate of full-wages.

19.7.4. Disablement benefit

The insured person will get temporary disablement benefit at the rate of about 70% of the wages till the incapacity lasts. The insured who is permanently disabled will get permanent disablement benefit throughout the life. The rate of benefit depends upon the loss of earning capacity of the worker.

19.7.5. Dependants benefit

The dependents of diseased employee will get the dependent benefit about the 70% of the wages of the diseased employee.

19.7.6. Maternity benefit

This benefit is extended to women employees for 12 weeks of which 6 weeks before the expected date of confinement and six weeks after confinement at the rate of about the full wages.

19.7.7. Medical Benefit

Full medical care including hospitalization for insured person is extended to insured employees. This benefit is also extended to the family members of the insured employees.

19.7.8. Funeral benefit

In case of death of insured person the actual expenditure on funeral not exceeding Rs. 1500/- is given to the elder member of the family as funeral benefit.

19.8. PROBLEMS

There is no doubt in saying the ESI. Scheme provides social security benefits to the employee. The medical benefit is extended to the family members also. But the major problem encountered by the employers because of this scheme is increase in the rate of absenteeism. The liberal grant of sickness certificates by ESI Medical Officers leads to this problems. One limitation of the scheme is that it is not applicable to all the working population. Another limitation is shortage of hospitals, medical officers and medical and health services.

19.9. SUGGESTIONS

The corporation should establish more hospitals and dispensaries with required number of medical and paramedical staff. The authorities concerned should check and control liberal grant of sickness certificates given by the Medical Officers to the employees. The workers must be educated not to misuse the benefits. The NCL recommended that there must be adequate representation for all

the employers and employees on the regional boards and active association with national safety council is necessary in integrated preventive and curative services.

19.10. SUMMARY

This unit gave information on ESI scheme and its administration. The objective of the scheme is to provide cash benefits to the employees in case of sickness, maternity, employment, injury and medical facilities in kind. It provides sickness benefit, extended sickness benefit, enhanced sickness benefit, maternity benefit, disablement benefit, dependent benefit and funeral benefit. This scheme is administered by ESI Corporation which has a net work of regional and local offices all over the country.

19.11. SELF ASSESSMENT QUESTIONS

1. Explain main features of the ESI scheme and its administration.
2. Examine the benefits provided to the employee under the ESI scheme,

19.12. REFERENCES

1. Sarma, A.M: Aspects of Labour Welfare and social security, Himalaya Publishing House, Bombay, 1997.
2. Government of India, National Commission on Labour Report (2nd Labour Commission Report) Akalank Publications, Volume 1 (Part one), Delhi, 2002.

- Dr. G.B.V.L. Narasimha Rao
Acharya Nagarjuna University.

LESSON - 20**CENTRAL BOARD FOR WORKERS EDUCATION****Objectives**

After going through this unit, one should be able to understand the central board for workers education meaning, objectives, programmes and assessment of the scheme.

STRUCTURE

- 20.1. Introduction
- 20.2. The Meaning of Worker's Education.
- 20.3. The Need and Objects of the Scheme
- 20.4. Role of Trade Unions
- 20.5. Employers Efforts
- 20.6. International Survey
20.6.1. United Kingdom
20.6.2. United States of America
20.6.3. West Germany
20.6.4. Japan
20.6.5. The Philippines
20.6.6. Pakistan
- 20.7. Role of the ILO
- 20.8. The Worker's Education of the Scheme.
20.8.1. Objectives
20.8.2. Training Programme
- 20.9. The Assessment of the Scheme
- 20.10. Summary
- 20.11. Self Assessment Questions
- 20.12. Further Reading

20.1. INTRODUCTION

In an earlier chapter it was suggested that labour welfare is a total concept involving the physical, mental, emotional and moral healthy of the worker in his work-life and community life-the community embracing the family of the worker. Education is one of the factors which contributes to the total welfare of the worker. The role of education in the well-being of the worker is a ubiquitous and protean one. That is to say, education and opportunities for education are present in all contexts of work-life and community life, and also appear in various forms. Indeed, no life situation is inapt for learning or for teaching. With this view in mind, we have hinted at the possibility of conveying to the workers relevant knowledge and experience in contexts such as house-keeping, crèches administration, canteen organization, co-operatives, accident prevention, labour community development and such other activities.

