Chapter – I

CONCEPTUAL FRAMEWORK OF WELFARE AND SOCIAL SECURITY

1.1 INTRODUCTION

Employees play an important role in the industrial production of the country. The human resource managers are really concerned with the management of people at work. It is necessary to secure the cooperation of labour or employee force in order to increase the production and to earn higher profits. The cooperation of employee force is possible only when they are fully satisfied with their employer and the working conditions of the job. In the past, industrialists and employers believed that their only duty towards their employees was to pay them satisfactory wages and salaries. In course of time, with the introduction of the concept of human resource management, psychological researches convinced them that workers required something more important. In addition to providing monetary benefits, human treatment given to employees plays a very important role in seeking their cooperation. Labour or employee welfare activities benefit not only the workers but also the management in the form of greater industrial efficiency. The human resource managers realise that welfare activities pay good dividends in the long run because they contribute a lot towards the health and efficiency of workers. The terms labour welfare, employee welfare and workers welfare are generally used interchangeably to denote various services provided by the employers to the employees in addition to wages.
Employee welfare is a dynamic concept as new welfare measures are added to the existing ones along with social changes. The modern concept of employee welfare entails all those activities of the employers, which are directed towards providing the employees with certain facilities and services in addition to wages and salaries. Welfare facilities are essential for the health of the organisation since they bear a close connection with the productivities of the labour force.

Today welfare has been generally accepted by employers. The state only intervenes to “widen the area of applicability”. It is now accepted that it is a social right. According to Royal Commission on Labour, “the term welfare as applied to industrial workers is one which must be necessarily elastic, bearing a somewhat different interpretation in one country from another, according to the different social customs, the degree of industrialisation and the educational development of workers”\(^2\). The Labour Investigation committee defined labour welfare work as, “anything done for the intellectual, physical, moral and economic betterment of the workers, whether by employers, by Government or by other agencies, over and above what is laid down by law or what is normally expected as a part of the contractual benefits for which the workers may have bargained\(^3\). The Committee on Labour Welfare pointed out that “labour welfare includes such services, facilities and amenities as adequate canteens, rest and recreational facilities, sanitary and medical facilities, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes, and such other services, amenities and facilities, including social security
measures, as they contribute to improve the conditions under which workers are employed. The ILO report defines labour welfare as “such services, facilitates and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in them to perform their work in healthy and congenial surroundings and provided with amenities conducive to good health and high morale. The Encyclopaedia of social sciences defined labour work as “the voluntary efforts of the employers to establish within the existing industrial system, working and sometimes, living and cultural conditions of the employees beyond what is required by law, the custom of the country and the conditions of the market.

Thus labour or employee welfare is a comprehensive term, which may include any activity, which is connected with the social, moral and economic betterment of workers provided by any agency. Such activities may differ from country to country and from region to region or from organisation to organisation. Labour or employee welfare has the following objectives.

- To provide better life and health to workers.
- To make the workers happy, satisfied and efficient.
- To improve intellectual, cultural and material conditions of workers and to relieve them from industrial fatigue⁴.

1.2 IMPORTANCE OF LABOUR WELFARE

The basic objective of labour welfare is to enable workers to live a richer and more satisfactory life⁵. Labour welfare is in the interest of the labour, the
employer and the society as a whole. The main benefits of the employee welfare services have been discussed hereunder.

**A) Benefits to the Workers**

The usefulness of welfare need not be overemphasised. For instance, the provision of welfare measures such as good housing, canteens medical facilities etc., makes the workers realise that they have some stake in the undertaking in which they are employed and so they think thrice before taking any reckless action, which might prejudice the interest of the undertaking. Secondly, welfare measures such as subsidised food in canteens, free medical and educational facilities etc indirectly increase the real income of workers. If the workers go on strike, they will be deprived of all these facilities. Thirdly, welfare activities improve the psychological health of workers by reducing the incidence of the vices of industrialisation. Away from native village and thrust into a strange and unfavourable environment, the workers fall prey to drinking, gambling and other vices. Congenial environment as a result of welfare measures will act as a deterrent against such social vices. Further welfare activities influence the sentiments of workers. When workers feel that the employers and the state are interested in their happiness, their tendency to grouse and grumble will steadily disappear. The development of such a feeling paves the way for industrial peace.

