

Chapter 2

Labor Welfare: An Overview

2.0 Introduction:

For the smooth working and long term survival of an organization in the present globalized scenario, it is important for all organizations to keep their workers satisfied. The essential for workers' satisfaction is to provide the welfare facilities to the laborers. Conscious efforts for the provision of welfare facilities to the employees for both inside the work environment and outside the work environment should be made for the success of an organization. Many companies have identified major areas in the welfare facilities and they are continuously improving in it. Their efforts are recognized by the government bodies.¹

Facility of labor welfare is an important aspect for industrial development and economic growth of a country. It is an important aspect in a way that provides maximum satisfaction to the workers which cannot be replaced by good wages even. The concept of labor welfare is gaining more importance with development of industrialization and mechanization. It is rightly said that a happy and satisfied workforce is an asset of any nation.²

In a way labor welfare is a function of maintenance of personnel since it is directly related to the preservation of employees' health and attitude. It greatly contributes to the employees' morale. The welfare facilities in an industry include all those facilities that can improve the living condition and working condition of the workers and their family members, because workers' satisfaction cannot be achieved without the satisfaction of their family.³

¹Anand, J., Gopi, E., & Shankar, J., V., "The Effective Provisions of Welfare Measures for Employees in IT Sector and Their Impact on Higher Productivity and QWL", IJRIME, Vol. 1, Issue 4, p. 122-131.

²Joshi, N., K., "Labour welfare - concept, meaning and scope", Indian Labor Journal, V. 9 (10) October 1968, p. 280.

³The Committee on Labour Welfare (1969) Constituted by the Government of India vide their resolution No. Lwl (1) 30 (3) 165 of August 5, 1966 issued

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Some people argue that labor welfare is expensive, but it is proved that the efficiency and productivity it creates set off the expenses made for it. Each employer, depending upon the priority, provides various degrees of welfare facilities. It is because, there is no clarity from the side of government and there is no uniformity about the welfare facilities to be provided to the employees. The legislation also lacks clarity about the welfare facilities. "Obviously, there is some creation and stimulation in the maintenance function just as there is some maintenance in all other operative personnel functions. But the primary emphasis in employee service program has been on maintaining an employee's favorable attitude towards his work and work environment".⁴"Today, welfare has been generally accepted by employers. The state only intervenes to widen the area of applicability".⁵ The Committee on Labour Welfare (CLW) was formed in 1969. Its purpose was to review the labour welfare scheme, described it as social security measures that contribute to improve the conditions under which workers are employed in India. Vaid considers it as an "expression of the assumption by industry of its responsibility for its employees".⁶ "Though industrial workers are generally better paid, their conditions of work, and often poorer living conditions necessitate more than minimum amenities, and hence most statutory legislations apply to them. In a resolution in 1947, the ILO defined labour welfare as "such services, facilities and amenities as adequate canteens, rest and recreation facilities, arrangements for travel to and from work, and for the accommodation of workers employed at a distance from their houses, and such other services, amenities and facilities as contribute to improve the conditions

by the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), p.5

⁴Flippo, Principles of Personnel Management, New Delhi, MC Graw-Hill Book Company, 1984, p. 133.

⁵ Government of India, Report of the Committee on labour Welfare, "Concept and scope of labour welfare", Ministry of Labour, Employment and Rehabilitation, New Delhi, 1969, p.5.

⁶Vaid, K., N., Labour Welfare in India, Shri Ram Centre for Industrial Relations, New Delhi, 1970, p.27.

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under which workers are employed.⁷ The welfare measures influence the sentiment of the workers and contribute to the maintenance of industrial peace.⁸ Labour welfare is, thus, one of the major determinants of industrial relations. Apart from improved morale and loyalty welfare measures are of significance to reduce absenteeism and labour turnover in industries. Whatever improves conditions of work and life for the employee, whatever leads to the increasing adaptation of the worker to his task and whatever makes him well contented will lessen his desire or need to leave. One of the thrust areas in the personnel in future would be the creation of the type of organizational environment that will help to make work more satisfying.⁹ Welfare measures also serve to enhance an organizations image as a caring employer.¹⁰ This image can be very useful to organizations in recruiting the workers. Social advantage of labour welfare is by no means less important than economic ones. The provision of canteen, where balanced diet is available at subsidized rates, improves workers health, entertainment's tend to reduce the incidence of vices; medical aid and maternity benefits improve the health of workers and bring down the rates of general, maternal and infant mortality and likewise educational facilities broaden their outlook and improve mental health. The welfare measures have more relevance in the context of the poor standard of living of the Indian working class. It is, therefore, one major aspect of national programmes towards the promotion of the welfare of the people and is as such designed to create a life and work environment of decent comfort for working class. As stated already, the directive principles of state policy in our constitution have very significantly highlighted the need for securing just and humane conditions of work for this vital segment of the community.

⁷Quoted from the ILO Resolution of 1947, as in the Report of the Committee on labour Welfare, op cit. p.8

⁸Mamoria, C., B., & Mamoria, S., Labour Welfare Social Security and industrial peace in India, New Delhi, Kittab Mahal Distributors, 1980, p.4.

⁹ Gani, A., "Personnel Challenges by 2000 A.D.", Indian Management, Vol.30, No 1., January 1991, p. 37.

¹⁰ Thomas, S., H., Understanding Personnel Management, New York, 1990, p. 397.

2.1 Historical Background of Labor Laws in India:

The concept of “Humanitarianism” has given birth to the idea of labor law and labor welfare. It is the approach of providing social security to the employees. In the earlier days the people living in the village and doing manufacturing activities on small scale were more secured than the people working today in the large organizations. The self-sufficient village economy, caste system, joint family system and organization for charity¹¹ had an important role in the security of the people.

The village system was self-sufficient and the needs of the people were limited. Whatever the needs they had were satisfied by the people around them with the use of barter system. As a result of self sufficiency, there were no social evils. Because of the caste systems also there was a great protection of the people. Those who were poor and needy of one class were helped by the well-off people of that class. Due to the joint family system, the needy and unfortunate were protected. The hardships of unemployment, economic difficulties, old age, widowhood, etc. were taken care of by the joint family system. There were guilds, orphanage, communities, panchayats, etc. also existing. All these systematic set ups provided additional help and security to the people. In this scenario, there was hardly any need of any governmental or institutional set up for social security.

