CHAPTER – IV

THEORETICAL FRAMEWORK - WELFARE AMENITIES AND SOCIAL SECURITY MEASURES
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Introduction

Dramatic advances of information and communication technology (ITC) and personal values of the workforce, emergence of the knowledge economy and increasing global competition have created enormous challenges on organizations. To cope with the challenges efficiently, human resource has been considered as one of the most important factor in today’s hyper competitive market place. The management practices are also mainly concerned with human resource. The concept of human resource management is a process through which employees are helped to acquire capabilities required to perform various functions in relation to the present job and future expected roles, so that they fit themselves according to the changing organizational climate. Thus, human resource management has become the most vital function of modern management.

Labour welfare occupies a place of significance in the industrial development and economy. It is an important facet of industrial relations, the extra dimension giving satisfaction to the employees in a way which a good wage/ salary cannot provide. With the growth of industrialization and mechanization, it has acquired added importance. A happy and contented work force is an asset for the industrial prosperity of any nation. Labour welfare includes the maintenance function of personnel in the sense that it is directed specifically to the preservation of employee health and attitudes. In
other words, it contributes towards maintaining high employee morale. The welfare services in an industry are to improve the living and working conditions of workers and their families because the workers well-being cannot be achieved in isolation of their family.

Today, welfare has been generally accepted by employers. The state only intervenes to "widen the area of applicability". The Committee on Labour Welfare (CLW), formed in 1969 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.

In 1947 resolution, the ILO defined labour welfare as "such services, facilities and amenities as adequate canteens, rest rooms 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 contribute to improve the conditions under which workers are employed.

The welfare amenities influence the sentiment of the workers and contribute to the maintenance of industrial peace. Labour welfare is, thus, one of the major determinants of good and peaceful industrial relations. Apart from improved morale and loyalty, welfare measures are of significance to reduce absenteeism and labour turnover in industries. Improved conditions of work life for the employee, leads to increased adaptation of his task and makes him well contented and will lessen his desire to leave the industry. One of the thrust areas in the personnel is the
creation of the type of organizational environment that will help to make an employee work more satisfactorily.

Welfare amenities serve to enhance organizations image as a caring employer. 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 amenities 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 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 has very significantly highlighted the need for securing just and humane conditions of work for this vital segment of the community.

Today, employees are considered to be the most important assets of the organization as they are contributing towards the future growth of economy of the country. The need for employee welfare is increasing day by day. As the concept of the welfare is most dynamic, different country interprets it according to its socio-economic development and value system.
This study is to make industrial employment attractive and help to reduce absenteeism and labour turnover. It helps to buy employee loyalty, as good welfare measures leads to employee satisfaction and organizational increased loyalty among employees. It helps to motivate the employees and increases employee morale. The study also aims at evaluating labour welfare measures as provided by the acts of central government and state government. These measures create a strong bonding between the employer and employees, facilitating towards development progress.

Concept of Labour Welfare

Labour welfare is an important activity undertaken for the economic, social, intellectual or moral benefit of the labour community. The concept of labour welfare varies from country to country as it performs diverse activities. The concept of labour welfare is related to historical, cultural and environmental conditions differing from place to place. Due to these difficulties the concept cannot be precisely defined. Expert bodies have made efforts to define their own way resulting into a large number of definitions of labour welfare, suitable in a set of conditions.\(^1\)

The Oxford dictionary defined labour welfare as, “effort to make life worth living for workers”.

The Encyclopedia of social science defined labour welfare as, “the voluntary efforts of the employer to establish, within the existing industrial system, working and sometimes, living and cultural conditions of the
employees beyond what is required by law, the custom of the country and the conditions of the market”[2]

The labour investigation committee included labour welfare as under, “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 of the contractual benefits for which workers may have bargained”.

As per the International Labour Organisation [ILO] report, labour welfare refers to such services, facilities and amenities as may be established in the vicinity of undertaking to enable the persons employed by them to perform their work in healthy, congenial surroundings and provided with amenities conducive to good and high morale.[3]

The Royal Commission on Labour in India [1931] stated, “the term welfare as applied to the industrial workers is one which must necessarily be elastic, bearing as somewhat different interpretation from one country to another, according to the different social customs, the degree of industrialization and the educational development of the workers”.[4]

Paul Chu defined labour welfare as, “measures for promoting the physical and general well-being of people working in factories and undertakings of industrial life”.[5]

H. S. Kirkaldye, rightly defined labour welfare as, “one which can be done to combat the sense of frustration of the industrial workers, to relieve
them from personal and family worries, to improve their health to afford them means of self expression, to offer them some spheres in which they can excel others and to help them to a wider conception of life.” [6]

Arthur James Todd defined labour welfare as, “a series of sharply divergent opinions exist on the motives and merits of industrial welfare work” [7]

In general, labour welfare means, services, facilities and amenities, which may be established in or in the vicinity of undertakings to enable persons employed therein, to perform their work in healthy and congenial surroundings and to provide them with amenities conducive to good health and good morale.

Labour welfare measures provide assistance to industrial labour and their families. Organizations have initiated various welfare measures for the upliftment of their workers and the organizations as a whole.

**Historical Development**

The era of industrialization has led towards the development of labour welfare. Thus, it’s necessary to study the historical development of labour welfare which is relevant to the present study.

The review of the origin of welfare work reveals that, in the early period of industrial revolution the movement of labour welfare began in England. During the first phase of industrial revolution the working
conditions in the factories shocked some social minded employers. The cause of labourers was advocated by the philosophers such as, George Eliot, Comte, Martineau and John Stuart Mill and all enunciated the “concept of scientific meliorism”. During the first quarter of the 19th century, Robert Owen’s of England, attempted to improve the working conditions of the workers by ensuring reduced number of hours of work, minimum wages and providing other facilities such as, sickness benefits, medical attendance, decent housing, schools and churches. Later in 1980’s, Robert Owen’s moved to New Lanark Mills, and embarked upon the experiment in industrial welfare, this attached the interest of civilized world.

During 1802, the British parliament under the guidance of Sir Robert Peel enacted a law to regulate the health and morals of apprentices in Cotton Mills. The important features of the act were, reduced number of hours of work to twelve hours per day, abolished work during night hours and boarding arrangements were regulated. It also framed rules to provide education to children’s of labour and attendance at church. In the year 1817, one more act was passed to regulate the hours and conditions of work for apprentices. This act was stated in the statute book, but unfortunately very less progress was seen in the working conditions. In the year 1833, the first factories act was passed; prohibiting the employment of young children, limited the number of working hours, compulsory appointment of factory inspectors to ensure strict implementation of the factories act. This act was applicable to the flax silks, cotton, woolen, and linen mills. But, this was not applicable to mines, therefore children’s continued to be employed. In 1842, the bad working conditions in the mines were brought to the notice of the public. In the same year, the children’s Employment Commission published
its first report on the pathetic condition under which children’s were made to work, they remarked it as follows, “It is customary to employ very young children, one case being that of child of three”. Within one month from the publication of this article, Lord Ashley introduced a bill in the House of Commons. The bill included strict prohibition of employment of boys under the age of thirteen and excluded all women and girls from the pits. But, the government did not take up any interest as a result no follow up actions were undertaken. In the year 1844, once again a new factories act was passed; this act limited the number of working hours for children. For children’s less than sixteen years of age, have to be employed to work for only six and a half hours a day. It strictly insisted the factory owners to fence the machineries and undertake regular inspection of industrial premises.

Before 1878, the industrial legislations were applied only to the textile industries, but Factories Act 1948 was passed and the rules were applicable to all the industries in the whole country. With this the whole nation got awakened and much voluntary social service came into existence. It was then, that the welfare was considered as the fundamental needs of humanity and a beginning of the struggle for the elementary standards of industrial and social living. The social welfare scheme implemented included,

i) Regulation of educational, industrial and social well being.

ii) Few employers voluntarily provided much better services and conditions of work environment than that laid down by the law.

iii) Many steps were taken by the trade unions to bring improvements in the working conditions, social and economical status of labourers.
iv) Some voluntary organisations came into existence and already existed
organisations started expanding in number and work.

During the second quarter of the 19th century, the United States at
Massachusetts with the influence of Francis Cabot, Owen and Lowell Nathan
Appleton explored noteworthy welfare works. At the same time, France
Leclaire introduced the concept of profit sharing, jointly administered
benefits, aid and other democratic ideals. The movement during this period
was dominated by “Humanitarianism and a belief in the human perfectibility
and the possibility of reconstruction of character. This welfare movement
insisted the superiors to show mercy towards inferiors.

In Europe, during the second half of the 19th century the welfare
movement slowed down and became less idealistic. The concept of socialism
began to influence the welfare movement.

In United States during the 20th century, the conditions started
changing and it was named as the “age of common man”. The size of the
plants increased in accordance with the need for mass selling and large scale
production. The machine age was fully in swing. The number of workers
employed per plant increased rapidly, resulting in the generation of a
management movement. A new crop of managerial problems arose. During
this industrial period increased efficiency of human resource was flowing
inside the industries. Humanitarianism was now replaced by genuine
economic justification through more efficient performance and lower unit
cost. In many industries improved working conditions became a part of new
techniques. Since the beginning of this century both the government and
industry began to constantly improve the working conditions. Trade unions became active and persuaded the workers, who became militant, to demand improvements in working conditions. The need for scientific approach to labour problems was emphasized and special departments were created in many large establishments to look after all labour problems and to comply with the numerous acts of Parliament. A welfare secretary post was created; he functioned as the personal representative of the employer in labour maintenance activity. During 1913, in Britain, the Institute of labour Management was formed following a conference at New York. Today, the same institute is known as Institute of personnel Management.

