Chapter-I

THE CONCEPT AND SCOPE OF LABOUR WELFARE

The importance and paramount need of labour welfare in Indian economy, from practical standpoint, are today felt both at micro level and at macro level. At micro level, labour welfare is closely connected with individual welfare of a worker which eventually affects labourer's productive efficiency at the plant. At macro level, labour welfare plays a vital role in the economic development of a country through the process of industrialization. The concept of labour welfare and its scope are also of overwhelming importance from the standpoint of human resources development. Because, today development of human resources is as much important as capital formation. In Indian context this problem has never assumed such a critical dimension as is witnessed now in the context of planning process through which we are endeavouring to achieve economic break-through.

It is therefore relevant to examine the concept of labour welfare in developing economy of India emphasising important practical aspects of the concept of labour welfare as instrument of economic and social change referring briefly to its theoretical content only.

The major hurdle that one is faced with in the search of a precise concept or definition of labour welfare
is relative and dynamic character of labour welfare. By its very nature, labour welfare is also conditioned by theoretical and subjective content. But, in the context of Indian conditions, a pragmatic approach should be adopted to the search of definitions. Further, conceptualisation should be, as far as possible, wider and pervasive as the basic concept of welfare is very dynamic. It is in this context, that a precise definition of labour welfare is also difficult to give. Contemporary thinking on the subject symbolises controversial approaches to different forms of the measurement of welfare. On the level of abstract theory, labour welfare is almost totally eclipsed by current theories of economic welfare. But, in the context of developing economy of India, such theoretical aberration is an anachronism since it does not help us to understand the problem itself which is far too complex in the present social framework of India. From practical standpoint, therefore, one is led to believe that social welfare may be a very important element of labour welfare. Moreover, in a country like India labour welfare plays a very vital role in the process of economic development. The development planning again affects labour welfare considerably and this complex phenomenon of inter-relationship is to-day the aftermath of welfare state. The concept and precept of welfare state have very substantially strengthened the role of state in labour welfare which has to-day increasingly become legislated and administered. The present inquiry
will be directed to the unfolding of such complex issues and as a first step we shall turn to some contemporary definitions of labour welfare.

**Some contemporary definitions of labour welfare**

Generally speaking, labour welfare is understood in very wider terms. In this sense labour welfare means all types of amenities and facilities provided to the workers other than wages for the increase of health, safety, comfort, efficiency, recreation, education and social security. So it includes both intra-mural and extra-mural activities.

Dr. Panandikar defines it as "work for improving the health, safety and general well being and the industrial efficiency of the workers beyond the minimum standard laid down by labour legislation."¹ It facilitates to relieve the fatigue and worries of the industrial worker. According to H.S.Kirkaldy, "the whole field of welfare is one in which much can be done to combat the sense of frustration of the industrial workers to relieve him of personal and family worries, to improve his health, to afford him means of self-expression to offer him some sphere in which he can excel others and to help him to a wider conception of life."² Prof. Richardson, on the other hand, includes under it "any arrangement of working conditions, organisation of social and sports club, and establishment of

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¹ Panandikar S.G. - Industrial Labour in India, p.243, 1939.
² H.S.Kirkaldy - The Spirit of Industrial Relations, pp.77-78.
funds by a firm which contribute to the workers' health and safety, comfort, efficiency, economic security, education and recreation.\(^1\)

Variation in inclusion of the term 'labour welfare', may come from different quarters, but broadly speaking welfare services mean "all the activities which improve the workers' moral, physical and economic condition."

The Royal commission also observed, "it is a term which must necessarily be elastic, bearing a somewhat different social customs, the degree of industrialisation and the educational development of the worker.\(^2\) This question of welfare is somewhat subjective and that the definition largely depends upon the circumstances of each case. James Todd aptly remarks, "A series of sharply divergent opinions exist on the motives and merits of industrial welfare work.\(^3\)

E.T. Kelly (President of the Welfare Workers Institute of England) means by welfare work, "the adoption by a firm of a certain principle of conduct and action in its relations with its employees." Sir Edward Panton, an employer defined the term as "anything that makes the conditions in

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1 Richardson, J.H. - Industrial Relations in Great Britain, p.172.


the factory conducive to happiness, health and prosperity of the workers." The United States Bureau of Labour Statistics defines welfare work as, "anything for comfort and improvement, intellectual and social, of the employees over and above wage paid, which is not a necessity of the industry." The Encyclopaedia of Social Sciences defines it as, "the voluntary efforts of the employers to establish, within the existing industrial system, working and sometimes living and cultural conditions of the employees beyond what is required by law, the custom of the industry and the conditions of the market."¹ Again E.S.Proud² defines the welfare work as "voluntary efforts on the part of the employers to improve the existing industrial system, the conditions of employment in their own factories." According to N.M.Joshi³ the welfare work covers all the efforts which employers make for the benefit of their employees over and above the minimum standard of working conditions fixed by Factory Act and over and above the provisions of the social legislations providing against accident, old age, unemployment and sickness.

According to a recent Report of the I.L.O., worker's welfare should be understood as meaning such services, facilities and amenities which may be established in, or in the

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² Proud - Welfare Work, p.5.
³ N.M.Joshi - Trade Union Movement in India, p.26.
vicinity of, undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and provided with amenities conducive to good health and high morale.¹ A resolution adopted by the I.L.O. conference (30th session, June 1947) enumerated some of these services and amenities. These include: adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from work and the accommodation of workers who are employed at a distance from their homes.

All these definitions reveal the points of conflicts in respect of the term "welfare work." We are still in doubt about the work in the factory, whether it covers the minimum standard fixed by legislation and whether it relates to moral and intellectual improvement of the workers. Various suggestions have been given and in consequence - welfare work has been subdivided in the light thereof. These divisions would be more clear if we study the different agencies - the state, the employer and the organised labour. Dr. Broughton adds one more agency, viz., the public and the semi-public social welfare societies. It will, therefore, be incorrect to confine the welfare work to employers alone. There are a number of activities that are not touched by legal enactments - labour legislations and that relate mainly to welfare work.

¹ Report II of I.L.O. Asia Regional Conference, p.3.
outside the factory including such schemes as housing, recreational, educational and physical facilities and co-operative societies.

The Labour Investigation Committee appointed by the Government of India prefer to include under welfare activities anything done for the intellectual, physical, moral and economic betterment of the worker, whether by employers, by government or by other agencies, over and above what is laid down by law or what is normally expected on part of the contractual benefits for which the workers may have bargained. Thus, it includes housing, medical and educational facilities, nutrition, facilities for rest and recreation, co-operative societies, day nurseries and creches, provision of sanitary accommodation, holidays with pay, social insurance, maternity benefit scheme and provident funds, gratuities and pensions etc.