On the arrival of British government in India and imposition of Laissez Fair system of economy, the Indian roots were shaken. The Indian culture and ideology lost its importance. The society, its culture and customs were affected by the westernized attitude and it gave birth to a new society which was based on class. Due to the wake of industrialization, there was created a new class of entrepreneurs. The people in this class were materially well-off and as a result they were able to render help to those who were poor and vulnerable. The ideals of social security ultimately became the ideology of social responsibility. There was created an institutional set up for the social

¹¹ Mamuria and Doshi, Labour Problems and Social Welfare in India, Kitab Mahal Pvt. Ltd., Allahabad (1966), p.339

responsibility of entrepreneur. Hence, the system that we see now in our country is the origin of ideals and principles over the years.

2.1.1 Middle of 19th Century to the End of First World War:

As we have seen above, the development of modern state and the impact of westernization totally changed the Indian social set-up and the government had to take up the role of guardian of the people from the troubles. The policy of welfares was enacted with the approach of streamlining all the activities for collective good.

During the period of middle of 19th century to the end of First World War, the Indian law system was taking the birth. The Indian legal system was in the primary stage. The history shows that The Apprentice Act was the first act in India relating to the labor¹². The aim of this act was to enable the youth to learn trade, craft and mechanics by which they can get employment at their full age and can earn their livelihood¹³. This was perhaps the first idea of welfare of the labor.

In India, the roots of industrialization are seen in the beginning of 1850. In this time, cotton and jute textile mills were established. The people working in these mills were in the miserable state. They had to work for long hours and there were no safety measures for them. To give them some security, The Fatal Accident Act, 1855 was passed. The purpose of this act was to provide compensation to the heir of the person where the death is caused due to unsafe working condition of the workers in such mills. But there were some drawbacks of this act. The rate of compensation was very low and there were some restriction on the application for compensation. Hence, this act could not provide much security to the workers.

In order to regulate the employment of the seamen and for the betterment of their health, Indian Merchant Shipping Act was passed in 1859. In the same

¹² S. R. Samanth, Industrial Jurisprudence, M/s. N. M. Tripathi Pvt. Ltd., Bombay, at p.54.

¹³ Preamble, The Apprentices Act.

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year Workmen's Breach of Contract Act was passed. This act aimed at providing for criminal penalties for workers for breach of contract of service.

To resolve the disputes between workmen and employers, the Employer and Workmen (Disputes) Act, 1860 was passed. This act provided for easy and faster settlement of disputes.

The factory system was noticeably developed in India by the year 1881. But there was a matter of concern that the workers working in the factory were not organized. And as a result, they were exploited and their condition was poor. Many members from the House of Lords showed the concern on it. They demanded for the sound legislation to improve workers' condition. As a result, in 1881, The Indian Factories Act was passed. In order to improve the condition of plantation labors, The Island Emigration Act was passed in 1892. For the security and safety of the mine workers, The Indian Mines Act was passed in 1901.

It is clear from the above discussion that all the acts passed till that time were in connection with some specific classes of industries and they were not applicable to the entire working class. Majority of the legislative measures were related to the railways, shipping, factories, mines and plantation. The growth of industries as well as industrial laws was done in a very haphazard manner. The government did not take much care for the legitimate rights of the workers. The government was of the opinion that any interference in the employer-employee relationship would be disadvantageous to both the parties. Perhaps, because of such mentality of the government, industrial legislation passed during this period was limited.

2.1.2 During and After the First World War Period:

There can be seen a noticeable change in the attitude towards the labor during and after the First World War. As a result of this change in attitude globally, there emerged International Labor Organization (ILO) in 1919. ILO was established with the aim of providing welfare and protection to the laborers all over the world. ILO was primarily focused on the welfare of the laborers

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hence; it prepared the conventions and recommendations that imposed liabilities on the employers and government.

Under the Montague-Chelmsford Reforms in 1919, the central legislature was given definite legislative authority to enact industrial laws. With the help of this power, India passed a very important act in 1923. This act was named as The Workmen's Compensation Act, 1923. The main object of this act was to reduce the hardship caused to the workmen and their family members due to the injury of workmen. This act had a provision of providing prompt payment of benefits regardless of faults from their side with the minimal legal formalities. The act imposed the responsibility on the employers to pay the compensation to the workers for the accidents arising out of or in the course of work and for the death or disablement.

In 1925, The Provident Fund Act, 1925 was passed by the government of India. This act was passed to provide the social security to the workers even after their retirement. In 1929, the government of India appointed Royal Commission on Labor. This commission recommended the government to introduce the scheme of health insurance for workers on contributory basis i.e. financed by the employers with a small deduction from the employees' salary. This act also had a provision of old age pension and payment of gratuity.

In 1935, The Government of India Act, 1935 specified some subjects on which the Federal Legislature could pass the industrial law. After that, several enactments were passed for welfare of the industrial workers. All these legislations had wide coverage in terms of industrial rules related to rights of employers, rights of employees, welfare of employees, etc.

During the period of 1919-1942, there was a great increase in the number of labor legislations¹⁴ and there were several modifications in the old legislations.¹⁵ These acts were not only regulating the industrial employment

¹⁴ Tea Districts Emigrant Labour Act, 1932; Indian Mines Act, 1923 and Indian Factories Act, 1934

¹⁵ Indian Merchant Shipping Act, 1923; Assam Labour and Emigration Act, 1893; Indian Mines Act, 1901; Factories Act, 1911 were improved up in their

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but also attempted to give better working condition to the workers. These acts included the provisions like shorter working hours, weekly holidays, safety of premises, payment for overtime and provisions for holidays.

All the above mentioned changes in the labor laws were due to the emergence of ILO. After the First World War, India witnessed a rapid growth in the nationalism. British Government was trying to accommodate the legislative system with the Indian perspective. Thus, there was a growth of several legislations relating to the matters of labors.

