

**KOSHYS INSTITUTE OF MANAGEMENT STUDIES****DEPARTMENT OF BUSINESS ADMINISTRATION**

- **Subject: EMPLOYEE WELFARE & SOCIAL SECURITY  
HR Specialization Elective -5.5**
- **Course: BBA**
- **Semester: V**
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**SYLLABUS****H.R 5.5 EMPLOYEE WELFARE& SOCIAL SECURITY****OBJECTIVE**

The objective is to enable students to acquire skills in Labor Welfare & Social Security.

**Unit 1: SOCIAL & LABOUR WELFARE .**

Social Welfare; Labour Welfare: Concept, Scope; Philosophy and Principles of Labour Welfare; Indian constitution and Labour Welfare; Labour Welfare Policy and Five Year Plans, Historical Development of Labour Welfare in India;

**Unit 2: INDIAN LABOUR ORGANIZATION**

Impact of ILO on Labour Welfare in India; Agencies of Labour Welfare and their Roles, Labour Welfare Programmes: Statutory and Non-Statutory, Extra Mural and Intra Mural. Welfare Centers; Welfare Officer: Role, Status and Functions.

**Unit 3: SOCIAL SECURITY**

Concept and Scope; Social Assistance and Social Insurance, Development of Social Security in India; Social Security measures for Industrial Employees.

**Unit 4: LABOUR ADMINISTRATION – 1**

Evolution of Machinery for Labour Administration; Central Labour Administrative Machinery in India, Labour Administration in India.

**Unit 5: LABOUR ADMINISTRATION – 2**

Director General of Employment and Training; Director General of Factory Advice Service; Provident Fund Organization; ESI Schemes; Central Board for Workers" Education;

## **BOOKS FOR REFERENCE**

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## **UNIT-1**

### **SOCIAL AND LABOUR WELFARE**

#### **SOCIAL WELFARE**

The well-being of the entire society. Social welfare is not only concerned with standard of living but is more concerned with the quality of life that includes factors such as the quality of the environment (air, soil, water), level of crime, extent of drug abuse, availability of essential social services, as well as religious and spiritual aspects of life.

#### **LABOUR WELFARE.**

Labour welfare means setting up of minimum desirable standards and provisions of facilities like health, food, clothing, housing, medical assistance, education, insurance, job security, recreation and so on. E.S Proud has defined as "Labour welfare means a voluntary efforts on the part of the employers to improve the existing industrial systems and the conditions of employment in their own factories.

## **NATURE OF LABOUR WELFARE**

1. Labour welfare enhances efficiency of workers; it improves health and upgrades economic and social status of workers.
2. It provides facilities in addition to regular wages and other economic facilities.
3. The main purpose of Labour welfare is to enhance the overall standard of living and personality of the workers.

## **OBJECTIVES OF LABOUR WELFARE.**

1. It provides social comfort to employees.
2. To develop sense of responsibility and belongingness among employees.
3. To ensure that the working conditions of employees are of higher standard.

## **CONCEPT OF LABOUR WELFARE.**

The important aspects or concepts of labour welfare are:

- i) **Humanitarian aspect:** It aims at providing healthy and tension free work environment and quality of life with self-respect and dignity of labour.
- ii) **Economic aspect:** It ensure that financially a worker is reasonably sound to maintain himself/herself and family with dignity and self-respect.
- iii) **Civic Aspect:** It has got a high significance as it aims at developing a sense of respect, love, regard and affection between employers and employees and among employees.
- iv) **Future Aspect:** It gives workers a feeling and assurance of a secure, safe and bright future with professional growth and career advancement.

## **PRINCIPLES OF LABOUR WELFARE.**

- Welfare activities will be carried out at all levels in the organisation.
- It will be provided over and above regular wages.
- Adequate and full co-operation shall be provided from management level.
- Periodic assessment of labour welfare measures is essential.
- It shall emphasize on physical, mental, moral and emotional well being of employees.
- It can be a social concept which relates to welfare of employees, their families and community as a whole.

## **SCOPE OF LABOUR WELFARE IN INDIA.**

The scope of labour welfare is very broad, the major points are mentioned below:

**1. Working Environment:** Favourable working environment enhances efficiency of workers and includes proper illumination, safety, temperature, ventilation, sanitation, cleanliness and canteen facilities.

### **2. Health Facilities:**

Health centre, ambulance, free medical check-up, recreation facilities, Education and Library facilities, Health insurance

### **3. General Welfare Programmes**

- Housing facilities for workers
- Family case work and counselling

### **4. Economic welfare programs**

- Subsidized consumer goods including grains, vegetables, milk, oil and other daily requirements.
- Banking services and credit facilities.
- Bonus and profit sharing schemes.
- Transportation services in factory

### **5. Labour welfare programs**

- Factory council and labour arbitration council.
- Social Welfare departments.

## **INDIAN CONSTITUTION AND LABOUR WELFARE.**

In the Indian Constitution Labour is a subject in the concurrent list where both Central and State Govts. are competent to enact legislation on labour matters and administer the same.

### **The legislations can be categorized as follows:**

- Labour laws enacted by the Central Govt where the central Govt. has the sole responsibility for enforcement.
- Labour laws enacted by the Central Govt and enforced both by Central & State Govts.
- Labour laws enacted by the Central Govt and enforced by State Govts.
- Labour laws enacted and enforced by the various State Govts. which apply to respective states.

The Indian Constitution provides detailed provisions for the rights of the citizens and lays down the directive principles of state policy which are mentioned below:

- For securing the health and strength of employees, men and women.
- That the tender age of children are not abused.
- That the citizens are not forced by economic necessity to enter avocations unsuited to their age or strength.
- Humane conditions of work and maternity relief are provided.
- That the Govt. shall take steps, by suitable legislations or in any other way, to secure the participation of employee in the mgmt. of undertakings, establishments.

### **Labour Welfare and Constitutional Status**

#### **1. Occupational Health and Safety:**

Occupational **health** issues are often given less attention than occupational **safety** issues because the former are generally more difficult to confront. However, when health is addressed, so is safety, because a healthy workplace is by definition also a safe workplace. The converse, though, may not be true - a so-called safe workplace is not necessarily also a healthy workplace. The important point is that **issues of both health and safety must be addressed in every workplace**. By and large, the definition of occupational health and safety given above encompasses **both health and safety** in their broadest contexts.

The major legislations are:

- The factories Act, 1948
- Mines Act, 1952
- Dock Workers(Safety, Health and Welfare) Act, 1986

2. Trade Unions; Industrial and Labour disputes

3. Industrial disputes concerning Union Employees.

4. Social Security and Insurance, employment and unemployment.

### **THEORIES OF LABOUR WELFARE**

1. **THE POLICE THEORY:** The police theory is based on the contention that a minimum standard of welfare is necessary for labourers. Apparently, this theory assumes that man is selfish and self-centered, and always tries to achieve his own ends, even at the cost of the welfare of others. If wealth or authority or both help him to be in an advantageous position, he uses it for his own advantage, exploiting those who are under him. According to this theory, owners and managers of industrial undertakings get many opportunities for this kind of exploitation. The welfare state has to prevent this kind of exploitation and coerce the industrialists to offer a minimum standard of welfare to their workers.

2. **THE RELIGIOUS THEORY:** This theory is based on the concept that man is essentially “a religious animal”. Even today, many acts of men are related to religious sentiments and beliefs. These religious feelings, sometimes, prompt an 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 as “Investment”. In this case, both benefactor and the beneficiary are rewarded. Many trusts and charitable institutions in India 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. Thus, the benevolent acts of welfare are treated either as an investment or an atonement. According to this theory, man is primarily concerned with his own welfare and only secondarily with the welfare of others. The religious basis of welfare however can not be rational.
3. **THE PHILANTHROPIC THEORY:** This theory is based on man’s love for mankind. In Greek, philo means love of and anthropes 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. This drive may be a rather powerful one and may impel him to perform noble sacrifices. When some employers have compassion for their fellowmen, they may undertake labour welfare measures for the benefit of their workers.
4. **TRUSTEESHIP THEORY:** This is also called the paternalistic theory of labour welfare, according to which “the industrialist or employer holds the total industrial estate, properties and profits”. These properties and profits, he uses for himself, 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.
5. **THE PLACATING THEORY:** This theory is based on the fact that labour groups are becoming more militant and are conscious of their rights and privileges than ever before. Their demand for higher wages and better standards can not be ignored. According to this theory, timely and periodical acts of labour welfare can appease the workers. They are some kind of pacifiers by way of friendly gestures. Sincerity may be lacking in these programs. Psychologically this theory is unsound, though it has often been acted upon to secure the workers cooperation.
6. **THE PUBLIC RELATIONS THEORY:** This theory provides the basis for an atmosphere of goodwill between labour and management and also between management and the public. Labour welfare programs, under this theory work as a sort of an advertisement and help an industrialist to build up good and healthy public relations. This theory is based on the assumption that the labour welfare movement may be utilized to improve relations between management and labour.

7. **THE FUNCTIONAL THEORY:** This is also called Efficiency Theory. 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 thereby they step up production. But all this will depend on a healthy collaboration between union and management and their mutual concern for the growth and development of the organization.

### **LABOUR WELFARE POLICY AND FIVE YEAR PLANS.**

- With a clear guidance of what should normally be provided under welfare amenities to workers, from this highest organization of labour in the world, the framers of Indian constitution also paid due attention to the amelioration (the act of making something better) of the working class of the country. The Indian constitution had made a specific mention of the duties that the state owes to the labour, to their economic upliftment and social re-generation.
- The Government of India has also set up Labour Welfare Fund to provide welfare amenities for the workers employed in mines and in Beedi and Cinema industries. Separated Welfare Funds have also been formed for specified services like Posts & Telegraphs, Ports, Dockyards; Railways etc.
- The welfare measures financed provision of medical, housing, drinking water, educational, recreational and family welfare facilities, etc. While most of the activities are administered directly by the Welfare Organization under the Ministry of Labour, Loans and subsidies were also provided by the State Government.
- The provision of social security in the form of Employees' State Insurance Scheme, provident fund, gratuity and pension under various laws and industrial housing schemes are some of the other prominent measures undertaken by the Central Government to promote welfare of the working classes.

### **WELFARE WORK IN FIVE- YEARS PLANS**

Various labour activities were incorporated in different five years plans.

#### **1. THE FIRST FIVE YEAR PLAN (1951-56)**

- It paid considerable attention to labour problems including welfare of the working classes. Commenting on labour, the plans stated that labour problems should be approached from two angles,
- The welfare of the working class (food, Clothing, shelter & Health Facilities)
- The country's economic stability and progress. (avoidance of Industrial disputes)
- For providing more houses to industrial workers, a Subsidized Housing Scheme for industrial workers was designed in September 1952.

- Various acts like ESI Act 1948 , The Provident Fund Act 1952 were introduced during the course of first five year plan.

## **2. THE SECOND FIVE YEAR PLAN (1956-1961)**

- ✓ It emphasized the importance of better working condition and industrial housing.
- ✓ Greater stress was laid on the creation of industrial democracy in which a worker should realize that he was a part and parcel of the industrial apparatus that was to usher in socialist pattern of society.
- ✓ The Second Five Year Plan also emphasized on the welfare measures for women workers and stressed that greater attention should be paid to them for protection against injurious work, provision of maternity benefits and for opening of crèches for children. The principle of equal pay for equal works needs to be more vigorously implemented.

### **Study Team on Labour Welfare**

- ✓ In December, 1951, a Study Team on Labour Welfare was appointed to examine the range of labour welfare activities to be adopted in the Third Five-Year Plan. Study Team broadly divided labour welfare amenities into three main groups.
- ✓ i) Amenities and facilities that may be provided inside the undertakings.
- ✓ ii) Facilities to be provided outside the undertakings.
- ✓ iii) Social Security Measures.