In this connection, welfare work has been distinguished from social work. According to Herring, "welfare work has one very fundamental distinction from social work. The latter implies no relation between employer and employee, but rather suggest the activities of a state department or a volunteer organisation."
Welfare work is primarily the responsibility of an employer. Social work means, to most people, advise in solution of individual or family problems through any possible adjustment. Thus, what the employer voluntarily does for the moral and material betterment of his employees is welfare work and what the state and other organisations do for the workers is social work. There are others like Miss J. H. Kelman who use the term on quite a different ground. According to her, the name carries with it the suggestions of efforts for definite groups of workers rather than that of social co-operation towards better relationships throughout the community.¹

There was a time when Indian welfare workers confined their activities towards the welfare of the workers outside the factory. But now it includes all attempts to ameliorate the general conditions of life of the workers done outside and inside the factory.² This division of welfare work done inside the factory and that done outside the factory, has been distinguished by Dr. Broughton by the terms intramural and extramural welfare work.³ Intramural welfare work consists of welfare schemes within the factory such as

1 J.H.Kelman - Labour in India.
2 V.Anstey - Economic Development of India, p.325.
medical aid, compensation for accidents, creches and canteens, supply of drinking water and provident and pension funds. Extra-mural welfare work deals with the conditions outside the factory such as housing, indoor and outdoor recreation facilities (cinema and magic lantern shows, excursions, dramatic performances and indoor and outdoor games) adult and child education, provision of reading rooms and libraries, etc.

A similar distinction can be made between welfare work relating to conditions of employment and that confined to living conditions of the workers. In the first category activities for the solution of problems such as hours of work, wages, holidays with pay, rest intervals, sanitation and safety, continuity of employment, limitation of female and juvenile labour may be included while all such schemes of benefits, co-operative societies, legal and medical aid and housing may be taken up in the second category.

According to the International Conference of Social Work labour welfare has been described as "Services rendered to workers and their families by an industrial enterprise with the purpose of raising their moral, material, social and cultural levels and to adjust to a better life."¹

The Committee on Labour Welfare set up by the Government of India defined labour welfare to, "include such services, facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes and such other services, amenities and facilities including social security measures as contribute to improve the conditions under which workers are employed."\(^1\)

Historically, in India the concept and scope of labour welfare did not receive serious attention of the Government. The Government introduced schemes of labour welfare in their ordnance, ammunition and other factories engaged in war production. But that was motivated by war efforts in the difficult political situation of the country. The first important steps in the improvement of labour welfare both at micro economic and macro economic level were suggested by the Rege Committee in its 1946 Report and the concept of labour welfare and its scope also received serious attention of the Government of India after independence. The Rege Committee while recognising that some aspects of welfare had been receiving attention in individual centres and establishments at micro level mainly from local association of employers, referred to the effects of welfare measures on the general atmosphere in the

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factory and their contribution to the maintenance of industrial peace at macro level. The Committee recognised the role both of employer and the Government in this regard and listed a number of facilities which are likely to develop a sense of belongingness of workers in the industry and to reduce labour turnover and absenteeism.

It was in the hands of National Labour Commission that the concept of labour welfare and its scope received most systematic and comprehensive attention. But four months prior to the appointment of National Commission on Labour in 1966, the Government of India had set up the Committee on Labour welfare with a view to reviewing the functioning of welfare schemes in industrial establishments, mines and plantations and make recommendations about the improvements needed in their functioning.

Taking into consideration the recommendations of the Committee on Labour Welfare, the National Commission on Labour have defined the concept of labour welfare thus:

"The concept of labour welfare is necessarily dynamic, bearing a different interpretation from country to country and from time to time, and even in the same country, according to its value system, social institution, degree of industrialization and general level of social and economic development. Even within one country, its content may be different from region to region."

It is evident that the Commission's concept of labour welfare is very dynamic, pervasive, and relative. Its' approach to labour welfare transcends the narrow frontiers of its predecessor. The Commission lays emphasis on the developmental implications of labour welfare and its role in Indian economic development and social framework. The Commission, following the definition it provides, further observes about its scope: "The Directive Principles of State Policy in our constitution refer generally to the promotion of the welfare of the people. In its specific application to the working class, 'securing just and humane conditions of work' has been highlighted, but what these actually imply cannot be specified in rigid terms for all times."

The Commission after reviewing the welfare problems since Rege Committee, felt that a combination of persuasion and compulsion should be the right approach to the proper enforcement of welfare laws. There are two distinct views on workers' welfare:

(i) welfare is something which is personal to workers; the state should not have anything to do with it. Workers should be allowed to bargain collectively with the employer for such facilities as they need. (ii) This country has not reached a stage where welfare could be left entirely as a matter to be settled between an employer and his worker. The Commission has not favoured the first view and the second view

1 Ibid, p.112.
has been adopted by the Commission while conceptualising its approach.

The origin and the nature of Labour Welfare

Historically, the origin of Labour Welfare Concept and its diverse nature are associated with the ideals of industrial welfare. Especially in the U.K. and U.S.A. the traditional literature on labour welfare is replete with the identification of industrial efficiency. The welfare state in the U.K. is symbolic of Ruskinian Concept of social justice as reflected in labour welfare and industrial efficiency.

The term industrial welfare has been defined as "fundamentally an attitude of mind on the part of management, influencing the method by which management activities are undertaken". In essence, this state of mind of management connotes initiation of welfare programme. In course of time this origin of the concept of industrial welfare became a significant part of personnel management. In a very concrete sense, labour welfare is also synonymous with personnel management since the main objective of personnel management is the welfare of the employed people.

In early days of welfare work for labour, pioneers were mostly enlightened employers whose efforts not only awakened public conscience, but also contributed much towards

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1 Production Efficiency Board of the Ministry of Aircraft Production, U.K. 1950.
experimenting new ideas and activities. As early as 1705 in the U.K. individual sick benefit schemes, a liberal wage structure and enlightened attitude to job training evoked much interest. During the 18th Century in the U.K. one could easily find an employer who defined a firm's welfare policy as being "to develop the social sympathies and moral character of the employees as well as their intelligence and initiative."

It is interesting to note that in the early period of industrial revolution the welfare work for labour in most of the advanced countries was primarily humanitarian sponsored by progressive employers and philanthropic reformers. This humanitarian approach to welfare work was not necessarily connected with industrial efficiency in a welfare state. One may, however, reasonably ask whether the present development of personnel management for labour welfare has substantially anything to do with the efforts of organisations or individuals. In the latter half of the nineteenth Century, with the onrush of large scale production, specialisation and division of labour, the need for higher productivity and industrial discipline led to the evaluation of labour welfare policy and actual working of welfare programme. The challenge of size, education and technology paved the way for gradual fruition of welfare concept which became an essential part of efficient industrial management and an economic postulate in industry. For the first time it was felt that labour
welfare should also be one of the prime functions of management comparable to other branches of management. In recent times, an inter-disciplinary approach to industrial relations is fast developing and an integrated view comprising of such disciplines as economics, sociology, psychology, politics and other behavioural sciences is revealing the inner stresses and strains of welfare concept.