Due to First World War many special welfare problems came into existence. In the industry a great impetus was given to the movement for a scientific approach to human resource. Earlier, the conditions which were acceptable as reasonable were now found to be uncongenial. Special attention was paid to the cause of fatigue and improved efficiency was attained through better welfare schemes. Highest amount of attention was paid towards working conditions and labour management. In Britain, during 1918, the wartime experience resulted in the formation of the industrial welfare society under the direction of Robert R. Hyde and the National Institute of Industrial Psychology. In 1916, factory legislation included the provisions of first aid, washing facilities, mess-room, clock-rooms, etc. In 1937, the factory act was passed which, owing to the pressure of strong public opinion, covered extensive labour welfare activities.\[8\]

In between the period of two world wars, there was a setback to the progress of industrial welfare schemes, mainly because of depression and
mass unemployment all over the world. At that time, increased production became the paramount need during the Second World War. But, Second World War itself gave rise to new problems and difficulties. For instance, mass movement of labour, which had never happened before, gave rise to hostel life and community living. As a result, amenities and factory canteens increased enormously. Music for workers during work became popular. Attention was paid towards the personal needs of men and women. During the war time, the hostel became substitute for home. Welfare and personal services in the building industry was poorly organized. The war years, however, granted a welfare consciousness throughout the building and civil engineering industries. Under the factories act, 1937 a new code of building regulations covered the entire field of building activity, including the matters affecting health, safety and welfare of the workers. In 1929, the mines welfare commission was setup under an act of the British parliament. The ministry of health appointed country welfare officers to help evacuees from target areas during the war. In 1945, the Institute of Welfare was formed with a view to formulate standards of knowledge, training, conduct and experience necessary for a proper exercise of welfare functions. The welfare officers were also given professional status.\[9\]

**Labour Welfare in India**

In India, the labour welfare activity was largely influenced by the humanitarian principles and legislations. During the early period of industrial development, based on the humanitarian grounds many social workers, philanthropists and other religious leaders had put efforts on labour welfare activities. It was found that, before the introduction of welfare
Before Independence

In 1837, the origin of labour welfare activity took place in India, following the abolition of slavery in 1833. The legislation controlled the labour welfare activities, with the objective of helping poor and orphaned children to learn various trades by appreciating them to craftsmen. Followed by this, the fatal accidents act of 1853 was passed, which aimed at providing compensation to the families of workmen, who lost their lives and as a result of “actionable wrong”. In 1859, the merchant shipping act was enacted with the objective of regulating the employment and working conditions of seaman. This act provided for the health, accommodation and protection against all health hazards.\textsuperscript{10}

In 1881, the first Indian Factories Act was passed. This act proved to bring about improvements in the working conditions of Indian workers. This act prohibited the employment of children below the age of seven. The children's between the age of seven to twelve years were restricted from working for more than nine hours a day. As per the provisions of the act, children's working in factories were permitted to avail four holidays every month. Unfortunately, the workers other than child labour did not get any kind of protection under this act.

The appointment of Mullock Commission in the year 1884 was another milestone in the history of labour welfare in India. Mr.M.N. Lokhande,
a labour leader brought the workmen together and presented on their behalf a charter of demand to Mullock Commission. This created a tremendous pressure on the owners of Bombay Mills to decide Sunday as day of rest. This was a great achievement on the part of the workers.

The Government of India based on the advice of a special commission passed the Indian Factories Act, 1891. This was a significant development in the history of labour welfare in India. This act insisted the employer to provide a number of welfare activities. The important welfare provisions were,

i) A mid-day break for half an hour was made compulsory.
ii) A weekly off day was prescribed
iii) Children’s between the age of nine and fourteen years were allowed to work only in the day time and not more than 7 hours a day.
iv) Provisions were made for inspection and penalties for breach of any provisions of the act.

The factories act 1911, for the first time specified the hours of work for adult workers to be 12 hours a day, while those of children’s were reduced to 6 hours a day. Noteworthy change brought by this act was extensive provisions for health and safety of workers. During these years, voluntary actions in the field of labour welfare had also made considerable progress.

The First World War had tremendous impact on the attitude of the government and society towards the workers. They recognized the importance of labour in the economic and social reconstruction of the world.
Consequently, upon this the International Labour Organisation (ILO) suggested some changes in the welfare schemes operating in India. The government of India enacted factories act 1922. This act provided that men and women shall not work for more than 60 hours per week. It further prescribed that, no person could work for 11 hours per day. The minimum age of child labour was raised from 9 years to 12 years. The upper age limit for child labour was raised to 15 years. The act further prescribed that, one hour of rest after 6 hours of work and two intervals of half an hour each for all the workmen. In case of overtime work, workers were entitled to receive one and a half time of a day wage. One of the most important provisions of the act was women and children were prohibited to work between 7 pm to 5:30 am. During 1930's, the findings of the Royal Commission on Labour (1931) and the formation of congress ministers in most of the provinces had a great bearing on the labour welfare movement. Later, in 1934 the factories act was passed.

The factories Act, 1934 brought changes in regulations on safety, health and ventilation. The congress ministers set up labour welfare programmes and labour enquire committees to enquire into the questions related to wages, living and working conditions of workers. After the Second World War, the government took the initiatives and actively promoted welfare activities such as, canteens, crèches, ambulance, etc., for industrial workers. \[11\]

**After Independence**

Labour welfare movement acquired new dimensions after independence. It was then realized that labour welfare had a positive role to
play in increasing productivity social responsibilities towards weaker section of the society. Many central trade union organizations, like The Indian National Trade Union Congress (INTUC) - 1947, Hindu Mazdoor Sabha (HMS) - 1948, United Trade Union Congress (UTUC) - 1949, Bharatiya Mazdoor Sangh (BMS) - 1955, Hind Mazdoor Panchayat (HMP) - 1965, The Centre of Indian Trade Unions (CITU) - 1970, National Labour Organisation (NLO), etc., gave a new dimension to the growth of labour welfare movement in India.

The Factories Act 1948 was enacted by the Government of India, based on the recommendations of the Rege Committee. To draft this legislation the service of Sir. Wilfred Garrett (the Chief Inspector of Factories in the United Kingdom before he came to India) was utilized.

On 1st April 1949, the Factories Act came into effect. This act applies to all establishments employing 10 or more workers, where power is used and 20 or more workers where power is not used, and a manufacturing process is being carried on. Section 85, of the act empowers the state Government to extend all or any provisions of the act to any premises. It also included many important provisions regarding health, safety, welfare, employment of young persons and children’s, working hours of children’s and adults, leaves with wages, holidays, etc.

The state government holds the responsibility of the administration of the act. They administer the factories through their own factory inspectors. The Director General of factories, advised the service and labour institute who have to co-ordinate the work of enforcement of factories act throughout
the country. The directorate general of factory also framed model rules and suggested amendments to the act and rule in consultation with the state chief inspector of factories.

The constitution of India framed a list of fundamental rights and directive principles of state policy for achievement of the society based on justice, liberty, equity and fraternity. In the directive principles chapter it is stated that, “the state, shall strive to promote the welfare of the people by securing and promoting as effectively as it may a social order in which justice, social, economic and political shall inform all the institutions of national life.”[12]

**Need For Labour Welfare**

The need for labour welfare arises from the very nature of industrial system which is having two basic characteristic, one the condition under which the worker have to work that is not congenial for health and second the worker has to work in an entirely strange atmosphere creating problems of adjustment. The working condition in the factory adversely affects the health of the workers because of excessive heat or cold, noise, dust, lack of pure air etc. It results into occupational health problems and diseases for the workers and so it becomes necessary on the part of management to provide protective services and compensatory benefits. To escape from the trying condition of tedious and tire some job, workers remain absent and become irregular and indiscipline. Hence it becomes necessary for the management to improve the condition of work for the life of the employees and provide welfare services. The provision of welfare facilities creates a sense of security
in the minds of the workers whereby the workers are emotionally, mentally and physically satisfied. They try to put in their best efforts which contribute to increased productivity, better profits fostering good industrial relation and prosperity for the management and the workers.

The need for labour welfare was strongly felt by the Royal Commission on labour as far back as 1931, primarily because of the lack of commitment to industrial work among factory workers and the harsh treatment they received from employers. This need was emphasized, in free India, by the constitution, which laid down the following articles in this regard.

**Article 41:** “The state shall, within the limits of its economic capacity and development, make effective provisions for securing the right to work, to education and to public assistance in cases of unemployment, old-age, sickness and disablement, and in other cases, of undeserved wants.”

**Article 42:** “State shall make provision for securing just and humane condition of work and maternity relief.”

**Article 43:** “The State shall endeavor to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise work, a living wage, condition of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and in particular, the state shall endeavor to promote cottage industries on an individual or co-operative basis in rural areas.”[13]
The work environment in a factory/mine adversely affects the workers' health because of excessive heat or cold, noise, odor, fumes, dust, insanitation and lack of pure air. These lead to the occupational health hazards and respiratory diseases. Therefore, the working environment needs to be improved by providing good services, protective devices and compensatory benefits in case of accidents or injury or disablement. This has been referred to as the “social invasion of the factory.”[14] Hence, there is need for providing welfare services, for improving the conditions of work of employees, increasing the adaptation of the worker to his task and whatever makes him fully contended should all be done with utmost urgency by the employer.