## **3. THIRD FIVE-YEAR PLAN (1961-1966)**

The recommendation of the study team set the pace for the formation of the labour policy in the Third Five-Year Plan.

- ✓ This plan also stressed the need for more effective implementation of statutory welfare provisions.
- ✓ The present approach to the problems has been found to be wholly inadequate and new ways have to be devised immediately so that the workers may be assured of minimum standards in respect of living conditions within a reasonable period in the interest of their health and efficiency.
- ✓ Facilities for recreation and sports will have to be greatly enlarged for all sections of workers.

- ✓ The plan also emphasized the need for providing living and working conditions in case of agricultural labour and workers in unorganized industry.
- **Unorganized Sector**-It includes activities carried out by small and family enterprises, partly or wholly with family labour. In this sector wage-paid labour is largely irregular due to casual and seasonal nature of employment and scattered location of enterprises. This sector is marked by low incomes, unstable and irregular employment, and lack of protection either from legislation or trade unions
- ✓ Greater emphasis was placed on collective bargaining and on mutual agreements for improving industrial relations.
- **Collective Bargaining**-negotiation of wages and other conditions of employment by an organized body of employees.

With a view to reducing disparities in regard to maternity benefits in the existing State Acts, a Central Maternity Benefits Act was also enacted.

#### **4. THE FOURTH FIVE-YEAR PLAN (1969-74)**

- The Fourth Five-Year Plan (1969-74) provided for the expansion of E.S.I. facilities to families of all insured workers. It recommended covering shops and commercial establishments in selected centers and non-power factories employing ten or more persons.
- The number of industrial training institutes for training craftsmen increased. A central institute for research and training in employment service was set in 1964 for conducting research in the field of employment and imparting training to employment officers.
- In the same year the Indian institute of Labour studies was established to train the industrial relations officers of central and state governments.

Measures were taken to provide workers with more facilities in the form of welfare and recreational centres and holiday homes.

#### **5. THE FIFTH FIVE-YEAR PLAN(1974-1979)**

In the context of labour welfare, the Fifth Five-Year Plan laid stress on setting up of labour welfare centers and promoting safety measures. It also laid emphasis on increasing the activities of the Employees State Insurance Scheme.

#### **6. THE SIXTH FIVE YEAR PLAN(1980-1985)**

- ✓ The Sixth Plan stated, “working conditions include not only wages structure, fixing of minimum wage and protection of income, but also the fixing of working hours, periods of rest, paid holidays, provision of crèches for children.

- ✓ Today, safety includes not only protection of workers against accidents at work but also against occupational diseases.
- ✓ The plan stated that effective measures would be taken to ensure consciousness at all levels regarding precautions at workplace adequate safety measures.

### **7. SEVENTH FIVE YEAR PLAN (1985-1990)**

- Efforts would be made not only to train and upgrade the skills of the workers but also to educate them and make them aware of the programme and legislative provisions available for them.
- Focused on making the working conditions of child labour better and more acceptable socially.
- To increase women's participation in trade unions and in decision making
- To improve and enlarge the scope of the existing legislation for women workers.
- To properly diversify vocational training facilities for women to suit their varied needs and skills.

### **8. EIGHTH FIVE-YEAR PLANS (1992-97)**

- The Eighth Five Year Plan (1992–1997) concentrated mainly on the very large unorganized (non-unionized) employment sector. Adequate levels of earnings, safe and humane conditions of work and access to minimum social security benefits were the major dimensions of the employment which enhanced quality of life of workers.
- Brining employment into a sharper focus and reducing the unemployment.

### **9. NINTH PLAN (1997–2002)**

The main objective of the Ninth Five-Year Plan was to correct historical inequalities and increase the economic growth in the country. Other aspects which constituted the Ninth Five-Year Plan were:

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- Population control.
- Generating employment by giving priority to agriculture and rural development.
- Reduction of poverty.
- Ensuring proper availability of food and water for the poor.
- Availability of primary health care facilities and other basic necessities.
- Primary education to all children in the country.
- Empowering the socially disadvantaged classes like Scheduled castes, Scheduled tribes and other backward classes.
- Developing self-reliance in terms of agriculture.

- Acceleration in the growth rate of the economy with the help of stable prices.
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## **10.TENTH PLAN (2002–2007)**

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The main objectives of the Tenth Five-Year Plan:

- Reduction of poverty rate by 5% by 2007.
- Providing gainful and high-quality employment at least to the addition to the labour force.
- Reduction in gender gaps in literacy and wage rates by at least 50% by 2007.
- 20-point program was introduced.
- Target growth: 8.1% – growth achieved: 7.7%.
- The Tenth Plan was expected to follow a regional approach rather than sectoral approach to bring down regional inequalities.

## **11.ELEVENTH PLAN (2007–2012)**

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- it was in the period of Manmohan Singh as a prime minister.
- It aimed to increase the enrolment in higher education of 18-23 years of age group by 2011-12.
- It focused on distant education, convergence of formal, non-formal, distant and IT education institutions.
- Rapid and inclusive growth (poverty reduction).
- Emphasis on social sector and delivery of service therein.
- Empowerment through education and skill development.
- Reduction of gender inequality.
- Environmental sustainability.
- To increase the growth rate in agriculture, industry and services to 4%, 10% and 9% respectively.
- Provide clean drinking water for all by 2009.
- Increase agriculture growth to 4%.

## **12. TWELFTH PLAN (2012–2017)**

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The objectives of the Twelfth Five-Year Plan were:

- To create 50 million new work opportunities in the non farm sector.
- To remove gender and social gap in school enrolment.
- To enhance access to higher education.
- To reduce malnutrition among children aged 0-3 years.
- To provide electricity to all villages.
- To ensure that 50% of the rural population have accesses to proper drinking water.
- To increase green cover by 1 million hectare every year.
- To provide access to banking services to 90% of households.

## **HISTORICAL DEVELOPMENT OF LABOUR WELFARE IN INDIA.**

### **History of Labour Welfare in India:**

**1. Pre Independence Era:** it was very slow and long process.

- After the abolition of slavery in 1833 the concept of labour welfare came to India after 1837.
- Apprentices Act of 1850 was controlling labour welfare activities in a broader way.
- Fatal Accident Act 1953
- Merchant shipping act 1859
- Indian factories Act 1881
- Nine member commission called as Mulock Commission was appointed by then Governor Of Bombay to study the conditions of labour in Bombay factories in 1844 and also to review the working of Factories Act of 1881.
- The first cotton mill in India was setup in 1850.
- The Establishment of ILO in 1919.
- In 1931 Royal Commission on labour was setup leading to formation of congress ministries.

### **After Independence era:**

- Provision of provident fund was introduced.
- Provision of amenities such as canteen, creches, Rest Shelters, washing facilities, medical aid.
- The Indian Factories act 1948 made it mandatory to appoint qualified labour welfare officer.
- Mines act 1952, Plantation act 1951, Bidi and cigar workers act 1966 and contract labour act 1970 was passed.
- Employee State Insurance Act was brought into being in 1948.
- In 1947, The International Labour Organization laid down the framework of labour welfare and also spelt out the services and amenities which should be included in this framework. The services related to the provision of canteen, rest and recreational facilities, sanitary and medical facilities, arrangement for travel.

## UNIT-2

### INDIAN LABOUR ORGANISATION

#### INTERNATIONAL LABOUR ORGANIZATION

The ILO was created in 1919, as part of the Treaty of Versailles that ended World War I, to reflect the belief that universal and lasting peace can be accomplished only if it is based on social justice.

The Constitution was drafted between January and April, 1919, by the Labour Commission set up by the Peace Conference, which first met in Paris and then in Versailles. The Commission, chaired by Samuel Gompers, head of the American Federation of Labour (AFL) in the United States, was composed of representatives from nine countries: Belgium, Cuba, Czechoslovakia, France, Italy, Japan, Poland, the United Kingdom and the United States. It resulted in a tripartite organization, the only one of its kind bringing together representatives of governments, employers and workers in its executive bodies.

The ILO encourages this tripartism within its constituents - employers, workers and member States, by promoting a social dialogue between trade unions and employers in formulating, and where appropriate, implementing national policy on social, economic, and many other issues.

#### Main bodies

The ILO accomplishes its work through three main bodies which comprise governments', employers' and workers' representatives:

- **THE INTERNATIONAL LABOUR CONFERENCE** sets the International labour standards and the broad policies of the ILO. It meets annually in Geneva. Often called an international parliament of labour, the Conference is also a forum for discussion of key social and labour questions.
- **THE GOVERNING BODY** is the executive council of the ILO. It meets three times a year in Geneva. It takes decisions on ILO policy and establishes the programme and the budget, which it then submits to the Conference for adoption.
- **THE INTERNATIONAL LABOUR OFFICE** is the permanent secretariat of the International Labour Organization. It is the focal point for International Labour Organization's overall activities, which it prepares under the scrutiny of the Governing Body and under the leadership of the Director-General.

The work of the Governing Body and of the Office is aided by tripartite committees covering major industries. It is also supported by committees of experts on such matters as vocational training, management development, occupational safety and health, industrial relations, workers' education, and special problems of women and young workers.

- Regional meetings of the ILO member States are held periodically to examine matters of special interest to the regions concerned.

The driving forces for ILO's creation arose from security, humanitarian, political and economic considerations. Summarizing them, the ILO Constitution's Preamble says the High Contracting Parties were 'moved by sentiments of justice and humanity as well as by the desire to secure the permanent peace of the world...'

There was keen appreciation of the importance of social justice in securing peace, against a background of exploitation of workers in the industrializing nations of that time. There was also increasing understanding of the world's economic interdependence and the need for cooperation to obtain similarity of working conditions in countries competing for markets. Reflecting these ideas, the Preamble states:

- Whereas universal and lasting peace can be established only if it is based upon social justice;
- And whereas conditions of labour exist involving such injustice hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled; and an improvement of those conditions is urgently required;
- Whereas also the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.

**The areas of improvement listed in the Preamble remain relevant today, for example:**

- Regulation of the hours of work including the establishment of a maximum working day and week;
- Regulation of labour supply, prevention of unemployment and provision of an adequate living wage;
- Protection of the worker against sickness, disease and injury arising out of his employment;
- Protection of children, young persons and women;
- Provision for old age and injury, protection of the interests of workers when employed in countries other than their own;

- Recognition of the principle of equal remuneration for work of equal value;
- Recognition of the principle of freedom of association;
- Organization of vocational and technical education, and other measures.

### **Impacts of ILO on Labour Welfare in India**

- ILO affects IR broadly in two ways, viz. through influencing labour policy and labour legislation, and trade union movement in India. Like other progressive countries, in India also labour code and labour policy are evolved based on the conventions and recommendations of the ILO.
- As a matter of fact, many of the labour laws passed in India since 1920 have derived their motive force from discussions at Geneva Conferences of the ILO. Both ILO and conventions and recommendations adopted by it appear to have given their impetus to the development of labour legislation in India especially after 1947 when the Indian National Government assumed office at the centre.
- As mentioned earlier, India has been one of the founder members of the ILO. It has been taking very active part in its deliberations. In its various sessions, ILO has so far adopted 173 Conventions and 180 Recommendations. The committee on conventions set up in 1954 studies all the Conventions and Recommendations and makes recommendations for their ratifications.
- Accordingly, the Government of India ratified (give formal consent to) these from time to time. India has so far ratified 36 conventions. These ratified conventions have been incorporated in the Indian labour Legislation. Labour Legislations in India are discussed in the subsequent section 24.12.
- Modern Trade Union Movement in the country may be said to have begun after World War I and, therefore, it can be said that the beginning of the trade union movement in India coincided with the establishment of the ILO. The AITUC owes its immediate origin to ILO. ILO has influenced trade union or labour union in several ways.
- It creates a sense of solidarity among the workers by removing the feeling of isolation among them, and also by awakening the consciousness among them of their rights and privileges. Since the representatives of workers attend ILO sessions.