While thus the problem of workers Education is important, we should note that neither the Labour Welfare Officer nor the management have any direct responsibility for planning Workers' Education. Education is generally a State and civic responsibility. When neither the State nor the civic authority fulfil their duty in this regard, the citizens come together and provide for themselves institutions for the needed education. Philanthropists or philanthropic bodies, too, may build educational institutions.

However, Workers' Education in our country is linked up with Adult Education. But the term Workers' Education is used in a special sense in the field of labour welfare. The term is used for all those activities directed towards the education of employed working group, whether such education is initiated and run either by government, by union or by universities or by other bodies. Workers' Education has now become almost a movement. For furthering the aims of this movement, Labour Welfare Departments of industries as well as trade unions and also governments are called upon to co-operate and contribute in every way they can. Thus, through the problem of Workers' Education touches industrial managements indirectly, yet it is necessary for them to know the objectives and programme of workers' Education, and consider what managements can do to promote the objectives of Workers' Education.

20.2. The Meaning of Worker's Education

The term "Worker Education" has assumed different meanings in different countries due to its historical reasons. In the United States of America, worker's education is considered as synonymous with training in trade union leadership. In the U.K. it covers trade unionism, general adult education and vocational education. However, in the developing countries like India, the term worker's education is used in its wider connotation and it aims better union members and a better citizen. There are many reasons for this approach to worker's education.

20.3. The Need and Objectives

Economic development requires harnessing of all resources of the community to achieve the desired results. Capital is important, no doubt, but if the level of skills and knowledge of workers is not up to the mark economic development will be retarded. Illiteracy of workers is a strong barrier to the processes of industrialization. Abilities and attitudes required to make modern technology productive are not available in the traditional agricultural based occupations. Workers education is an instrument in increasing worker potential to economic growth. Further, technology generates continuous change; new skills and occupations are constantly replacing the old. The modern society must have an educational system to cope with the situation.

It has been generally said that industrial workers are equal partners in the progress and prosperity of the country. They must not only share the responsibility of increasing productivity but should also be able to participate in taking decisions of planned economic development, build a personal stake in the prosperity of the country and value democratic rights enjoined on them by the constitution. They should join unions on rational considerations and contribute to the growth of the healthy and responsible labour movement in the country. Since the education system and other mass media of communication system may not be adequate, special educational arrangements are necessary to help workers in acquiring the desired attributes.

20.4. Role of Trade Unions

Trade unions are generally regarded as the most powerful agencies of workers' education. First they are instrumentality of workers and as such it is their duty to improve the conditions of their members. Second, the acceptance of education by workers is to be more if the educators enjoy the confidence of workers and come from the worker's ranks. Third all other agencies of workers education, namely, the state, employers, academic institutions, and other voluntary agencies by and large do not reflect the needs, hopes, and aspirations of workers to the extent that a trade union does. Consequently, they are not as suitable to run workers' education programmes as a union is.

It has been accepted all over the world that workers' education should be the responsibility of trade unions. In the U.S.A., the unions alone undertake this work. A few workers' schools do exist in some universities but their work is conducted in close collaboration with unions. In Britain, the function is generally performed by both trade unions and voluntary social education bodies. Government and employers take no direct interest in or responsibility for this work.

In India trade unions also have been undertaking workers' education programme M.K. Gandhi included adult literacy in his constructive programme and asked all agencies, including trade unions, to undertake that work. Besides, he asked the TLA, his model union, to start classes for workers to educate them in their trade and civic and social responsibilities. This union has an on-going trade union education programme for over four decades, and many 'big name' union leaders have been trained there. Similarly, some other unions, particularly in railways, plantations, docks, sugar, electricity and coal have good programmes of worker's education. However, union efforts in this regard are only a drop of water in the sea. Unions have not been able to do much. Paucity of funds, shortage of trained personnel, pressure of wage-welfare issues, and above all an excessive pre-occupation with political and non-trade matters are some of the reason for inadequate union efforts in the field of workers' education.

20.5. Employers' Efforts

For understandable reason, the employers have generally not taken direct interest in workers' education except in the field of adult literacy. Their role in this field has been that of promoters, and, if need be of financiers of the programmes. Education in trade unions should better be left to unions themselves. Workers literacy has been the main activity of employers in this area and they have been engaged in it for several decades, as has been testified by several commissions and inquiry committees. Then, they provide funds for workers' education and also treat the classes time of workers as duty period, as we shall see later.