Labour welfare amenities provided to the employees creates a sense of feeling that they are valued and are considered to be the assets in the organization. Welfare facilities provides housing facilities, sickness and maternity benefits, educational facilities, provident funds, pensions and entertainment facilities makes them be more committed towards the organization.

Efforts laid on the welfare work were recognized as an integral part of the industrial administration. This effort brought a drastic change in the attitude of the employers and the employees. There were social reasons for providing labour welfare benefits, as pointed out by the Labour Investigation Committee, “the provision of canteens improves the hygiene; entertainment reduces the incidence of voice; medical aid, maternity and child welfare services improve the health of the workers. The educational facilities, increase their mental efficiency and economic productivity.”[15]
Scope of Labour Welfare

It is very difficult to lay down accurately the scope of labour welfare because of the fact that labour is composed of dynamic individuals with complexity of needs. In the world of changing values where ideologies are rapidly changing and undergoing transformation, rigid statement about the field of labour welfare needs to be revised. The labour welfare work is increasing day by day with increasing opportunities. It is also increasing with the growing knowledge, experience and techniques. The test of the welfare activities is that as to how it removes directly and indirectly the hindrances and restores to the worker the peaceful and joyful living. The welfare work is concerned with worker and his family and so an able welfare officer program meets the activities by taking care of the worker and his family. The scope of the labour welfare has been described by the different writers and authorities in different ways in different countries. It varies with the stage of economic development, political outlook and social philosophy. The subject of labour welfare facilities is very wide and covers all the amenities and facilities. The limits for which it cannot be rigidly laid down regarding its scope for all the industries and for all the times. It includes all the extra mural and intra mural welfare work. Statutory and non statutory welfare facilities undertaken by the employees, government, trade unions or voluntary organization and social security schemes which contribute to the welfare of the workers. The welfare work generally includes the activity such as, housing, medical and educational facilities, nutrition including provision for canteen, rest and recreation, co-operative societies, day nurseries, sanitary, accommodation, drinking water, holidays with pay, provident fund, gratuity, pension, social insurance, safety provisions, transport facilities to and from working place to house, uniform, protective coats, gloves, shoes, etc. Thus labour welfare is
wide term which includes all such activities which tries to take away the workers from bonds of poverty, ignorance, social inequality, conservative outlook and diseases.

**Objectives of Labour/ Employee Welfare**

Welfare measures generally aim to ensure social health and economic security to the workers, increases their satisfaction and raise their standard of living. The following are the basic objectives of the labour welfare facilities.

1. Creating a sense of commitment and loyalty among the workers.
2. Imposing numerous restrictions on the employer for the health and physical well being of the employees.
3. Ensuring social and economic security of the workers.
4. Inculcating leadership qualities and team spirit.
5. Reducing absenteeism among the workers and encouraging them for regular attendance.
6. Attracting and retaining talent and skill.
7. Improving industrial relations.
8. Building up a good image of the company.
9. Promoting harmony and developing co-ordination among the workers.
10. Building up a stable labour force.
11. Improving the productivity of the workers.

The aims and objectives of the labour welfare have progressively changed during the last few decades from the primitive policing and placating philosophy of labour welfare. It gradually moved to the era of paternalism with philanthropic objectives. Even today there is evidence of
humanitarian outlook of some of the employers in many labour welfare programmes. The recent thinking of labour welfare however is more oriented towards increased productivity and improved efficiency of the workers.

**Principles of Labour/ Employee Welfare**

Following are the principles for successful implementation of any welfare programme in an organization,

1) The labour welfare activities should pervade the entire hierarchy of an organization.

2) Management should be welfare oriented at every level.

3) The employer should not bargain labour welfare as a substitute for wages or monetary incentives.

4) There should be periodical assessment or evaluation of welfare measures and necessary improvements to be undertaken based on feedback.

5) The management should ensure co-operation and active participation of unions and workers in formulating and implementing labour welfare programme.

6) The labour welfare work of an organization must be administratively viable and essentially development oriented.

7) There should be proper co-ordination, harmony and integration of all labour welfare services in undertakings.

8) The employer should look after the welfare of his employees as a matter of social obligation.
WELFARE AMENITIES

Statutory Welfare Measures  Non-Statutory Welfare Measures

Statutory welfare is the result of the coercive power of the government. Statutory stipulations compel employers to implement welfare schemes. The government enacts rules in regard to labour welfare in order to enforce the minimum standard of health and safety of the workers. Employers have to observe the rules relating to working conditions, hours of work, hygiene, safety, light, ventilation, sanitation, etc. Government has increased the statutory control of labour welfare. Voluntary welfare includes all those activities which employers undertake for their workers on a voluntary basis. There are some social organizations which undertake voluntary welfare work. Mutual welfare is undertaken by the workers themselves. Some trade unions also undertake the responsibility of workers welfare. Labour welfare is also classified under intra-mural activities, and extra-mural activities. The former include services provided inside the factory premises, and the latter include services and amenities outside the factory.

Hours Worked

The success of an organisation, its productivity, health and personal life of an employee mainly depend on the hours of work per day and week. The long duration of work affects the health of workers and causes physical
fatigue and mental strain. There is always a need for sufficient amount of
time for the employee's private life and recreational and cultural activities.

**Cleanliness**

Employees get motivated to work based on the atmosphere of their work place. Section 11 of the Factories Act envisages that every factory shall be kept clean and free from the effluvia arising from any drain or nuisance and in particular by sweeping, removing and disposing of refuel in a suitable manner, by cleaning the floorings using disinfectant.

**Ventilation and Temperature**

As per section 13 of the Factories Act, the effective and suitable provision shall be made in every factory for securing and maintaining adequate ventilation for the circulation of fresh air. For the propulsion of the air from the room the natural ventilation or ventilator by artificial means like exit fans, electric fans, A/c, are used in every work room. Temperature shall be maintained at a comfortable room level at the workplace to prevent injuries to health of the employees.

**Overcrowding**

As per section 16 of the Factories Act, minimum space requirement for the workers at working place should be maintained so that it is not over crowded, otherwise causing injury to health.

**Lighting**

As per section 17 of the Factories Act, in every factory sufficient and suitable lighting either natural or artificial or both is to be provided at the work place. All glazed windows and sky lights should be used for lighting of the work rooms.
Drinking Water

Section 18 of the Factories Act, states clean and safe drinking water should be provided and maintained at suitable places for all workers employed therein.

Sanitary and Hygiene Facilities

Section 19 of the Factories Act lays down that, in every factory sufficient number of lavatories facilities of prescribed type shall be made accessible to all employees. The maintenance of a clean, sanitary and hygiene work environment is now accepted as an important basic welfare amenity. These include lavatories and sufficient water facilities. Separate lavatories for male and female employees must be provided; spittoons must be kept in convenient places in clean and hygienic conditions.

Facilities for Sitting

As per section 44 of the Factories Act, proper and suitable arrangements shall be made for workers for sitting. Certain measures have to be undertaken to minimize or avoid industrial fatigue. These facilities include the provision of seats in the work room and also in the convenient rest room.

Rest Facilities

This amenity provides a prescribed number of seats on the shop floor and rest rooms or shelters. This facility helps to reduce fatigue, as it enables a worker to sit down occasionally who work without any break in his work and contribute to his comfort and efficiency. The factories Act provides that, for the purpose of rest, suitable sitting arrangements have to be made and maintained for all workers who are obliged to work and rest rooms and
lunch rooms provided in a factory with more than 150 workers. Mess rooms are an elementary feeding facility, with a few chairs, and tables and in some cases lockers, were in workers can sit and eat comfortably, the food they have brought from home. Presently, greater importance is attached to the provision of industrial canteens all over the world. The construction of canteens is compulsory as per the Factories Act (1948), the Mines Act (1952), Motor Transport Workers Act (1961) and the Plantation Labour Act (1951). Health care for workers will help to reduce the incidence of sickness and absenteeism among them and increase productivity. The importance of industrial health care in general has also been emphasized by the international labour organization. In 1931, the Royal Commission on Labour and the Labour Investigation Committee (1946) underlined the necessity for providing basic health and welfare amenities. The importance of industrial health service is greater in India than elsewhere because of the adverse effects of unhealthy work environment in many factories and also due to the incidence of tropical diseases, long hours of work, low wages causing malnutrition and poor stamina; illness of workers due to ignorance and poverty and urban life which do not agree with migrated workers. These services include health and medical facilities inside and outside the workers place of work; intra-mural health amenities cover first aid, ambulance, industrial hygiene, occupational health, and emergency medical care in case of accidents or sudden illness inside factory premises.

The ILO in its conventions and recommendation has laid down standards, which had a contributory effect on legislation in India. The Factories Act, 1948 contains statutory provision for the maintenance of first aid kit for all factories and ambulance obligatory for those employing 500 or
more workers. Further, statutory medical facilities were provided under the Employees State Insurance Act, 1948. This Act extends the following benefits to industrial workers (i) maternity benefits (ii) disablement benefits (iii) dependents benefits (iv) sickness benefits and (v) medical benefits.

**Medical Care and Cash Benefits**

They are provided to workers for such reasons as sickness, maternity and disablement and death or injury due to employment. The families of workers are also covered to some extent under this Act.

The Factories Act lays down that in any factory with more than 50 women workers; creches should be provided and maintained in a clean and sanitary condition for children less than six years. The Act states that the crèche should be under the care of women trained in child care and should have adequate accommodation, lighting and ventilation. The state government is empowered to make rules in respect of standards, equipments and facilities. Flourishing is an integral part of worker's welfare. Recommendation 115 of the 1LO states that housing should be a matter of national policy. Both the Industrial Commission (1918) and the Royal Commission (1913) realized the importance and necessity of improving housing conditions of industrial workers and made recommendations for the purpose.