2.1.3 The Period of Second World War:

During this time period, significant development took place in the field of social security and labor laws. Because of the world war, there was an acute shortage of man and materials. There was a great necessity of increasing production during this time and it was not possible without the support of labors. To make this possible, a number of concessions were made to the working class people under the Defense of India of India Rules.

Viceroy's Council appointed Dr. B. R. Ambedkar as a Labor Member. This infused the intensity in the government's efforts towards the labor welfare. In 1943, the government of India appointed "Standing Labor Committee". The main purpose of constituting this committee was to create a health insurance scheme for the laborers. The formulation of this committee and Indian Labor Conference boosted the government's efforts for the welfare of the laborers. Another committee was formed for the purpose of making survey on the health condition of the workers and providing improved services to them. ILO published two surveys namely "Approaches to Social Security-an International Survey" and "Social Security-Principles and Problems Arising out of War". These articles highlighted the propensity in planning social security to bring under single scheme. The government formulated an E.S.I. Review committee. The committee gave recommendation on the health issues of the workers to

scope and object. Employers and Workmen (Disputes) Act, 1860 and Indian Fatal Accidents Act, 1855 were re-enacted as Workmen's compensation Act and Indian Trade Disputes Act.

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the provincial government. But there were no fruitful efforts for such improvements.

In Bombay, the Textile Labor Enquiry Committee was formulated. The committee recommended introducing sickness insurance scheme for the workers. There was a recommendation to introduce a contributory health insurance scheme in which there was a contribution from the employers, employees and state. Initially, the scheme was applied to the textile mills of Bombay and Allahabad only but later it was extended to the other parts of the country. The central government recommended this scheme to the state governments, but no one applied it because of lack of interest.

Government placed this matter to the First Labor Minister's Conference held in Delhi in 1940. The Second Labor Minister's Conference was held in 1941 and the Third Labor Minister's Conference held in 1942 and the ILO's recommendations and conventions forced the Indian Government to appoint a commission in 1943 under the chairmanship of Professor B. R. Adarkar. The scheme formulated by him envisaged to cover only perennial factories belonging to textile engineering, mineral and metal groups of industries. Government of India requested ILO to depute experts to examine Adarkar Report. ILO deputed M/s. M. Stack and Rao for evaluating Adarkar Report and they suggested certain modifications relating to classification of workers, contribution benefits, and the organization of medical services and financial structure of the scheme.¹⁶

2.1.4 In the Independent India:

In 1947, India got freedom from the British Rule. An interim government was formulated for the handling the economy. This government gave greater encouragement to the rights of the workers and harmony in the Industrial Relations. The government formulated five year plans for the labor welfare.

¹⁶ The modified Adarkar Plan is now the ESI Act, 1948.

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Industrial Disputes Act, 1947 was passed. This act was meant for resolution of industrial disputes. This act considered gratuity as a matter of dispute and it was recognized as a legal right of the worker.

Employee's State Insurance Act, 1948 was passed. This act provided for the compulsory health service to the workers in terms of sickness, maternity, and employment injury to the workmen.

Mica Mines Labor Welfare Fund Act, 1946 was passed and Coal Mines Provident Fund and Bonus Scheme Act, 1948 was passed. These acts provided to levy a cess on the output of the industry to finance housing and such other projects like nutrition, provision of water supply, educational and recreational facilities to the workers employed in this sector.

Factories Act, 1948, Plantation Labour Act, 1951 and Mines Act, 1952 have many welfare provisions for the workers. Welfare funds for coal, mica, iron ore, manganese, and limestone and dolomite mine workers have been created under the Coal Mines Labour Welfare Fund Act of 1947, the Mica Mines Labour Welfare Fund Act of 1946, the Iron Ore Mines Labour Welfare Cess Act of 1961 extended to Manganese Mines in 1978 and Limestone And Dolomite Labour Welfare Act of 1972. Similarly provisions have been made for Assam plantation workers under the Assam Tea Plantation Employees Welfare Fund Act, 1959, for workers in sugar industries by the U.P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund Act, 1950 and for Beedi workers by the Beedi Workers Welfare Fund Act, 1976.

The above given discussion shows that the Government of India Made many efforts for the implementation of the laws relating to labor welfare but the efforts did not generate the desired result due to the lack of interest of the provincial government.

2.2 Meaning of Labor Welfare:

The term 'Labour Welfare' refers to various facilities provided to workers in and outside the factory premises. Such facilities include the benefits such as canteens, rest and recreation facilities, housing and all other services that play

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a role to the wellbeing of workers. Welfare measures are concerned with general wellbeing and efficiency of workers. In the early stages of industrialization, welfare activities for factory workers did not receive adequate attention. Employers were not having the liking to accept the financial burden of welfare activities. Wherever employers provided for such amenities, it was more with a paternalistic approach to labour rather than recognition of workers' needs. Hence, the government had to intervene, in discharge of its welfare responsibility, by using its persuasive powers and/or by enforcing legislation, where persuasion failed. Compulsory provisions are thus incorporated in the Factories Act, 1948 with respect to the health, safety and welfare of workers engaged in the manufacturing process. Labor welfare activities in an industrialized society are important not only to the work force but also to all the facets of the human resource. Labor welfare activities include all those activities that are essential for the existence of the workers and that are necessary for the improvement in the spiritual and emotional quotient of the workers. The term 'Welfare' expresses many ideas, meanings and connotations, such as the state of well being, health, happiness, prosperity and the development of human resources. It includes both the social and economic aspects of welfare.

The social concept of welfare implies the welfare of man, his family and his community. All these three aspects are inter-related and work together. The economic aspect of welfare covers promotion of economic development by increasing production and productivity.

Welfare is also called a relative concept, for it is related to time and space. It differs from time to time, region to region, industry to industry and country to country, depending upon the value system, level of education, social customs, and degree of industrializations and the general standard of the socio-economic development of a people. Changes in it have an impact on the system of welfare as well. As welfare is growing and dynamic, the welfare potential changes, as a result of which its content keeps on varying and has to keep pace with the changing times. Also the characteristics of welfare vary for

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it depends on a nation in all fields. Its meaning and components differ from country to country and from place to place.