### **AGENCIES OF LABOUR WELFARE**

In India, the main agencies engaged in labour welfare include

- Central Government
- State Government
- Employers, and
- The Trade.

- Other Agencies

The contribution of these agencies can be stated as under.

1. **CENTRAL GOVERNMENT** : A number of Acts have been passed by the Central Government for the welfare of different types of workers. It also administers the implementation of industrial and labour laws. The important Acts which incorporate measures for the welfare of the workers are : Factories Act, Indian Mines Act, Employment of Children Act, Maternity Benefits Act, Plantation Labour Act etc. Under these Acts, employers are bound to provide certain basic welfare facilities to the workers. For example, under the Factories Act, 1948, employer has to provide canteen, rest and lunch rooms, creches, medical aid, proper lighting, ventilation, drinking water, etc. at the work place. The Welfare Officer is compulsorily required to be appointed e.g. Coal mines. The Coal Mines Labour Welfare Fund. This fund is to be utilised for providing housing, medical, educational and recreation facilities to the workers in mines. Under the Mica Mines Labour Welfare Fund Act, 1946. In the case of dock workers the Government also provides housing, medical care, canteens, educational aid to children and workers. Similarly, under different statutes the workers of other industries are provided with welfare facilities .
2. **STATE GOVERNMENTS** : The State Governments have to implement many provisions of various labour laws. The State Governments run health centres, educational centres, etc. for the welfare of the workers. They also keep a vigil on the employers that they are operating the welfare schemes made obligatory by the Central or State Government . The State Government have been empowered to prescribe rules for the welfare of workers and appoint appropriate authorities for the enforcement of welfare provisions under various laws.
3. **EMPLOYERS**: Employers in India today have started realizing that they should identify their interest with those of the employees. No prudent management can now ignore the interests of their workers and expect to reap the benefits of higher labour productivity. So, for their own interest, employers are being compelled to adopt welfare measures for the workers. There are only a few employers in India who have been sympathetic to labour welfare but others are extending various benefits to workers only under compulsion. Several industries such as cotton, jute, textile, engineering, sugar, cement, glass, chemical etc. have been brought under legislative measures to give facilities provided by different industries either under legal compulsion or under union pressure
4. **TRADE UNIONS** Trade unions have to look after the welfare of the workers and thus they are expected to provide welfare facilities to their members. Unions can provide educational, cultural and other facilities to their members.

In Mumbai some unions provide sport and educational facilities. Co-operative stores are also run by some unions. Some trade unions like the Rashtriya Mill Mazdoor Sangh are doing good work in the field of labour welfare. In addition to this, Textile Labour Association, Ahmedabad provide certain facilities like schools, social centres, libraries, legal aid, etc. to the textile workers. Thus, Textile Labour Association of Ahmedabad is doing remarkable work in the labour welfare field.

5. Other agencies Some philanthropic, charitable social service organizations like: - Seva Sadan society, Y.M.C.A. etc. are contributing towards employee welfare.

## **LABOUR WELFARE PROGRAMMES**

Organizations provide welfare facilities to their employees to keep their motivation levels high. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes. The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in industrial acts like Factories Act 1948, Dock Workers Act (safety, health and welfare) 1986, Mines Act 1962. The non statutory schemes differ from organization to organization and from industry to industry.

## **STATUTORY WELFARE SCHEMES**

The statutory welfare schemes include the following provisions:

1. Drinking Water: At all the working places safe hygienic drinking water should be provided.
2. Facilities for sitting: In every organization, especially factories, suitable seating arrangements are to be provided.
3. First aid appliances: First aid appliances are to be provided and should be readily assessable so that in case of any minor accident initial medication can be provided to the needed employee.
4. Latrines and Urinals: A sufficient number of latrines and urinals are to be provided in the office and factory premises and are also to be maintained in a neat and clean condition.
5. Canteen facilities: Cafeteria or canteens are to be provided by the employer so as to provide hygienic and nutritious food to the employees.
6. Spittoons: In every work place, such as ware houses, store places, in the dock area and office premises spittoons are to be provided in convenient places and same are to be maintained in a hygienic condition.
7. Lighting:  
Proper and sufficient lights are to be provided for employees so that they can work safely during the night shifts.

8. **Washing places:** Adequate washing places such as bathrooms, wash basins with tap and tap on the stand pipe are provided in the port area in the vicinity of the work places.
9. **Changing rooms:** Adequate changing rooms are to be provided for workers to change their cloth in the factory area and office premises. Adequate lockers are also provided to the workers to keep their clothes and belongings.
10. **Rest rooms:** Adequate numbers of restrooms are provided to the workers with provisions of water supply, wash basins, toilets, bathrooms, etc.

## **NON-STATUTORY SCHEMES**

Many non statutory welfare schemes may include the following schemes:

1. **Personal Health Care** (Regular medical check-ups): Some of the companies provide the facility for extensive health check-up
2. **Flexi-time:** The main objective of the flexitime policy is to provide opportunity to employees to work with flexible working schedules. Flexible work schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs
3. **Employee Assistance Programs:** Various assistant programs are arranged like external counseling service so that employees or members of their immediate family can get counseling on various matters.
4. **Harassment Policy:** To protect an employee from harassments of any kind, guidelines are provided for proper action and also for protecting the aggrieved employee.
5. **Maternity & Adoption Leave** –Employees can avail maternity or adoption leaves. Paternity leave policies have also been introduced by various companies.
6. **Medi-claim Insurance Scheme:** This insurance scheme provides adequate insurance coverage of employees for expenses related to hospitalization due to illness, disease or injury or pregnancy.
7. **Employee Referral Scheme:** In several companies employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.

## **IMPORTANCE OF EMPLOYEE WELFARE**

1. It is helpful in winning over their employees' loyalty and to combat trade unionism.
2. It builds up a stable labour force by reducing labour turnover and absenteeism.
3. It raises the morale of workers. A feeling is developed among the workers that they are being looked after properly.

4. One of the reasons for provision of welfare activities in recent times by certain employers is to save themselves from heavy taxes on surplus.
5. The motive behind provision of welfare activities by some companies is to enhance their image and to create an atmosphere of goodwill between the labour and management and also between management and the public.
6. The social evils prevalent in the labour force such as gambling, drinking etc. are reduced to the minimum. It brings improvement in the health of the workers and keeps them cheerful.

### **FEATURES OF EMPLOYEE WELFARE MEASURES**

Labor welfare includes various facilities, services and amenities provided to workers for improving their health, efficiency, economic betterment and social status.

1. Welfare measures are in addition to regular wages and other economic benefits available to workers due to legal provisions and collective bargaining
2. Labor welfare schemes are flexible and ever-changing. New welfare measures are added to the existing ones from time to time.
3. Welfare measures may be introduced by the employers, government, employees or by any social or charitable agency.
4. The purpose of labor welfare is to bring about the development of the whole personality of the workers to make a better workforce.
5. The logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labor force for the organization. The purpose of providing such facilities is to make their work life better and also to raise their standard of living.

### ***BENEFITS OF EMPLOYEE WELFARE MEASURES***

#### ***(1) IMPROVED INDUSTRIAL RELATIONS:***

These measures provide great satisfaction to the workers and also help in maintaining industrial peace. Conflicts, chaos, unrest etc. are minimised. A feeling of oneness with the organisation is created.

#### ***(2) INCREASE IN THE GENERAL EFFICIENCY AND INCOME:***

Welfare facilities make the workers happy and contented both at home and the factory and it brings improvement in their general efficiency. Their efficiency and productivity may not be up to the mark, if they are not relieved of their domestic worries like poor housing, insanitary conditions etc. Once they are relieved of these worries, they work with full zeal and enthusiasm.

### ***(3) HIGH MORALE:***

The welfare measures shall also help in securing the willing cooperation of the workers. Once satisfied they will be less tempted to destructive and anti-social activities. Thus, a high degree of employee morale is ensured.

### ***(4) CREATION OF PERMANENT LABOUR FORCE:***

These facilities will provide an attraction to the workers to stay longer in the undertaking. In the absence of such facilities, the workers often leave for their villages in search of recreation etc. Efficient workers can also search for better chances and may switch over to other establishments. In order to create a permanent labour force, such facilities are essential.

### ***(5) IMPROVEMENT IN THE MENTAL AND MORAL HEALTH:***

These facilities bring a drastic change in the outlook of the workers, improve their mental health and help them in becoming good citizens. In the absence of such facilities, they are bound to fall prey to the various social evils like drinking, gambling etc.

### ***(6) CHANGE IN THE OUTLOOK OF EMPLOYERS:***

A change in the attitude and outlook of the employees and their heartfelt co-operation shall also change the outlook of the employers as well. They will become more sympathetic towards them. They will not even hesitate to share the fruits of their hard labour with the workers.

### ***(7) SOCIAL BENEFITS:***

Besides the various economic advantages to the employers and employees, these measures also offer various social advantages. The increase in the efficiency of the workers ultimately leads to an increase in production, productivity and the earnings of the undertakings. The increased earnings also lead to higher wages and make the workers happier and enable them to live "a richer and fuller life". Finally, the living standard of the society is raised.

## **LABOUR WELFARE: INTRAMURAL AND EXTRA-MURAL**

### **LABOUR WELFARE: INTRAMURAL**

- 1. HEALTH AND MEDICAL FACILITIES:** -A healthy workforce is of utmost importance to industry. The ILO in its conventions and recommendations has laid down standards, which have had a contributory effect on legislation in India. the ILO convention 25 concern sickness insurance and medical facilities to be provided to an insured person while convention 103 deals with maternity protection

2. **CANTEEN:** -The ILO in its recommendation 102, mentioned this facility and felt that a competent authority in each country should guide establishments with regard to nutrition, hygiene, finance, etc. In India the factories act places the responsibility on state governments to make rules that in any specified factory with more than with 250 workers, a canteen or canteens should be provide and certain standards should be maintained.
3. **CRÈCHES:**-The factories act lays down that in any factory with more than 50 women workers a crèche should be provided and maintained for children less than 6 years in a clean and sanitary condition. The act state that the crèche should be under the care of women trained in child care and should have adequate accommodation, lighting and ventilation the state government is empowered to make rules in respect of standards, equipment and facilities .Mothers are also to be given time to feed their children at necessary intervals . The rules formed by sate government lay down the qualifications necessary for the crèche staffs. The need for kindergarten classes in crèches for children between 3 and 6 years was also felt.
4. **FACILITIES FOR STORING AND DRYING CLOTHING:**-It is only the Factories Act that has incorporated such a provision. Under section 43 of the Act, a state government may make rules for the provision of suitable places for keeping clothing not worn during working hours and for the drying of wet clothing. As per the Maharashtra Factories Rules 1963, such facilities shall include the provision of separate rooms, pegs, lockers or other arrangements approved by the Chief Inspector in all classes of factories such as engineering workshops, iron and steel works, oil mills, chemical factories, motor garages, tanneries etc.

### **LABOUR WELFARE: EXTRA-MURAL**

1. **HOUSING FACILITIES:** -Some of the industrial employers both in public and private sectors have provided housing facilities to their employees. Almost all the public sector enterprises have either provided or are in the process of providing housing facilities to their employees. The employees who are not provided corporation's quarters are paid house rent allowance at some places.
2. **RECREATIONAL FACILITIES:** Recreation is commonly taken to be the opposite of work. It has an important bearing on the individual's personality as well as his capacity to contribute to the social development. It affords the worker an opportunity to develop his sense of physical and mental discipline. Music, dance, drama, sports and games, painting, carving etc. are different forms of recreation.
3. **TRANSPORT FACILITIES:**-The growth of industrial state and workshops out side the city has made commuting a problem for workers .in India, since the public transport system is not fully developed and hardly efficient, the fatigue

of travel to and from work has a detrimental effect on the attendance pattern of workers. The CLW after studying the situation recommended that transport on a large scale is best provided by the state; that the local bodies should streamline their operations, increase their fleet and the frequency of buses especially to labour colonies, industrial estate and township, and for carrying workers to and from night shift. They feel that employers could help by giving conveyance allowance.

