CHAPTER VI

LABOUR WELFARE
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Having analysed the various aspects of wages and wage-structure in the sugar industry of eastern U.P. in the preceding two chapters, the present chapter is devoted to the critical examination of labour welfare activities in sugar mills of the same region. Money-wage is not the sole factor to improve the conditions of the working class, but labour welfare measures are regarded to be a good investment by employers for improving industrial efficiency and means leading to greater amelioration of labour conditions. Besides, such activities are of significance in fostering good industrial relations. To achieve the goal of large scale industrialisation, happy and contented working force is essential to realise the need of the time as it is one of those basic pillars, on which the edifice of our industrial infrastructure is to be based. Workers hold key position in the society, because their devotion to duty and toil determine, to a large scale, the material progress of a country. Therefore, in our country, where workers have so far regarded industrial employment as a "necessary evil" and try to escape from it at their earliest
convenience, welfare measures have become a necessity with the aim of building up a stable and efficient working force. It is wrong to condemn the Indian industrial workers as lazy and inefficient, but improvement in their conditions of life is to be brought about by the concerned factories. The Bombay Textile Labour Enquiry Committee has aptly remarked, "It is axiomatic that in all pursuits a high standard of efficiency can be expected only from persons who are physically fit and free from mental worries, that is only from persons who are properly trained, properly housed, properly fed and properly clothed."¹

Thus, welfare activities may be anything, exclusive of money wages paid, meant for comfort and improving the health safely, general well-being and efficiency for the workers, which are neither required by law nor have come to be the necessity of industry. However, the scope of welfare activities calls for a comprehensive analysis, which in my opinion, has aptly done by the Labour Investigation Committee, Govt. of India. The Labour Investigation Committee has clearly mentioned the scope of such activities as follows:

"For our part we prefer to include under welfare activities anything done for the intellectual, physical,

moral and economic betterment of the workers, whether by employer, by Government or by other agencies, over and above what is laid down by law or what is normally expected as part of contractual benefits for which the workers may have bargained. Thus, under this definition we may include housing, medical and educational facilities, nutrition (including provision of canteens), facilities for rest and recreation, co-operative societies, day nurseries and creches, provision of sanitary accommodation, holidays with pay, social insurance measures undertaken voluntarily by employers, alone or jointly with workers, including sickness and maternity benefit schemes, provident funds, gratuities and pensions etc."\(^1\)

According to the Resolution adopted by the International Labour Conference at its 39th Session, in June 1956, the following amenities and services are included in welfare programmes:

a. Feeding facilities in or near the undertaking,
b. Rest and recreation-facilities,
c. Transportation to and from work where ordinary public transport is inadequate or impracticable.

Actually, the term 'welfare' is a comprehensive one which leads itself to various interpretations. Hence

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it is very difficult to define the term 'welfare' precisely. So the term in the context of industrial workers is analysed as under,

The term 'welfare' is one which must necessarily be elastic, bearing a somewhat different interpretation, according to the different social customs, the degree of industrialisation and the educational development of the worker.\(^1\)

But, inspite of all these interpretations, labour-welfare activities have high degree of importance in the industrial world. Here, after making an analytical examination of all those problems included in 'welfare', we come to the point that most of them form a part of the social insurance schemes, working and employment conditions and housing etc, which have become separate and independent problems by themselves these days. The present chapter, therefore, is an effort to deal with those welfare-activities which exist in sugar-mills of eastern U.P. these days.

A. Necessity of Labour Welfare Work:

In India, Preparatory Asian Regional Labour Conference in New Delhi in 1947 and passage of Employees' State Insurance

\(^{1}\) Report of the Royal Commission on Labour, Ministry of Labour, Govt. of India, 1931, p.261.
Act 1948 attracted our attention to the welfare activities. Here, it is worth mentioning that social security measures touch only a fringe of the vast problem of providing relief to the industrial workers. That is why the necessity of expansion of labour welfare activities as a second alternative is emphasized for getting intellect, health and general well-being of the workers improved. For contented stable labour force with improved efficiency, various forms of welfare activities like educational and recreational facilities, medical aid, canteens, Consumers' Co-operative stores and provident fund are essential. Keeping in view the working conditions, under which our working class is forced to work, the necessity of such measures is quite obvious, as our workmen have no means after their duty hours to remove the drudgery of their lives. Welfare measures are treated as the best remedy for the psychological causes of friction and discontent among workers. On account of these activities, the harmony may easily be achieved and industrial peace be maintained. Welfare activities will provide a chance to the workers to cultivate broader outlook and to get themselves enlightened, which are recognized as basic conditions for productive efficiency and self-realisation.