2.3 Definition of Labor welfare:

Various definitions of labor welfare can be presented as follows.

- (1) Labor welfare means "Efforts to make life worth living for workmen."
- **Oxford Dictionary**
- (2) Labor welfare is "A state of faring or doing well. Freedom from calamity, enjoyment of health and prosperity"
- **Chambers Dictionary**
- (3) Labor welfare can be defined as "the voluntary efforts of the employers to establish, within the existing industrial system, working and sometimes living and cultural conditions of employees beyond what is required by law, the customs of the industry and the condition of market"
- **The Encyclopedia of Social Science**
- (4) Labor welfare means "such services, facilities and amenities, which may be established outside or in the vicinity of undertakings, to enable the persons employed therein to perform their work in healthy and congenial surroundings and to provide them with the amenities conducive to good health and high morale."
- **In the Report II of the ILO Asian Regional conference**
- (5) Labor welfare means "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 per of the contractual benefits for which the workers may have bargained."
- **The Labour Investigation committee (1944-46)**
- (6) The term Labor welfare includes "such services, facilities and amenities as adequate canteens, rest and recreation 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 contribute to improve the conditions under which worker are employer."

- **The Report of the Committee on Labour welfare (1969)**

(7) "Labour welfare means anything done for the comfort and improvement, intellectual and social, of the employees over and above the wages paid which is not a necessity of the Industry."

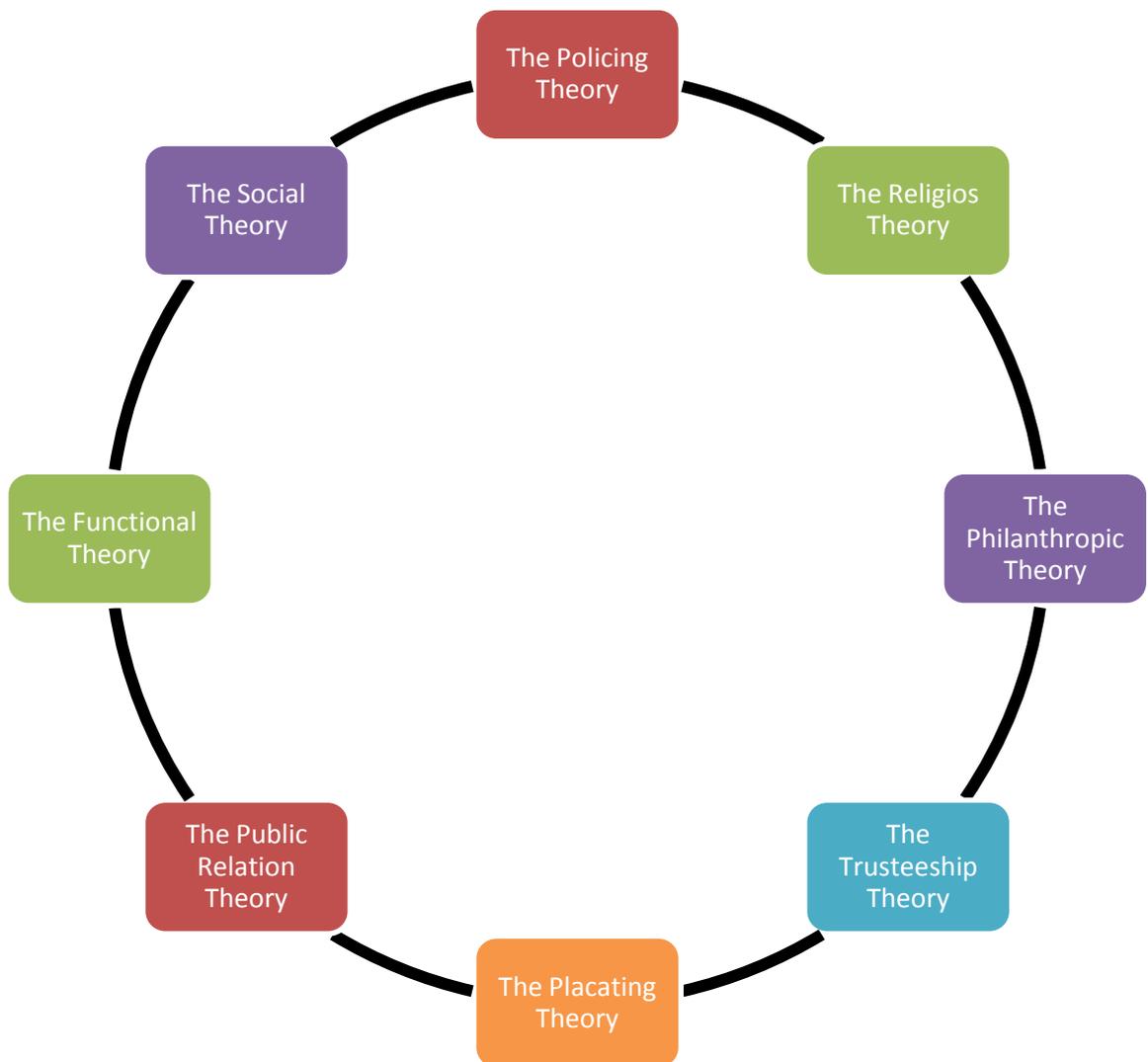
- **Arthur James**

2.4 Theories of Labor Welfare¹⁷:

The above given definitions of labor welfare says that the term is a relative term and it differs from time to time, place to place, industry to industry, region to region and country to country. The meaning of the term also depends upon the level of education, value system, social customs, and degree of industrialization, general standard of living and socio economic development of the nation. Based on all these aspects, various theories of labor welfare have been established by the experts of the field. The theories of labor welfare can be explained as follows.