4. **EDUCATIONAL FACILITIES:-**The pace of economic and social progress of a particular country largely depends upon the quality of its work force. Education plays a very important part in motivating and enabling the working population for changes necessary for accelerated progress and for their mental and physical development. This has been recognized in our social and economic planning and a suitable financial outlay on education has been made in different five-year plans. Improvement in the quality of the industrial work force demands accelerated pace of economic development for which education of workers, their families, and their children is very essential.

### **Who is Labour welfare officer?**

Schedule 49 of the Factories Act 1948, provides that in every factory wherein 500 or more workers are ordinarily employed, the employer shall appoint a person who can act as an advisor, counsellor, mediator and liaisoning between the management and the labour, for improving the efficiency, productivity and profitability of organization. Here, s/he is called Labour Welfare officer.

- Professionally he or she should be Post Graduate in Social Science,
- Diploma in Labour welfare, recognised by the State Government,
- 3-5 years working experience in Industrial Safety and finally having hard working ability and sound communication Skills.

### **MAIN OBJECTIVES OF THIS POSITION:**

- To eliminate the evils of the jobber system in the recruitment of labour
- To develop and improve the labour administration in mills / factory.
- To serve as a liaison with the State Labour Commissioner.

### **ROLE OF LABOUR WELFARE OFFICER:**

The Malaviya Committee's Report on Labour Welfare in 1969, following the model rules framed under the Factories Act of 1948, has specified the following duties of welfare officers:

1. Supervision

2. Advisor

3. Liaison

4. Counselling

**1. SUPERVISION:**

- Safety, health and welfare programmes like housing, recreation and sanitation services, as provided under the law.
- Working of joint committees;
- Grant of leave with wages as provided; and
- Redress of workers' grievances

**2. ADVICING MANAGEMENT IN THE MATTERS OF:**

- Formulating welfare policies;
- Apprenticeship training programs;
- Complying with statutory obligations to workers
- Developing fringe benefits; Workers' education

**3. LIAISONING:**

3.1 Liaison with workers so that they may - Appreciate the need for harmonious industrial relations in the plant;

- Resolve disputes, if any;
- Understand the limitations under which they operate; and
- Interpret company policies correctly.

3.2. Liaison with management so that they may:

- appreciate the worker's view point on various matters connected with the plant;
- meet their obligations under the Act;
- maintain harmonious industrial relations in the plant;
- Suggest measures for the promotion of the general well-being of workers.

3.3. Liaison with inside factory agencies such as the factory inspector, medical officers, and other inspectors with a view to securing a proper enforcement of the various Acts as applicable to the plant;

3.4. Liaison with other agencies in the community with a view to helping workers to make use of community services.

3.5 Liaison with the state labour commissioner with a view to administration of welfare involves decisions on

- welfare policy,
- organization of welfare, and
- assessment of effectiveness

4. **COUNSELLING:** The latest trend catching up in the corporate HR across the world is Employee Counselling at Workplace'. In the world of ever increasing complexity and the stress in the lives, especially the workplaces of the employees, employee counselling has emerged as the latest HR tool to attract and retain its best employees and also to increase the quality of the workforce. In today's fast-paced corporate world, there is virtually no organisation free of stress or stress-free employees. The employees can be stressed, depressed, suffering from too much anxiety arising out of various workplace related issues like managing deadlines, meeting targets, lack of time to fulfil personal and family commitments, or bereaved and disturbed due to some personal problem etc. Organisations have realized the importance of having a stress-free yet motivated and capable workforce.

**The purposes of employee counselling:**

- To provide help for employees who are having problems before they develop into more serious issues e.g. alcohol/substance misuse, increased accident rate etc.
- To ensure that counselling is separate from disciplinary procedures.
- The service must be available to and of benefit to all employees in life council.

**PRINCIPLES OF GOOD COUNSELLING:**

- Strengthening communication between managers / Officers and employees/ labourers.
- Making the employee understand performance level exhibited by him – successful performance or marginal.
- Involving the employee in problem solving process.
- Enabling the employees to identify elements that contributed to success. Helping the employee to attain performance objectives.
- Encourage the employee to learn.
- Focusing on behaviour not personality.
- Using reinforcement techniques to shape behaviour. • Reposing trust and confidence in the employee for achieving performance objectives.
- Maintaining and increasing the employee's self-esteem.
- Documenting the discussion.
- Ensure the reward and punishment for deserving employees in all level.

## **DIFFERENT APPROACHES / METHODS OF COUNSELLING:**

A. Indirect Counselling

B. Direct Counselling

C. Confrontational Counselling

**A. INDIRECT COUNSELLING:** Here the counsellor adapts open-minded approach to both the client and the problem and as such no solution is forced on the client's. Therefore, the counselee is encouraged to offer modifications to the solutions offered by the counsellor before selecting the best solution.

**B. DIRECT COUNSELLING:** Counsellor in direct approach has the knowledge and preconceived idea of the client and the problem. Therefore, the counsellor decides upon the solution quite before the client offers his/her views and forces his/her solutions upon the counselee. Thus the counsellor follows standard solutions in the direct counselling.

**C. CONFRONTATIONAL COUNSELLING:** Counsellor in this approach intentionally provokes the counselee to make emotional statements about him / her and others relating to the problem. The purpose of this approach is to know the truth and the core issue of the problem. This method is more appropriate when the counselee refuses to accept the truth and defends him / her. The counsellor should be highly skilled and diplomat to use this method more wisely.

## **STATUS AND FUNCTIONS OF WELFARE OFFICER**

1. To encourage provision of amenities such as canteens, shelters for rest, creches, adequate latrine facilities, drinking water, sickness and benevolent scheme payments, pension and superannuation funds, gratuity payments, granting of loans and legal advice to workers;
2. To help the factory management in regulating the grant of leave with wages and explain to the workers the provisions relating to leave with wages and other leave privileges and to guide the workers in the matter of submission of application for grant of leave for regulating authorised absence;
3. To advise on provision of welfare facilities, such as housing facilities, foodstuffs, social and recreational facilities, sanitation, advice on individual personnel problems and education of children
4. To bring to the notice of the factory management the grievances of workers, individual as well as collective, with a view of securing their expeditious redress and to act as a liaison officer between the management and labour;
5. To establish contacts and hold consultations with a view to maintaining harmonious relations between the factory management and workers;

6. 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;
7. To advise on fulfillment by the management and the concerned departments of the factory of obligations, statutory or otherwise, concerning regulation of working hours, maternity benefit, medical care, compensation for injuries and sickness and other welfare and social benefit measures;
8. To watch industrial relations with a view of using his influence in the event of a dispute between the factory management and workers and to help to bring about a settlement by persuasive effort;
9. To promote relations between the concerned departments of the factory and workers which will bring about productive efficiency as well as amelioration in the working conditions and to help workers to adjust and adapt themselves to these working environments;
10. To encourage the formation of Works and Joint Production Committees, Cooperative Societies and Welfare Committee, and to supervise their work;
11. To advise the factory management on questions relating to training of new starters, apprentices, workers on transfer and promotion, instructors and supervisors, supervision and control of notice board and information bulletins to further education of workers and to encourage their attendance at technical institutes; and
12. To suggest measures which will serve to raise the standard of living of workers and in general promote their well- being.
13. Welfare Officers not to deal with disciplinary cases or appear on behalf of the management against workers.- No Welfare Officer shall deal with any disciplinary cases against workers or appear before a conciliation officer in a court or tribunal on behalf of the factory management against a worker or workers.

# **UNIT-3**

## **SOCIAL SECURITY**

### **EVOLUTION OF SOCIAL SECURITY IN INDIA**

The Indian Social security Schemes for organized sector have been influenced by these factors:

- (i) British policy to raise labour cost in the established industries.
- (ii) A policy of corporate paternalism leading to variety of benefits like promoting loyalty of employees.
- (iii) In the post-independence era, the emerging of welfare state concept which has led to a series of welfare and protective legislation based on relevant international labour standards.
- (iv) Many of the social security and welfare measures become statutory obligation of employers.
- (v) Due to rapid industrialization there was a need to promote the commitment to work force for industrial and urban life.

### **STATUS OF SOCIAL SECURITY IN INDIA DURING PRE-INDEPENDENCE PERIOD**

The evaluation of social security in India can be studied broadly in two segments.

I. Pre-Independence Period

II. Post-Independence Period

There was large scale industrialization in Indian from 1850 especially in the Textile Industries. But as workers being totally unorganized no attention could be paid towards the welfare.

### **PRE-INDEPENDENCE PERIOD AND SOCIAL SECURITY OF WORKERS**

In 1877 first labour unrest took place at “Empress Mills Nagpur” for improving their wages. In 1890 first Trade Union Bombay Mill Hands association was formed under the leadership of N.M. Lokhande.

In 1885 the first Fatal accident Act was passed. In spite of this workers were living under very poor inhumane conditions. There were no provisions of any measures for social security before 1920.

In 1920 International Labour Organization gave a boost to labour welfare and social security schemes. In the convention of 1929 of ILO the workers social security schemes. In the convention of 1929 of ILO the workers social security was considered as of high importance. Then there came the appointment of strong recommendations on labour welfare and social security.

After the first world war, due to Indian National movement. British Government started thinking about the employees and accordingly (i) Workmen's compensation Act, 1923 (ii) The payment of wages Act' 1936 (iii) Minimum wages Payment Act (iv) Maternity Benefits Act were passed from time to time Mr.B.R. Ambedkar was appointed as a 'labour member of the victory's council" after second world war.

"The Whitley Commission" recommended that some suitable measures should be taken to restore health to the workers. On the recommendation of the commission and in the consultation with the "standing Advisory Committee of Labour and Industries" the government agreed for a contributory Medical scheme in which both employer and employee will contribute towards a common fund.

In 1937 a contributory Health Insurance scheme was formulated. At the same time , the Bombay Textile enquiry Committee also recommended the formulation of health Insurance Scheme in which the (i) employer (ii) Employee and (iii) The state Government contributed towards the fund.

In 1940 during the first Labour Minister's conference the need for sickness Benefit fund was felt. In 1943 Indian Government appointed a commission under the chairmanship of B.R. Ambedkar and its report was submitted in 1944.

B.R. Ambedkar commission strategy recommended the upper age limit of 60 years and employment was divided into three categories- permanent, temporary and casual. The employer was required to pay contribution towards insurance schemes for all the workers, whereas only permanent and temporary workers were required to pay their contribution.

In 1947, the Industrial dispute Act was enacted with the main objective was to make provisions for the investigation and settlement of industrial disputes. Most important contribution of employee's State insurance Act 1923.

## **POST-INDEPENDENCE PERIOD AND SOCIAL SECURITY**

In 1947 India got Independence and Indian Government intensified the labour welfare and social security measures. In 1948 employees state Insurance was duly modified and that was beginning of the era of Social Insurance of Indian labour.

“In 1952 international Labour Organization provided the expert advice of eight experts on social security for long six month for proper implementation of the schemes of employee state Insurance Act. They devised and advised the method of its administration, the development of the panel system of medical benefit and training of the necessary staff in order to extend the scheme throughout the country.”

In 1948 Indian government made certain important amendments in existing Indian factories act 1934 and came with an entirely new nomenclature “The factories act 1948” with a main purpose of regulating conditions of work in manufacturing establishment for ensuring adequate health, welfare measures, hours of work and leave with wages.