Now, in all countries, welfare work is taken to be an integral part of the industrial management. Measures
adopted all over the world for the betterment of the lot of industrial workers are not regarded as the domain of philanthropists and kind-hearted employers, but it has become an industrial tradition and need. For us, it is rather more important to introduce and adopt welfare programmes in a very comprehensive manner for the fulfilment of our pledge of vast programme of industrialisation, for achieving the targetted increase in production which is the urgent need of our economy.

B. Origin of Labour Welfare Work:

The history of the origin of welfare activities dates back to the First World War (1914-18). In the beginning, the work was started on voluntary basis. The economic depression gave also stimulus to the welfare activities. Both the employers as well as Government took keen interest in these programmes firstly due to prevailing industrial unrest and discontent and secondly, on account of moral pressure built-up by the International Labour Office.

The Second World War accelerated the movement. But the Government of India was quite indifferent towards labour welfare till the World War II and did very little in this regard. The programme was confined only to holding Labour Conferences and making recommendations. But during War period welfare activities were introduced in the concerns
engaged in war-production, which were extended to other Government and even to private undertakings. Afterwards the Government made a headway in this field and laid down various minimum standards in the Factory Acts, passed from time to time. A separate chapter has been incorporated in the latest Factories Act 1948 for this purpose.

C. Labour Welfare Work in Uttar Pradesh:

As the study is basically concerned with the sugar industry in eastern U.P., so it is important to make a brief study of the welfare activities in this state.

In U.P., the State Government started welfare schemes for the industrial workers as early as 1937 after creating a new Department of Labour under a Commissioner of Labour. At the very outset, four labour welfare centres came into existence. Now, these centres have increased in number to 78 which are scattered in all important industrial towns, details for which are as under,

<table>
<thead>
<tr>
<th>Region</th>
<th>Centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kampur Region</td>
<td>21</td>
</tr>
<tr>
<td>Allahabad Region</td>
<td>5</td>
</tr>
<tr>
<td>Meerut Region</td>
<td>11</td>
</tr>
<tr>
<td>Bareilly Region</td>
<td>5</td>
</tr>
<tr>
<td>Agra Region</td>
<td>11</td>
</tr>
<tr>
<td>Lucknow Region</td>
<td>5</td>
</tr>
</tbody>
</table>
Crorakhpur Region 8 Centres
Varanasi Region 5 "
Jhansi Region 1 Centre
Faizabad Region 1 "
Nainital Region 3 Centres
Dehradun Region 2 "

Total: 78 Centres


These centres are divided into Class A, B and C according to activities performed by them. Out of the 78 centres, 28 centres are 'A' type, 48 'B' type and 1 of Class 'C' type.

Facilities provided in 'A' type Centre:

(i) Allopathic Dispensary.
(ii) Reading room and Library
(iii) Sewing Classes.
(iv) Indoor and outdoor games.
(v) Gymnasium.
(vi) Wrestling pits.
(vii) Music and radio.
(viii) Variety programmes and dramas.
(ix) Women's and Children's sections having facilities for maternity and child welfare.
(x) Entertainments like Harmonium, Tabla and Dholak.

Facilities provided in 'B' type Centre.

Under the provisions of this type of centre, Ayurvedic or Unani or Homoeopathic dispensary is provided instead of Allopathic dispensary. There is no difference, except the dispensary system, between 'A' type and 'B' type centre as regards the facilities provided therein.

Facilities provided in 'C' type Centre.

(i) Ayurvedic or Unani dispensary.
(ii) Library and Reading Room.
(iii) Indoor and Outdoor games.
(iv) Radio etc.

Provincial budget for welfare activities rose from Rs. 10,000 in 1937 to Rs. 2.5 lakhs in 1948. Now-a-days, Rs. 25 lakhs are being spent annually on the welfare activities in different centres.

The Government framed the U.P. Factories Welfare Officers' Rule in 1949, which were superseded by the U.P. Factories Welfare Officers Rule, 1955 and these rules came
into force. The U.P. Welfare Fund Act was passed in 1956 and this was replaced by the Act in 1965. For the purpose of administration of welfare work, a Welfare section has also been set up in the charge of Additional Labour Commissioner (Welfare) in the Labour Commissioner's Office at Kanpur.

Welfare activities in the sugar industry of U.P.

As far as the case of sugar industry is concerned, credit goes to the employers for organising and initiating the welfare schemes. But, there is disintegration as regards the welfare activities and from the point of view of relief allowed to employees dissimilarity from factory to factory is also found. It is a matter of concern that employers do not realise and appreciate the vital role of such activities even today. The investments made in these programmes are treated by them as a barren liability and misuse of funds.