**B) Benefits to employers**

The provision of welfare facilities is not only beneficial to workers but also to employers in several ways. For instance, the provision of welfare facilities
helps in increasing the employee productivity by improving their physical and psychological health. Besides this, it helps in improving the goodwill and public image of the enterprise. It also helps in improving good industrial relations and industrial peace. Further employees take active interest in their jobs and work with a feeling of involvement and commitment. Consequently, employers secure the benefits of high efficiency, cordial industrial relations, low absenteeism and low turnover. Above all, employers do not have the threat of government intervention.

C) Benefits to the Society

Labour / Employee welfare is also in the interest of larger society because the health, efficiency, and happiness of each individual represents the general well-being of all. Well-housed, well-fed and well-looked after labour is not only an asset to the employer but also serves to raise the standards of industry.

1.3 THEORIES OF LABOUR WELFARE

The theories of labour welfare reflect the evolution of the concept of welfare. Earlier, the Government had to compel the industrial organisations to provide basic amenities to their employees. Such compulsion was necessary because the employers used to exploit the labour and treated them in an unfair manner. With the passage of time, the concept of welfare has undergone changes. Progressive managements today provide welfare facilities voluntarily and with enlightened willingness and enthusiasm. In fact, welfare facilities are no longer restricted to workers alone but also extended to social welfare also. In
this regard, a brief description of the various theories of employee welfare has been outlined hereunder.

- The Police Theory of Labour Welfare
- The Religious Theory of Labour Welfare. This has two aspects: (a) atonement (b) investment aspects.
- The Philanthropic Theory
- The Trusteeship Theory
- The Placating Theory
- The Public Relations Theory, and

A) 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-centred, 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. Such interference is in the interest of the progress and welfare of the state. Laws are enacted to compel managements to provide minimum wages, congenial working conditions, reasonable hours of work and social security. The police theory, therefore, leads
to the passing of laws relating to the provision of minimum welfare for workers; periodical supervision to ascertain that these welfare measures are provided and implemented and punishment of employers who evade or disobey these laws.

In this theory, the emphasis is unfortunately on fear and not on the spirit of welfare, which should be the guiding factor. There are some big employers who do not undertake welfare programs, which are not required by law, even though they can easily do so. There are others who find loopholes in the law and convince factory/mine inspectors that they have duly carried out the legal requirements. These laws, moreover, impose a heavy burden on the Government, which has to maintain a costly Inspectorate to ensure that minimum welfare programmes are implemented in all the industries. However, in a country like India, where working conditions in many places are not at all congenial and where the majority of the workers is illiterate, a certain amount of coercion is essential in the interests of the working population.

B) 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, some times, 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, cannot be rational. Fundamentally, welfare based on charity is not good for the beneficiary in the long run. These services are voluntary and sometimes even amount to more than what is required by legal enactments.

C) 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. In fact, the labour welfare movement began in the early years of the Industrial Revolution with the support of such philanthropists as Robert Owen. In India, Mahatma Gandhi was one of the eminent philanthropists who strove for the welfare of labour. This theory thus, depends largely on man’s love for others and therefore, cannot be universal. Irregular and occasional philanthropic acts of welfare may sometimes defeat the very purpose of welfare. All the same, the utilisation of such
philanthropic sentiments on the part of employers and others has worked well for the time being, at least.

D) 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. Employers, therefore have the moral responsibility to look after the interests of their wards, who are the workers. As a matter of fact, it is not legally binding as it is a moral obligation. The main emphasis here is on the idea that employers should spend a portion of their funds for the well-being of their workers. Mahatma Gandhi very strongly advocated this Trusteeship Theory. Here too, labour welfare depends on the initiative of the top management. Since it has no legal sanction, its value is related to the moral conscience of the industrialists. This theory treats “workers as perpetual minors and industrialists as eternal guardians”. The self-reliant growth of the trade union movement is ignored in this theory, though it may create a basis of goodwill between labour and management.

E) 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 programs⁹. Psychologically this theory is unsound, though it has often been acted upon to secure the workers cooperation.

**F) 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 utilised to improve relations between management and labour. An advertisement or an exhibition of a labour welfare program may help an industrialist to project to the public a good image of his company. His sales as well as profits may improve as a result of two-fold benefit to the company. But this kind of program may also lack in sincerity and continuity. When such a programme loses its advertisement value, it may be neglected or abandoned by the employers even though it is useful to employees. Hence, welfare may tend to become a publicity stunt. Nevertheless, these programs do improve industrial relations.