In 1948 Indian government made certain important amendments in existing Indian factories Act 1934 and came with an entirely new nomenclature “ The Factory Act 1948” with a main purpose of regulating conditions of work in manufacturing establishment for ensuring adequate health, welfare measures, hours of work and leave with wages.

In 1948 the Government enacted Maximum wages Act for prevention of exploitation of labour due to payment of unduly low wages.

In 1952 Government enacted Employee’s Provident fund and miscellaneous provision act with a main objective of providing substantial measures of financial security and timely monetary assistance to industrial works and their families.

## **CONCEPT OF SOCIAL SECURITY**

In general sense, social security refers to protection provided by the society to its members against providential mishaps over which a person has no control. The underlying philosophy of social security is that the State shall make itself responsible for ensuring a minimum standard of material welfare to all its citizens on a basis wide enough to cover all the main contingencies of life. In other sense, social security is primarily an instrument of social and economic justice.

According to a definition given in the ILO publication’, “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 of life which the individual of small means cannot effectively provide by his own ability, or foresight alone or even in private combination with his fellows”.

## **OBJECTIVES OF SOCIAL SECURITY:**

**COMPENSATION:** Compensation ensures security of income. It is based on this consideration that during the period of contingency of risks, the individual and his/her family should not be subjected to a double calamity, i.e., destitution and loss of health, limb, life or work.

**RESTORATION:** It connotes cure of one's sickness, reemployment so as to restore him/her to earlier condition. In a sense, it is an extension of compensation.

**PREVENTION:** These measures imply to avoid the loss of productive capacity due to sickness, unemployment or invalidity to earn income. In other words, these measures are designed with an objective to increase the material, intellectual and moral well-being of the community by rendering available resources which are used up by avoidable disease and idleness.

### **SCOPE:**

The term 'social security' is all embracing. The scope of social security is, therefore, very wide. It covers the aspects relating to social and economic justice.

All social security schemes furnished by the government are broadly classified into two types:

(i) Social Assistance, and

(ii) Social Insurance.

**According to the Social Security (Minimum Standards) Convention (No. 102) adopted by the ILO in 1952, the following are the nine components of social security that configure its scope:**

1. Medical care,
2. Sickness benefit,
3. Unemployment benefit.
4. Old age benefit,
5. Employment injury benefit,
6. Maternity benefit,

## **SOCIAL ASSISTANCE:**

Social assistance refers to the assistance rendered by the Government to the needy persons without asking them to make contributions to be entitled to get such assistance. In other words, social assistance includes those benefits which are provided by the Government without any contribution from workers and employers. Workmen's compensation, maternity benefits, old age pensions, etc. are the examples of social assistance.

## **VARIOUS SOCIAL ASSISTANCE**

### **Various Social Assistances**

- i. Workmen's compensation
- ii. Maternity Benefits
- iii. Old age benefits
- iv. Pensions

## **I. WORKMEN'S COMPENSATION ACT, 1923**

The Workmen's Compensation Act, 1923 provides for payment of compensation to workmen and their dependants in case of injury and accident (including certain occupational disease) arising out of and in the course of employment and resulting in disablement or death.

### **The main provisions of the act are:-**

#### **a).An employer is liable to pay compensation:-**

- If personal injury is caused to a workman by accident arising out of and in the course of his employment;
- If a workman employed in any employment contracts any disease, specified in the Act as an occupational disease peculiar to that employment.

#### **b).However, the employer is not liable to pay compensation in the following cases:-**

- If the injury does not result in the total or partial disablement of the workman for a period exceeding three days.
- If the injury, not resulting in death or permanent total disablement, is caused by an accident which is directly attributable to:-
  - i. The workman having been at the time of the accident under the influence of drink or drugs; o
  - ii. The willful disobedience of the workman to an order expressly given, or to a rule expressly framed, for the purpose of securing the safety of workmen.

- iii. The willful removal or disregard by the workman of any safety guard or other device which has been provided for the purpose of securing safety of workmen.

**c)** Compensation shall be paid as soon as it falls due. In cases where the employer does not accept the liability for compensation to the extent claimed, he shall be bound to make provisional payment based on the extent of liability which he accepts, and, such payment shall be deposited with the Commissioner or made to the workman, as the case may be.

**d)** If any question arises in any proceedings under this Act as to the liability of any person to pay compensation (including any question as to whether a person injured is or is not a workman) or as to the amount or duration of compensation (including any question as to the nature or extent of disablement), the question shall, in default of agreement, be settled by a Commissioner.

**e)** Any organisation that employ workmen has to specify to the state Govt. the number of injuries in respect of which compensation has been paid by the employer during the previous year to the State Govt

**f)** Whoever, fails to maintain a notice-book which he is required to maintain; or fails to send to the Commissioner a statement which he is required to send; or fails to send a report which he is required to send; or fails to make a return which he is required to make, shall be punishable with fine.

**g) The amount of compensation payable to a workman depends on**

- The nature of injury caused by accident
- The monthly wages of the workman concerned and the relevant factor. The Relevant Factor is specified in schedule IV for working out the lump sum amount of compensation
- There is no distinction between an adult and a minor worker with respect to the amount of compensation
- In case of death resulting from injury, the amount of compensation shall be equal 50% of the monthly wages of the deceased workman multiplied by the relevant factor, or an amount of Rs 80,000/- whichever is more.
- In case of permanent total disablement resulting from the injury, the amount of compensation shall be 60% of the monthly wages of the injured workman multiplied by the relevant factor or Rs 90,000/- thousand whichever is more.
- If the temporary disablement, whether total or partial results from the injury, the amount of compensation shall be a half monthly payment of the sum equivalent to 25% of the monthly wages of the workman to be paid in accordance with the provisions. The half monthly payment shall be payable on the sixteenth day from the date of disablement. In cases where such disablement lasts for a period of 28 days or more compensation is payable from the date of disablement. In other

cases after the expiry of a waiting period of three days from the date of disablement.

## **II) MATERNITY BENEFIT ACT, 1961**

The object of maternity leave and benefit is to protect the dignity of motherhood by providing for the full and healthy maintenance of women and her child when she is not working. The Act is applicable to mines, factories and all establishments employing ten or more persons.

### **APPLICABILITY**

- The Act extends to whole to India.
- Every factory, mine or plantation (including those belonging to Government) and to every shop or establishment wherein 10 or more persons are employed on any day preceding 12 months.

### **Eligible for Maternity Benefit**

- Must work in the establishment for 80 days in 12 months before her date of Delivery.
- Women earning less than 15,000 may be offered ESI scheme by her employer and will not be eligible for maternity benefit and but will receive the maternity benefit under ESI scheme

### **Duties of Employee for Maternity Benefit**

- Ten weeks before the expected delivery date she may ask employer to give her light work.[Produce certificate of pregnancy]
- Should intimate the employer Seven Weeks before her delivery date about the leave period.
- Name the person to whom the payment will be made in case she cannot take herself.

### **CASH BENEFITS**

- 6 months leave with pay before/after delivery.
- A medical bonus of Rs. 1,000/-
- Take the pay for 6 weeks after/before child birth within 48 hrs of request
- An additional leave with pay up to one month[Proof of illness]
- In case of miscarriage Six weeks leave with average pay.
- Tubectomy operation: Leave with wages @ of maternity benefit for a period of 2 weeks.

## **NON CASH BENEFITS**

- Light work for 10 weeks (6 weeks plus 1 month) before delivery.
- 2 Nursing breaks of 15 Minutes until the child is 15 months old.
- No dismissal while on maternity leave.

## **LEGAL OBLIGATION UNDER MATERNITY ACT**

- No employer can unknowingly employ a woman in establishment during 6 weeks following date of delivery or miscarriage.
- No woman shall work in any establishment during the 6 weeks immediately the day following her delivery.
- Shall be Unlawful for her employer to discharge or dismiss her on account of such absence.
- In case of Gross misconduct the employer in writing can communicate about depriving such benefit.

## **DUTIES AND PENALTY FOR EMPLOYER**

- Record Management: Every employer need to prepare records or registers.
- Penalty for Contravention of Act Imprisonment with minimum period of 3 months to maximum 01 year and Fine from Rupees Two Thousand to Rupees Five Thousand.

## **III) OLD AGE BENEFITS**

The Indira Gandhi National Old Age Pension Scheme (IGNOAPS) named after the late Prime Minister Smt. Indira Gandhi is open for all those senior citizens who are 65 years of age or above and are living below the poverty line (BPL).

- The assistance amount is revised from Rs.75 to Rs.200 per month into consideration the rise of living cost.
- National Old Age Pension Scheme was introduced as a public response to deprivation and insecurities faced by the aged, reasons are mentioned below:
- Adults in poor households face insecurity of work and income.
- In India aged are generally dependent on their children for support.
- The presence of aged in poor families add to the financial burden and further deprivation of the family as a whole.
- The insecurity of the household is further exacerbated by general poverty and greater morbidity among the aged.
- The absence of adequate public health care facilities and the increasing cost of private health care facilities for the aged can throw the household in major crisis.

## **IV. PENSION BENEFITS**

The pension fund regulatory and development authority (PFRDA) is the prudential regulator for the National Pension scheme from the past 11 yrs, covering 55 lakh subscribers. It was established by the Govt. of India on 23<sup>rd</sup> august 2003 to promote old age income security by establishing, developing, and regulating pension funds.

### **The benefits of Pension:**

- Pension to Member
- Pension to family(on death of member)
- A member can apply for Scheme certificate if he has not attained the age of 58 while leaving an organization, it depicts the service and family details of the member.
- Member can surrender this certificate while joining another establishment and the service stated in the certificate is added with the service he is gaining from the new establishment.
- After the age of 50 or above the member can apply for Pension by surrendering this scheme certificate( if total service is at least 10 yrs)
- This is better choice than withdrawal benefit as member dies holding a valid scheme certificate, his family will get pension.

## **Categories of Social Assistance**

- i. Public works
- ii. Cash or near cash transfers(Food vouchers, seed voucher)
- iii. In-kind transfers(Food rations, school feeding programmes)
- iv. Price subsidies( on pulses, grains or fuel)
- v. Fee waivers(Health care, Schooling, Transport)

## **SOCIAL INSURANCE**

Social insurance refers to a scheme of maintaining fund from the contributions made by the employees and employer, with or without a subsidy from the Government.

### **Features of Social Insurance**

1. It is mainly financed by or mainly from the common monetary contributions of workers, employers and the state.
2. The state and Employers make a major contribution to this fund, while the employees play on a nominal amount.
3. When there is a total or partial loss of income, these benefits, within the limits ensure the maintenance of the beneficiaries' minimum standard of living.
4. It reduces the sufferings arising out of the contingencies faced by the individuals which they cannot prevent.

5. These benefits are so planned that it covers a major workforce on a compulsory basis.

## **DEVELOPMENT OF SOCIAL SECURITY IN INDIA.**

India due to its geographical area and diversity bears a complex character of social security. The development of social security in India can be summarized as follows:

1. Employees Compensation Act,1923
2. Maternity Benefit Act,1961
3. Employees State Insurance act, 1948
4. Employees Provident Fund and Misc. Provisions Act,1952
5. Payment of Gratuity Act, 1972

### **3. Employees State Insurance act, 1948**

#### **Object of the act:**

To provide for certain benefits to employees in case of sickness, maternity and injury during employment.

#### **ESI Eligibility Criteria**

To get the ESI benefits such as medical, disability, maternity and unemployment allowance under the ESIC you must be able to meet the following eligibility criteria

- Any individual working in the non-seasonal factory with more than 10 employees.
- Employees working in sectors such as hotels and restaurants, Newspaper establishments, Road-motor transport, Cinemas and preview theatres and Private Educational and Medical institutions with a strength of more than 20 employees.
- The existing wage limit of the employee is ₹ 21,000 per month and if the employee has any disability, the wage limit for coverage is ₹ 25,000 per month.