Trade Unions could have done a lot in this field, but unfortunately being entangled in party politics they failed to prove themselves as custodian of the causes of workers. Desired constructive programmes could not become reality because of indifferent attitude of trade unions.
Seasonal Labour Welfare Centre for Sugar Mill-Workers in U.P. came into picture for the first time in its history with the setting up of four such centres one each at Ramkola, Balrampur, Raja Ka Sahaspur and Khatauli. First two centres belong to eastern U.P. and the last two to western region of the state. The centres at Ramkola and Balrampur were started in 1949-50 and the remaining two centres in 1951-52. These seasonal centres meant for providing facilities like reading room, radio, harmonium, table, indoor and outdoor games to sugar-factory-workers, are usually open from November to March every year.

The U.P. Government came forward and showed its sincerity in putting labour welfare activities in sugar industry on sound footing with the establishment of 'U.P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund' through the enactment of the U.P. Sugar and Power Alcohol Industries Labour Welfare/Development Fund Act, 1951. Under this Act, factories are required to donate statutorily any excess, over 28 paise per 40 kg. of molasses, realised by open sale, to this fund. Only 2% amount of this Fund is reserved for general welfare and development activities for workers. According to the provisions of the Fund, general welfare activities constitute improvement of health and sanitation, prevention of disease, promotion of industrial hygiene, improvement of educational facilities
including library, improvement of medical and maternity facilities, improvement of standard of living and social conditions, provision of transport to and from work centre and recreational facilities. But, no goods have yet been delivered except the fact that money drawn from the General Welfare Fund has been utilised for building Rest Homes and for getting beds reserved in District hospitals as a mere formality for sugar-mill-workers.


(a) Medical Facilities:

(i) Medical aid.

Every sugar-factory of U.P. has organised and maintained its own charitable dispensary. In these dispensaries, facilities for the treatment of minor diseases are provided to factory workers and public as well. For the control of epidemics like cholera and small pox, factory dispensaries serve with free injections, inoculations and vaccinations. The treatment system is allopathic in all the factories. Usually, workers do not get patent medicines. If such medicines become necessary for treating the patient, the worker is to purchase them at his own cost. No dispensary in eastern U.P. is found located beyond 475 meters from the place of work.
Though, the dispensary-timings differ from factory to factory, yet the common opening hours are 8 A.M. to 10 P.M. and 4 P.M. to 5 P.M. except on Sundays and holidays. It is obligatory for workers on duty to take permission from their head of the department for going to the dispensary for treatment. It is also found in some factories, that workers are not allowed to go to dispensary for treatment during duty-hours, instead they are attended by the doctor and compounding at their place of work.

In all the factories, workers living outside the premises and in the neighbouring villages are deprived of medical aid if they fall ill at their residence. For such purpose, doctors are not provided with conveyance facilities.

Indoor wards in dispensaries are seldom found. Due to this drawback, workers face acute problems when their misfortune makes hospitalisation necessary for them.

(ii) Common disease.

It is difficult to know exactly the diseases prevalent among workers as the periodical medical examination of workers is not in practice. Some factories get the new entrants medically examined before employment and those old workers also who are suspected to be suffering from contagious diseases. The daily attendance register of the dispensaries shows the following diseases as most common.
Diseases—Malaria, Dysentry, Cough, Cholera, Influenza, Diarrhoea, Night-blindness, Itches, Hook-worm, Hydrocele, Pharyngitis and Malnutrition.

In eastern U.P., doctors say that workers are habituated to take stale and contaminated food and walk about barefoot, due to which hook-worm has become very common. The deficiency of vit. A&B is said to be the main cause of Night-blindness and stomatitis among the workers of eastern districts.

(iii) Occupational diseases.

There is no problem of such diseases. Only sulphur tank attendants come in the clutch of chronic pharyngitis as they inhale sulphur gas, which harms their lungs resulting into asthma, which often proves to be the cause of the tuberculosis. Blacksmiths suffer from the inconvenience created on account of foreign body in their eyes, as they do welding work mostly without thick dark goggles. Only a few factories are exception to this case.

(iv) Staff-position.

A doctor, one or two pharmacists, one dresser or wardboy or nursing assistant and a sweeper constitute the dispensary staff of sugar factories. Medical Officers are qualified persons, but compounders are mostly locally trained having
good experience of dispensary work. The appointment of dispensary nurses and midwives has not yet been considered necessary in most of the factory-dispensaries, due to which ill-fated womenfolk of workmen come to face serious trouble specially in delivery cases. Besides, wherever nurses are appointed, their professional skill is just a fun, therefore question of efficiency of these quacks does not arise. The same thing holds true in the case of the dressers and ward-boys barring some incumbents.