**G) 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 organisation. Higher production is of great benefit to both management and labour. The latter will get better wages and perhaps, a share in the profits. This is the functional aspect of welfare having efficiency as its object which increases productivity. This theory is a reflection of contemporary support for labour welfare. It can work well if both the parties have an identical aim in mind that is higher production through better welfare and this will encourage labour’s participation in welfare programmes.

In India, it is said, the industrial system clings largely to the paternalistic approach. Some managements, however try to achieve results through police control. Either way, workers start expecting too much from employers, as a result of which employers provide welfare measures in a somewhat half-hearted manner. The trusteeship theory, too, can be applied suitably in Indian conditions, though, in the long run, it is better to act on the basis of the functional theory of labour welfare, for it works effectively by reason of an intelligent and willing participation of workers.

1.4 TYPES OF WELFARE SERVICES

Employers have to provide welfare facilities within the precincts of the organisation as they form a part of the working conditions. In fact, it has been the underlying principle of the policy adopted by the Government of India.
Therefore many welfare amenities become a part of the employer’s statutory obligations. Statutory welfare measures can be classified into two parts: (i) those which have to be provided irrespective of the size of the organisation or the number of people employed therein, such as washing, storing and drying of clothes, first aid, drinking water, latrines and urinals, and (ii) those which are to be provided subject to employment of specified number of people, such as canteen, rest shelters, crèches and ambulance rooms. The welfare facilities provided outside the workplace are known as non-statutory welfare facilities and they include housing, recreation, medical, transport facilities etc. Broadly, employee welfare services can be classified into two categories such as statutory welfare facilities and non-statutory welfare facilities. In this regard, a brief discussion is necessary.

1.5 STATUTORY WELFARE FACILITIES

Statutory welfare facilities refer to the provision of washing facilities, cool and wholesome drinking water, conservancy facilities, first-aid appliances, crèche etc. in this regard, a brief discussion is to be made hereunder about the various statutory welfare facilities to be provided.

A) Washing Facilities

The Mines Act, 1952 requires that every mining establishment has to provide adequate, clean and conveniently accessible washing facilities to its employees. Bathing and washing facilities are now provided by every employer where Coal Mines Act, 1952 is applicable irrespective of the number of workers
employed therein. Even the Labour Investigation Committee explained the imperative necessity for a coal miner to wash himself at the end of the day's work. Hence, special arrangements are to be made for the provision of bathing or washing facilities in coal mines. In view of the statutory requirements, every mining company is providing this facility to its employees. However, there is always room for improvement.

**B) Drinking Water Facilities**

The provision of drinking water facilities is a statutory obligation upon the employers. As such, all the employers are required to make satisfactory arrangements for the provision of drinking water. It is to be noted that the provision of drinking water facilities should be in accordance with the standards laid down under the Coal Mines Act 1952 and also be enforced strictly. However, in the case of people employed below ground, the Chief Inspector of Mines may, in lieu of drinking water being provided and maintained at suitable points permit any other effective arrangement for the supply of drinking water\(^{12}\). At present, almost all the coal mining companies have made satisfactory arrangements for the provision of drinking water. Moreover, some employers have gone beyond the limit of minimum requirement and have installed mechanised water coolers at place of work.

**C) Conservancy Facilities**

All the coal mining companies as per the Mines Act have to provide sufficient number of latrines and urinal points situated at convenient places and
they should be accessible to persons employed in the mines at all times. Mention should be made here that where persons of both genders are employed, there shall be displayed outside each latrine a sign board in the regional language for males and females and each sign board should show the figure of a man or woman, as the case may be. Where piped water is available, a sufficient number of taps, conveniently accessible shall be provided in or near each latrine. In case, if piped water supply is not available, a sufficient quantity of water shall be kept stored in suitable receptacles near such latrines\textsuperscript{13}. All latrines and urinal points shall be adequately lighted, ventilated and at all times maintained in a clean and sanitary condition. Further, under the Coal Mines (Pit Head) Bath rules, 1946, a pit head conforming to the specifications approved by the competent authority shall be provided separately for both males and females. The managements also have to ensure that the attendants should be on duty during all working hours. Adequate water, lighting and drainage arrangements should be provided in the bathrooms.