#### **ESI Contribution Rate**

- It is the principle employer's responsibility to deposit his own as well as employee's contribution in respect of all employees including the contract labour, into the E.S.I. Account.
- Non-availability of funds cannot be a ground for non-payment of contributions under the act.
- There is no provision to waive the contribution, damages and interest.
- ESI contribution rates are revised from time to time, and presently the employee's contribution rate and employer's contribution is 0.75% of the wages and 3.25% of the wages respectively.

- In cases where employees earn a daily average wage, upto ₹ 50 they do not need to make any contribution in the ESI scheme; however, employers must contribute their own share in respect of these employees.

## Features and Benefits of ESI

The ESI scheme managed by the Employees State Insurance Corporation provides a host of medical and sickness benefits to employees enrolled under the ESI Scheme:

- **MEDICAL BENEFITS:** ESIC provides medical benefits to the employees and their family members for coverage of medical expenses from the first day of employment. There is no ceiling on the number of funds provided to the insured employees or the family members for the treatment.
- **SICKNESS BENEFITS:** Employees can claim 70% of their daily wages for a maximum period of 91 days during the sick leave. Employees enrolled in ESIC are ensured regular cash support during any sick leave availed.
- **DISABILITY BENEFITS:** In the case of temporary or permanent disability, ESIC ensures that the financial benefits are provided to the employee during the time of injury. In case of temporary disability, 90% of the wages are paid as long as the disability continues irrespective of the contribution period. Employees can receive disability benefits at the rate of 90% on a monthly basis depending on the loss of earning as certified by the Medical board.
- **MATERNITY BENEFITS:** Under the ESI benefits, ESIC provides the following compensation at the time of maternity:
  - 100% of the daily wages for 26 weeks from the time of going into labour.
  - Six weeks in case of a miscarriage.
  - Twelve weeks of pay is provided in the case of an adoption.
- **DEATH BENEFITS:** The family of the employee is provided 90% of the daily wages every month if the employee dies at the workplace.
- There are several other ESI benefits offered by ESIC, which are Funeral expenses, Old age care medical expenses, Physical Rehabilitation and Vocational Training.
- An amount of ₹ 15,000 is provided for the funeral expenses to the dependents of the family or the people who perform the last rites.
- Physical rehabilitation and expenses for the vocational training are provided in case of physical disablement at the place of employment and to permanently disabled Insured Person for undergoing training.

## 4. Payment of Gratuity Act, 1972

- Gratuity is a voluntary Payment made by the employer to the employee in recognition of continuous, meritorious services and sincere efforts by the employee towards the organization.
- The act provides for the payment of gratuity to workers employed in any establishment employing 10 or more persons.

- A shop or establishment to which the act has become applicable shall continue to be governed by the Act even if the number of persons employed falls below 10 at any subsequent stage.
- All the employees irrespective of the status or salary are entitled to the payment of gratuity on completion of 5 years of service.
- In case of death or disablement there is no minimum eligibility period.

An employer who contravenes any provisions of the Act shall be liable for imprisonment or with fine. Gratuity is a benefit received by an employee for services rendered to an organisation. For companies covered under the Gratuity Act, this benefit is paid when an employee completes five or more years of service with the employer. An employee gets gratuity when he/she resigns, retires or is laid off. In case of death or disablement there is no minimum eligibility period.

The gratuity amount depends upon the tenure of service and last drawn salary. It is calculated according to this formula:

The formula is as follows:

(15 X last drawn salary X tenure of working) divided by 26

Here, last drawn salary means basic salary, dearness allowance.

Suppose A's last drawn basic pay is Rs 60,000 per month and he has worked with XYZ Ltd for 20 years and 7 months. In this case, using the formula above, gratuity will be calculated as:

$(15 \times 60,000 \times 21) / 26 = \text{Rs. } 7.26 \text{ lakh}$

- According to this formula, the time period of over six months or more is considered as one year. This means if you have completed five years and seven months of service, the number of years would be considered as six years for calculation of gratuity benefit.
- On the other hand, if the service period is five years and five months, for gratuity calculation it will be considered five years.

### **Maximum Amount**

- Rs. 20 lakh is the maximum amount that can be paid as gratuity. The Seventh Pay Commission had recommended increase in the gratuity ceiling to Rs. 20 lakh from the earlier level of Rs. 10 lakh.

### **Income Tax Treatment of Gratuity**

For government employees, entire amount of gratuity received on retirement or death is currently exempted from income tax. For employees who are covered under the gratuity act, gratuity income up to Rs 20 lakhs is exempted from tax. For those, who are not covered, the exemption is allowed up to Rs 10 lakhs.

## **5. EMPLOYEES PROVIDENT FUND AND MISC. PROVISIONS ACT,1952**

The employee provident fund is administered by the Employees Provident Fund Organization (EPFO), a statutory body developed by the government of India under the **Ministry of Labor and Employment**. It is formed to administer the mandatory contribution towards the PF scheme by both the employees and employers.

It covers every establishment in which 20 or more people are employed and certain organisations are covered, subject to certain conditions and exemptions even if they employ less than 20 persons each.

### **There are 3 major benefits**

- Provident Fund Benefits
- Pension Benefits
- Death Benefits

#### **1. Provident Fund benefits**

- Employer also contributes to Members PF @ 12%.
- Currently, Employee provident fund interest rate is **55% per annum** (w.e.f. Feb 2018). The interest is decided by the **Government** with the consultation of **Central Board of Trustees** of the EPFO.
- On resignation, the member can settle the account. i.e., the member gets his PF contribution, Employer Contribution and Interest.

#### **2. Pension benefits**

- Pension to Member
- Pension to Family (on death of member).

#### **How to settle EPF account**

- The Member has to resign or retire from the establishment and apply for settlement of PF in Form-19. If the exit is before 55 years of age, the member should not work in any covered establishment for a period of 2 months from the exit date.

#### **Employees' Deposit Linked Insurance (EDLI) Scheme**

- On death of a member, the Family Members or Nominee (whoever has the entitlement to claim Provident Fund amount) can claim for EDLI Benefit. Maximum amount payable is Rs. 60,000/-.
- The nominee(s) have to apply in Form-5IF through the Employer.

- No amount is taken from the Member for this facility. Employer contributes for this.
- Average PF Balance, salary and service are the factors considered for the calculation of this amount.

**Advance/ Withdrawals may be availed for the following purposes:**

Marriage / Education

- Purpose : For the marriage/education of Self & Family
- Eligibility : Should Completeatleast 7years of service.
- Max Amount : 50% of Emp'e Share

•Treatment

- Purpose : Treatment of Self, Family (Dependents)
- Eligibility : No minimum service required
- Max Amount : 6 times of Wages or Full of Emp'e Share

•Purchase or construction of Dwelling house

- Purpose : Purchase or Construction House/Flat
- Eligibility : Should complete 5years only in one service.
- Max Amount : 36 times of Wages.

The amount of advance/withdrawal is not required to be refunded under normal circumstances. If the amount is not utilised, the same should be refunded with penal interest.

**MERITS OF WELFARE MEASURES**

1. Meets employees demands
2. Buys employee loyalty
3. Buys employee commitment
4. Meets trade union demands
5. Satisfies Employers preference
6. Meets the criteria as a social security
7. Improves human relations
8. Boost up employee morale
9. Provide qualitative work environment and work life

10. Motivate the employees by identifying and satisfying their unsatisfied needs

## **Demerits**

- Cost to employer
- Discrepancies and De-motivation

## **SOCIAL SECURITY MEASURES FOR INDUSTRIAL EMPLOYEES**

- CANTEEN FACILITIES
- HOLIDAY AND LEAVE ENTILEMENT
- ESI
- MEDICAL REIMBURSEMENT
- WASHING FACILITIES
- FACILITIES FOR STORING AND DRYING CLOTHING
- CRECHES

## **UNIT-4**

### **LABOUR ADMINISTRATION-1**

#### **LABOUR ADMINISTRATION**

Labour Administration is the labour standards that provide a legal and policy frame work to help countries shape its national labour laws and employment policies.

#### **EVOLUTION OF MACHINERY FOR LABOUR ADMINISTRATION**

In India, till the end of the First World War, labour problems had acquired neither vastness nor complexity to warrant any serious attention on the part of both the central and provincial governments. Prior to 1919 a few labour legislations were in force i.e. Fatal Accident Act, 1885; Merchant Shipping Act, 1859; Factory Act, 1888 and 1911; Mines Act, 1901. Most of these Acts were administered by magistrate. The distribution of the powers was governed by the Regulating Act, 1773; Pitt's India Act, 1784 and various Charter Acts. It was only 1920, when that the special post of Labour Commissioners were created in Madras and Bengal. In 1921, Government of Bombay also followed to suit by setting up a Labour Commissioner's office. In 1920, the Central Government also set up the Labour Bureau with a view to promote certain co-ordination between the centre and provinces. But the Bureau could only function for a short period of three years and was ultimately abolished in 1923.

The labour problems were in jurisdiction of Central Government but it was dealt with by the Department of Industries and Labour. This Department was in charge of Governor General's Executive Council and its administrative head was Secretary of the Government. Labour administration was not so strong at Central level as well as at province level. Its responsibility was on the shoulders of provincial government. In 1929, Royal Commission on Labour was appointed and its recommendations were accepted by government and labour machinery became strong and it is improving till now. Government of India Act, 1935 played a considerable role in labour administration and Labour Commissioners had been appointed in many 56 provinces. In 1946, India started five years programmes in which a lot of steps had been taken to strengthen the labour administration. Today Labour Ministry, at central level, is engaged in enactment of labour legislations, whereas, the implementation responsibility is on the shoulders of Labour Departments at state level and such departments has full-fledged machinery to enforce these laws at every level.

#### **SPECIFIC CONTRIBUTION OF LABOUR ADMINISTRATION HAS BEEN THE FOLLOWING:**

1. Formulation of labour policy consistent with the needs of the society and economy and taking into account the views of the parties effected;
2. Establishment of uniform standards of labour and adaptation of steps for their effective observance and enforcement;

3. Improvement of the working and living conditions of workers and protecting those who need special protection;
4. Maintenance of industrial peace and harmony;
5. Identification of the rights and obligations of the parties and ensuring their effective compliance;
6. Promotion of co-operation among the parties and encouragement to consultation with and participation of the employers and workers;
7. Penalizing those not complying with the provisions of laws, rules or regulations; and
8. Making available the government services for ensuring compliance with the declared policies and programmes.

#### **LABOUR ADMINISTRATION IS CARRIED OUT AT THREE LEVELS:**

- CENTRAL MACHINERY
- STATE MACHINERY
- DISTRICT MACHINERY

#### **1. CENTRAL MACHINERY**

Central Govt is mainly responsible for to enact various legislations for labour regarding all those subjects falling in union list. Under the constitution of India, labour is a subject in concurrent list where both central and state govt are competent to enact legislations, subject to certain matters being reserved for them.

The ministry presently has:

- The Main Ministry (Secretariat)
- Four Attached offices
- Ten Subordinate offices
- Four autonomous organisations
- 22 adjudicating bodies
- 1 **Arbitration** body

#### **A).THE MAIN MINISTRY (SECRETARIAT)**

The Main Ministry of labour (Secretariat) is the middle point for consideration and decision of all the questions relating to labour so far the govt of India is concerned . It is the neutral administrative machinery for the formulation of labour policy, enforcement of labour laws and for the promotion of labour welfare.