In the following table average number of workers attended by the dispensary staff given.

<table>
<thead>
<tr>
<th>Average number of workers attended by-</th>
</tr>
</thead>
<tbody>
<tr>
<td>One doctor One compounder one Nurse One Dresser</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Annually 10,585 7,200 14,400 10,385</td>
</tr>
<tr>
<td>Monthly 882 600 1,200 866</td>
</tr>
<tr>
<td>Daily 29 20 40 29</td>
</tr>
</tbody>
</table>

SOURCE: Compiled from the unpublished Records of dispensaries of the sampled units.
(v) Money-Expenditure on Medical Aid.

Money-spent on medical aid during the financial year 1981-82 in investigated factories was Rs.4,84,790 out of which Rs.1,10,790 were spent on the purchases of medicines and the rest amount of Rs.3,74,000 were paid as wages and salaries to the dispensary staff.

In the following table numerical details of expenditure on medical aid is given.

**TABLE No.6.2**

<table>
<thead>
<tr>
<th>No. of Factories</th>
<th>Total no. of employees</th>
<th>Total amount spent on medical aid</th>
<th>Amount spent as salaries on dispensary staff</th>
<th>Amount spent on capita medicin exp. on capita annual exp.</th>
<th>Per capita annual exp. on medical medicine aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>7,498</td>
<td>4,84,790</td>
<td>3,74,000</td>
<td>1,10,790</td>
<td>64.6</td>
</tr>
</tbody>
</table>

**NOTE:** No distinction has been made between permanent and seasonal employees while calculating per capita annual expenditure, as a large chunk of the seasonal employees living in the adjoining villages usually come to the factory dispensary in off-season also.

**SOURCE:** Compiled from the unpublished records of the Accounts Offices of the sampled units.
In the above table per capita monthly and annual expenditure have been calculated taking the number of employees actually employed. These expenses will be negligible, if the relatives of workmen and outsiders treated in the factory dispensaries are taken into consideration. Thus it is clear that factory management does not pay heed to the proper medical care. Monetary arrangement is quite unsatisfactory and is inadequate.

(b) Educational Activities:

These activities are to be discussed with the aim of observing the facilities provided firstly for the education of workers and secondly for their wards. In sugar-mills about 69.8% workers are illiterate which requires more attention towards their education, but unfortunately no programme has yet been practically adopted. Night schools are not even organised in all factories and wherever such schools exist, no fruitful results are being achieved. Night schools have failed to fulfil the objective mainly because of lack of coordination between school-hours and hours of work in factories. Besides, usually these are located at inconvenient places and employers are indifferent to the need of education. Above all, the workers have got no inclination either to read and write or to do anything after during their days' work.
So far as facilities for worker's wards are concerned, there is no similarity in all the factories. From the viewpoint of such facilities sugar-mills may be divided into four groups. Within the first group may be included those factories where no arrangements for the education of workers' children exist. Factories in the second group have provided buildings for running primary schools to outside agencies like District Boards and do not incur any other expenditure on education. Under the third category come such factories that give a fixed monthly subscription to educational institutions run by them. Under the fourth and the last category may be mentioned such factories that run their own schools and meet the expenses either wholly or partly. Most of the schools maintained by factories are of primary standard. Some of these schools are exclusively meant for a certain category of worker's children while in some outsider's children are also allowed to read. In the former case no fee is charged but in the later case nominal fee is realised. Most of the teachers of these schools are sub-standard. Higher Secondary Schools or Intermediate Colleges are maintained by a few factories. These schools though originally financed by factories have now become self-sufficient and meet their expenses by Government grants and fees. So the financial responsibility of factories towards these schools is very limited.
(c) Reading Room and Libraries:

There are some factories where Reading Rooms and Libraries are provided with dailies, magazines and periodicals. A few of them are also furnished with radio sets. Expenditure on reading rooms is not always met by the factories. Some factories have managed building and furniture for reading rooms and the remaining expenses are borne by the members themselves. These facilities, however, are meant for the employees of supervisory grade and ordinary workers are practically devoid of those.