D) First Aid Equipment

As per the Mines Act, 1952 the provision of first aid boxes is a must for every mining company. This is a provision, which is not generally taken seriously although the utility of it can hardly be minimised or considered superfluous. However, the Labour Welfare Committee recommended that this provision should be enforced strictly and sufficient number of personnel be trained in all establishments in consultation and cooperation with the respective authorities and trade unions\textsuperscript{14}. As per the Mines Act, 1952, every mine should provide and
maintain first aid boxes or cupboards with prescribed contents. The number of such boxes must be not less than one for every 150 miners and they should be kept under the charge of a responsible person who holds a certificate in first-aid treatment recognised by the state government. If 500 or more workers are employed, an ambulance room shall be maintained under the charge of qualified medical practitioner assisted by qualified staff.

E) Rest Shelter Facilities

The provision of rest shelter facilities is the responsibility of employer and it is also a statutory obligation on the part of employers. The provision of this facility enables a person to sit down occasionally without any break in his work and therefore contributes to his comforts and efficiency. Rest rooms are provided so that workers may relax during the breaks for rest and meal. They can also wait in comfort till the time they start work particularly before and after late shifts. The Mines Act, 1952 requires that suitable sitting arrangements are to be made and maintained for all workers who are obliged to work in a standing position. The same legislation has also made provision for suitable shelters, rest rooms and lunch rooms in a mine with more than 150 workers. These places must be kept clean, well-lighted, ventilated and provided with adequate furniture and drinking water wherever necessary.

F) Canteen Facilities

The Royal Commission on Labour laid considerable emphasis on the provision of canteens inside the work place. Even the Labour Investigation
Committee realised the importance of canteens. It said “the workers canteen is increasingly recognised all over the world as an essential part of the industrial establishment, providing undeniable benefits from the viewpoint of health, efficiency and well-being. In most of the developed countries, canteens have already become a longstanding feature of the industrial life. In India, it is a statutory obligation to provide the facility of canteen where 250 or more workers are employed\textsuperscript{15}. The Mines Act, 1952 requires that all the mines in which the number of workers is 250 or more should provide canteen facilities. The Act further adds that a group of mines may have a common canteen. Further, in every canteen, the management has to provide sufficient furniture, utensils and other equipment for its efficient operation. Besides the above, adequate water should be provided for cleaning the utensils and equipment. Above all, the food, drink and other items served in the canteen should be sold on a non-profit basis and the prices charged shall be subject to the approval of the canteen managing committee.

\textbf{G) Creches}

The provision of a crèche is a welfare activity, and it is provided for the benefit of the children of women employees. It is a fact that in any organisation, there will be some women employees who have children below six years of age. Since the children are tender, they act as hindrance to the work of these women employees. In view of this, the Government of India enacted various Acts including Mines Act, 1952 to help the women employees. The Mines Creche rule required that employers have to provide crèches, if 30 or more than 30 women
are employed. Further, these crèches are to be properly staffed and well-maintained. It is a fact that a well-run crèche looks after the needs of children in regard to bathing, dressing, feeding, play and education. Some well-run crèches provide milk, snacks, fruits etc to children. Some even feed the children of women employers.

1.6 NON-STATUTORY WELFARE FACILITIES

Generally non-statutory welfare facilities can be classified into four categories such as medical, educational, recreational and other amenities. These welfare facilities as mentioned earlier fall outside the purview of work place. In this regard, a brief discussion would give an idea of various non-statutory welfare measures.

A) Medical Facilities

The importance of industrial health has been emphasised by the International Labour Organisation since 1919. The Royal Commission on Labour in 1931 and the Labour Investigation Committee in 1946 also emphasised the necessity of providing basic health and medical facilities to industrial workers since it helps in reducing the incidence of sickness and therefore absenteeism. Further, it increases the productivity of the organisation. At present, elaborate arrangements have been made for the provision of medical facilities to workers.

B) Educational Facilities

Education, whether for the citizen or the industrial worker is of equal importance due to the fact that the literate worker is naturally more receptive. In
the earlier days, though the Government and employers and workers are aware of the importance of developing adult education among workers, there has been no sustained effort. However, with the recommendations of various committees and agencies, the Government and the employers started giving importance to workers education. At present, educational facilities for workers' children are usually available in industrial townships in the form of schools, colleges provided by the State or by interested employers. Employers also provide transport, if schools are far away and a few even reimburse cost of textbooks besides providing scholarships to the deserving children of employees.