20.6 International Survey

The trade unions have felt the need of workers' education right from its beginning. during the early period it expressed this need by maintaining that education was one of the needs of production and that culture could not be the prerogative of the privileged class. Accordingly, the centres for workers' education came into existence one after the other in many countries. The French trade unionist Fernand Pelloutier established worker's centres in 1887. Albert Mansbridge founded the Workers' Education Association in Britain in 1901. The Swedish Institute for Workers' Education was set up by Mystrom and Branting in 1880, and the Stockholm Educational Association came into existence in 1912. The Societa Umanitaria in Italy was set up in 1892; the Danish School of Workers came in 1910.

20.6.1. United Kingdom

The institutes of workers' education in the U.K. can be classified as labour and non-labour agencies. The labour agencies include the British Trade Union Congress and other unions which sponsor educational programmes for their members in cooperation with university extension departments, workers' education association and the National Council of Labour Colleges. Among the non-labour agencies one could list Ruskin Colleges. Firecroft College, Hillcroft College and College Harlech in Wales. The universities like Oxford, Cambridge, London, Manchester also provide short-term courses to workers' group through their extension departments. By and large, the government's

role in this field is limited to giving grants to cover 60 to 70 percent of the total cost of educational courses for workers.

The worker's education movement in the U.K. displays a variety of problems which, in way, reflect its changing industrial and social structure. The pattern of industrial development is changing rapidly involving adjustments in skills, outlook, understanding, etc. Side by side, ideas in regard to social relationship also are undergoing a change. These changes have introduced new elements in the content of education and methods of teaching. The workers' education programmes in the U.K. try to keep pace with these developments, and continue making adjustments to suit the ever changing needs.

20.6.2. United States of America

In the U.S.A. worker's education deals primarily with educational needs of workers as they arise out of their participation in the labour movement. As the collective bargaining relationship extends to almost every aspect of social and economic life, this naturally forms the central concern of training. But as problems of group relations and other major public policy issues begin to affect workers, the educational programmes do tend to become broadbased and cater to individuals as citizens, as members of functional groups, and as part of the community.

The most important agencies of workers' education in the U.S.A. are the trade unions themselves. Operationally, education within unions is carried on at five levels, namely :

- i) Department of Education of the AFL-CIO
- ii) Affiliated national and international unions and their locals.
- iii) Regional organizations of workers.
- iv) State Federations of Labour and/or State International Union Councils.
- v) Local Federations.

Among non-labour agencies at least 18 universities maintain year-round programmes of classes, week-end or summer institutes, conferences, and workshops planned with and for labour groups. Besides, there are some other agencies such as American Labour Education Service, Catholic Labour Alliance, Jewish Labour Committee, Negro Labour Committee, Labour Education Association of Philadelphia, etc., which are active in the field of workers' education. The participants in these courses are mainly committee men, shop stewards, local secretaries of unions, etc. Top rank men are sent abroad to participate in conference delegates. They are also selected to work on various values to get to know the intricacies, practices procedures of public administration. In the *US* great efforts are made to meet educational needs at all levels of unionism.

20.6.3. WEST GERMANY

In West Germany, workers' education is undertaken mainly by the German Confederation of Trade Unions (DGB) which has a membership of more than six million, The DGB has a cadre of 5,000 active workers in labour courts, and 36,000 taking part in the direction of 2,200 social security funds, and 4,000 sitting as judges of social courts. On the whole, about 100,000 trade union functionaries are active on various fronts, To train such a vast army of trade union activists, the DGB has an equally huge programme of workers' education.

The education at the local level is administered by nine regional and 285 district branches or local union offices of the DGB. The teaching is done almost exclusively during evening or on week-

end sessions. In 1962, about 78,000 workers attended week-end courses. The subjects taught in such courses included trade union movement, social science, history and political systems, labour legislation, cultural problems, work studies. etc. For those who are already active in unions. there are 21 residential schools which train about 25,000 union functionaries every year. The DGB has also sponsored three labour academies which are comparable to the universities. These academies are: The Academy of Labour at Frankfurt, The Social Academy at Dortmund, and The Academy for Economics and Politics at Hamburg.