**Training Facilities**

Training facilities form another important welfare programme 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. The need and importance of such training facilities in India have been accepted and emphasized by various commissions and committees, such as Indian Industrial Commission (1958) the Royal Commission on Labour (1931), the National Commission on Labour (1966), the Malaviya Committee on Labour Welfare (1969) etc. Yet, there is no statutory obligation with regard to training for worker's children in any industry except in plantation.

**NON-STATUTORY MEASURES**

Non-statutory welfare measures are provided by the employer voluntarily to his employees. Today management considers its employees as the assets of their organisation and realise the importance of non-statutory amenities. These non-statutory welfare measures act as motivating factors and increase the morale of the employees. But, it is very difficult to assess the effects of such benefits.

**a) Medical Facilities**

Health is wealth one of the old saying but till date it remains to be the golden rule. The development of an organisation depends on the healthy health of its employees.

**b) Re-imbursement of Medical Expenses**

Re-imbursement claim should be submitted within three months from the date of cure of illness or discharge from the hospital. The amount would be further reimbursed to their employees.
c) **Safety**

Safety measures should be implemented and checked regularly.

d) **Union Activities**

Unions play a very important role in upholding the welfare of the employees. If unions are strong then the genuine demands can be fulfilled and injustice made to the employees can be withheld and fight against injustice to see that such type of injustice does not occur to any other employee in future.

e) **Qualification Pay**

It motivates employees to continue their further studies by giving financial assistance to all aspirants to achieve higher degrees.

**Compensation and Allowances**

i) **Compensation on Transfer**

As employees get transferred every 3 years, 4 years or 5 years there is a huge burden on the employees to bear the extra cost while shifting of goods from one place to another. To reduce their financial burden compensations are paid for goods transferred every time an employee is transferred from one place to another.

ii) **Compensation for Loss/ Damage of Good while on Transfer**

In case of any loss or damage to any or whole goods during transfer, compensation is paid by the management to the employees on produce of bill and in case of loss of bill certain percentage of compensation is paid to the employee.
iii) **Transport Allowances**
As employees use transport while on duty they are paid transport allowances while some companies own their vehicles/cabs for picking their employees from their homes and dropping them back after duty.

iv) **Halting Allowances**
In case an employee has to halt in any place during official visits then they are paid halting allowances as they were on duty.

v) **Housing Allowances**
All employees are provided with quarters and in case of non-availability of quarters housing allowances are be paid to the employees.

vi) **Washing Allowances**
Washing allowances are paid to all employees so that they come to the workplace neatly dressed.

Apart from the basic statutory and non-statutory welfare measures there are many welfare amenities brought into practice based on the needs and demands of employees in the changing work environment, motivating the employees to have a good work atmosphere.

**FIVE YEAR PLAN FOR STATUTORY AND NON-STATUTORY WELFARE MEASURES**

The government of India in all its five year plans laid a policy on labour welfare. These policies focused on two important aspects, first the condition of labour and second the state of economy. The main aim of first
five year plan was industrialization and promotes labour welfare throughout the country.

The First Five Year Plan (1951-1956) declared that, “our approach to labour problem rests on considerations which are related on one had to the requirements of the well-being of the working class and on the other hand, to its contribution to the economic stability and the progress of the country. The work is the principle instrument in the fulfillment of the targets to the man and the achievement of economic progress and his co-operation will be as essential factor in creating an economic organization of the country which will best serve the needs of social justice.” Further it emphasizes the basic needs of the working class such as, food; clothing and shelter should be adequately provided to enable workers to remain in a state of healthy and efficient way which in turn would contribute to the industrial peace. It was also realized that the workers should enjoy improved health services, better educational facilities and larger recreational and cultural facilities along with the provisions of social security. The working conditions should be free from occupational and other hazards. It established a central labour institute to study various aspects of industrial management with a focus on human and safety aspects of industry. In 1952, a subsidized housing scheme for labour was started. At the same time, many social insurance measures and enactments such as the Mines Act 1953, Employees Provident Fund Act 1952, and Plantation Labour Act 1957 were passed. During this plan period Rs. 6.74 crores was sanctioned for the welfare measures.\[16\]

The Second Five Year Plan (1956-1961) emphasized on the provisions of welfare facilities to improve the working conditions of labour and the
need for effective implementation of existing statutory welfare amenities. It stressed on the measures for the creation of industrial democracy and welfare funds. It was observed that, “the provision of welfare facilities is the responsibility of industrial employer and these activities to the possible extent should be run with the assistance of the local committees on which workers are represented.” It further stated that in case of similar establishments, facilities may be provided jointly. Apart from employers state insurance schemes, new enactments were made for seamen, motor transport workers, etc. During this plan the legislative measures undertaken include, Employees Welfare Fund Act (1959), Punjab Industrial Housing Act (1956), Dock Workers Scheme (1961). In 1959, the labour union minister appointed a team to examine the whole gamut of labour welfare activities and make necessary recommendations. The budget allocated for welfare measures during this plan was Rs.29 crores. \[17\]

Third Five Year Plan (1961-1966) the legislative measures included Maternity Benefit Act (1965) and Payment of Bonus Act (1965). It focused mainly on medical facilities and social security measures. To have a strict administration over the factory laws the factory inspectors were strengthened. They concentrated mainly on improving the working conditions of employees. This plan also stressed on institution of co-operative consumer stores and credit societies. Special welfare funds were created for the employee's welfare measures for the employees working in coal and mice mining industries, manganese and iron ore mines. Rs. 71.8 crores budget was allocated for the welfare measures under this plan. \[18\]
Fourth Five Year Plan (1969-1974) the Employees’ Family Pension Scheme 1971, Payment of Gratuity Act 1972, and Contract Labour (Regulation and Abolition) Act 1970 was passed. The Employees State Insurance Scheme was extended in non-power factories employing ten or more persons to provide hospitalization to the families of the insured workers to cover shops and commercial establishments in selected centers. Programmes for welfare centre, recreational centers and holiday homes were included under the state plan. For the better enforcement of the labour laws stress was laid on strengthening the labour administration machinery. The state government passed several enactments and opened various welfare centers and statutory welfare boards. Under this plan Rs.37.11 crores was allocated towards welfare measures.[19]

Fifth Five Year Plan (1974-1979) the expansion of the coverage of Employees State Insurance Scheme was considered on the basis of the recommendations of a committee on perspective planning appointed by the Employee's State Insurance Corporation. The committee had to carry out five year phased programme of extension to additional categories of establishments, including smaller factories, shops and commercial establishments, mines and plantations. The national safety council undertook various measures for bringing about consciousness in industrial and commercial organizations. A National Labour Institute was set up by reorganizing and expanding the Indian Institute of Labour Studies to undertake activities related to training, consultancy and evaluation. During the fifth five year plan, Rs.57 crores was earmarked for labour welfare programmes.[20]
Sixth Five Year Plan (1980-1985) focused its attention effectively on the measures contemplated in different legislative enactments and extending the coverage of the Employee's Provident Fund and Family Pension Scheme. The major areas on which the sixth plan focused include, extension of Employee’s Provident Fund Schemes to smaller establishments in rural areas, programmes of workers education, financing housing for workers, measures to protect the safety and health of workers engaged in agricultural and forestry. Rs 20 crores were earmarked for labour welfare during this plan period. [21]

Seventh Five Year Plan (1985-1990) placed emphasis on labour welfare and improvements in working and living conditions of unorganized labour not only in rural areas, but also in the urban areas. According to the plan “effective implementation of the existing legislation would greatly improve the unorganized urban workers and also educate them and make them aware of the programmatic and legislative provisions available for them. Genuine and effective voluntary organizations would be involved in the process of organizing the poor and in actual implementation of the schemes.” The plan laid down certain major tasks as far as women labourers were concerned. In the sectorial allocation of the public sector outlays during the seventh plan Rs.333.72 crores was allocated for labour welfare. [22]

Eighth Five Year Plan (1992 - 1997) paid special focus for the improvement in the quality of labour, productivity, skills, working conditions and provision of welfare and social security measures. The programmes in the sector “Labour and Labour Welfare” therefore, lay emphasis on skill formation and development, strengthening and modernization of
employment service, promotion of industrial and mines safety, workers education and training, enforcement of labour laws, especially those who were working in unorganized sector. Promotion of the healthy industrial relations, situation and encouragement of worker’s participation in management was initiated. Adequate levels of earnings, safe and humane conditions of work and access to some minimum social security benefits were the major qualitative dimensions of employment which enhance quality of life of workers and their productivity. An outlay of Rs.1315.39 crores was provided for labour and labour welfare in the eighth plan, of which the central and state sector outlays were Rs.452.00 crores and Rs.864.39 crores respectively.\textsuperscript{[21]}

Ninth Five Year Plan (1997-2002) was implemented in the fifteenth year of our independence. The focus of the ninth plan can be described as: “Growth with social justice and equity.” The documents contain specific objectives which include providing the basic minimum services of safe drinking water, primary health care facilities, universal primary education, shelter and connectivity to all in a time bound manner, ensuring environmental sustainability, of the development process through social mobilization and participation of people at all levels; empowerment of women, etc. The ninth five year plan outlay on labour and labour welfare was Rs.3,400 crores. During the plan period an expenditure of Rs.50.81 crores was incurred on the various sub-sectors of labour and labour welfare.\textsuperscript{[24]}