¹⁷ Bharadwaj, R., K., (2012) "Labor Welfare in India: An Overview", IJEEFUS, Vol., 2., Issue, 3, PP., 79-92

Chart no. 2.1 Theories of Labor Welfare



(Source: Bharadwaj, R., K., (2012) "Labor Welfare in India: An Overview", IJEEFUS, Vol., 2, Issue, 3, PP., 79-92)

2.4.1 The Policing Theory:

This theory is based on the assumption that the employers should provide the minimum standard of welfare to the workers. It is believed that the employers do not provide such facilities unless they are made compulsory. This theory assumes that man is selfish and self centered and always tries to get maximum satisfaction for himself even at the cost of others. The employers have both wealth and authority. With the help of this they are at the advantageous position. They misuse their position to exploit the employees. According to this theory, the state has to assume the role of 'police' and it has to force the employers to provide the welfare facilities to the workers. Such intervention by the state would help the progress of the employees. According to this theory, the state has to pass the laws to compel the employers to provide the minimum wages to the workers, healthier working condition, reasonable working hours and social security. The state makes the provision for the periodical supervision to ascertain that the welfare measures are properly implemented or not. The state makes the provision of punishment also for those who disobey the laws.

According to this theory, the emphasis is given on the fear of punishment for those who do not abide by the laws. There are some big employers who find the loopholes in the law and do not follow the welfare measures. Some big employers are able to provide much more facilities to the workers than whatever is required by the law. In spite of their ability, they do not provide such facilities to the workers. This theory has one problem also. The state has to bear the heavy financial burden of imposing the law. However, in the country like India, where the working conditions are not very good and majority of the workers are illiterate, some amount of coercion is needed to impose the welfare measures.

2.4.2 The Religious Theory:

This theory assumes that man is a 'Religious Animal'. Majority of the activities of the man are guided by the religious sentiments. These religious beliefs, sometimes, guide the employers to adopt the welfare measures for the

workers. This theory considers any good activity as the “Investment”. This theory believes that the “Giver” and the “Receiver” both are rewarded. Many trusts and charitable institutions give donations on the basis of the assumptions of this theory.

This theory has another aspect of “penance”. This theory believes that some people take up the welfare activities for the penance of their past sin. Thus, according to this theory, the generous acts of welfare are done either as investment or penance. The welfare activities according to this theory are only voluntary and sometimes amounts to more activities than whatever required by the law.

2.4.3 The Philanthropic Theory:

The word “Philanthropic” is derived from the Greek words *Philo* and *Anthropes*. The word *Philo* means Love and *Anthropes* means Man. So, Philanthropic means Loving the Mankind. This theory believes that the welfare activities are driven by the feeling that man strives to remove the sufferings of the others and promote their wellbeing. This drive is more powerful and forces the people to perform the noble acts welfare. When some employers have sympathy for their workers, they perform the welfare activities for them. The history shows that the labor welfare movements began in the early years of industrial revolution by the philanthropist Robert Owen. This theory depends on man’s sympathy for the others and hence this theory cannot be universal.

2.4.4 The Trusteeship Theory:

The Trusteeship Theory is also known as the Paternalistic Theory of Labor Welfare. This theory believes that the employers are the trustees of all the property and wealth they hold. They have to ultimately use this property for the benefits of the workers and society. The employees are ignorant of their own interest because of their illiteracy. So the employers have to take care of the employees’ interest and provide them the welfare benefits. It becomes their moral responsibility to provide the welfare facilities to the workers. It cannot be legally binding as it is the moral obligation. This theory says that the

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employers should spend a portion of their income for the welfare of the workers. In India, Mahatma Gandhi had advocated the Trusteeship Theory. The welfare activities in this theory depend upon the initiatives of the top management. Since this theory has no legal sanction, it cannot be made compulsory.

2.4.5 The Placating Theory:

This theory believes that the employees have become more revolutionary than ever before and they are now aware of their rights and benefits. The demand of the employees for the higher wages and better standards cannot be ignored. Their needs must be considered and satisfied. According to this theory, timely and periodical acts of welfare will be beneficial to the workers and it can increase their morale. This theory also does not involve any legal obligation, so the welfare activities cannot be made compulsory. Under this theory, the welfare activities are undertaken to secure the workers' co-operation.

2.4.6 The Public Relation Theory:

The welfare programs, under this theory, are used as an advertisement and are used to create good relationship between the industrialist and the workers and the public as a whole. This theory creates the goodwill of the employers in the society. By the advertisement of labor welfare programs, the employer is able to create a good public image in the society. As a result of this, the sales and profit of the organization increases. These kinds of welfare programs are also not very much effective, because they lack sincerity and continuity. When these programs lose their advertisement value, the welfare measures are discontinued. In this way, the labor welfare is used only as a publicity stunt and not because of real sympathy for the employees.

2.4.7 The Functional Theory:

The other name of this theory is Efficiency Theory. According to this theory, the welfare activities are undertaken as a means to improve the efficiency and productivity of the employees. It is believed that if the employers take care of the workers, they will become more efficient and increase the production. This

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will be beneficial to both the organization and the employees. The organization gets more profit and the employees get more wages. This theory works well because the objectives of both the parties are satisfied. Therefore, in most of the organizations, this theory should be adopted.

2.5 The Benefits of Labor Welfare:

The labor welfare facilities are beneficial not only for the employees but also for the employers in several ways. The welfare facilities improve the morale of the employees. The efficiency of the employees also increases and it is helpful in increasing the productivity of the employees. A few benefits of the welfare facilities can be listed as follows:

- Welfare facilities safeguard the social security of the employees.
- Such facilities motivate the employees for the work and the workers tend to work at their optimum capacity.
- Such facilities are helpful for retaining the workers for long term in the organization because a sense of belongingness is created in the employees.
- Labor welfare facilities provide the additional assistance to the employees and it helps minimize the social evils.
- Welfare facilities boost the morale of the employees and improve industrial relations.
- With the help of welfare facilities, the employees are loyal to the organization and they become committed.
- Legislative requirements related to the laborers are easily fulfilled if the welfare facilities are provided to the workers.
- If the organization provides welfare facilities, the government intervention is minimized.
- Such facilities provide qualitative work environment and work life of the employees is improved.
- It provides security against social risk such as old age, maternity, accident, etc.
- It fulfills the trade union's demand for life insurance, medical facilities, housing facilities, etc.