#### **B).ATTACHED OFFICES**

The four offices attached to the ministry of labour are:

1. **DIRECTORATE GENERAL OF EMPLOYMENT AND TRAINING:** The headquarter of this organisation is situated in New Delhi headed by the Director General, Employment and training. This office is responsible for laying down the policies, standards and norms for the vocational training in the country and also for coordinating employment services.
2. **OFFICE OF CHIEF LABOUR COMMISSIONER (CENTRAL):** The headquarter of this organisation is situated in New Delhi, headed by Chief Labour Commissioner. This office is responsible for prevention and settlement of industrial disputes, implementation of labour laws in industries, verification of membership of trade unions, revision of wages.
3. **DIRECTORATE GENERAL OF FACTORY ADVICE SERVICE AND LABOUR INSTITUTE:** The headquarter of this organisation is situated in Mumbai, This directorate is concerned with formulation of policy relating to the safety, health and welfare of workers in factories and docks. It also under takes research in industrial safety, occupational health, industrial psychology.
4. **LABOUR BUREAU:** It is situated at Shimla and Chandigarh, it is responsible for collection and publication of statistical and other information related to employment, wages, industrial relation, working conditions.

### **C).SUBORINATE OFFICES**

Ten subordinate offices work under the labour ministry:

- **DIRECTORATE GENERAL OF MINES SAFETY:**This office is located in Dhanbad and it checks the provisions of mines Act 1952 to know whether these provisions are being implemented or not in mines.
- **WELFARE COMMISSIONERS:** The rest nine offices are related to the welfare, these offices work under welfare commissioners and situated in 9 cities, they are responsible for the welfare facilities to the workers.

### **D).AUTONOMOUS ORGANISATIONS**

1. **Employees' State Insurance Corporation ESIC:** The Employee State Insurance (ESI) is one of the largest social security schemes, globally under the aegis of Employee's State Insurance Corporation, a division of the Ministry of Labour and Employment, Government of India. ESI provides primarily sickness benefits and some other benefits to approximately thirteen crores (130 millions) Indians that include Insured Employees and their dependents.

2. **Employees' Provident Fund Organization (abbreviated to EPFO)**  
Employees' Provident Fund is a statutory body established by the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is under the administrative control of the Ministry of Labour and Employment, Government of India.[1]EPFO assists the Central Board in administering a compulsory contributory Provident Fund Scheme, a Pension Scheme and an Insurance Scheme for the workforce engaged in the organised sector in India.
3. **V.V GIRI NATIONAL LABOUR INSTITUTE:** under the Ministry of Labour of Government of India, is an autonomous institute dedicated to the research in the field of labour and training of labour administrators, trade unions, public sector managers and other government functionaries concerned with labour. Research related to Labour is one of the primary activities of the institute which also undertakes seminars, workshops and lectures on specific issues periodically.
4. **CENTRAL BOARD FOR WORKERS EDUCATION:** The Central Board for Workers Education (CBWE) is an autonomous body under the Ministry of Labour & Employment, Government of India. The Workers Education Scheme in India has been playing a very significant role in our national development; creating an enlightened and disciplined work force and bringing about desirable behavioural changes in our workforce in the organized, unorganized and rural sectors. It gets grants-in-aid from the Ministry of Labour & Employment to operate its activities.

## **E).ADJUDICATING BODIES**

Central Govt industrial tribunals cum labour courts, there are 22 industrial tribunals cum labour courts, these all have been set up under the industrial dispute act 1947.They work under central government and solve the problems and disputes of industries.

## **F).ARBITRATION BODY (JOINT CONSULTATIVE MACHINERY)**

It is a platform for constructive dialogue between the representatives of the staff side and the official side for peaceful resolution of all disputes between the Government as employer and the employees. The scheme was introduced in 1966 with the objectives of promoting harmonious relations and securing the greatest measure of cooperation between the Central 1 Government as the employer and the employees in matters of common concern and with the object of further increasing the efficiency of the public service combined with the well being of those employed

## **STATE MACHINERY**

Labour administration of the state governments is on a pattern similar to central labour administration with slight variations relating to implementing agencies and the requirements of the state enactments and non-statutory labour programmes.

The main organizations for labour administration in the states comprise,

- Department of labour and employment (secretariat),
- Office of labour commissioner chief inspectorate of factories
- Chief inspectorate of boilers,
- Office of chief inspector, shops and establishments
- Directorate, employment and training
- Directorate, medical services ESI scheme)
- Social security directorate
- Adjudication authorities.

## **DISTRICT MACHINERY**

District is the smallest unit of Labour Department and every district in India has labour unit which is headed by Labour cum conciliation officer and he is assisted by Labour Inspectors and clerical staff.

Labour cum conciliation officer handles a lot of acts in his district and looks after that all the acts are being implemented in his district properly or not.

## **CENTRAL INDUSTRIAL RELATIONS MACHINERY (CIRM)**

The purpose is to carry out various provisions of the industrial disputes act for prevention, investigation and settlement of disputes in the industries under central sphere.

### **The Main Functions of CIRM are:-**

1. Ensuring harmonious industrial relations between the Management and Workers in the Central Sphere.
2. Enforcement of Labour Laws and Rules made there-under in the Central Sphere.
3. Intervention, mediation and conciliation in industrial disputes in order to bring about settlement of disputes.
4. Intervention in situations of threatened strikes and lockouts with a view to avert the strikes and lockouts.
5. Implementation of Labour Welfare Schemes under various Labour Welfare Acts/ Schemes.

## **WINGS OF LABOUR DEPARTMENT**

LABOUR DEPARTMENT HAS TWO WINGS:

**I. LABOUR WING**

**II. FACTORY WING**

## **WINGS OF LABOUR DEPARTMENT**

Labour Department, Haryana has two wings:

A. Labour Wing

B. Factory Wing

### **A. Labour Wing**

Labour wing of Labour Department is very important and even vast in area also so it has been divided into a lot of branches for smooth working and its branches are as follow:

### 1. Dispute Branch

This branch is headed by Joint Labour Commissioner-I and to assist him there is an Editor, Law Officer, Head Assistant (Industrial Relations), Senior Scale Stenographer and Clerical Staff. This branch is established mainly to look after the implementation of Industrial Dispute Act, 1947 and the Scales Promotion Employees' (Conditions of Service) Act. It also deals with the complaints of workers relating to illegal lay off, retrenchment and closures and prepares the weekly reports regarding strikes and lockouts etc. This branch works with the help of Labour-cum-Conciliation Officers and his field staff at district level. Dispute branch handles all the industrial disputes but in some cases if conciliation fails then these cases referred to the Labour Courts by this branch.

### 2. Co-ordination and Miscellaneous Branch

This Branch is also under the charge of Joint Labour Commissioner-I and he has other supportive and clerical staff to assist. This branch is assigned a lot of work. The main function of this branch is to coordinate the various inter-department and intra-department activities, to look after the human resource development programmes, skill development of labour officials, the work related to the Employees' Provident Fund Organization, the work related to the ESI set up and coordination of the State Directorate with the ESIC, arrangement of state labour conference, redressal of problems relating to the brick kilns and stone crushers etc. Most of the Social Security Acts and the Industrial Employment (Standing Orders) Act, 1946 are under the charge of this branch.

### 3. Publication Branch

Joint Labour Commissioner-I has also the charge of this branch. To assist him there are Editor, Assistant (publication), steno-typist and cartographer. According to its name this branch does all the publication work of Labour Department. This branch is also performs other administrative duties like publication of Haryana Labour Journal and other related matters, maintenance of labour news records, library maintenance and also look after the audit of accounts of publication material. The branch deals with two Acts named the Working Journalists and Other News Paper Employees and Miscellaneous Provisions Act, 1955 and the Working Journalists (Fixation of Rates of Wags) Act, 1958.

### 4. Legal Cell

Legal cell is established mainly for the legal advice to the workers. This cell is also in charge of Joint Labour Commissioner-I however, Law Officer, Assistant (legal) and clerical staff support him to do work efficiently. All the duties assigned to this branch is of legal nature, mainly cell handles Legal Authority Act, 1987, compilation of important court judgments, monitoring of High Court cases. Except all these duties cell also amends the labour laws to make them more helpful for the workers.

## 5. Registration and Licensing Branch

This Branch of labour wing is handled by Joint Labour Commissioner-II who is assisted by Labour Inspector (Headquarter), Head Assistant (Industrial Relations), Stenotypist, Assistant (licensing) and other clerical staff. The matters related to the registration/de-registration of trade unions under the Trade Union Act, 1926; registration and licensing under the Motor Transport Workers' Act, 1961 and registration and licensing under the Contract Labour (R&A) Act, 1970 are considered by this branch. Another to these duties, branch also have some responsibilities under the Payment of Wages Act, 1936; Minimum Wages Act, 1948; The Equal Remuneration Act, 1976 and Payment of Bonus Act, 1965. This branch also look after the workers participation in management that it is up to satisfaction or not.

## 6. Welfare Branch

Welfare branch is also headed by the Joint Labour-Commissioner-II. The branch has one Labour Inspector, one Head Assistant, one Steno Typist (Labour Welfare Board), one Assistant (welfare) and some other clerical staff. This branch mainly deals with the State Acts and monitors the progress of various programmes and schemes working under these Acts. If workers face any problem about welfare this branch ensures the proper implementation of the related Acts and tries to redress problems.

## 7. Implementation Branch

The Deputy Labour-Commissioner (Headquarter) is the incharge of implementation branch. To assist him there is a Statistical Officer, Head Assistant (Industrial Relations), Assistant (implementation), other clerical staff and the field staff. The main function of this branch is to check the implementation of awards, settlements, orders and to look after workers' education schemes. The branch also handles the complaints regarding sexual harassment, matter related to the child labour, conducts survey about it and also tackles the problems of bounded labour.

## 8. Statistical Branch

Statistical branch is also in charge of Deputy Labour Commissioner who is supported by Statistical Officer, two Statistical Assistants, one Typist and other clerical staff. This branch mainly collects data about the different aspects of labour as, the number of retrenchment, lay-off, strikes, lock-outs. This branch also prepares the annual administrative report of the department which is one of the important duties of the branch.

## 9. Establishment Branch

Establishment branch is headed by a Deputy Labour Commissioner and to assist him there is a Superintendent, a Head Assistant, a Senior Scale Stenographer, Statistical Assistant, Senior Clerks and Typist. The matter related to appointment of officials/officers, promotion cases, disciplinary proceedings, complaints/ enquiries cases, transfers are dealt with by the branch. In addition to all these responsibilities, this branch also conducts the inspection of various offices.

## 10. General Branch

This branch has a Superintendent as incharge and a Head Assistant and other clerical staff to assist him to perform the various duties assigned to him. The branch mainly does the diary and dispatch work and also does maintenance of vehicles, telephones, computers, stationery articles and office buildings. All the infrastructure of Labour Department is looked after by this branch.

## 11. Cashier Branch

This branch handles all the bill work i.e. drawing and disbursing of various bills, maintenance of cash books and audit objections. The head of this branch is Accounts Officer and cashier, clerical and other staff helps him to do work.

## 12. Budget Branch

Budget branch is one of the important branch of Labour Department which is headed by Accounts Officer. The branch has a Superintendent, a Assistant (Budget) and other IIIrd class employees to do all the work efficiently. The branch look after all the budgetary matters, monitoring of expenditure, matter related to the rent of buildings hired for various offices, reappropriation of accounts etc.

## 13. Accounts Branch

This branch is also chaired by the Accounts Officer who works with his supporting and other clerical staff. This branch handles all the accounts matter and presents these accounts before the head of this branch for approval and do the amendments if necessary. Mainly, the branch looks after the pay bills and T.A. bills of officials, non-officials and members of various committees and boards, completion of service books, pay fixations. Another to these responsibilities, one other work is also done by the branch which is look after into the matters of withdrawal from GPF accounts.