Tenth Five Year Plan (2002-2007) represented another step in the evolution of development planning in India. The planning methodologies attempted to keep pace with the emerging requirements and to guide the
economy through the vicissitudes of national and global events, with greater success. Social welfare programmes were directed to all segments of disadvantaged groups with special emphasis for empowerment of women and care for the elderly employees. Working Group of Planning Commission approved an outlay of Rs.32050 lakh for Social Welfare Sector. [25]

Eleventh Five Year Plan (2007-2012) had concentrated on the wellbeing of the employees. Provision of medical assistance, maternity benefits, stipend to unorganized labourers children studying in schools, pension after the age of 60, family pension in case of death, compensation in case of injury and permanent disability etc. This plan focused on safe and humane conditions of work. [26]

The Twelveth Five Year Plan (2012-2017) in this plan the minimum wage levels were raised and mechanisms were established to guarantee wage increases and payment. Priority would be given to the improvement of access to medical facilities. Steps would be taken for empowerment of women through better health care, to create safe, supportive and responsive environment for women, various programmes are implemented to improve educational, health, social security, working environment. A number of health and life insurance programmes are being implemented. It also focused on promotion of the healthy industrial relations, capacity building, training and empowerment, improving access to services and infrastructure like health care, security, water supplies, transport, hygiene, sanitation, waste disposal, etc. [27]
SOCIAL SECURITY MEASURES

Social risk of life with unpleasant and tragic situations looks out for reduced risks and uncertainties. Social risks include unemployment, illness and accidents. To reduce these unpleasant situation there are two main ways, one is insurance against uncertainties i-e ensuring some kind of monetary compensation such as, unemployment benefit or payments against illness and accidents, second is to organize social work so that up to certain extent the unpleasant situations may be minimized through, taking a anti-cyclic policy to avoid cyclical unemployment, safety measures to avoid accidents, and health services to prevent illness.

Concept of Social Security

The term social security was for the first time coined in the United States Social Security Act, 1935. It was enacted and this was later adopted by New Zealand in 1938. Several countries including India have implemented social security measures. The concept of social security was essentially related to the high ideals of human dignity and social justice. It is one of the pillar on which the structure of the welfare state rests. From its modest beginning in a few countries in the early decades, social security has now become a fact of life for millions of people throughout the world.

According to Lord William Beveridge (1942) the term social security is used to denote the security of an income to take the place of earnings when these are interrupted by unemployment, sickness or accident and to provide for retirement through age, loss of support by the death of another person.
and to meet an exceptional expenditure such as those concerned with birth, death and marriage.\[^{28}\]

Friedlander defines social security as, “a programme of protection provided by society against the contingencies of modern life - sickness, unemployment, old age, dependency, industrial accidents and invalidism against which the individual cannot be expected to protect them and their family by his own ability or foresight.”\[^{29}\]

Social Security is defined as, “The security that society furnishes, through appropriate organisation, against certain risks to which its members are exposed.”\[^{30}\]

Social Security is broadly defined as, “The endeavour of community, as a whole to afford itself to the utmost extent possible to any individual during periods of physical distress inevitable on illness or injury and from the economic distress consequent on reduction or loss of earnings due to illness, disablement, maternity, unemployment, old age or death of the working member.”\[^{31}\]

From the economic point of view, social security measures help a man to face the contingencies referred to above. When such contingencies arise, it is difficult for him either to work or get work and support himself and his family. Social security thus provides a self balancing social insurance scheme or assistances from public funds or a proper combination of both. Due to the physical incapacity to work during any contingency, any effective scheme of social protection needs to take care of worker’s income and medical care.
Historical Development

Initially, the economic security for the needy person was provided through the individual efforts. Later to meet contingencies and to prevent destitution organised methods were developed to deal with the problem of economic insecurity. Since from the beginning of the industrial revolution upto 1880, three approaches namely, savings plan, private insurance and employer liability plans were established in Europe to safeguard the interest of the workers. The responsibility towards the relief of poverty was mainly accepted by private charitable organisations, workingmen’s associations, churches and the Government acting under the poor laws. This realization of responsibility led towards legislation in many countries and the establishment of poor houses. But the whole system was based entirely on voluntary efforts, which was inadequate. Gradually the society started realizing that it should strive to eliminate as far as possible the risk element in the industrial life of the individuals especially that of workers engaged in production. This ultimately led to the introduction of social assistance and social insurance schemes.

Originally, the trade unions and mutual benefits societies offered most of the forms of social insurance. In the early 1789, Brazil and Switzerland established an unemployment insurance plan, thereby initiating group action to safeguard workers interest against the hazards of industrial life. A comprehensive modern plan of social security was introduced originally in Germany under the leadership of Bismarck. According to this plan Germany adopted a compulsory health insurance programme in 1883, an accident insurance programme in 1884 and the individualism and old age insurance programmes in 1889. But it was only in 1925 that the
unemployment programme was implemented in Germany. Austria and Hungary also followed this example. By the beginning of the 20th century programmes were favored by most European countries. State interventions in social welfare matters in the interest of the public increased almost to the extent to which the Laissez-faire policy lost its validity. Many social security schemes were undertaken by the state in various countries to provide a minimum standard of living.

In 1908, Great Britain introduced a scheme by which it provided non-contributory pensions for needy persons who had reached the age of 70. In 1911, it first adopted a national scheme for unemployment insurance, as well as a compulsory health insurance programme, which was extended in 1920. In 1925, a national scheme for contributory pensions for older people, widows and orphans was enforced, and a scheme of unemployment assistance was formulated in 1934. In the USA the Social Security Act of 1935 was the first comprehensive legislation. Another important Social Security Act was passed in 1938 in New Zealand, which provided for the social security tax to finance a universal and compulsory social insurance scheme. The New Zealand Act of 1938 was intended to take care of superannuation and other benefits arising from age, sickness, unemployment, widowhood, orphanhood, or any such other similar contingencies. Medical and hospital facilities were made available for the needy. Provisions were made for adequate benefits with a view to promoting and maintaining health and general welfare of the entire community. A special levy was imposed to raise finance for these benefits.
The Second World War witnessed a rapid expansion in social security activities all over the world, which was necessitated by the generation of scarcities of almost all-essential commodities. The Beveridge Report of 1942 on British Social Insurance has been implemented. It described social security as a necessary armament for an attack on five ‘giants’- want, disease, ignorance, squalor and idleness. For this purpose, a compressive programme of social security consisting of economic security, national health services, education, hygiene and sanitation and full employment was drawn up. The Beveridge Report was in fact the foundation on which the whole framework was based on British Social Security Legislation (1945–48) on national health service, national insurance, national assistance and family allowances. Complete Compulsory State Insurance was envisaged to portent individuals against want and insecurity. As a result after 1950, more than one-half of the pension system as it exists today was adopted. By the late 1960s, social security programmes were in operation in some form or the other in more than 120 countries. Almost every industrially advanced country has now recognised and accepted the importance of social security measures, generally titled in favour of social insurance.

**Need and Objectives of Social Security**

For a country like India, social security is an indispensable national programme to strike at the root of poverty, unemployment and disease. It constitutes an important measure towards the goal of a welfare state by improving living and working conditions and thereby protecting individuals against the contingencies of life. The social security measures also help the industrial development of the country through making workers efficient and reducing wastage of manpower due to sickness.
The main objective of social security measures is to give protection against certain contingencies over which an employee has no control and has contributed or is likely to contribute to the country’s welfare. The protection is provided in three ways: compensation, restoration and prevention.

Compensation gives income security so that individual and his family can cope up during the period of contingencies. Restoration implies cure of the sickness and rehabilitations. Prevention is aimed at avoiding the loss of productive capacity due to sickness, unemployment and invalidity.

Social Security Measures in India

In India, in the past, social security in a crude form of social protection was made available to the needy and unfortunate in the joint family and caste system. Additional help was provided by community panchayats or orphanages and widow homes and by individual offering alms and charity.

Though the joint family system suffered from deficiencies and shortcomings, its members received some crude form of protection from the evil effects of the various contingencies. Unemployment or any other economic hardship, old-age and such other contingencies were not suffered by individual members in isolation. Under these circumstances, the joint family discharged the responsibilities of a social security agency. Similarly, members of a particular caste were offered safeguarded measures and benefits such as medical aid to the invalid, financial help to the widows and orphans and educational assistance in the form of scholarship and free ships.
to the needy students. These benefits were restricted in the sense that only
the members of a particular caste were offered these advantages. Donations
and subscriptions were collected for this purpose from rich members of the
caste. This was of course, no definite principle or system of law governing
such collection and distribution. In this manner, the joint family and caste
system provided social security in the past. Both these systems lost their
strong hold on society following the development of liberalism and
individualism which were fostered by western influence in India.
Urbanization and industrialization made their own contribution to the
disintegration of these systems. The growth of the concept of secular state
existing after independence has further discouraged the continuance of the
caste system.

Modern industrialization has created a new class of industrial
proletariat which, with its rural background and with very little social and
material resources, is in great need of systematized help through social
security agencies. The social security system in India has evolved in
obedience to the impact of western influence and of the modern urban
industrial system. Though the non-industrial class also has urgent need of
social security, its need has been more acutely felt after the advent of
industrialization in the 19th century. Social reformers, labour welfare
organisations and many progressive employers persuaded the government to
undertake social security measures as a protection for the workers at least
against a few contingencies.