The provision of educational facilities either by the State or employers or jointly will help a great deal in improving the workers' commitment and give them a sense of belongingness and achievement. It is an expensive scheme and hence needs to be provided for by the state, employers and social welfare agencies. The need for imparting necessary education to workers in India had been emphasised by the Indian Industrial Commission (1918), the Royal Commission in Labour (1931), and the National commission on Labour (1966)\textsuperscript{17}. Even though provision of educational facilities for worker's children is not statutorily binding on mining establishments, a sizeable number of employers in mining establishments have provided educational facilities for workers' children in varying degrees in their townships or employee colonies. Almost all, public sector undertakings have established primary schools, higher secondary schools and even colleges in their townships. In case of coal mining establishments,
almost all the government owned mines are providing educational facilities to the children of employees.

C) Recreational Facilities

A healthy body and healthy mind are closely connected and hence recreational facilities are very important. Besides reducing strain, these facilities provide relaxation, and encourage development of group feeling. Recreation makes employees psychologically happy as it gives them an opportunity for self-expression and relaxation. For instance, participation in fine arts inculcates a sense of culture and participation in games help employees develop physically. Besides this, participation in group activities help them understand the necessity of team work and discipline. In fact, life can not be deemed to be complete without recreation. Having realised the importance of recreational facilities, almost all the public sector undertakings and many of the large scale establishments in the private sector make budget provision for recreational facilities. For instance, these companies make budget provision for recreational facilities like sports, clubs, reading rooms, games and athletics, cultural activities. Cash awards are also offered to workers who are outstanding in the field of sports or to those who excel in cultural performances18.

D) Consumer’s Cooperative Stores and Fair Price Shops

The importance of opening special shops for the working class was first realised during the Second World War when a large number of consumer stores were organised by the Government of India for distribution of controlled
commodities. The importance of such institutions was again recognised when the country embarked upon planned economic development.

The matter assumed further importance in the wake of Chinese aggression in 1962. The functioning of the scheme of consumer’s cooperative stores and fair price shops was reviewed a year later in 1963. The persuasive efforts the Central Government and the State Governments continued and as a result of these efforts, considerable progress was made in establishments employing 300 or more workers in factories and mines. The Malaviya Committee on Labour Welfare (1968), however recommended that the limit of 300 workers laid down under the existing scheme for opening fair price shop / consumer cooperative store should be progressively reduced so as to cover establishments employing 200 or more workers. At present, almost all the public sector undertakings and many large scale private enterprises provided the facility of cooperative stores. These stores sell essential commodities of daily use at reasonable prices. The special feature of these stores is that they provide qualitative products at reasonable prices or less than market prices.

E) Cooperative Credit Societies

The indebtedness of Indian industrial labour is one of the main obstacles in the way of increasing the standard of living of the workers. The Royal commission found that majority of the industrial workers was in debt for the greater part of their lives. Further, the Report of Family Budget Enquiry (1958-59) reveals that in cities such as Bombay, Ahmedabad, Calcutta, Delhi,
Jamshedpur, Madras around 70 per cent of the families and even a little more were in debt. This clearly establishes a case for intensification of the movement for the establishment of Cooperative credit societies. These societies encourage the habit of thrift and saving among those who afford to save money to tide over their difficulties in times of need and also at the time of retirement. The rate of interest charged by these societies on the loans is comparatively very low and therefore they do not affect the economic conditions of workers adversely. The Malaviya Committee on Labour Welfare recommended that employers should encourage the formation of such cooperative societies in their establishments. Further, the committee recommended that excessive restrictions should be relaxed in order to encourage members to invest any amount of money in these societies so as to increase their capital base²⁰.

F) Family Planning

The alarming growth of population in India has posed a real challenge to the economic progress of the country. Keeping in view the urgency of controlling the population in the country, the Government of India has adopted a comprehensive national family planning policy as an integral part of its development plans. The propagation of family planning among the industrial workers is a major solution to solve the economic and health problems of workers and their families. Besides this, it helps to raise the standard of living of the workers and make them financially and physically well-off²¹.
G) Ex-Gratia

Non-statutory welfare facilities provided to the workers cover a wide range of benefits. One of these amenities is in the nature of ex-gratia payments popularly known as Distress Relief and Cash Benefits. The coal mines welfare organisation has two schemes for providing distress relief. These are coal miners fatal and serious accident benefit scheme and scheme of payment of subsistence allowance under temporary disablement. Coal mining organisations pay ex-gratia to their employees as per the existing rules and regulations.