Over the past two decades, it has been found that employers have made significant advance in welfare policy and procedure all over the world. It has been found that employers who have succeeded in improving industrial relations have invariably adopted welfare approach to their employees. While those who have failed, despite strenuous efforts, are found to adopt a more mechanistic approach to their employees preoccupying with pseudo-scientific procedures, such as job evaluation, merit rating and selection techniques overlooking the fact that these are at best the means and not ends by themselves.¹

The welfare concept being essentially a state of mind at once suggests itself to a psychic interpretation. But judging objectively, this is a policy making concept mentally and physically shared by all who belong to a company. If ever welfare is a state of mind, it is the process of

sharing the fruits of well-being of a company equally by the
management and labour, which of course, is a very pervasive
definition.¹

Labour welfare, from the viewpoint of labour force,
psychologically motivates the labour to work. As labour
welfare is something more than wages, it does not supplant
but supplements wage benefits. To the management, in a sense,
labour welfare is a some type of deferred payment in which
both economic costs and social costs are involved. While the
immediate objective of the management in incurring expendi-
ture on welfare is some type of return, the ultimate gain to
management is the development of harmonised industrial rela-
tions. The community also shares this gain in having a
satisfied workforce which contributes to social wellbeing of
the people at large. The larger perspective of labour welfare
thus transcends the personal limits of wellbeing and affords
the opportunity of developing characteristics so essential
for industrial enterprise and wise citizenship.²

Evaluation of the Economic theory of welfare

The term welfare, broadly speaking, connotes "state
of consciousness" as Pigou has aptly described. But the concept
of labour welfare denotes both economic and social welfare of

¹ D. Yoder - Economics of Labour Problems.
² H.S. Kirkaldy - The Spirit of Industrial Relations, p. 77.
the working people. In this connection, Pigou has defined economic theory of welfare as follows: "It is welfare arising in connection with the earning and spending of national dividend or, in other words, of those part of the community's net income that enter easily into relation with the measuring rod of money.\textsuperscript{1} This definition of economic welfare, of course, is not universally valid. To the extent, and subject to limitations, this concept of economic welfare affects labour, it is cognizable. The utilitarian concept of labour welfare which fulfils the economic and social needs of the working class, is symbolic of an inherent antagonism between wage and social security. While the wage questions may be strictly interpreted as economic, social security is largely social in effect though solidly based on economic consideration. In the contemporary literature on labour, one can easily discern the growing emphasis on social welfare in so far as it affects workers' well-being.

\textbf{If more emphasis is laid on wage payment and less on social security aspects this may be more acceptable to employer, since it will be more easier to hire and fire. The labour on his part may have no commitment to industry as he has nothing to lose if he leaves his job at will. But, of late, this aspect of the concept is losing ground and more emphasis on social welfare has been acceptable not only to}

\textsuperscript{1} A.C.Pigou - Economics of Welfare, 1930, Chapter - I.
labour but also to employer. Modern employers, both under socialism and capitalism, are gravely concerned with labour commitment. It is generally well-known that rates of wages of labour are raised by a variety of ways, such as union pressure, legislative action and public opinion, which succeed in fulfilling immediate object of enjoying higher wages above natural wages. But this may lead to migration of labour from lower wage rate areas to higher wage rate areas defeating the very object. Thus, merely the wage payment system can hardly ensure labour welfare. The real question is how far and under what conditions transference of resources from the affluent section to relatively poorer section of society can be effected. Among various economic measures, social welfare is to-day the most effective technique of such transference.

Pigou has critically examined the proposition that a real transference of resources from the affluent to the poor, subject to certain limitations, may be effected through the establishment of an artificial wage-rate. Pigou has concluded that while this may be possible it is unlikely to improve real wage of the work people.¹

Pigou has illustrated his conclusion in the following manner. The direct transference of resources from the rich to the poor (assuming the labour constitutes the bulk

¹ A.C.Pigou - Ibid, Chapter - VII.
of the poor) is possible without recourse to artificial wage rate. But the effects of such direct transference and their expectation must be judged. It is obvious such a direct transference through taxation and other welfare measures through state intervention is likely to lead to a substitution of commodities consumably by the poor for commodities by the rich and for machines. While such a substitution is unlikely to affect adversely the rich, the question of labour welfare and increase in national income hinges on "how large a fraction of the resources transferred to the poor is taken from machines and partly upon the comparative return obtainable from investment in machines and in the persons of the poor." It is likely that the fraction of resources taken from machines is larger when resources are absorbed more by death duties and less by income tax.

It has been found in experience that a voluntary transference of resources through mutual insurance is most judicious as this is likely to diminish the variability of the consumption of the working class and the variability of demand for labour.

It is now clear that social security and social insurance forms the core of a social welfare function initiated and administered by the State which is irrespective of the economic and political system.

From Pigovian analysis of the concept of welfare it
follows that in ensuring welfare function the state has to
play a dominant role in equalising what Pigou has called
"social net product" or social interest and "private net
product" or private interest. While it is not our purpose
and objective to analyse this aspect of Pigovian welfare
economics it would be relevant to highlight only the social
function of labour welfare. Irrespective of the state of
economy, welfare sector is now receiving significant attention
both from the economists and social scientists. In this
sector labouring class or in larger perspective, the personnel
are the dominant groups whose immediate needs are concerned
with economic welfare and ultimate needs are concerned with
social welfare.

It is in this context that the whole gamut of labour
welfare is to be understood in larger perspective of welfare
state. It will be examined also how considerable amount of
labour legislation comes in as an imperative of labour welfare
without which state can not administer social justice to the
toiling mass.

It is now generally admitted that labour welfare
comprises both economic and social wellbeing of the work-
people. But from practical viewpoint, economic welfare and
social welfare can not easily be distinguished, though,
theoretically it is possible to institute a distinction. The
true purpose of labour welfare can not be solely one of the
two. It can hardly be carried out in a spirit opposed to common decency and humanitarianism, nor can it, on the other hand, function purely philosophically without making some return to the enterprise. Theoretically, the distinction is a matter of value judgement. And in actual practice, the employer invariably has to make a planned approach to total welfare programme.

Although, in early days of industrial revolution, welfare concept and practice were sponsored by progressive and humanitarian employers and individuals, to-day the sting of charity is totally out of date and looked with contempt by the workpeople. Labour welfare is to-day considered as citizenship right which should not be placed at the mercy of a few benevolent employers. Thus, substantially labour welfare has become a social proposition where the role of state is of great strategic significance.