There may be divergent views about the implementation of labour
social welfare measures. But, well organised labour welfare efforts can solve
some of the labour problems resulted from industrialization. Both
management and labour can do lot more if they work together as partners of the enterprise and if they have understanding and sympathy towards each other’s problems. It is expected that the welfare concept will help the industrial community better to maintain more harmonious industrial relations and more lasting industrial peace to tackle effectively the result and problems of social transition.

**FIVE YEAR PLAN ON SOCIAL SECURITY MEASURES**

First Five Year Plan (1951-1956) the first five year plan dealt with labour and industrial relations with a humanistic approach. It associated certain rights such as, adequate provision for the basic need of the workers in respect of food, clothing and shelter so as to enable them to remain healthy and efficient, provisions for improved health conditions, wider provision for social security, better educational opportunities and increased recreational and cultural facilities; conditions of work that would safeguard the worker's health and protection against occupational hazards; right to organize and to take lawful action in furtherance of their rights and interests. This plan called upon labour to realise the fact that in an underdeveloped economy, it cannot build for itself but they have to make a substantial contributions. This will ultimately lead to peaceful industrial relations. In the plan, right to strike and lockout was recognised. Just settlement of claims was also given emphasis. The commission also accepted the importance of conciliation and arbitration in dispute resolution and duty of state to provide machinery for settlement of disputes. [28]
Second Five year Plan (1956-1961) the second five year plan dealt with employment aspects. This plan gave importance to the employment opportunities with an objective of maximizing rate of growth output through the utilization of available resources as a means for economic development. The task was divided into three, first it deals with providing employment opportunities for the existing urban and rural growth, secondly, providing increased number of labour force and lastly, those underemployed in agriculture and household activities to be provided with increased work opportunities. With the adoption of the socialistic pattern of the society, the labour policy was accordingly influenced. This plan also recognised the goal of progressively speeding up of production but also realised that it may result into indiscipline, stoppage of production and indifferent quality of work which have to be safeguarded.\[29\]

This plan also placed greater emphasis on mutual negotiations and voluntary arbitration in improving employer-employee relations. Important developments took place in the acceptance of Code of Discipline (1958) laying down specific obligation for the management and workers i.e., instituting programmes for worker’s education (1958), establishment of wage boards (1960) for the fixation of the wages, etc.

The main emphasis of the second five year plan was on the problem of unemployment and under employment. The plan gave high priority to the development of large scale joint stock enterprises on the one hand and village and small scale industries on the other for solving the unemployment problems.
Third Five Year Plan (1961-1966) the third five year plan declared the labour policy by emphasizing it as the state's responsibility in providing facilities and co-operative arrangements for settling disputes. It visualized that, “the object is to secure not peace alone but higher levels of industrial efficiency and rising standard of life of working class. Some of the remarkable improvements during this plan period were Payment of Bonus Act, 1956; Shops and Commercial Establishments Acts in different states and Labour Welfare Funds Act. In 1966, the National Safety Council was set up. Under the Minimum Wages Act, 1948, minimum wages were fixed and periodically revised by state governments in respect of various agricultural and other trades. The first national Commission on Labour was also set up under this plan.\[30\]

The Fourth Five Year Plan (1966-1971) during this plan, the Employees State Insurance Scheme, industrial training to craftsmen, Employees Provident Fund scheme were analyzed and found that they expanded steadily. This plan recommended for adoption of the ideology of ILO that includes, “development involving comprehensive programmes of rural development, labour intensive public work programmes and fuller utilization of industrial capacity, promotion of labour intensive products in domestic and foreign markets and application of economically sound labour intensive techniques in industrial production. More stress was given to rural development and small scale industries and the strategy of development.\[31\]

Sixth Five Year Plan (1976-1981) the sixth five year plan recognised that the labour policy should be much more concerned with the interests of vast masses of workers who are outside the organised sector and are unable
to protect their interests. It also stressed on the industrial development policy that has to protect the right of the working class to organize and to struggle for its economic and social betterment by all the democratic and legal means.\[^{32}\]

Seventh Five Year Plan (1981-1986) during this plan, the main emphasis was laid down on employment, manpower planning and labour policy. There was a shift in ideology of employment and manpower policy from the basic approach to the concept of productive employment. It adopted suitable structure of investment and production, appropriate types of technology and mix of production technique and organizational support which would help in the promotion of growth in productive employment. Further, it emphasized on suitable arrangements and adjustments of policies in terms of education, training and retraining and reorientation of workers in order to avoid dislocation effects and make the process of technology adoption smooth. The plan analyzed the employment generation achievements during this plan period and found that there was an expansion in it. During this plan period it was also found that there was improvement in capacity utilization, efficiency and productivity.\[^{33}\]

This plan had given emphasis to industrial safety and required constant attention due to its significant impact on the working conditions and welfare of workers and also on the production mechanism. This plan also discussed wage policy and found that wage factor depended on related elements like allowances, bonus, social security and fringe benefits. With regard to the unorganized sector, efforts were suggested to be made not only to train for upgrading the skills of the workers but also to educate them and
make them aware of the pragmatic and legislative provisions available to them. With regard to women workers, the plan gave special recognition and made provisions for requisite facilities for bringing them into the mainstream of economic growth.\[34\]

Eighth Five Year Plan (1986-1991) the objective of this plan was treating employment generation and economic growth as complementary rather than conflicting processes. The plan took the new aspect for need of important scrutiny on the impact of macro-economic, sectorial and labour policies on employment. The plan also discussed elaborately the existing labour policies in the context of economic reforms. It stressed on high degree of protection for minimum scale proportion of the workforce and protection for the majority of workers.\[35\]

Ninth Five year Plan (1991-1996) shifted from the long protected non-competitive economy to increasingly competitive market during ninth five year plan period. Various protective measures were implemented for the safety of the workers working in hazardous and sensitive work environment.\[36\]

Tenth Five Year Plan (1996-2001) this plan envisaged an annual growth of 8% which was higher than 5.5% achieved during the ninth five year plan period. The plan especially emphasized on social security and framed a working group. The objective of this plan was to support attainment of economic and social objective in labour sector through a set of strategies.\[37\]
Eleventh Five Year Plan (2001-2006) this plan stressed on protective social security mechanism, taking care of the adversity aspects of ill-health, accidents or death and old age. It granted loans for upgrading skills, loans for housing, children's education, etc.\textsuperscript{[38]}

Twelfth Five Year Plan (2012-2017) it has laid a step especially to create a safe, supportive and responsive environment for women. Convergence of various programmes to improve health, safety, transports, social security, dignity etc.\textsuperscript{[39]}

**WELFARE AMENITIES AND SOCIAL SECURITY MEASURES IN SELECT NATIONALIZED BANKS**

**WELFARE AMENITIES**

Welfare amenities are based on the humanitarian principles and provisions binding on the employer under law. Welfare amenities are that part of the management concerned with employees at work and their relationship within an industry. It aims to reduce the personal and family tensions, affords means of self expression, to increase the morale of the employees, to have a wider thought about their life, reduce the sense of frustration, providing a space to excel and promoting the well-being of workers in different ways. With a view to maintain minimum standard of health and safety of the employees, the Government of India enacts certain rules under various acts or ordinances in respect of employee welfare and social security which have to be abided by the employers. Employers in India
are statutorily required to comply with the provisions of various welfare amenities and social security measures under different labour legislations.

Welfare amenities are classified as statutory welfare amenities and non-statutory welfare amenities.

The employers are statutorily required to comply with the provisions of various welfare amenities and social security measures under legislations. The requirement of statute and fulfillment of the same by Banking Industry is enumerated in the present chapter.

The 9th Bipartite Settlement held on 27th November 2009 and 27th April 2010 wherein, The Indian Banks Association (IBA) on behalf of its member banks (all nationalized banks and 20 private sector banks), All India Bank Employees Association (AIBEA), National Confederation of Bank Employees (NCBE), Bank Employees Federation of India (BEFI), Indian National Bank Employees Federation (INBEF) and National Organisation of Bank Workers (NOBW) representing the workmen employees of the Banks signed inter alia regarding various terms and conditions of their services in regard to welfare amenities and social security measures with approval from Government of India continue to be applied till date.

The Occupational Health Plays an Important Role in Preventing the Health Problems

Medical Aid

The re-imbursement of the medical expenses under the medical aid scheme is restricted to an amount of Rs.2000/- per annum.
Re-imbursement of Hospitalization Expenses

1. Hospitalization Expenses

The banks will reimburse the hospitalization expenses of an employee to an extent of 100 percent and 75 percent in case of dependent family members subject to the procedure for re-imbursement of hospital expenses.

Re-imbursement of hospitalization expenses under the following conditions:

(a) Hospitalization charges will be reimbursed in case all ailments and major accidents which require hospitalization.

(b) An employee or their family members are expected to secure admission in the Government/ Municipal hospital or any private hospital (i.e., hospitals under the management of a trust, charitable institution or a religious mission).

(c) An employee or their dependent family members hospitalized as indoor patient or admitted as out-patient and discharged on the same day after surgical procedures involving advanced techniques will also be considered for re-imbursement of hospitalization expenses.

(d) Medical expenses incurred within 30 days of “pre” and post-hospitalization period on medical advice, on account of the ailment/disease, for which the person was hospitalized, will be considered as hospitalization expenses for re-imbursement purposes. But, in case of hospitalization involving special or major operations, medical
expenses incurred for a period not exceeding 45 days of post-hospitalization will be considered for re-imbursement, subject to the medical advice.

(e) The purchase of the drugs/medicines will be restricted to approved chemists and arrangements will be made by the banks wherever possible to make direct payments to the chemists.