1.7 SOCIAL SECURITY MEASURES

The growth of industrialised communities made it evident that most people have to depend on the capacity to work. In a day’s work they meet their needs for that day, and whenever they are not able to be at work, for any reason, they face hardships. It is to meet this type of need the concept of social security was developed. According to ILO report entitled – “Approaches to Social Security” social security is the security that society furnishes, through appropriate organisation, against certain risks to which its members are exposed. The risks are essentially contingencies against which the individuals of small means cannot effectively provide by their own ability or foresight alone or even in private combination with others. According to Lord Beveridge, social security is an attack on five giants such as wants, disease, ignorance, squalor and idleness.

Friedlander defines social security as, “program of protectionism provided by society against the contingencies of modern life such as sickness,
unemployment, old age, dependency, industrial accidents and invalidism against which the individual cannot be expected to protect himself and his family by his own ability or foresight. In the Encyclopaedia of social work, social security has been defined as “the endeavour of the community, as a whole, to afford itself to the utmost extent possible to help any individual during periods of physical distress inevitable or illness or injury and from the economic distress consequent on reduction or loss of earnings due to illness, disablement, maternity unemployment, old age, or death of the working member.

Social security may generally be defined as protection provided by the state to its members against providential mishaps over which a man has no control. This protection is provided through proper organisation. Thus social security is the security, which the society especially the state and employers, furnish through appropriate organisations to the individual members of the society who are exposed to certain risks.

Social security measures vary from country to country. But the common characteristics of social security are: (i) They are established by law; (ii) They provide some form of cash payment to individuals to replace at least a part of the lost income that occurs due to such contingencies as unemployment, maternity, work injury, invalidism, sickness, old age and death; (iii) The benefits or services are provided in three major ways such as social insurance, social assistance and public service. The various social security benefits normally provided have been outlined hereunder.
A) Coal Mines Provident Fund

The Coal Mines Provident Fund Organisation is an autonomous body under the Ministry of Coal, Government of India. It was established in 1948 through an Act of parliament to administer different schemes of provident fund, pension and deposit linked insurance for coal miners. These schemes are administered through the Board of Trustees comprising 21 members representing Union of India, State Government, Employer’s and Employees representatives under the chairmanship of Secretary (coal), Government of India. The commissioner is the CEO and ex-office member of the Board. The organisation provides services to over 5 lakh members and more than 2 lakh pensioners. The headquarters of the CMPFO are at Dhanbad in Bihar and its 23 regional offices are spread all over India. It is responsible for administering the coal mines provident fund scheme 1948; coal mines pension scheme-1998 and coal mines deposit linked insurance scheme-1976. These three schemes are administered by a tripartite board of trustees, consisting of Government representatives, employers representatives and employees representatives.

The Coal Mine Provident Fund Act covers all the employees in mines irrespective of the quantum of wages and salaries drawn by them. The statutory rate of contribution for employees is fixed at 12 per cent of wages, while the management also makes a matching contribution. Employees can draw loans from their provident fund account for the purchase of dwelling sites or for meeting the educational or marriage needs of their children.
B) Gratuity

Gratuity is a retirement benefit payable to employees with long and unblemished service by the employer as per the payment of Gratuity Act, 1972. In other words, gratuity is a reward for long and meritorious service. Every employee, irrespective of his remuneration is entitled to receive gratuity if he/she has rendered service for five years or more. Gratuity is payable at the time of termination of service on account of retirement, resignation, death or disablement due to accident or disease. It is to be noted that the condition of 5 years of service is not applicable if the termination of service is due to death or permanent disablement. Gratuity is payable to the nominee and if there is no nominee, it is payable to the legal heirs. Gratuity is normally paid at the rate of 15 days wages for every year of completed service\(^{25}\). The maximum gratuity payable varies from company to company.