However, analytically and conceptually economic welfare cover certain specific programmes which are distinct from social welfare. Economic welfare should primarily be economic in nature and should signify two things: (1) wage and incentive benefits should aim at securing satisfied workforce, (ii) their cost and their return should be fairly evaluated.

Broadly speaking, economic welfare should concern itself with the prime function of employment policy and
practice including recruitment, selection, induction, training, methods of payment, merit awards, profit-sharing and employee advancement, closely related to this are the methods of payment, social security, retirement policy and benevolent schemes.

Social welfare, on the other hand, is more comprehensive and pervasive in character which far transcends the immediate economic needs of the employees and the main purpose is to enthuse and to instil a social understanding of industry. Economically, social welfare may appear as a less acceptable proposition to employer as the cost-benefit calculation is far more difficult as compared with economic welfare. But from long-term perspective and from the ultimate labour commitment standpoint social welfare is perhaps more important than economic welfare. In this context the British system is more social welfare oriented and the American system is more economic welfare oriented. Social welfare comprises probably everything other than purely economic. But, by and large, it covers health, housing, education, club, recreation, sports, child welfare, employee counselling, canteens and catering, service recognition, extended medical services and saving schemes.

With the emergence of welfare State, the active participation of state in promoting welfare programmes and in supplementing individual employer's efforts has made it imperative, especially in developing countries, to make the ever increasing social welfare programme an acceptable proposition.
of investment both in monetary and in human terms. Since industrial relations are largely human relations, emphasis on social well being is likely to predominate in future days to come.

**Strategic significance of welfare concept in the context of welfare state**

The accepted purpose of welfare is "to help the individual who is inadequate or disturbed to develop his ability so that he may play his part in society in such a way that both he and society are tolerably satisfied."¹ In this definition we visualise a worker not as an employee in a firm as such but as a wholesome member in an industrial society.

In the context of current dynamic technology and economic growth modern industrial worker is essentially a product of organisation he represents. It is well known that Max Weber, Parsons, Simon and others especially Blan and Scott² have empirically demonstrated the tremendous impact of organisation on the workpeople. The formal organisations are characterised by explicit goals, elaborate systems of rules and regulations, formal status structures and with clearly marked lines of authority and communication. Donnison has analysed how the particular form they may assume in the

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social welfare field. It has been established that by their nature and constitutions organisations tend to assume identities of their own which may make them independent of or impervious to the public they are presumed to serve. Although this tendency may be less true of the public service model than of the philanthropic model in the welfare field, nonetheless, all such organisations are resistant to changes from within. These models appear to have a built-in opposition to the internal development of a self-criticising function.

The increasing emphasis on welfare services in big organisations which are formally well-structured has led to the growth of diverse problems of co-ordination and communication between workers and administrators. To what extent collaboration and co-operation between labour and management have been affected through welfare services? It is relevant here to pose a very serious nature of problem in welfare state where employers are under legal obligation to administer certain welfare services.

According to Gouldner, among others, organisations which are considered by employees to be unsatisfactory

1 D.V. Donnison - Social Policy and Administration, 1965.
2 Paper submitted by the author at the Seminar on "Personal Policy and Welfare" held under the joint auspices of the All India Manufacturers' Organisation and the Institute of Industrial Relations Research, Calcutta, June 18, 1972.
particularly in respect of better prospects and advancement, are found to suffer a high rate of staff turnover and therefore loyalty and commitment to work are weak.\(^1\) Closely related to this problem Hughes has also analysed the phenomenon of the 'itinerant' employees, mainly professional administrators who being "more fully committed and more alert to the new developments, will move from place to place seeking ever more interesting, prestigious and perhaps more profitable positions.\(^2\) These people are both recipient and administrators of welfare services on whom effective execution of welfare services depend.

It is now fairly admitted, that the emergence of welfare state is to buttress the onrush of militant communism especially in developing countries. But in a country like U.K. and U.S.A. the welfare state has heralded a new era of welfare capitalism. The elaborate welfare measures have sought to protect the labour force from exploitation by safeguarding their family from hazards of industrial and machine-tending work. The Ruskinian condemnation of dismal science has provoked the social scientists and the economists to introduce a new socio-economic system where the workpeople should not fall victim to unscrupulous politicians who dream of world communism. While liberal politicians in U.K., U.S.A.

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and in other likeminded countries have collaborated with this concept of welfare capitalism, elsewhere social services are frowned upon by the more militant politicians.

But the developments of welfare state have been preceded by the growth of capitalism to justify the logic and permanence of capitalistic system of social welfare to which a brief reference seems appropriate before

Significance of the pragmatic theory and philosophy of Labour Welfare

The preceding analysis has shown that the concept of labour welfare is multi-dimensional and complex in the context of welfare state. It is mainly concerned with the welfare of the person who works to earn his living in an industrial society. Thus viewed, it is therefore the social responsibility of the state to maintain the wellbeing of the workers, who is supposed to be the benevolent and the greatest employer in a country. For an individual worker if left alone to him if welfare acquires a meaningless connotation.

The contemporary thinking on labour welfare is philosophical and at the same time pragmatic. The philanthropic attitude towards labour welfare leans heavily on philosophical interpretation of labour welfare while the administrators,
trade unionists and other persons in the practical field believe in the pragmatic approach. But whatever be the multifarious approaches the concept of labour welfare is to be understood in its totality theory of welfare which is at once pragmatic and philosophical. According to this approach, labour welfare is a total concept which theoretically denotes welfare of the person who works, welfare of his family and the welfare of the community in which he lives. This manifests a three-dimensional approach which identifies individual welfare with group and community welfare. It is in this context, that we have already examined how labour welfare is largely a social welfare.

It is now important to identify and explore the possible pattern of the pragmatic theory and philosophy of labour welfare. In this connection, a notable contribution has been made by Professor Moorthy which deserves careful examination as perhaps this is the latest and the most comprehensive practical approach to the problem.

Labour welfare is basically a social concept and a relative concept which varies from country to country depending on space and time. Labour welfare is also a total concept which has already been mentioned. It is in this context that seven approaches to the pragmatic theory of labour welfare have been indentified which demonstrate the basic philosophy of labour welfare.¹

The seven approaches are as follows: (1) Policing Theory of Labour Welfare; (2) Religious Theory of Labour Welfare; (3) Philanthropic Theory of Labour Welfare; (4) Paternalistic or Trusteeship Theory of Labour Welfare; (5) Placating Theory of Labour Welfare; (6) Public Relation Theory of Labour Welfare and (7) Functional Theory of Labour Welfare. According to the Policing theory of labour welfare employers are not generally inclined to initiate or maintain effective welfare work because of profit motive. Hence the welfare state should exercise some coercion with a view to ensuring minimum standard of welfare work. The basic philosophy is the cult of compulsion to be imposed on recalcitrant employers in enforcing labour welfare. While this theory seeks to propound the law of compulsion specially in underdeveloped countries, this is not always beneficial for the employees. Admitting that the minimum welfare must be under state compulsion, the basic objective might not be achieved as inherently welfare work can not be initiated by force. Moreover, it is burdensome for the government to maintain costly inspectorate to ensure welfare measures.