(f) Medical expenses incurred for the hospitalization will be reimbursed on the strength of bills/vouchers.

(g) Banks will have discretion to refuse payment of bills in cases where they are not satisfied about the genuineness of the bills.

2. **Ambulance Charges**

Ambulance charges for shifting employee or their family member from residence to hospital/nursing home or from hospital to residence on discharge or shifting from one hospital to another hospital within the urban agglomeration or municipal limits will be reimbursed in full. The actual expense incurred on conveyance by mode other than ambulance is also reimbursed subject to the maximum as under;

- By public taxi - Maximum of Rs.165/- per trip.
- By auto rickshaw - Maximum of Rs.85/- per trip.
If patient is moved from one hospital to another outside the urban agglomeration / municipal limits, than the expense incurred on conveyance is reimbursed at a rate of Rs. 6.00 per kilometer, with a maximum of Rs.1100/- per trip or the amount actually incurred whichever is less.

**Reimbursement of Medical Expenses Incurred for the Diseases which need Domiciliary Treatment**

Medical expenses incurred for the diseases which need domiciliary treatment as may be certified by the recognised hospital authorities and banks medical officer shall be deemed as hospitalization expenses, then the re-imbursement will be made to an employee to an extent of 100 percent and 75 percent to their family members.

The diseases include, Cancer, Leukemia, Thalassemia, Tuberculosis, Paralysis, Cardiac ailment, Pleurisy, Leprosy, Kidney ailment, Epilepsy, Parkinson's disease, Psychiatric disorder, Diabetes, Hepatitis-B, Hemophilia, Myastheniagravis, Wilson's disease, Ulcerative Colitis, Epidermolysis bullosa, Venous Thrombosis (not caused by smoking), Aplastic Anemia, Psoriasis, Third degree burns, Rheumatoid arthritis, Hypothyroidism and Hyperthyroidism.

The bank provides re-imbursement of expenses in case of treatment taken under ayurvedic, unani, sidha, Homeopathy and naturopathy if such treatment is taken in a clinic/ hospital recognised by the central/ State Government. The reimbursement will be limited to
such expenses within the prescribed ceiling as would have been reimbursed in case of treatment taken in a Governmental/municipal hospital. An employee will be reimbursed full 100 percent and dependents/family members will be reimbursed 75 percent.

Table. 4.1

HOSPITAL EXPENSES AND EXTENT OF RE-IMBURSEMENT

<table>
<thead>
<tr>
<th>SI. No:</th>
<th>Details</th>
<th>Extent of Re-imbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hospital regulation fees</td>
<td>100% for employee and 75% for dependent family members of the amount actually incurred or Rs.220/- whichever is lower.</td>
</tr>
<tr>
<td>2</td>
<td>Surcharge/ tax on hospital bills</td>
<td>Proportionate to the extent of the bill passed by the bank.</td>
</tr>
<tr>
<td>3</td>
<td>Charge for bed per day (excluding boarding charges)</td>
<td>100% for employee and 75% for dependent family members of the amount actually incurred or Rs.450/- whichever is lower.</td>
</tr>
<tr>
<td>4</td>
<td>ICU/ CCU/Neo-natal Nursery</td>
<td>100% for employee and 75% for dependent family members of the amount actually incurred or Rs. 550/- per day, whichever is lower. This is in addition to the bed charges.</td>
</tr>
<tr>
<td>4</td>
<td>Diagnostic material</td>
<td>100% for employee and 75% for</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>charges, X-rays, Pathological tests, ECGs, etc.</td>
<td>dependent family members of the amount actually incurred.</td>
<td></td>
</tr>
<tr>
<td>5. Operation charges, etc.</td>
<td>100% for employee and 75% for dependent family members of the amount actually incurred.</td>
<td></td>
</tr>
</tbody>
</table>

Source: 9th Bipartite Settlement – Banks e-circular

### Table 4.2

**PHYSICIAN AND CONSULTANTS FEES PER VISIT**

<table>
<thead>
<tr>
<th>VISIT AT THE CHAMBER</th>
<th>100% for self and 75% for dependent family members, the amount actually incurred or amount mentioned below, whichever is lower.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Major “A” class cities, Mumbai, Chennai, Delhi, Kolkata, Other Ahmadabad, Bangalore Places &amp; Hyderabad</td>
</tr>
<tr>
<td></td>
<td>Rs. Per Visit</td>
</tr>
<tr>
<td>First Consultation</td>
<td>220/-</td>
</tr>
<tr>
<td>Subsequent Consultations</td>
<td>85/-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VISIT AT RESIDENCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In case of emergency leading to hospitalization</td>
<td>330/-</td>
</tr>
</tbody>
</table>
### Second Consultation

<table>
<thead>
<tr>
<th>Description</th>
<th>250/-</th>
<th>165/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsequent consultations</td>
<td>165/-</td>
<td>110/-</td>
</tr>
</tbody>
</table>

### VISIT MADE BY SPECIALISTS AT THE HOSPITAL: SPECIAL VISIT

<table>
<thead>
<tr>
<th>Description</th>
<th>140/-</th>
<th>95/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>During the day time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>During night time</td>
<td>330/-</td>
<td>165/-</td>
</tr>
<tr>
<td>Routine visits</td>
<td>140/-</td>
<td>95/-</td>
</tr>
</tbody>
</table>

Source: 9th Bipartite Settlement – banks e-circular

### 3. Financial Support for Package Charges for treatment of Major Diseases

For the hospitals charging on the basis of package for specialized treatment for diseases pertaining to heart, kidney, coronary, etc. In such cases also the package charges will be reimbursed to the extent of 100 percent to an employee and 75 percent in case of dependent member of the family, subject to the limits as stated below,

- **Coronary Bypass Surgery**: Rs.1,60,000/-
- **Coronary Angiography**: Rs. 16,500/-
- **Angioplasty/ Stentoplasty**: Rs. 80,000/-
- **Kidney Transplant**: Rs. 1,80,000/-
- **Liver Transplant**: Rs. 2,20,000/-
Table 4.3
OPERATION CHARGES

<table>
<thead>
<tr>
<th>Special Operation</th>
<th>Major Operation</th>
<th>Minor Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation theater charges</td>
<td>3,300/-</td>
<td>2,200/-</td>
</tr>
<tr>
<td>Anesthetist’s charges</td>
<td>3,300/-</td>
<td>2,200/-</td>
</tr>
<tr>
<td>Surgeon’s Fees for Operation (including fees for assistants)</td>
<td>11,000/-</td>
<td>7,150/-</td>
</tr>
</tbody>
</table>

100% for employee and 75% for dependent family member of the amount actually incurred or the amount as mentioned below against each item,

Source: 9th Bipartite Settlement – banks e-circular

(d) Expenses for dialysis, blood transfusion, Heart valve replacement, angiography, implanted items during surgery wherever they do not form part of package charges and pace maker may be reimbursed at the rate of 75% for family members and 100% for workman himself at rates not exceeding the rates applicable to lowest paying bed of AIIMS, New Delhi.

Indicative list of Special, Major and Minor operations are appended below:

Special Operations
Cardiac including By-pass surgery, brain, lung and cancer operations, Kidney/ liver transplantation operation, bone marrow transplant and multiple fractures (time taken is more than 3 hours).
**Major Operations**

Kidney Stone (including lithotripsy), Prostate, Thyroid, Caesarean delivery, Gastrectomy, Hysterectomy, Fractures, Amputations, S.P.Nailing, Discoidectomy, retina detachment, liver & gall bladder, plastic surgery (not for beautification), cataract(with IOL), hernia subject to banks discretion (time taken approximately 1 to 3 hours).

**Minor Operations**

D & C, Fissure, circumcision, small hydrocele, dilatation, vasectomy, abscess, bilat, hydrocele, appendix, tubectomy, piles, fistula, and minor operations of the eyes, nose and ear (time taken approximately 60 minutes or less). [45]

**Safety Measures**

Banks require a well structured safety measures adopted as it deals with finance. These safety measures help the employees to be free from tension and stress as they deal with money.

The select nationalised banks have mandatorily provided the following safety facilities. Almost all banks have been fully secured with alarms, fencing the cash counters, fixing cameras, use of latest software for data entry, providing cash counting machines, currency detection machines and safe lockers.

**Union Activities**

The Indian Banks Association (IBA), All India Bank Employees Association (AIBEA), National Confederation of Bank Employees (NCBE), Bank Employees Federation of India (BEFI), Indian National Bank
Employees Federation (INBEF), and National Organisation of Bank Workers (NOBW) are jointly called as unions.

Unions take active part in withholding the demands of the employees. Employees are also taking active part in union activities and attend the union meetings whenever held. 45

**Graduation Pay/ Additional Increment for Direct Post Graduation**

A subordinate employee who acquires graduation qualification from Universities/ Open Universities which are recognised by University Grant Commission (UGC) will be eligible for being granted two additional increments for graduation/ graduation pay as the case may be and those who acquire post graduate qualification without being a graduate will be granted two additional increments for graduation/ graduation pay as the case may be subject to the following conditions:

(i) Employees who are registered under the Post Graduation courses of Open University have either passed the foundation/ entrance course or attended the bachelor’s preparatory programme; and

(ii) They pursue the same course and take the same examination as the formal stream students.