20.6.4. JAPAN

The workers' education movement started in Japan with the establishment of the Workers' Training Institute in 1915. A noteworthy feature of the post-war Japan has been the growth of adult education facilities which are open to workers. The Board of Education provides instruction in political, economic, social, and recreational subjects. Workers also benefit from courses labour problems offered by a large number of universities and colleges. Some universities offer courses specially for workers and trade union officers. The Japanese government also conducts a number of courses for workers every year. In 1958, it established the Japan Institute of Labour with a view to doing study, research, and training of trade union workers along with others. The institute is reported to be planning to organize a Labour College in Tokyo. In addition, trade unions in Japan also organize a number of workers' schools and special courses and classes from time to time.

20.6.5 The Philippines

The Labour Education Centre of the University of Philippines at Manila conducts training courses for trade union workers. The courses are of various types, viz. a general course, an advanced course, and a course for Education Directors of unions. In 1956, a residential labour training schools was set up by the Labour Education Centre out of a special fund created by the Department of Labour. The school holds intensive and specialized courses in union leadership training. In 1959, an Asian Labour Leadership Institute was established at the University of Philippines, which name was later changed to Asian Labour Education Centre. The Centre offers regular courses for labour leaders from Asian countries. It also offers consultative service for the organization of workers' education programmes.

20.6.6. PAKISTAN

The all Pakistan Confederation of Labour had established in 1955 an autonomous body known as the West Pakistan Workers' Education Society at Karachi. The Society set up a Trade Union Training Institute at Karachi the same year and a Labour Education Institute at Dacca in 1958. Both these institutes have trained hundreds of trade union officials and members. The courses conducted by the institutes are of two types - short-term courses meant for the rank-and-file members and long-term courses for trade union officials. The institutes have produced simple study guides in English, Urdu, and Bengali for the use of the trainees. The instructors are drawn from among the trade union leaders and officials of the labour ministry.

20.7. Role of ILO

For several decades, the ILO was mainly concerned with the setting of labour standards. About twenty years ago, it launched

the "Technical Cooperation" programme in response to the emerging needs of the developing countries. Later, it became evident that if the ILO's standard-setting and technical cooperation activities

were to be fully effective, there was a need to prepare the ground for the economic and social changes required by the world of today. Hence a third type of action was launched in the shape of a programme of educational activities for promoting broader understanding among men and helping them to acquire knowledge of the problems to be solved. Consequently, over the past 15 years, the ILO has been carrying on various forms of educational work intended for different social groups in the management and labour field. A special Workers' Education Programme was Started in 1956. The ILO's main task is to enable all human beings, especially the working men, to pursue their material well-being and their spiritual development "in conditions of equal opportunity".

It was primarily the request of trade unions and their representatives that led to the launching of a programme of Workers' Education in 1956 which is carried on by the Workers' Education Branch. On the basis of the fundamental principles of the ILO and suggestions made at the seminars organized by it in different countries during 1958- 1963 a series of activities in this field have been designed to give assistance and information of practical value on organizing, planning, and implementing workers' education programmes. These activities have helped many trade unions and workers' education bodies to establish effective institutions of their own in the field of workers' education. The ILO has trained instructors and organizers to run educational programmes for workers in their own countries. In many ways, the ILO has become an international clearing house for questions relating to workers' education.

The activities of the ILO in the field of workers' education programme are the following :

- Publication of workers' education manuals and other kinds of study material.
- Establishment and maintenance of a loan service of films and filmstrips and the preparation of various audio-visual aids.
- Sending of experts to developing countries to advise the national trade unions and workers' education bodies and helping them plan and implement their educational programmes, using the most suitable methods and techniques.
- Participation in seminars and courses organized by trade unions and other workers' education institutes, and technical and other collaboration with trade unions.
- Organization of meetings of experts and seminars on various aspects of workers' education and on teaching workers about the ILO and its work.
- Granting of fellowships to enable workers' educationists to widen their knowledge through study abroad.

As the above discussion would indicate, the ILO has from the inception of the workers' education programme made it possible for workers' educationists and trade unionists to utilize such opportunities. Since 1960, specific provision was made for granting of fellowships to trade unionists and workers' educationists to study workers' education and its problems. Till 1966 about 60 fellowships have been awarded.

20.8. The worker's Education Scheme

A tripartite semi autonomous body known as the Central Board for Worker's Education registered as a society, was set up under the Ministry of Labour Government of India, to formulate policies and programmes and to administer the workers education scheme. The Board has its representatives from Central and State Governments, and the Board is situated Nagpur. In the organizational set up, the Indian Institute of Worker's Education, Bombay, the regional centres, the

sub-regional centres and the unit level classes are below the head office. As on today forty nine Regional Worker's Centres were functional all over India.