(d) Messes and Canteens:

In some factories messes are run by factory itself. Factory provides utensils and wood fuel to such messes and bears expenses of servants and cooks working therein. These are meant for providing maximum benefits to employees of supervisory grades. Similarly, canteens have also been organised by some factories, but they are not very popular among the employees. It is a matter of concern that caste restrictions are prevailing even in factory canteens of eastern U.P., which mar the egalitarian spirit of canteens. Besides, the backwardness of workers is also a prominent reason for making these canteens unpopular.
(e) Dairy Farms:

Some factories maintain dairy farms and pure milk is supplied to the employees at a comparatively lower price through coupon system. But the ordinary workers have got no access to them.

(f) Recreational Facilities:

In most of the factories recreational clubs are organised with the aim of providing facilities for indoor games like Carrom, Table Tennis, Cards as well as outdoor games viz. Volleyball, Cricket, Football, Tennis etc. Expenses on clubs are borne by factories. But in some units, factory management is found more or less indifferent to extending a cooperative hand.

(g) Consumers' Cooperative Stores:

Like other useful schemes for the welfare of workers, 'Consumers' Cooperative Stores' have also been regarded essential, but sugar-factory workers in eastern U.P. are generally deprived of such facilities. Very few factories have got Consumers' Cooperative Stores and fewer still have maintained them satisfactorily. Wherever such stores are being run by the employees of the factory, the manager of the factory is the ex-officio president of the store but the Secretary and Directors of the store are elected only
from amongst the employees. Membership of the store is restricted only to the permanent employees. The stores are not usually subsidised.

(h) Provident Fund:

It was in the year 1922, when a few sugar factories introduced the scheme of Provident Fund for their employees. Initially, membership of the fund was open only to those employees, who had put in a continuous service for sometime and were drawing minimum basic salary. In 1949, the minimum basic salary for the purpose of Fund-membership was Rs. 15-0-0 and upwards. The aforesaid basic salary was the monthly salary, paid by the factory to each employee, exclusive of any personal allowance, bonus, commission or other remuneration or profit received from any means above and over his ascertained monthly salary. Its membership was optional and seasonal workers were, usually, not given a chance to become its member. Under the scheme employees of the supervisory grade enjoyed the maximum benefits. Factory operatives and menial staff were almost neglected. Wherever the scheme of Provident Fund implemented, all the members were required to subscribe a sum equal to 6.25 per cent per month

of the monthly salary payable to them. Factory contribution was equal to the amount of the monthly subscription of the members. The provident fund amount was credited to the account of the trustees of the fund. Factories, usually, paid interest on the amount lying with them. Rate of interest in such cases, was not less than 3 per cent. Members dismissed for misconduct were allowed only their own contribution with interest accrued thereon, and were not entitled to the contribution of the company. Withdrawals from Provident Fund were permitted only in a few special cases such as marriage, illness etc. Each member was given the power to make in his declaration in writing a nomination conferring the right to receive the amount that might stand to his credit in the fund in the event of his death, while in service of the factory.

The Employees Provident Fund Act, 1952

The Employees Provident Fund Ordinance 1951 was promulgated by the President in Nov. 1951. It has now been replaced by the Employees Provident Fund Act, 1952 which was passed on February 23, 1952. The Act in the first instance was applied to six industries. Such industries were Cement, Cigarettes, Electrical, Mechanical or General Engineering Products, Paper, Iron Ore and Steel and Textiles. The Act was extended to sugar industry on July 31, 1956. Initially, the Act covered factories (Appendix 6(a) )
employing 50 or more persons (20 in case of newspaper establishment) on the completion of three years of existence. Through an amendment of the Act, 1956, the scope of the Act, which initially covered factory establishment only, was extended to cover non-factory establishments (P.F. Act, 1952, Sec. I (3)(b)) such as plantations (other than the plantations and factories in Assam) mines other than coal mines, and commercial establishments, as notified by the Central Government. The minimum limit for operation of the Act was reduced to 20 or more persons with effect from December 31, 1960.

**Membership:**

The membership of the scheme was initially restricted to the employees drawing not more than Rs. 300/- as monthly pay.¹ From May 31, 1962 it was increased to Rs. 1,000/-. With the aim of becoming eligible for the benefits under the Provident Fund Scheme, every employee employed in or in connection with the work of a factory or establishment other than an excluded employee (excluded employee is one (i) who, having been a member of the scheme withdrew the full amount of his accumulation, (ii) whose pay at the time he is

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¹ Pay includes basic wages, dearness allowance (retaining allowance (if any)) and cash value of food concessions, Malik., P.L. Industrial Law, Lucknow, 1977, page 267.
otherwise entitled to become a member of the scheme, exceeds Rs. 1,000/- p.m. is entitled and required to become a member of the Fund in case he has completed one year's continuous service or has actually worked for not less than 240 days during a period of 12 months or less in that factory or establishment under the same employer, or partly in one and partly in the other, to which the Act applies.  