In India particularly, this theory has tended to encourage widespread evasion of responsibilities on the part of the employers. An inherent psychology has been developed by employers to pay only the minimum under government regulation while they are in a position to pay more. Beyond the
narrow economic concept of labour welfare enforced by law the employers become incapable of thinking welfare as a social concept in the context of community environment.

The Religious theory of labour welfare enunciates that welfare work is the outcome of some religious sentiments or beliefs which is done voluntarily by persons for the atonement of their sins. Here the welfare is conceived of as the act of religion with which immediate economic or social wellbeing may have no connection. Conceptually, the welfare of the benefactor and the beneficiary is considered to be identical. In India many charities and trusts have been the result of such an approach to welfare.

While this theory has the great merit of being treating welfare a voluntary effort, fundamentally, the idea that welfare is an act of charity is wrong. The contemporary thinking in this regard signifies that welfare benefits are as important rights as wages. Welfare benefits are no substitutes for wages nor are they be given as assistance or aid. To-day workers are entitled to welfare benefits as citizenship rights.

Closely related to the Religious theory, the Philanthropic theory propounds welfare work as an act of compassion and pity which the benevolent employers or persons of mobility may undertake for the benefit of the workers. This theory has noble sentiments and apparently is quite magnificent. But for
all practical purposes, labour welfare has the necessity of making it a permanent and continuous process which requires regularity and quite large-scale application. Thus viewed, irregular and occasional philanthropic acts of welfare are not likely to be very beneficial for the workers. But without doubt the theory focusses our attention to the noblest sentiments of human relations.

According to Paternalistic or Trusteeship theory the employer or the industrialist is regarded as trustee or father who owning his industrial estate, however, has the moral responsibility of looking after the interests of the workers as their wards. This theory has the affinity of the basic philosophy of the famous Trusteeship theory of Mahatma Gandhi.

This theory, though outwardly sounds quite benevolent, has, nevertheless, some serious loopholes. This theory has no legal sanction and because it treats the labourers as wards, it ignores the self-reliant growth of trade union development. The modus operandi of trusteeship system remains unclear which may be utilised by unscrupulous employer as the perpetual exploitation process. But this theory highlights the imperative need for welfare and does bring into bold relief the overwhelming importance of industry as a joint ownership system where labour has important share of benefit.
The Placating theory of labour welfare views labour welfare as the method of appeasement of the growing militant labour groups. This theory also regards labourers as immature persons who can be placated easily by giving them some relief and believes in the philosophy of perpetual ignorance.

This theory is psychologically unsound while it may be practically useful. To the ignorant and misguided workforce this theory can be effectively applied who could be bought off by cheap sentimentality which is labour welfare. But faith in placating is psychologically unsound as the maturity of the workers will wrought havoc when the basic needs of the workers are ignored in the name of flimsy welfare measures.

Public Relations theory of labour welfare lays down the basic principle of goodwill that should exist and ensure better relations between labour and management. This goodwill can be created by labour welfare measures which will accelerate industrial development at the micro level. The management's public relations will improve as the welfare programme can be the basis of good advertisement.

The great merit of this theory is that it believes in the necessity of good industrial relations which is synonymous with public relations to the management. But if the management uses welfare programme primarily as the publicity forum, the basic and expensive parts of welfare might be
ignored and in that case welfare may be merely a publicity stunt.

Of several strands of thought in the realm of the theory of welfare, the Functional theory is perhaps the most important and rational. This theory also for the first time stresses the paramount need for productivity and labour efficiency. According to this theory labourers are regarded as operatives or productive groups who need care, nourishment and sustenance from the employers just like machines. And welfare measures are the measures which keep these operatives in good shape.

This theory reflects truly the contemporary thinking on labour welfare and productivity. This theory appeals both to the employers and union. For employers, welfare programme is a sort of investment which pays off handsomely in the long run. The Unions welcome such an approach for the wellbeing of workers. The impact of welfare on overall productivity is felt through the joint collaboration between union and management who are equally concerned with the growth and development of industry and ultimately the community. Thus, this theory upholds the strategic importance of the total concept of welfare. By stressing the functional aspect of labour welfare it also highlights the importance of efficiency as the watchword of industrial relations.
Classification and scope of labour welfare

The concept of labour welfare may be understood in a narrow sense and in a wider sense. In order to understand the concept of labour welfare in Indian context it is therefore necessary to classify and to define its scope as far as practicable. In this respect the Governing Body of the ILO (Geneva, May-June 1953) considered the subject and indicated a guideline for classifying and demarcating the scope of labour welfare in a developing economy. As labour welfare by its very nature covered a very broad field and not limited to any industry or occupation, the ILO felt it necessary to define the scope from a broader perspective. Accordingly, the ILO Recommendation No.102 has referred to the following classification of labour welfare: (1) facilities for food and meal in or near the undertaking; (ii) rest and recreation facilities provided by the undertaking and (iii) transportation facilities to and from the place of work where ordinary public transport is inadequate or impracticable.

In 1959 the Government of India appointed a study team to examine labour welfare activities for proper classification. The study team divided the entire range of welfare activities into three groups: (1) welfare within the precincts of an establishment; - medical aid, creches, canteens, supply of drinking water etc.; (2) welfare outside the establishment; - provision for indoor and outdoor recreation,
housing, adult education, visual instructions etc.; and (3) social security.

According to expert Committee of ILO welfare services have been divided into two groups: 1 (a) within the precincts of the establishment and (b) outside the establishment. But in practice, this subdivision is similar to aforementioned classification of three groups.

However, the classification of the ILO is as follows:
(a) Welfare facilities within the precincts of the establishment should include — (1) latrines and urinals, (2) washing and bathing facilities, (3) creches, (4) rest shelters and canteens, (5) arrangements for drinking water, (6) arrangements for prevention of fatigue, (7) health services including occupational safety, (8) administrative arrangement within a plant to look after welfare, (9) uniforms and protective clothings, and (10) shift allowance.

(b) Welfare facilities outside the establishment should include: (1) Maternity benefit, (2) social insurance measures including gratuity, pension, provident fund and rehabilitation, (3) benevolent funds, (4) medical facilities including programmes for physical fitness and efficiency, family planning and child welfare, (5) education facilities including adult education, (6) housing facilities, (7) recreation facilities

including sports, cultural activities, library and reading room, (3) holiday homes and leave travel facilities, (9) workers' co-operatives including consumer's co-operative stores, fair price shops, co-operative thrift and credit societies, (10) vocational training for dependants of workers, (11) other programmes for welfare of women, youth and children and (12) transport to and from the place of work.