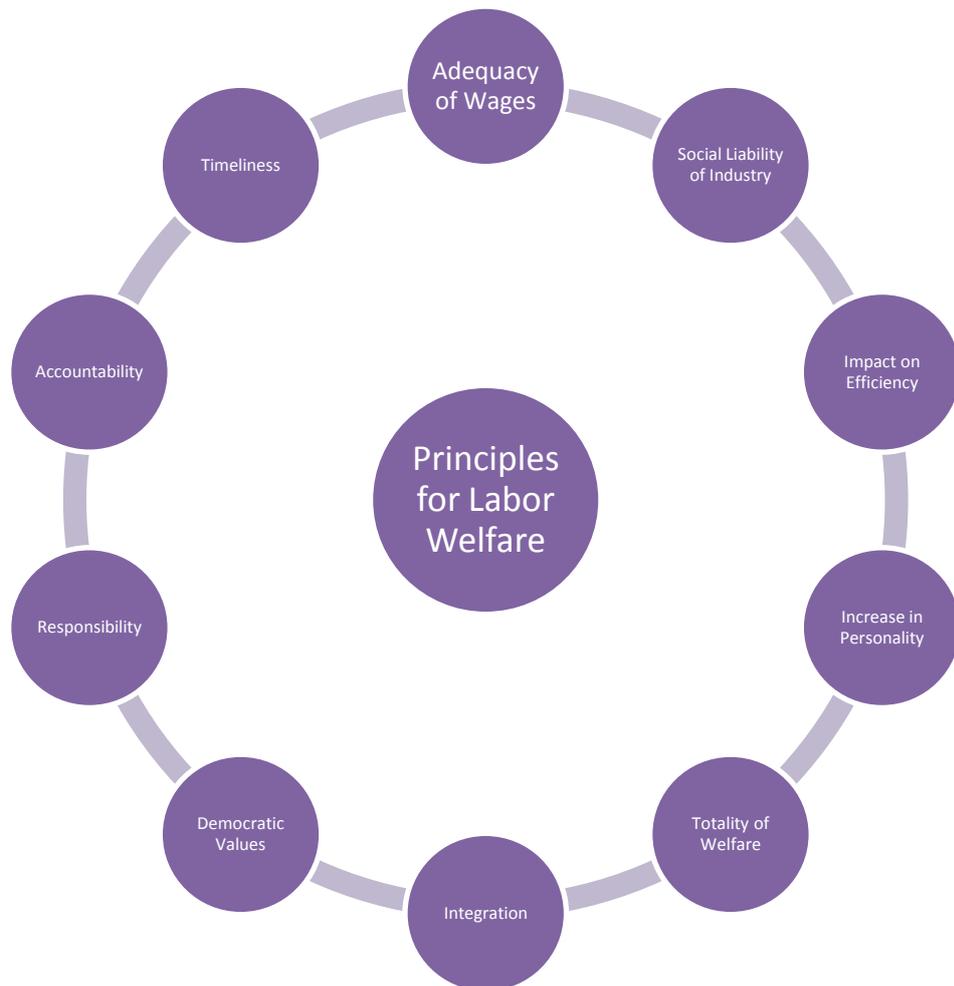
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- The welfare activities are done to minimize the hazardous effect on the life of the workers and their family members.
- The facilities are provided to supplement the income of the workers by services such as housing, medical assistance, school, co-operative, canteens, stores, play grounds etc.
- It is useful for the maintenance of Industrial Peace.
- Such facilities protect workers from exploitation.
- Welfare activities improve the psychological health of workers by reducing the incidence of the vices of industrialization.
- 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.
- It helps in improving the goodwill and public image of the enterprise.

2.6 The Principles for Successful Implementation of Labor Welfare Activities:

The success of the welfare activities depends on the attitude of the employers. There are employers who consider the welfare activities just as distasteful legal liability. On the other hand, there are the workers who believe that the welfare facilities are their inherent right. The welfare activities can be successful only if the objectives of both the parties are satisfied. Every effort for the welfare activity must be guided by the idealistic morale and human value. The welfare activities can be constructive only if they are accepted as an essential factor for the organizational progress. There are certain basic principles for the successful implementation of the labor welfare activities. These principles can be presented as follows.

Chart no. 2.2 Principles of Labor Welfare



(Source: K. Aswathappa, “Human Resource and Personnel Management (Text and Cases)”, Third edition, The McGraw Hill publication, New Delhi)

- **Adequacy of Wages:**

Labor welfare measures cannot be an alternate of wages. Adequate wages is a basic right of the workers. But only high wages cannot create a healthy work environment. Only wages cannot create a sense of commitment of workers. Besides the economic benefits, the workers should receive the social welfare also.

- **Social Liability of the Industry:**

According to this principle, it is believed that the industry has the liability or duty towards the employees. The employers have to look

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after the welfare facilities of the employees. In the constitution of India also it is stated that the laborer should be provided with the adequate welfare facilities so that their standard of living can be improved.

- **Impact on Efficiency:**

This principle of labor welfare stands on the relationship between welfare and efficiency of the employees. Welfare facilities of housing, education, training, food, family planning measures, etc. play an important role in increasing the efficiency of the employees. Such facilities are very much necessary in case of the developing and underdeveloped countries.

- **Increase in Personality:**

This principle of welfare believes that the human personality should be improved. It is believed that the evils of industrial system should be removed. Therefore, the welfare facilities should be provided to the employees. Both, inside and outside the organization welfare facilities should be provided to remove the evils of industrial system.

- **Totality of Welfare:**

This principle says that the welfare facilities should be provided at all the levels of hierarchy. Employees at all the levels should be provided welfare facilities. When all the employees get enough facilities they are committed to the organization. Their loyalty to organization improves and productivity increases.

- **Integration:**

A co-ordinated or integrated approach of the welfare should be applied. From this approach, a co-ordinated effort toward the labor welfare will promote a development of healthy work environment, home and community. This is essential for the sake of harmony and continuity of the welfare facilities.

- **Democratic Values:**

Industrial democracy is the basic idea in this principle. The workers should be given the right to participate in the formulation of the welfare facilities. When the workers are allowed to participate in the

formulation of welfare programs, they feel the sense of pride. They feel the welfare programs are created by them and for them.