In computing the period of work for 240 days, periods of involuntary unemployment caused by stoppage of work due to shortage of raw materials or fuel changes in the line of production, breakdown of machinery or any other similar cause, periods of authorised leave, sundays and other holidays intervening the days of actual work shall be treated as the days on which the employee has worked; and in the case of female employee periods of maternity leave for any number of days not exceeding 12 weeks shall also be taken to be days on which the employee has been present on duty, provided that subject to a maximum of 240 days, in respect of a seasonal factory or other establishment, an employer who, during the period a seasonal factory or establishment was in operation during 12 months, has actually worked for not less than 2/3rds  

2. Ibid ,Page 278.
of the period, shall be deemed to have completed one year's continuous service in the factory or establishment.

Contributions

Under the statutory provision of the Act, both the employers and employees are required to contribute at the rate of 6½% of the basic wages, dearness allowance (including the cash value of any food concessions) and retaining allowance, if any, payable to whom the scheme applies. ²

Through an amendment of the scheme in Jan. 1959, provision was made for the employees to contribute towards their provident fund an amount not exceeding 8 1/3 per cent, if they so desired. Further, the Act was amended in 1962 which raised the statutory rate to 8% with effect from Jan. 1, 1963, in respect of establishments employing 50 or more persons in the four industries, viz. Cigarettes, electrical mechanical or general engineering products, iron and steel, and paper. The enhanced rate of 8 per cent has been gradually applied to other industries and classes of establishments covered under the Act. In 1961, the Act

1. Continuous service means uninterrupted service, but includes service which is interrupted by sickness, accident, authorised leave, strike which is not illegal or involuntary unemployment. Malik, P.L., Op.cit., Page 278.

was further amended to provide a facility to the employees for deduction of contributions on the Retaining Allowance paid in sugar industries and other seasonal factories.

A separate Death Relief Fund has been set up with effect from 1st January, 1964 with the aim of providing financial assistance to the nominees/heirs of the deceased member a minimum benefit of Rs. 750, which was only Rs. 500 till August, 1969.

Through an amendment of the Employees Provident Act in 1971, the members of the Fund were provided with Family Pension Benefit in case of their death while in service in addition to a lump sum as life insurance benefit. Under the Act, provision has also been made for the payment of retirement withdrawal benefit. The Scheme of Family-Pension-cum Life Insurance was introduced in March 1971. It covers all the employees concerned under the Employees' Provident Fund Act of 1952 in the event of their premature death. The scheme is financed by a diversion of a portion of the employers' and employees' contribution to the Provident Fund. The scheme is applicable to all those employees compulsorily who have become the member of the Fund after March, 1971. Old members are given the option to join the scheme.
Family Pension Fund

It has been provided in Section 6 of Act that a part of representing 1-1/6 per cent of the employees' pay along with an equivalent amount of 1-1/6 per cent from and out of the employer's contribution shall be remitted by the employer to the Family Pension Fund by a separate Bank Draft or Cheque on the account of this Family Pension Fund contribution in such manner as may be specified in this behalf by the Commissioner. The employer will borne the cost of remittance in this regard, if any.

Withdrawal Benefit

In the case of cessation of membership from the Family Pension Fund before attaining the age of 60 years for reasons other than death, the following benefit shall accrue to the member of the Family Pension Fund:

Provided that he has paid contribution to the Family Pension Fund for not less than 2 years:

\[
\frac{Y - X}{60 - X} \times 400 \times F
\]

Where \( X \) = age of entry

\( Y \) = age at cessation membership from the Family Pension Fund

\( F \) = a factor depending on the age at cessation of membership from the Family Pension Fund as given in Table 1 of the Schedule to this Scheme (Appendix 6(b)).

The Government introduced a new scheme entitled 'Employees Deposit Linked Insurance Scheme' in 1976, which is applicable to all the employees who are members of the Employees' Provident Fund Scheme, 1952. Under this scheme a provident fund subscriber is entitled to receive, in case of death while in service, an additional amount along with his provident fund, equal to the average of the provident fund accumulations to his credit during the three years immediately preceding the death, if such average was not below Rs. 1,000/- at any time during the said period.

The maximum amount of benefit payable under the scheme is Rs. 10,000/-. Only the employers, but not the employee members, are required to contribute to the Fund at the rate of 0.5 per cent of the total emoluments. The Central Government also contributes to this Fund at the rate of 0.25 per cent of the total emoluments in addition to the administrative expenses of the Scheme.