From the above classification, it is clear that the ILO has visualised labour welfare from a very wide angle, especially with reference to the second category, i.e., welfare outside the establishment. The first category of welfare adopted by the ILO, i.e., welfare within the precincts of the establishment has been the primary responsibility of employers in India which is subject to legislative regulation. The second category largely is on the verge of social welfare and for this increasing state patronage and participation seem essential.

In this connection, it might be noted that in recognition of the need for facilitating welfare within the establishment in the first category of labour welfare, Government of India in its 1946 programme classified labour welfare as follows: (1) Provision of medical treatment inside the establishment, (2) provision of creches and canteens, (3) welfare of the coal mining labour and the mica mining labour. In 1947 in order to implement this programme, the Government of India amended the Factories Act 1934. Accordingly, Factories Act 1948
recognised the importance of effective implementation of welfare programmes comprehensively in accordance with 1946 programme classification. The Factories Act 1948 departing from the old made elaborate provisions for washing facilities, canteens, rest shelters etc. within the factory and employers were enjoined statutorily to appoint labour welfare officers for looking after the welfare work inside the establishment.

It is now evident that an examination of the definitions of labour welfare and classification as mentioned before reveals that the term has been defined from a broad as well as a narrow point of view. Considered in its broader connotation, it includes all activities of employers, state, trade unions and other agencies to help workers and their families to derive greater satisfaction from life and living by creating for them better conditions of work and by making better home and community life possible. Services designed to create better conditions of work include suitable provisions regarding control of heat, light and noise, cleanliness, toilet facilities, canteen, rest-room, drinking water, lockers, health, safety, and accident prevention, suitable hours of work, holidays, leave with pay, etc. Services that promote better home and family life of workers include housing, health, educational and recreational measures, clubs, playgrounds, music, libraries, cinemas, cooperatives, transport, welfare centres, employer's counselling, etc. Interpreted narrowly, labour welfare includes social services provided by an employer
to his employees over and above what is required to be done legally or is the necessity of industry. Considered in this manner, labour welfare will exclude from its scope provisions for better conditions of work, social security, health, safety, and partly housing. It will include recreational activities outside working hours or in workers' colonies, company schools, employee benefit plans, etc.

In India, labour welfare started in its broader meaning, but has gradually become narrower in its outlook. This phenomenon has been universal. Welfare movements originate as expressions of protest against prevalent social exploitations and symbolize social awareness on the part of progressive sections of the community. Social reform movement of the late nineteenth and the early twentieth centuries included within their scope workers' welfare. Gandhi made labour welfare as an integral part of national reconstruction. Campaigns for better legislative protection for Indian workers as organized by trade unions in India and the U.K. started with demands for better working hours and conditions of work. The first factory legislation dwelt exclusively with the protection of children. Several commissions and investigation committees emphasized the need for statutory provisions for health, safety, and welfare of workers. Thus, in the course of three decades following the First World War, enactments have been made for health and welfare of workers, housing, health insurance, provident funds, gratuity, pensions, etc.
However, due to development and branching out of several areas of traditional labour welfare into independent fields, the contents of labour welfare, as commonly understood, have been reduced. Hours of work, working conditions, safety, industrial health insurance, workmen's compensation, provident funds, gratuity, pensions, protection against indebtedness, industrial housing projects are no more considered as labour welfare. Restrooms, canteens, creches, wash places, toilet facilities, lunches, and benefits in cash and kind not provided by law or under contract, cinemas, theatres, music, reading rooms, holiday homes, workers' education, cooperative stores, excursions and "see-your-country" tours, play-grounds, scholarships and other help for education of employees' children, etc., are the usual constituents of labour welfare.

The scope of labour welfare also needs to be considered pragmatically, and has to be both dynamic and elastic. Statutory welfare measures in industry may stem from the direct concern for efficiency and productivity. But, to the extent these measures are employee-oriented, they should be considered to fall within the scope of labour welfare. Non-statutory measures or those developed in response to the demands of technology also fall in the same category. Several extra-mural services such as company housing and schools, recreation and community centres, sports and other cultural activities fall within the purview of labour welfare. Thus, it would be clear that we are inclined to regard all extra-
and intra-mural as well as statutory and non-statutory welfare measures of employers, government, and trade unions as falling within the scope of the term labour welfare. Several other services such as industrial health insurance, provident funds, gratuity, workmen's compensation, maternity benefits, etc., are, currently, an exclusive prerogative of industrial workers. In course of time, these services are likely to become available to all citizens. Till the community can afford to have a comprehensive social security scheme, such measures can legitimately be considered as labour welfare.

Welfare services inside and outside the establishment may have two-fold objective. In the first place, welfare inside the establishment aims at promoting, (a) labour efficiency and productivity; (b) work incentives, (c) psychological job satisfaction. In the second place, welfare outside establishment aims at promoting, (a) social responsibility of industry, (b) democratic values, (c) co-responsibility, (d) re-persalization.

For understanding the meaning and the scope of labour welfare in India it is necessary to remember that the concept of labour welfare must be understood in its totality. The total impact of welfare both inside and outside establishment may usher in a new era of workers' participation in management in this country. It is gratifying to note that,
in 20-point economic programme of Prime Minister Indira Gandhi, for economic regeneration of India workers' participation in management has found an important place. And one of the important functions of 'Shop Councils' as laid down in the scheme of workers' participation in management is that, "welfare and health measures to be adopted for efficient running of the shop department."¹ This signifies that workers should have some say in the formulation and implementation of welfare work along with management both inside and outside the establishment. This also officially recognises the important role of labour welfare in economic growth process in India.² In other words, the present scope of labour welfare has to-day symbolised the joint responsibility of Industry, Labour and Government in its totality.

Labour welfare work may also be classified into three groups, viz., (i) statutory, (ii) voluntary and (iii) mutual. Statutory work constitutes those provisions of welfare work which are provided by different welfare legislations; and it is obligatory on the part of employers to observe these provisions. Voluntary welfare work include these activities which are undertaken by employer voluntarily. Mutual welfare is corporate enterprise of the workers.

¹ Workers' Participation in Industry: Detailed Scheme, 'Statesman', November 2, 1975.
² See Chapter 3 for full discussion of the subject.
Statutory welfare work may be further subdivided into two categories, viz., (a) those which have to be provided irrespective of the size of the establishments or the number of persons employed therein, such as washing, storing and drying of clothings, first-aid, drinking water, latrines and urinals. And (b) those which are to be provided subject to specified number of persons employed, such as, canteens, rest shelters, creches.