**Graduation Pay/ Professional Qualification Pay**

Employees who have reached the 20th stage of the scale and have got increments in consideration of educational qualifications, Graduation pay/ professional qualification pay shall be payable as stated in table 4.4.
Table. 4.4
Graduation Pay/ Professional Qualification Pay

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Those who are graduates and/or NDC</td>
<td>Rs.250/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.490/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>years</td>
</tr>
<tr>
<td>2.</td>
<td>Those who have passed JAIIB or Part I of CAIB/ CAIIB</td>
<td>Rs.250/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 1</td>
</tr>
<tr>
<td>3.</td>
<td>Those who have completed JAIIB and of CAIB/ CAIIB</td>
<td>Rs.250/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.490/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.740/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 3</td>
</tr>
<tr>
<td>4.</td>
<td>Those who are graduates/ NDC and have Passed JAIIB or Part I of CAIB/ CAIIB</td>
<td>Rs.250/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.490/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.740/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 3</td>
</tr>
<tr>
<td>5.</td>
<td>Those who are graduates/ NDC and have Passed JAIIB or both Parts of CAIB/</td>
<td>Rs.250/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAIIB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.490/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.740/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.990/- pm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>after they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs.1230/-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>pm after</td>
</tr>
<tr>
<td></td>
<td></td>
<td>they</td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete 5</td>
</tr>
</tbody>
</table>

Source: 9th Bipartite Settlement – banks e-circular

Increment

All the clerical and sub-ordinate staff on scale reaching the maximum of their respective scale pay, shall draw seven stagnation increment at a rate of Rs.800/- at a frequencies of 3 years and 2 years respectively, from the date of reaching the maximum of their scales as aforesaid, except that the seventh
stagnation increment in clerical cadre will be released after two years of receiving the sixth stagnation increment. 45

**Leave Fare Concession**

A leave fare concession can be availed anytime by an employee during a block of 2 years and 4 years. They can undertake travel availing a leave fare concession and claim reimbursement upto their entitlement,

- An employee availing a leave fare concession under a 2 year block for visit to any place within India, the maximum permissible distance is 2500 km. for subordinate staff and 2000 km. for non-subordinate staff.
- An employee with a block of 4 years for visit for any place in India, the maximum permissible distance shall be 5000 km. for subordinate staff and 4000 km for non-subordinate.

An employee and his family will be entitled for railway fare, wherein the subordinate staff will get AC III tire for the journey by mail/ express train and a non-subordinate staff will get AC II tier for the journey by mail/ express train. Once the distance and amount has been reached, an employee has to use the facility within 90 days from the date of settlement to avail LFC.

45

**COMPENSATION AND ALLOWANCES**

**Compensation on Transfer**

An employee on transfer is paid with the cost actually incurred for transportation of goods; the compensation paid is as follows,
Table 4.5  
Compensation on Transfer by Train

<table>
<thead>
<tr>
<th></th>
<th>Non-sub staff</th>
<th>Sub-staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>For married persons</td>
<td>3000 kg</td>
<td>2000 kg</td>
</tr>
<tr>
<td>For unmarried persons</td>
<td>2000 kg</td>
<td>1150 kg</td>
</tr>
</tbody>
</table>

Source: 9th Bipartite Settlement – banks e-circular

In case, the train ways is not available, then they can avail road ways and the actual expenses will be reimbursed for transporting the personal effects by road upto the stipulated weights by an IBA approved transport operator.  

Compensation for Losses Due to Breakage or Damage to Goods on Transfer

In case of losses due to breakage or damage to goods on transfer an employee has to produce receipts or a statement of loss in respect of breakages subject to a maximum of Rs. 1,120/- for clerical staff and Rs.745/- for subordinate staff.

In case an employee has no receipt or statement of loss are produced, in such cases a lump sum payment of Rs. 745/- is paid to clerical staff and Rs. 560/- to sub-ordinate staff. 

Reimbursement of Expenses on Road Travel

All the nationalized bank employees who travel on duty between two places are reimbursed with road mileage cost or at Rs. 3/- per kilometer, whichever is less.
ALLOWANCES

House Rent Allowances

Housing is one of the biggest problems faced by the employees recruited in large scale in clerical cadre and due to getting transferred every three years. It has become a serious problem because of high rental as quarters are not available in all places.

Table 4.6

The House Rent Allowances Payable to the Employees

<table>
<thead>
<tr>
<th>Area</th>
<th>Rate as per percentage of Pay [No Minimum/ No Maximum]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Place with population of more than 45 lakhs</td>
<td>10.00</td>
</tr>
<tr>
<td>2. Place with population of more than 12 lakhs and above including state of Goa</td>
<td>9.00</td>
</tr>
<tr>
<td>3. Place with population of more than 5 lakhs and above, state capitals and capitals of union territories and other than the places mentioned in (1) and (2) above</td>
<td>7.50</td>
</tr>
<tr>
<td>4. Place with population of more than 5 lakhs not covered in (1), (2) and (3) above.</td>
<td>7.00</td>
</tr>
</tbody>
</table>

Source: 9th Bipartite Settlement – banks e-circular

Where ever quarters are provided, HRA shall not be payable and the rent to be recovered shall be 0.5% of the first stage of the scales of pay.
Halting Allowances

The halting allowances are paid to the employees for the days spent on duty outside the headquarters. The halting allowances payable are as follows,

**Table. 4.7**

**Housing Allowances**

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Places with population of 12 lakhs and above and states of Goa</strong></td>
<td><strong>Places with population of 5 lakhs and above, state capitals/ capitals of union territories not covered in A</strong></td>
<td><strong>Other Places</strong></td>
<td></td>
</tr>
<tr>
<td>Clerical Staff</td>
<td>Rs.500/- per day</td>
<td>Rs.375/- per day</td>
<td>Rs.300/- per day</td>
</tr>
<tr>
<td>Sub-ordinate Staff</td>
<td>Rs.375/- per day</td>
<td>Rs.250/- per day</td>
<td>Rs.185/- per day</td>
</tr>
</tbody>
</table>

Source: 9th Bipartite Settlement – banks e-circular

Transport Allowances

Transport allowances were paid to all employees. For clerical and sub-ordinate staff, upto 15th stage of the scale of pay Rs.225/- per month and 16th stage of the scale of pay and above Rs.275/- per month is granted.

All the permanent part time employees including those on probation and drawing scale wages were paid transport allowance. Employee’s upto 15
years of service were paid Rs. 225/- per month and employees above 15 years of service were paid Rs.275/- per month. 45

**Washing Allowances**

The washing allowances was payable at Rs.100/- pm. 45

**Over Time Allowances**

The overtime allowances of the employees for the overtime work performed up till date was not calculated (kept pending) on account of settlement of the allowances in the 10th bipartite settlement. 45

**SOCIAL SECURITY MEASURES**

**Employees Provident Fund**

Employee Provident Fund is a piece of social welfare measure and a beneficiary measure enacted for the employees. It provides better future for an employee on their retirement and also to their dependents in the event of an employee’s death in the course of employment. The main object of the act is to provide substantial security and timely monetary assistance to industrial employees and their families when an employee is in distress and/or unable to meet family and social obligations and to protect an employee in old age, disablement, early death of an employee or in some other contingencies.

The select nationalized banks provide Employee Provident Fund to their employees under the following percentage of contribution.
State Bank of India

According to 27th April, 2010 settlement employees who were covered under the pension scheme and those would join pension scheme in terms of option being made available, were contributing 10% of the pay towards provident fund and there was no matching contribution made from bank.

But the employees of State Bank of India were covered by Contributory Provident Fund Scheme.

Employees who were covered under Contributory Provident Fund Scheme and had not opted for pension scheme made available under the 27th April, 2010 settlement were continued under the Contributory Provident Fund Scheme.

For employees who had joined on or after 1st April 2010, did not get Provident Fund. But were covered under Defined Contributory Pension Scheme, where the employees were contributing 10% of the pay plus dearness allowances and the banks were making equal contribution. This scheme was governed by the provision of the Contributory Pension Scheme as introduced for employees of the Central Government.45

Maternity Leaves

Maternity leaves were enacted in nationalized banks to promote the welfare of female employees. Maternity benefits comprises of compensation for a period of actual absence of a women employee due to her pregnancy.
Maternity benefit was payable for the period of her actual absence immediately preceding days, including the day of her delivery and after delivery.

The maternity leave to female employee's were granted under the following situations,

- Maternity leaves were granted on a substantive pay to a female employee for a period not exceeding 6 months on any one occasion and 12 months during the entire period of her service.
- With the overall period of 12 months, leave may also be granted in case of miscarriage/abortion.
- A leave is granted within the overall period of 12 months in case of hysterectomy up to a maximum of 45 days.
- A leave was also granted once during service to a childless female employee for legally adopting a child who was below one year of age for a maximum period of two months or till the child reaches the age of one year, whichever was earlier subject to the following terms and conditions.
  - Leave was granted for adoption of only one child.
  - The adoption of the child should be through a proper legal process and the employee should produce the adoption deed to the bank for sanctioning such leave.
  - The temporary or part time employees were not eligible for grant of leave for adoption of a child.
Hospitalization Charges for Maternity

Hospitalization charges for maternity were not reimbursed, but the expenditure incurred by an employee in cases involving operative interference because of complicated labour and caesarean operation and subsequent hospitalization thereto will be reimbursed under the hospitalization charges to the extent of expenditure incurred in excess of normal maternity charges and consequent hospitalization thereto subject to the condition that such reimbursement shall be 70% of the amount actually incurred. 45
References


10. IDBI, pp.77-78.


42. Planning commission, Government of India: Tenth Five Year Plans, Planning Commission.nic.in., and Planningcommission.gov.in.


46. Memorandum of Settlement of All India Bank Employees Association.