Payments and Withdrawals:

Till 1957, the outgoing members of the Fund were eligible to receive in full the Employers' Contribution after completing 20 years of membership and no slice of the employer's share was paid if he had served for less than 5 years and had not attained the age of superannuation. These rules were relaxed in 1957. Consequently, such members

were entitled to full refund of employer’s contribution and
interest thereon only after completing 15 years of
membership. Employees with membership of 10 years or more
but less than 15 years are entitled to only 85 per cent
of their total accumulations; 75 per cent where it is 5 years
or more but less than 10 years; 50 per cent where this period
is 3 years or more but less than 5 years and 25 per cent if
it is less than 3 years.

It is worthwhile to note here, that in all the above cases, the members of the Fund are eligible to receive in
full their own contribution with interest thereon.

The full amount is also payable in the cases mentioned
above:

(1) Death of the subscriber (payment to
nominee or heir).

(2) Permanent or total disablement due to bodily or
mental infirmity duly certified by the Medical
Officer.

(3) Superannuation.

(4) Retrenchment.


2. Payment made immediately in the case of mass retrenchment
and in the case of individual retrenchment also payment
is allowed, provided retrenched employee could not get
employment in any factory or other establishment covered
under the Act, for a continuous period not less than
six months immediately preceding the date of on which
he gives the application for withdrawal.
(5) Transfer to other establishment which is not covered under the Act.

(6) Migration with the aim of permanent settlement abroad.

The amount which is not paid to an outgoing member in certain cases as stated above is forfeited and deposited to a separate Account known as Reserve and Forfeiture Account.

Under the Employees Provident Fund Act, those factories are exempted from provision of this scheme, if they have their own individual scheme in conformity with it or their scheme is more beneficial to the employees provided it satisfies certain other specific conditions concerning investment and transfer etc.

In sugar mills, the administration of the scheme is entrusted to a tripartite body known as Central Board of Trustees comprising the Central and State Governments and representatives of the employees and employers. The Employees Provident Fund Scheme has made a marked progress in sugar industry, as the scheme has been effectively implemented by the management. It provides sufficient protection to the member employees against old age and to benefits to their heirs.
(1) **Gratuity Scheme:**

In sugar industry the gratuity scheme was duly started with the introduction of 'Sugar Industry Worker's Gratuity Scheme 1960' as recommended by the Central Wage Board for Sugar Industry. All the permanent and seasonal workers (except apprentices) of the sugar industry were brought under the purview of this scheme.

Wage Board for Sugar Industry took the step of framing a comprehensive gratuity scheme, for sugar industry, which came into force from 1st Nov. 1960.

Under the provision made in the scheme, scale and occurrence of events in connection with the payment of gratuity are given as under:

1. On the employee's superannuation.
2. On employee's death (without any consideration of length of service).
3. On employee's retirement or resignation (caused by ill health).

Under the above circumstances, the gratuity is payable to a permanent employee at the rate of one half of the month's

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wages and to a seasonal worker at the rate of 25 per cent of a month's wages for every continuous year or season of service, as the case may be, subject to a maximum of 15 month's wages.¹

(4) On employee’s resignation or termination (due to any reason other than serious misconduct):

(i) One-fourth of the monthly wages to a permanent and one-eighth to a seasonal worker for every completed year or season of service subject to completion of 10 years or season of service or more but less than 20 years.

(ii) One-third of the monthly wages to a seasonal worker for every completed year or season of service subject to completion of 20 years or seasons of service but less than 30 years.

(iii) The gratuity is payable in accordance with the provision made for the events noted under (1) to (3) above, if the employee has completed 30 years or seasons continuous service as the case may be.

¹. For calculating gratuity, wages include basic wage and dearness allowance.
The Central Government enacted the Payment of Gratuity Scheme in 1972, which came to be known as the Payment of Gratuity Act 1972. The Act applies to every factory, mine, oilfield, plantation, port and railways, company shop or establishment and motor transport undertakings, in which 10 or more workers are employed or were employed on any day of the preceding 12 months.

Under this Act, Gratuity is payable to an employee after he has rendered continuous service for not less than five years on termination of employment, superannuation or retirement or resignation or death or disablement.

The condition of 5 years service shall not be necessary in case of the termination of employment of any employee due to death or disablement.

For the purpose of computing gratuity under the provision of this Act, the following scale has been given: (Appendix 6(c)

(1) 15 day's wages for every completed year of service subject to a maximum of 20 month's wages in case of a permanent employee.

(2) 7 day's wages for each season, in case of a seasonal employee.