- **Responsibility:**

This principle states that both the employers and employees are responsible for the welfare facilities. It means that the trade unions should also be involved in the formulation of the welfare programs. When the welfare programs are shared between the employers and trade union, they become easier and simpler.

- **Accountability:**

This principle is also known as the principle of evaluation. Here, one responsible person gives an assessment or evaluation of existing welfare services on a periodical basis to a higher authority. This is very necessary because, with the help of it one can judge and analyze the success of labor welfare programmes.

- **Timeliness:**

The timeliness of any service helps in its success. To identify the labour problem and to discover what kind of help is necessary to solve it and when to provide this help are all very necessary in planning labor welfare programmes. Timely action in the proper direction is essential in any kind of social work.

2.7 Classification of Welfare Facilities¹⁸:

The welfare facilities provided to the workers can be classified into different categories. These categories are (i) Statutory measures (ii) Voluntary measures and (iii) Mutual measures.

- (i) **Statutory Measures:**

Statutory welfare measures are the result of the coercive power of the government. Statutory measures compel the employers to implement the welfare scheme. The government enacts the rules regarding the welfare measures to provide the minimum standard of health and safety of the workers. Employers have to follow the minimum standard of welfare measures such as hygiene, safety,

¹⁸ Factories Act, 1948

light, drinking water, housing, sanitation, etc. Government has made strict rules for the welfare facilities.

(ii) Voluntary Measures:

Voluntary welfare measures include the welfare practices undertaken by the employers for their workers on the voluntary basis. Some organizations provide the welfare facilities that are not made compulsory by the law, but the organizations provide it just for the improvement of the living standard of their workers.

(iii) Mutual Measures:

Mutual measures are those that are undertaken by the employers in the co-operation of the trade unions. Some trade unions also take the responsibility of the welfare of the workers.

The welfare facilities can also be classified into the categories like Intra Mural Facilities and Extra Mural Facilities. Intra Mural facilities mean the facilities that are provided to the workers within the organization. And the Extra Mural facilities mean the facilities that are provided to the workers outside the organization.

Here, the explanation of the statutory welfare activities is given¹⁹.

2.7.1 Drinking Water

The law provides that in every factory, effective arrangement shall be made at suitable places for sufficient supply of pure drinking water. Such places shall be legibly marked 'Drinking Water' in a language understood by a majority of the workers employed in the factory. If the factory employs more than 250 workers, provisions shall be made for cooling drinking water during hot weather by effective means, and for its distribution.

2.7.2 Latrines and Urinals

The Factories Act requires that provision should be made for sufficient latrine and urinal accommodation conveniently situated and accessible to workers while they are in the factory. The factory should provide separate enclosed accommodation for male and female workers. Such accommodation should be

¹⁹ Factories Act, 1948

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adequately lighted and ventilated. All such accommodation should be maintained in a clean and sanitary condition. Sweepers should be employed to clean latrines, urinals and washing places.

Where the number of workers in a factory is more than 250, latrines and urinals should be of prescribed sanitary types. The floor and internal walls of the latrines and urinals should be covered with glazed tiles. The floors and walls and the sanitary pans of latrines and urinals should be completely washed and cleaned at least once in a week with proper detergents or disinfectants or with both.

2.7.3 Spittoons:

According to the provision of labor welfare it is said to make available a sufficient number of spittoons in every factory and maintained in clean and hygienic condition. A person shall not be allowed to spit within the premises of a factory except in the spittoons. The management has to place a notice with this stipulation and the penalty for its violation at appropriate places in the factory premises.

2.7.4 Washing facilities:

The Factories Act has made it compulsory to provide adequate and suitable facilities for washing for the use of workers in the factories. The workers who live in crowded areas have inadequate facilities for washing at their homes, and bathing facilities add to their comfort, health and efficiency. Separate and adequately screened washing facilities for the use of male and female workers should be provided. Such facilities should be conveniently accessible, and should be kept clean.

2.7.5 Facilities for storing and drying clothes:

Every factory should provide a proper place for keeping clothes not worn during working hours. The factory has to provide the facilities for the drying of wet clothes.

2.7.6 Facilities for sitting:

If the workers are required to work in a standing position, the factory should provide appropriate arrangement for sitting in the factories. This will enable the workers to take advantage of any opportunity for rest which may be possible in the course of their work.

2.7.7 First-aid appliances:

In every factory, first-aid boxes or cupboards equipped with the required contents should be provided for workers. The factory owner has to make this readily available to them during all working hours. The number of such first aid boxes shall not be less than one for every 150 workers employed in the factory. Such first-aid box shall be kept in the charge of a responsible person who is trained in first-aid treatment and who shall be available during the working hours of the factory.

In factories employing more than 500 workers, there shall be an ambulance room. It should contain the prescribed equipments, and be in the charge of such medical and nursing staff as may be prescribed.

2.7.8 Canteens:

If the factory is employing more than 250 workers, there should be a canteen for the use of workers. It will be the duty of the government to prescribe the rules in respect of the food stuff to be served in the canteen; charges to be made; constitution of a managing committee for the canteen; and representation of the workers in the management of the canteen.

2.7.9 Shelters, restrooms and lunch rooms:

The factory has to provide adequate and suitable shelters, rest rooms, and lunch rooms with drinking water if the factories are employing 150 workers or more. Workers can eat meals brought by them in such rooms. Rest and lunch rooms should be sufficiently lighted and ventilated. It should be maintained in cool and clean conditions.

2.7.10 Crèches:

In every factory, if more than 50 women workers are employed, the factory should provide suitable and adequate room for the use of children under the age of six years of such women. Such a room should be adequately lighted and ventilated. It should be maintained in clean and sanitary conditions under the charge of a woman trained in the care of children and infants.

2.7.11 Occupational Health Services:

These health services protect workers against the health hazards arising out of the nature of their work or the work environment. In this kind of service the factory should be carrying out periodical medical checks of certain categories of workers to detect early signs of ill health and prevent the eruption of serious health complaints. Section 87 of the Factories Act refers to dangerous occupations and states that the state government is empowered to make rules in respect of any or all classes of factories in which any operation exposes persons to serious risks of bodily, injury, poisoning or disease.