The scope of various welfare Acts differs from one industry to another and as between different types of welfare amenities. The scope of principal central welfare laws has been examined in chapter 4 and to avoid repetition further discussion on the scope of welfare legislation in this chapter is not undertaken.

Scope of labour welfare may also be studied from different approaches. Labour welfare is an extension of the term welfare and its application to labour. It is a truism that labour occupies an important position in every society, but its import has not always received the requisite accreditation and, as Todd remarks, "a series of sharply diverse opinions exist for the motives and merits of industrial welfare work."1 If we study the labour welfare services as organized

by industry and talk to the personnel responsible for their maintenance, we note widely different positions. Some deny any social obligation on industry; others insist that the undertaking should provide comprehensive welfare services for workers and their families. Between the absolute denial and total acceptance there exist different combinations of the two polar positions.

The arguments offered by those who deny any social welfare responsibility of industry fall into four major categories. They hold that the purpose of an industrial undertaking is to produce goods at the minimum per unit cost and to give higher dividends to shareholders. As welfare expenditure increases overhead costs, it renders industry less competitive and sears away the capital. Second, as industry contributes to the increase of wealth of the community and augments public revenues through taxation, it cannot be expected to shoulder any additional responsibility by way of social welfare measures. Third, the existence of close ties between the labour and the establishment restrains labour mobility and increases employer's influence on the personal lives of workers. Finally, they hold that only large undertakings with corresponding large financial possibilities can run welfare services effectively. Thus results in social inequity among workers and their families, depending upon whether or not they belong to undertakings which run welfare services.
Those who are in favour of establishing labour welfare services by industry base their arguments to public and private economic considerations. They argue that labour welfare services tend to maintain labour productivity, if not increase it. Industrial work force, they believe, is a community and not a group of individuals brought together by technical circumstances and producing goods under the authority of some one who gives orders. The utilization of man's productive capacity depends on the limitations set on it by social and human considerations. Therefore, according to this view, industry is one of the most powerful tools of a community and its role perception should be socially oriented.

Those who hold intermediary positions display a variety of motivations. Some believe that labour welfare has a direct relationship with the output of workers. Others hold that industry is duty-bound on moral and ethical grounds to develop labour welfare services. Still others view labour as the biggest group of organized voters who need to be wooed.

Labour welfare services are also considered by some as measures adopted to combat trade unions. There also exist a large number of employers whose approach to welfare services stems from traditional religious motives with little rational considerations. Thus, a survey of the logic for the presence or absence of welfare services for industrial workers resembles a landscape in which remote regions and impassable terrains
appear along with a network of good roads.

The value base of the concept of labour welfare has behind it a long history through which it has struggled to assume its present form. During the early days of industrialization, optimization of profit was the main concern of employers. The profit orientation of employers led them to take maximum work from their employees and pay them as little as possible. Amidst this state of affairs there were men like Robert Owen who resented this approach and who were determined to effect a change for the better. Thus began and epoch which heralded a change in the nature of employer-employee relations. The employers started affecting, on humanitarian grounds, improvement in the working conditions and hours of work in factories. The primary motive underlying this change was to do good to the creation of god so as to attain salvation. Gradually the employers started moving from self-regarding to others-regarding. This changes in their attitude made them realize their obligations towards the society. They realized that the onus of serving the society devolved upon them as well, and they started providing welfare facilities. This humanitarian motive to reform the working and living conditions of workers was strongly tinged with a sense of charity and philanthropic feeling of responsibility towards the social and moral character of the employees. Even Robert Owen's concept of industrial welfare involved reforming workers' character which he believed could
be improved by better environment. In the United Kingdom, men like Robert Owen and Titus Salt established model undertakings and even model communities. The practice was replicated by many others in the U.K. and France and other West European countries.

As the process of industrialization advanced, the stress on labour productivity increased. This brought about a change in the thinking on labour welfare. More and more employers came to regard labour welfare as a means of increasing production. An expert study done under the auspices of the United Nations observed, "in our opinion most underdeveloped countries are in the situation that investment in people is likely to prove as productive, in the purely material sense, as any investment in material resources and in many cases investment in people would lead to a greater increase of the flow of goods and services than would follow upon any comparable investment in material capital." The theory that welfare expenditure, especially expenditure on health and education, is a productive investment led to the belief that workers could work more productively if they were given a fair deal both at the work place and in the community. Provision of welfare facilities was also thought of as a means to attract labour force to the enterprise.

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Some Comments on the Scope of Labour Welfare

Since the emergence of planned economy of India, the concept of labour welfare received inspiration from the evolution of the social thought in regard to democracy and welfare state. Democracy does not simply denote a form of government; it is rather a way of life based on certain values such as equal rights and privileges for all, etc. A wider acceptance of these democratic notions had effects on the concept and scope of labour welfare in various ways. The partnership concept of labour, which grew as a part of the movement of industrial democracy, gave legitimacy to the claims of workers for welfare facilities. It led to the belief that workers had a social right to welfare facilities to be provided by employers. In many cases it was established as a matter of right. In India, rights of workers are advocated by stressing that employers are only trustees or guardians of the wealth which they cannot use or abuse as they like. The workers, M. K. Gandhi said, are at present unable to care for themselves fully. They are, therefore, in the nature of minors and the employers should provide for their well-being. Just as minors have the right to be looked after by their parents so are workers. The force behind these rights of workers, according to Gandhi, was not a legal but a moral one, and, therefore, not less real. Gandhi argued that the justification for the possession of any power or advantage lay in the extent to which these advantages were utilized for
the well-being of others. Thus, in India the idea of social rights of workers emerged, on the one hand, from the liberal democratic values, and, on the other, from the moral and ethical values in the culture as emphasized by social reformers from time to time.

The operation of welfare services, in actual practice, brings to bear on it different reflections representing the broad cultural and social conditions. Therefore, the different approaches as outlined above converge at a point where it is deemed essential to organize welfare services. However, labour welfare services have come to be regarded as normal first-line functions of the industrial society. With a wide acceptance of this view it may not be possible to deny the social welfare responsibility of industry towards its working people. Other approaches to labour welfare are a reflection of the given cultural and social conditions, and with further industrialization these approaches are likely to give way to a more objective and scientific approach to labour welfare.

In order to have a proper assessment of the scope and functioning of labour welfare in India, the Committee on Labour welfare suggested to the State Governments to conduct special studies on a separate basis. These studies

1 Malaviya Committee of Labour Welfare.
revealed that scope of welfare work in different factories appears to vary even under the same welfare legislation. With regard to sanitation, washing facilities, first aid, drinking water, canteens, rest shelters and creches, the National Commission on Labour pointed out, "our general impression is that the compliance with the statutory welfare provisions is half-hearted and inadequate." Experience indicates that in older establishments welfare work is unsatisfactory, but in new establishments welfare work is, on the whole, satisfactory.