C) Coal Mines Pension Scheme

One attraction for a Government job is the provision for old age. This ensures a regular income after retirement and instills a feeling of security among the employees. The important aspect in a pension scheme is that an employee with a minimum period of service becomes eligible for a certain percentage of salary as pension after his/her retirement from service. He gets it regularly every month as if he were in service. Here again the rate of pension is dependent on the period of service. As per Coal Mines Pension Scheme, an employee after completion of 30 years of pensionable service and on attaining the age of superannuation shall be eligible to receive monthly pension at the rate of 25 per
cent of the average emoluments or not less than Rs.350 from the following date of superannuation till the date of his death. Further, where an employee has not completed 30 years but has completed 10 years of pensionable service on attaining the age of superannuation, the pension shall be determined in terms of the following formula such as Length of pensionable service × 25 per cent of the average emoluments\(^{26}\). Generally, Mining Companies pay different types of pensions such as disablement pension, monthly widow or widower pension and children pension. In case of disablement pension, if an employee after rendering 10 years of pensionable service becomes permanently handicapped or disabled, he shall be entitled to disablement pension at the rate of 25 per cent of the average emoluments or not less than Rs.350. In case of widow/widower pension, the legally wedded wife/husband is entitled to a widow or widower pension. It is to be noted that if an employee has two wives at the time of his death, the surviving widows are eligible for equal share in the amount of widow pension. Children pension is payable to two of the eldest sons or unmarried daughters till they attain the age of 25 years or in the case of unmarried daughter till the date of her marriage, whichever is earlier.

D) Workmen Compensation

Employees who work in companies are prone to accidents due to which they suffer a lot in life. Hence, they need to be compensated properly. In view of this, the Government of India enacted Workmen Compensation Act, 1923. As per the Act, employers have an obligation to pay compensation to workmen for all personal injuries caused to them by accidents arising out of and in the course
of their employment, which disable them for more than 3 days resulting in a loss of earning capacity. The Act distinguishes between 3 types of injuries namely permanent partial disablement, permanent total disablement and temporary disablement. The principal difference between permanent partial disablement and permanent total disablement is that the former results in less than 100 per cent loss of earning capacity while the latter results in 100 per cent or more loss of earning capacity. Temporary disablement on the other hand is one, which makes a workman temporarily incapable of doing the work, which he was doing prior to the injury. The compensation in case of death ranges from Rs.1 lakh to Rs.5 lakhs and it varies from organisation to organisation. It is to be noted that the payment of compensation is squarely the responsibility of the employer of the establishment concerned.

E) Maternity Benefit

Companies provide maternity benefit to women workers and employees in accordance with the rules and regulations of Maternity Benefit Act 1961. The Act is not applicable to the employees covered under the ESI Act 1948. As per the Act, women employees are eligible for maternity leave for a period of 12 weeks subject to the condition that they have actually worked for a period of 160 days in the 12 months immediately preceding the day of her expected delivery. The Act also provides for 6 weeks leave in case of medical termination of pregnancy and two weeks leave in case of tubectomy operation and a maximum one month leave in case of illness arising out of medical termination of pregnancy or tubectomy. During this period, companies pay full wages to women employees.
In the recent past, the Central Government increased the maternity leave from 12 weeks/84 days to 180 days or 6 months\textsuperscript{29}. It has been found that the legislation has led to a tendency among some employers not to employ married women and discharge them on signs of pregnancy.

F) **Insurance Benefits**

In the industrial organisation employees are exposed to various hazards both within the organisation as well as outside. For instance, occupational hazards are common to every employee. All the same, they are prone to accidents outside. In view of this, companies provide insurance cover to employees by taking various insurance policies group life insurance, group service linked insurance, family benefit insurance, accidental benefit insurance etc. These insurance schemes help the employees and their families financially. For instance, group insurance scheme provides insurance cover to all the employees who work under one employer. Similarly, family benefit insurance scheme also helps employees and their families financially. Further, accidental insurance policies bail the employees out when they meet with accidents\textsuperscript{30}. The attractive features of these insurance schemes are simple insurable conditions, low premiums and easy administration.

**CONCLUSION**

To sum up employee welfare and social security play a vital role in any industrial society. Provision of welfare and social security measures to the workers and other employees has received much importance to maintain good
industrial relations. Welfare and social security facilities influence the motivation of employees whereby they feel that the employer and the government are interested in their welfare and happiness and their tendency to grouse and grumble steadily disappears. From this, the industrial peace will emerge and ultimately higher productivity will be achieved.
REFERENCES


9. Ibid.


13. Ibid.


20. Ibid.


28. Ibid.


*****