2.7.12 Family Planning:

A great deal of attention has been paid to family planning programs for industrial workers. The ILO Resolution of 1947 has included family planning as an integral part of labour welfare. The importance of this program at international level was brought out by the international labour conference at its Geneva session in 1966.

2.7.13 Housing:

For the welfare of workers, housing is an integral. Recommendation number 115 of the ILO states that housing should be a matter of national policy. Both the Industrial Commission (1918) and the Royal Commission (1913) stated the importance and necessity of improving housing conditions of industrial workers and both the commission's recommendations for the purpose.

2.7.14 Transport Facility:

Transport facilities to and from the place of work are given to workers as one of the desirable welfare amenities. This facility is gaining in popularity because of growing urbanization, location of industries, transport loads and traffic congestion. The main purpose of this amenity is to enable workers reach their place of work without undue delay or fatigue.

2.7.15 Recreational and Cultural Facilities:

Recreation is a free time activity which is a good for health, amusement and a spare-time occupation. It refreshes an individual mentally, lessens the monotony and toil of his every day work, and develops his personality on a wholesome basis.

2.7.16 Educational Facilities:

Education facilities form another important welfare program for industrial workers. Education would improve the quality of the labour force, for it would provide opportunities for a proper training for the acquisition of skills and techniques which are essential for workers in an industry and which will enable them to adjust themselves to their particular way of life, and to enable them to acquire broader values of life, personally, industrially and socially.

2.7.17 Maternity Benefits:

The government of India passed the Maternity Benefit Act, 1961 to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits. This act shall be applied to every establishment being a factory, mine or plantation including any such establishment belonging to Government and to every establishment wherein persons are employed for the exhibition of equestrian, acrobatic and other performances. It shall be applied to every shop or establishments within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months.

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According to this act, every woman shall be entitled to and every employer shall be liable for the payment of maternity benefit at the rate of the average daily wage for the period of her actual absence, that is to say, the period immediately preceding the day of her delivery, the actual day of her delivery and any period immediately following that day.

2.8 List of Various Statutory Welfare Facilities:

In India, for the purpose of welfare of the employees working in various establishments, the government of India has passed various acts. These acts regulate the welfare measures in various sectors. Welfare measures provided according to the acts of the government are known as statutory welfare measures. Such statutory welfare measures can be listed as follows.

2.8.1 Factories Act, 1948:

The welfare amenities provided under this Act are given below:

1. Washing facilities
2. Facilities for storing and dry clothing
3. Sitting facilities for occasional rest for workers who are obliged to work standing
4. First Aid Boxes or cupboards – one for every 150 workers and ambulance facilities, if there are more than 500 workers
5. Canteens if employing more than 250 workers
6. Shelters, rest rooms, and lunch rooms, if employing over 150 workers
7. Crèche, if employing more than 30 women

2.8.2 The Mines Act, 1952:

The mine owners have to fulfill the following obligations regarding health and welfare of their workers:

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1. Maintenance of Crèches where 50 women workers are employed
2. Provision of shelters for taking food and rest if 150 or more persons are employed.
3. Provisions of a canteen in mines employing 250 or more workers.
4. Maintenance of first – aid boxes, first – aid rooms in mines employing more than 150 workers
5. Provision in coal mines of: (i) pit head baths equipped with shower baths; (ii) sanitary latrines; and (iii) lockers separately for men and women workers

2.8.3 The Plantation Labour Act, 1951:

This act requires the following welfare measures to be provided to the plantation workers:

1. Canteens in plantations employing 150 or more workers
2. Crèches in plantations employing 150 or more women workers
3. Recreational facilities for the workers and their children
4. Educational facilities in the estate for the children of workers, where there are 25 workers' children between the age of 6 and 12
5. Housing facilities for every worker and his / her family residing in the plantation. The standard and specification of the accommodation, procedures for allotment and rent chargeable from workers, are to be prescribed in the rules, by the state Governments
6. The State Government may make rules requiring every plantation employer to provide the workers with such number and type of umbrellas, blankets, raincoats or other like amenities for the protection of workers from rain or cold as may be prescribed.

2.8.4 The Motors Transport Workers Act, 1961:

The employers of Motor Transport Undertakings are required to provide certain welfare and health measures given as follows:

1. Canteens of prescribed standard, if employing 100 or more workers
2. Clean, ventilated, well-lighted and comfortable restrooms at every place wherein motor transport workers are required to halt at night
3. Uniforms, raincoats to drivers, conductors and line checking staff for protection against rain and cold; A prescribed amount of washing, allowances is to be given to the above mentioned categories of staff
4. Medical facilities are to be provided to the motor transport workers at the operating centers and at the stations as may be prescribed by the state Government
5. First Aid facilities equipped with the prescribed contents are to be provided in every transport vehicle

2.8.5 The Merchant Shipping Act, 1958:

This act covers following provisions relating to health and welfare of the workers:

1. Crew accommodation
2. Supply of sufficient drinking water
3. Supply of medicines, medical stores, and provision of surgical and medical advice
4. Maintenance of proper weights and measures on board, and grant of relief to distress seamen abroad a ship.
5. Every foreign going ship carrying more than the prescribed number of persons, including the crew, is required to have on board, as part of her complement, a qualified medical officer

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6. Appointment of Seamen's Welfare Officer at such ports in or outside India as the Government may consider necessary.
7. Establishment of Hostels, Clubs, Canteens, and Libraries.
8. Provision of medical treatment and hospital
9. Provision of educational facilities

2.8.6 The Contract Labour (Regulation and Abolition) Act, 1970:

The following welfare and health measures are to be provided to the contract workers by the contractor:

1. A Canteen in every establishment employing 100 or more workers
2. Rest Rooms or other suitable alternative accommodation where the contract labor is required to halt at night in connection with the work of an establishment
3. Provision for a sufficient supply of wholesome drinking water, sufficient number of latrines and urinals of prescribed types and washing facilities
4. Provision for first aid boxes equipped with the prescribed contents

Chapter 3

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