After the enactment and enforcement of the Payment of Gratuity Act, sugar factory workers are governed by this Act.
instead of details of the gratuity scheme framed by the Central Wage Board for Sugar Industry in 1960.

This Act has provided one scale for permanent employee and seasonal employee whereas under the Wage Board Scheme it was discriminatory in nature.

**Conclusions**

On the basis of the observations of the conditions prevailing in the sugar industry of eastern U.P., it may safely be inferred, that the labour welfare programme is not undertaken sincerely. Factory operatives have little opportunities to derive benefits from those schemes of welfare as high-rank workers avail themselves of the most of such facilities. Though the recommendations of the Wage Boards and the Legislations passed by the Government from time to time have been accepted and practiced by the sugar factories, yet preferential treatment for some and discriminatory attitudes against others are not altogether missing.

Though it is difficult to introduce a comprehensive medical and health scheme under the present situation, yet the workers should not be allowed to suffer more. With the purpose of bringing about a marked improvement, health insurance scheme requires to be started in sugar industry. Periodical medical examination of the workers and provision of
patent medicines and injections on the cost of the management need to be done without any delay. Indeed, the real solution to the health problem lies in setting up a 'Central Workers' Hospital well equipped with all the modern facilities for a group of factories. The formation of group of sugar factories for maintaining the proposed Central Workers' Hospital is to be made through the joint discussion and decision taken by the Board constituting the representatives of the sugar mills, workers and labour welfare officers of respective units. State Government should take initiative in this matter. But it is long-term measure, so with the aim of providing immediate relief in the hours of need every factory should get the beds reserved in the District Hospitals, as it would help to overcome the difficulties arising at the time of admission to hospital.

As we know that workers are not allowed any other sickness benefit except a few days' leave with pay, that is why the introduction of health insurance scheme on contributory basis has become the only way. It should be the sincere effort of our Central Government to enact a separate Act in this regard because sugar factory workers have been denied the benefits provided under the Employees' State Insurance Act 1948 incorporating the Health Insurance Scheme, as the Act does not apply to seasonal industries.
It should be the joint effort of the Government, employers and trade unions to eradicate the illiteracy from sugar workers, if we want to build an industrial society with the rational approach.

Free education upto Senior Secondary or Intermediate level should be provided at the cost of the factory. It is a matter of satisfaction to note that in eastern U.P. most of the factories have their Intermediate Colleges. Trade Unions should strive sincerely for running night schools and creating interest among their members for reading and writing.

It would be just to protect the sugar mill employees against the exploitation done by the shop-keepers of the neighbouring markets in supplying necessary items of daily consumption such as cereals, vegetables etc. The suitable remedy to the above is the running of Consumers' Co-operative Stores. Canteens may be organised in a proper way for providing wholesome meals. It should also be the joint responsibility of the management, and trade-union.

So far as the Provident Fund Scheme is concerned, the retired employees, usually, suffer to a great extent in getting their accumulations paid to them as the procedure for filing claims is quite burdensome. The Scheme needs to be amended for providing old age pension also in addition to existing facilities of gratuity and provident fund. Such facilities are available also to the employees of the sugar factories.
of Mawana and Daurala (Meerut) run and managed by the Delhi Cloth and General Mills, Delhi.

Recreational facilities in sugar mills are inadequate. Sugar mill-workers are in grave need of recuperating their lost-energies in monotonous and a noisy atmosphere. The existing facilities of indoor and outdoor games and clubs should not be confined to the men who matter. They should be thrown open to all ordinary workers of the mill concerned.

It has to be reorganised on the priority basis and active participation of the workers and Labour Welfare officers in the administrative affairs of the said activities is inevitable for bringing about some improvement in the morale and physical, economic and social standards of the working class. Labour Welfare Officers in most the factories are found to be helpless whereas these officers can play a crucial role in organising welfare activities if they were given co-operation from the managements and trade unions.

In this regard it is suggested that Government should come forward with necessary legislative measures for a comprehensive and composite welfare scheme and supervision on the compliance of the provisions of the existing Act.

In the end it may be confidently said that the employers, the State and the trade unions should consider the welfare
work their joint responsibility, as the work is of such a great magnitude that no single agency can undertake it with success.

Gone are the days of hoodwinking the toiling labourers by mere ineffective legislative steps, high sounding but hollow slogans of the trade unionists and lame excuses of mill owners. So, the State is required to go ahead with the responsibility of seeing that worker's lot is improved by granting required relief with such legislation that would not only alleviate the plight of the helpless workers but would ultimately put the industrial edifice on sound footing.