## B. Factory Wing

Factory wing is mainly established to ensure the proper implementation of Factory Act 1948. It looks after the health and safety measures of workers. Labour Commissioner is chief inspector of factories and also acts as Director of Industrial Safety and Health. But in practice all the work of this wing is handled by Additional Director, Industrial Safety and Health. To help him there is two Joint Directors, Industrial Safety and Health and three Deputy Directors, Industrial Safety and Health and other supportive and clerical staff. The branches of factory wing are as follow:

### 1. Factory Registration Branch

This branch is headed by Additional Director, Industrial Safety and Health. This branch mainly looks after the safety and health measures in factory for the workers. Another important

duties of this branch are to do the registration of the factories, renewal of licences, conducts surprise inspections. This branch also calls the seminars on industrial safety and health workers to make them aware and conscious about their safety and health during work. Except all these responsibilities, one another important Act related to the social security of female workers i.e. Maternity Benefit Act, 1961 is also in the area of this branch. All claims are handled by this branch under this Act.

## 2. Inspection and Fatal Accident Report Branch

This branch works in observation of Deputy Director, Industrial Safety and Health. This branch mainly regulates the inspection programmes of the field officers, monitors them and prepares the weekly inspection reports. If any problem comes in the way of inspection authority the branch solves it. It looks into the matters of fatal accidents and work related to the IT plan of Labour Department.

## 3. Factory Building Branch

This branch is also in observation of Additional Director, Industrial Safety and Health. The main responsibility of this branch is to give the approval of factory building plans. No factory building can be constructed without the permission of this branch and the branch also maintains the records of factory buildings plans.

## 4. Common Computer Cell

In addition to all these branches, one common computer cell is established in factory wing of Labour Department to operate all the computer work. One programmer and two data entry operators are appointed to look after the work. In this way both wings i.e. Labour Wing and Factory Wing are divided into many branches at headquarter level for efficient work. All the Labour Acts and matter related to labour welfare are distributed into the various branches and these branches do the work under their jurisdiction.

## UNIT-5

### LABOUR ADMINISTRATION-2

#### **DIRECTORATE GENERAL OF EMPLOYMENT (DGE) –IT COMES UNDER MINISTRY OF LABOUR AND EMPLOYMENT**

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The Directorate General of Employment (DGE) in Ministry of Labour is the apex organization for development and coordination at National level for the programmes relating to vocational training including Women"s Vocational Training and Employment Services. Employment service is operated through a countrywide network of Employment Exchanges.

##### **DGE focuses on**

- National Employment Services(NES)
- National Career Service(NCS)
- Vocational Rehabilitation Centre(VRC)
- Coaching cum Guidance Centre(CGC)

#### **THE DIRECTORATE GENERAL OF TRAINING (DGT) It comes under MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP**

The Directorate General of Training (DGT) in Ministry of Skill Development and Entrepreneurship is the apex organisation for development and coordination at National level for the programmes relating to vocational training including Women's Vocational Training. Industrial Training Institutes are under the administrative and financial control of State Governments or Union Territory Administrations. DGT also operates Vocational Training Schemes in some of the specialized areas through field institutes under its direct control.

##### **DGT Focuses on :**

Craftsmen Training Scheme (CTS)  
Apprenticeship Training Scheme (ATS).  
Craft Instructor Training Scheme (CITS).  
Advanced Vocational Training Scheme (AVTS).

### **Major functions or Duties of the DGE&T are:**

- To frame overall policies, norms and standards for vocational training.
- To diversify, update and expand training facilities in terms of craftsmen and crafts instructor training.
- To organize and conduct specialized training and research at the specially established training Institutes.
- To implement, regulate and increase the scope of training of apprentices under the Apprentices Act, 1961.
- To organize vocational training programmes for women.
- To provide vocational guidance and employment counseling.
- Assist scheduled castes/scheduled tribes and persons with disabilities by enhancing their capabilities for wage employment and self employment.

### **DIRECTORATE GENERAL FACTORY ADVICE SERVICE AND LABOUR INSTITUTES (DGFASLI)**

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The office of the Chief Adviser of factories, which is now called Directorate General, Factory Advice Service and Labour Institutes, was setup in 1945 with the objective of advising Central And State Governments on administration of the Factories Act and coordinating the factory inspection services in the States. The Directorate General, Factory Advice and Labour Institutes (DGFASLI) comprises:

- Headquarters situated in Mumbai
  - Central Labour Institute in Mumbai
  - Regional Labour Institutes in Chennai, Kanpur, Kolkata and Faridabad.
- 
- The DGFASLI is an attached office of the Ministry of Labour & Employment, Government of India and serves as a technical arm to assist the Ministry in formulating national policies on occupational safety and health in factories and docks.
  - It also advises factories on various problems concerning safety, health, efficiency and well - being of the persons at work places.

## **POWERS AND DUTIES OF THE OFFICERS AND EMPLOYEES OF (DGFASLI)**

### **DUTIES OF DIRECTOR GENERAL**

1. Advising Central and State Governments, as well as Industry on matters pertaining to Safety, Health and Welfare as well as productivity and training in factories.
2. Providing guidance to the research, training and other scientific and technical activities of the Central and Regional Labour Institutes in fields of Safety, Occupational Health and Hygiene, etc.
3. Maintaining liaison with other research institutions within the country and abroad, who have similar interests, so as to enrich the activities of DGFASLI in the fields of research.
4. Responsible for the administration of the Dock Workers (Safety, Health and Welfare) Act, 1986 and the regulations and scheme concerning the Safety, Health and Welfare of Dock Workers and initiating research and consultancy services for setting standards.
5. Responsible for the planning and budgeting and other administrative matters pertaining to the DGFASLI Organisation as the Head of Department.
6. Keeping liaison with the Ministry for efficient functioning of the Organisation

### **DUTIES OF DEPUTY DIRECTOR GENERAL**

Deputy Director General provides technical and administrative support to the Director General and discharges the following functions:

1. Providing guidance in the planning, co-ordination and execution of studies and surveys in the industrial units and compilation of reports – Guidance for the research activities in the Institute.
2. Scrutiny and advice in the preparation of technical reports and papers.
3. Guidance in the publication of the technical bulletins and other brochures.
4. Rendering advice to management and unions on occupational health matters.
5. Participation in technical activities like training programmes, seminars, etc.
6. Liaising with professional bodies in the country and abroad with a view to meet the research and training needs of the personnel of the Organisation and thereby augment the technical activities.

7. Correspondence with the Ministry concerning ILO Conventions pertaining to Environmental Hygiene & Occupational Health matters.
8. Guidance in the framing of Rules under the Factories Act /Dock Safety Act.
9. Liaison with employer's organizations and trade unions with a view to promote occupational safety and health activities in the country.
10. Being responsible for the preparation of plan proposals, budget proposals, etc

## **RIGHTS OF EMPLOYEES IN PROVIDENT FUND**

1. Obtain claim form free of cost.
2. Obtain guidance in filing forms.
3. Right of the partial/final withdrawal from the provident fund.
4. Register their grievance and get it redressed within 15 days.
5. Right to obtain UAN from EPFO.
6. Right to receive a monthly payment of pension.
7. Right to get transferred their accumulated fund to their new account.

## **RIGHTS OF EMPLOYERS IN PROVIDENT FUND**

1. Ask for identity card from the visiting enforcement officer.
2. Right to get the Business Number (PF Code No.) allotted for complying with the provision of the Act.
3. Approach EPFO for seeking clarification or guidance on PF related matters.
4. Avail online services for filing returns and remitting the contribution.
5. Right to meet the officer in charge.
6. To have at least one relationship officer in each field.

## **ESI SCHEMES**

The Employees' State Insurance Act, 1948 is one of the most important laws that provide social security. It contains six kinds of ESI benefits that insured employees can avail. All of these benefits must arise in the course of employment in order to enable workers to access them.

## **The following are some ESI benefits that employees can avail under the ESI Act**

- Medical benefit
- Sickness benefit
- Maternity benefit
- Dependants benefits
- Disablement benefits
- Other benefits

### **1. MEDICAL BENEFIT**

Every insurable employee under the Act gets medical benefits the day he becomes an employee. This benefit extends to his family members as well. This medical benefit has no ceiling in terms of expenditure on healthcare. Hence, the ESI Corporation takes care of all treatment expenses as per its rules.

**2. SICKNESS BENEFIT (SB):** Sickness Benefit in the form of Cash Compensation at the rate of 70 per cent of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year. In order to qualify for sickness benefit the insured worker is required to contribute for 78 days in a contribution period of 6 months.

**Extended Sickness Benefit (ESB):** SB is extendable up to two years in the case of 34 malignant and long-term diseases at an enhanced rate of 80 per cent of wages.

**Enhanced Sickness Benefit:** Enhanced Sickness Benefit equal to full wages is payable to insured persons undergoing sterilization for 7 days/14 days for male and female workers respectively.

**3. MATERNITY BENEFIT:** Maternity Benefit for confinement/pregnancy is payable for 26 weeks, which is extendable by further one month on medical advice at the rate of full wage subject to contribution for 70 days in the preceding Two Contribution Periods.

### **4. DISABLEMENT BENEFIT**

**Temporary disablement benefit (TDB):** Temporary Disablement Benefit at the rate of 90% of wages is payable so long as disability continues. It is admissible from day one of entering insurable employment and irrespective of having paid any contribution in case of employment injury.

**Permanent disablement benefit (PDB):** The benefit is paid at the rate of 90% of wages in the form of monthly payment depending upon the extent of loss of earning capacity as certified by a Medical Board.

**Dependants' Benefit (DB):** DB is paid at the rate of 90% of wages in the form of monthly payment to the dependants of a deceased Insured person in cases where death occurs due to employment injury or occupational hazards.

#### **5. Other Benefits:**

**i) Funeral Expenses:** An amount of Rs.10, 000/- is payable to the dependents or to the person who performs last rites from day one of entering insurable employment.

**ii) Confinement Expenses:** A sum of Rs. 7500/ is payable to an Insured Women or an I.P.in respect of his wife in case confinement occurs at a place where necessary medical facilities under ESI Scheme are not available, however restricted to 2 confinements only.

## **CENTRAL BOARD FOR WORKERS EDUCATION (CBWE)**

The Central Board for Workers Education (CBWE) is an autonomous body under the Ministry of Labour & Employment, Government of India. The Workers Education Scheme in India has been playing a very significant role in our national development; creating an enlightened and disciplined work force and bringing about desirable behavioural changes in our workforce in the organized, unorganized and rural sectors.

It gets grants-in-aid from the Ministry of Labour & Employment to operate its activities.

The Scheme of Workers Education aims at achieving the objectives of creating and increasing awareness and educating the workforce for their effective participation in the socio-economic development of the country.

### **AIMS & OBJECTIVE OF CBWE**

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1. To strengthen among all sections of the working class a sense of Patriotism, National Integrity, Unity, Amity, Communal Harmony, Secularism and pride in being an Indian.
2. To equip all sections of workers, for their intelligent participation in socio-economic development of the nation.
3. To develop amongst the workers a greater understanding of the problems of their social and economic environment, their responsibilities towards the family and their rights and obligations as citizens.
4. To develop capacity of workers in all aspects to meet the challenges of the country.
5. To develop strong, united and more responsible Trade Unions.
6. To empower the workers as employees of the organization.
7. To meet the needs of workers to have access to ways of acquiring and continuous upgradation of knowledge and skills.

## **RURAL SECTOR**

**The Board has launched the rural workers education scheme in 1977-78 with the following objectives:**

- To promote among rural workers, awareness of the problems of their socio-economic environment and their privileges and obligations as workers, as members of the village community and as citizens;
- To educate rural workers to enhance their self confidence and build up a scientific attitude;
- To educate the rural workers in protecting and promoting their individual and social interests'
- To educate rural workers in developing their organizations through which they can fulfil socio-economic functions and responsibilities in rural economy and strengthen democratic, secular and socialist fibre of rural society; and
- To motivate rural workers for family welfare planning and to combat social evils.