If one compares Indian scene with advance countries, on scope of labour welfare, it becomes evident that statutorily compulsorily welfare work in India has been long ago accepted as minimum in advance countries. Unlike India the demand for widening the scope of labour welfare has not come from either state intervention or from trade unions in advance countries, but has been granted by employers voluntarily as normal way of business management. It seems we have to travel a long way to reach the ultimate destination of labour welfare in India.

The economic, political and social significance and the scope of the welfare sector are now symbolic of mixed economy. Even though we have described welfare as being primarily concerned with income not directly related to the

1 National Commission on Labour.
market place, there is no generally accepted definition of welfare, so one does not always know what items to include and what items to exclude from the welfare sector. For example, should subsidies be included or excluded? Or, perhaps some subsidies should be included and other subsidies not included. Social security is generally thought of as welfare but private insurance is not regarded as welfare. Should unemployment insurance be classified as welfare? Another reason for uncertainty in measuring the importance of the welfare sector is that there is a multitude of private organizations and individuals engaged in dispensing aid in various forms. There is no central office where all welfare assistance is recorded.

There is some thinking that all programs sponsored by the government should be regarded as welfare with all nongovernment programmes falling outside the welfare classification. This kind of thinking would put the courts, military affairs, conservation activities, fire and police protection in the welfare sector. This very broad concept of welfare would lead far beyond this chapter and this approach to classification and scope may not find favour with many.

In India, the advent of social security, family welfare and fringe benefits demonstrates that the importance of social welfare has been on the increase since the early
nineteen thirties. There are many questions that can be asked as a way of exploring the reasons for social welfare programmes. Has social welfare evolved as part of the evolutionary process of industrial society? In agricultural society of India based essentially on the family farm that was passed on from generation to generation, the young, the old and other dependents of the family were, by and large, supported by the income derived from the farm. Members of the family were not laid off or retired but remained on the farm and made whatever contributions they were able to the family welfare. There were few, welfare laws, minimum wage laws, laws controlling the employment or compulsory retirement laws for agricultural labourers in our country. On the average, in an employment society, the compensation for work, usually money, must at least equal the value of the work performed. Since the economic moral norms of the farm family dictated that the older members of the family group be cared for, the cost of the care could be reduced by the value of whatever work was done by the older members of the family group.

An industrial worker's security is only as good as his job. Industrial workers who are laid off, unable to work because of illness or disability or retired ordinarily

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1 Govt. of W. Bengal has recently enacted legislation ensuring labour welfare for agricultural labourers similar to Kerala.
are not supported by the family farm but must rely on some kind of social welfare for economic assistance. Regular employment of the labour force supports the economic system in industrial society. So, it may be that the welfare sector serves as a subsidy to maintain the health of the economic system.

In the United States, with over seventy millions of persons working under old age, survivors and Disability Insurance, political leaders cannot avoid being aware of the relationship of social security and the ballot box. Centralized governments take purchasing power from the tax payers only to return a portion of the purchasing power in the form of welfare payments. Once a system of welfare provides a significant part of individual income, the individual recipients of welfare payments rely on welfare payments in somewhat the same way as they view a decrease in wages.

Before social security, the individual made his own decisions as to how much economic provision be made for old age, unemployment, or disability. The individual might have little concern about his own unemployment, ill health or old age or the individual might build up his own income yielding reserves in the form of savings or the individual might buy insurance. Under social security, government makes the decisions as to the kind of protection employees and others should have. The decisions of government are written into the law and
the terms of law are carried out by government agencies and the courts. The individual citizen's decisions concerning social welfare can only be expressed at the ballot box. Candidates for public office generally have social security planks in their respective platforms.

Social welfare might be said to function as an auxiliary provision to the market system of distribution of income. The person whose economic needs are satisfied by the market system has little or no need for welfare.

The practical significance of labour welfare in Indian situation will unfold itself gradually in subsequent chapters through its diverse manifestation. As the purpose of the present exploration is to reveal the functional manifestation of labour welfare in its different forms, attempt will be made to analyse the practical implications of the working of labour welfare in India.

In the final analysis, it may be said that there is much to redistribute in a socially desirable way by a welfare state the existing scope of welfare. The redistribution should be what is called technically fiscal welfare, occupational welfare and social welfare. In the U.K. especially, for last two decades, welfare programmes have been enormously expanded in these three areas.

Fiscal welfare seeks to change the pattern of claims
by taking less in tax in the eventualities of extra economic burdens that are required to be borne by the tax-payers. Welfare policy is so framed by the government through suitable fiscal measures which admits of providing old age pensions and other extra social security benefits for handicapped families. Occupational welfare benefits may be provided by government in the following specific areas according to the status of employment as supplementary to the present classification: (i) pensions for employees, (ii) survivors benefits, (iii) child allowances, (iv) death benefits, (v) health and welfare services, (vi) compensation for loss of office, (vii) personal expenses for travel, entertainment and dress, (viii) meal vouchers, (ix) Cars and season tickets, (x) residential accommodation, (xi) holiday expenses, (xii) children's school fees at private schools, and (xiii) all possible known social security measures.

The occupational welfare areas should be extended so that increasing disutilities & disservices suffered by the people as a result of future process of industrialization, may be adequately compensated. Most of these occupational welfare benefits should be universalist and citizen-based without reference to a test of means procedure, which naturally covers larger proportion of population. Fiscal welfare benefits, however, apply to a comparatively smaller population because it largely relate to those who pay direct taxes.

Social welfare, on the other hand, is more pervasive
than the aforementioned two types of welfare. Social Welfare is based on need and, therefore, it is actually what is well-known as social security benefit programs, irrespective of income and status. From this standpoint, occupational welfare and fiscal welfare are fundamentally based on the principles of status and achievement. All these specific areas of welfare have redistributive effects on the economy as a whole.

In this connection, a note of caution should be sounded while analyzing the redistribution effects of these three major welfare sectors. The two decades of welfare state in Britain have demonstrated the inherent weakness of the functioning of the British economic system which is primarily capitalistic. In such a system, despite the best working of the above mentioned three known welfare areas, the access to better services is more enjoyed by better paid classes, and less by the poorer classes.

In order to be more equitable and socially just the welfare state should function in predominantly a mixed economic system like India, where public sector and the government must have greater influence and say in the political and social framework of the state.

It is not enough to redistribute welfare, what is more important is how to extend welfare to the accessibility of the poor. There is, however, a lurking danger in indiscriminate and thoughtless extension of state powers which may
culminate in the emergence of some form of authoritarian state, especially in developing countries like India. This is also a serious challenge to the protagonists of welfare state as their critics already have taken cudgel against the very conception of welfare values.