In India Institute of Worker Education was established in 1970 to conduct training programmes at national levels for its officials and trade union leaders.

20.8.1. Objectives

The aims and objectives of the Worker's Education Scheme are said to be :

- (a) To develop stronger and more effective trade unions through better trained official and more enlightened members;
- (b) To develop leadership from the rank and file and promote the growth of the democratic process and tradition in the union organisation and administration;
- (c) To equip organised labour to take its place in a democratic society and to fulfil effectively its social and economic functions and responsibilities;
- (d) To promote amongst workers, a greater understanding of the problems of their economic environment and their privileges and obligations as union members, officials and citizens.

20.8.2 Training Programme

For achieving its objectives the Board has developed a need based, three tier training programme for education officers worker teacher and workers. In the first stage education officers are trained. The period of training is generally four months full time after which they are employed in the services of the Board and posted at different centres. Nominees of trade unions are also admitted to this course to enable them to undertake workers education programmes under the auspices of their unions. The next stage in the programme is to get selected workers trained as worker teachers at the regional and sub regional centres by the education officers. The worker teacher's training course is of continuous full time, three months duration, in batches of about 20-30. The selection of worker teacher trainee is made by the Regional Advisory committee attached to each regional centre. The trainees are sponsored by trade unions and are released by employers with full wages for the duration of the training. The syllabus covers topics on trade unionism, labour laws, union-management relations for trade unionists and workers education.

In the last stage, the worker teachers, on completion of training at the regional centres, come back to their respective establishments and conduct programmes for the rank and file workers at the unit level. The duration of the unit level class is of three months and mostly outside working hours. The management usually provide facilities for accommodation, furniture etc. some of the managements also give 45 minutes time of to the workers for attending the unit level classes, where facilities are available, full time unit level classes of three weeks duration are also organised. The whole syllabus is grouped under various headings, viz, worker and the union, workers and the industry, worker and his family and the country. In addition to this, various special short term training programmes are conducted for members of works committees, joint management councils and trade union officials. One day classes, three day seminars, study circles, refresher courses for worker teachers and worker trainees are also organised. The Board has conducted specialized courses on population education, production education, participative education meeting the needs of trade union officials. The Board also started a correspondence course on trade union organization and administration. By the end of March 1983, 955 trade union, institutions have trained 3,22,036 workers. In addition, it has also launched

on October 2, 1978 an adult education programme to cater to the needs of the, illiterate workers in traditional industries; plantation, mines and rural areas.

The workers education programmes of the Board are purely voluntary. The funds of the Board come from the government of India. The employers from private and public sectors also indirectly contribute to the scheme.

20.9. The Assessment of the Scheme

The workers education scheme as it has operated so far, has been subjected to several critical evaluations from time to time. Many suggestions have been put forth to make it more need oriented and reality based. The National Commission on Labour 1966, recommended certain alterations and modifications relating to organization and administration of the scheme. The estimates committee of the Lok Sabha in 1971-72, the worker Education Review Committee in 1974-75 has made several recommendations for extension of the scheme to cover workers of the organised sector. The Committee has also recommended necessary modifications in the structure and organisation of the Board.

20.10. Summary

Workers education no doubt is essential for a new orientation in trade union training and strategy and to make the workers aware of their rights and responsibilities. But the investments made on workers education must bring proper returns if it has to remain viable. Cost benefit analysis can show the rate of return on investment from the findings of the studies that the scheme is not at all perfect. The success of the scheme depends to a great extent on responsive cooperation from the unions and the managements and also active and enthusiastic participation by the worker teachers and rank and file workers.

20.11. Self Assessment Questions :

1. Explain the Meaning, need and objective of the Workers Education ?
2. Briefly narrate the Workers Education Scheme ?

20.12. Further Readings

1. Sarma A.M., Aspects of Labour Welfare and Social Security, Himalaya Publishers, Bombay, 2003.
2. Bulletin of the Central Board of Workers' Education.
3. Government of India, National Commission on Labour Report (2nd Labour Commission Report) Akalank Publications, Volume 1 (Part one), Delhi, 2002.

- Dr. G.B.V.L. Narasimha Rao
Acharya Nagarjuna University.