Chapter - 2

LABOUR WELFARE AND ITS RELATIONSHIP WITH SOME ALLIED CONCEPTS OF WELFARE

We have examined in the previous chapter the concept and scope of labour welfare. It is found that, in general, the concept of labour welfare is denoted in wider perspective and in flexible term. The National Commission on Labour has also defined labour welfare in dynamic and relative term. It is therefore appropriate and relevant to examine the relationship between labour welfare and some allied concepts of welfare in larger context. This is likely to be helpful for analysing the role of labour welfare in developing economy of India.

In this chapter we shall therefore examine the relationship between labour welfare and the following main allied concepts of welfare, viz., (1) Social Welfare, (2) Social Security, (3) Social legislation, (4) Social justice, (5) Social administration.

It may, however, be noted in this connection that the above main allied concepts of labour welfare are by no means exhaustive but they are related to the prime concept of labour welfare in varying degrees either directly or remotely. With the gradual socialization of welfare services under the tutelage of state the importance of social security and social
welfare function may assume more larger dimension in the process of economic development of India.

The significance of Social Welfare in relation to Labour Welfare

Originally, the term social welfare was applied to all charitable services known as public assistance. But, it has wider connotation which is now pervading all conceivable aspects of public welfare. More concretely, in larger perspective, the concept of social welfare may now comprise the following branches of subjects in its fold: (i) social administration, (ii) social services, (iii) social science, (iv) social security, (v) social work and (vi) sociology.

It would appear that this demarcation may be overlapping because main well known allied concepts of labour welfare are somewhat inter-related in India. Therefore, a precise demarcation of their respective areas is difficult from practical standpoint. Nevertheless, an attempt will be made to analyse their relationship in this chapter as rationally as possible in Indian context.

In almost all the countries of the world social welfare services have been pioneered by many voluntary and private agencies. But to-day public control of social services is a reality and this does not destroy the spirit of social welfare. The enormity of social services and their financial implications have made it impossible for voluntary organizations
to carry on the social welfare function single-handedly. The philanthropic character of welfare, though sounds benevolent, is untenable to-day in view of its public importance to which the question of finance and governmental control is attached.

Nevertheless, voluntary social welfare organizations played notable parts in bringing about social changes. And the pressure of public opinion which has been created as a result of the functions of the voluntary organizations has led to legislative measures by government. The distressing conditions of health, housing and destitution have evoked widespread protest and the public opinions have exerted pressures on government to pass legislation to remedy the maladies.

The initial roles of voluntary social organizations like Charity Organization Society, Salvation Army, and the Church Army in Britain led to the evolution of the concept of labour welfare law like the Unemployed Workmen Act 1905. Also the charitable organizations like Octavia Hill and House Management, as well as the setting up of local health services led to the Education Act 1907 and the Public Health Act, 1906. This shows that, as for instance in Britain, labour welfare legislations were preceded by Charitable social welfare services. Hence, it may be fairly said the social welfare concept is the precursor of labour welfare especially in advanced countries like Britain.
In a real sense the cooperation of voluntary bodies in the administration of social welfare is the modus operandi of labour welfare in Britain.

For example, in Britain the co-operation of voluntary social welfare bodies with governmental legislation found statutory expression in the following main labour laws:

Among these labour welfare laws, the Unemployed Workmen Act 1905 is an outstanding example of such co-operation. This co-operative endeavour has three most important advantages. First, it provides accommodation of expert services at the regional or local level, where specialists from voluntary bodies can render useful services to the government. Secondly, it is economical since it can relieve public funds of the cost of work. And, thirdly, the system introduces a new co-operative spirit in labour-management relations. We shall fully examine in a subsequent chapter the role of voluntary private agencies in welfare work in India.¹

However, in the process of such co-operative endeavour, the predominance of governmental legislative procedures has become an objective necessity in view of the dynamic and strategic importance of socialistic pattern of society. In many countries, social welfare services are now

¹ See Chapter 8.
increasingly being nationalized for more effective co-operative benefit. From administrative viewpoint, in a federal form of Government, a new need for co-ordination of welfare work between Central and local authorities has arisen, in which the role of philanthropic individuals has gradually diminished.

The emergence of welfare state has now necessitated the adoption of a more wider view of the concept of welfare, which has permeated in the very existence of human life in modern industrialized society. Social services are now breaking away from the concept of an arithmetically calculated minimum, and the benefits are now proclaimed to be enjoyed not only by any group or groups but by every citizen of society.

In this context, an effective machinery of co-ordination between purely labour welfare measures and wider social welfare measures is of greatest importance. Because, a time is fast approaching when the significance of labour welfare without reference to social welfare will lose much of its meaning. Welfare benefits provided by employers, of necessity, are only meant for specific groups of employees. But even these insured employees may become a class of social dependency at the fag end of their life as a result of social changes.

Social welfare benefits can provide safeguards against such contingency which no employer can possibly
envisage in their welfare scheme. Therefore, the need for co-ordination remains greatly important. In Britain, National Council of Social service is such a coordinating framework where various voluntary and statutory agencies are co-ordinating their activities both at national and local levels. In Britain, this National Council of Social Service was formed in March, 1919 which consists of the appointed representatives of voluntary agencies like Community Associations, Rural Community and Councils of Social Services together with principal national and local government bodies. In order to promote systematic co-operation, representatives of important government departments serve on different advisory and consultative bodies.

Number of voluntary welfare agencies is quite large in Britain, and therefore, the importance of such a co-ordinating organization can hardly be underestimated. But, in India, the position of such voluntary bodies is not as significant as the British type. Therefore, in the sphere of social welfare; governments role is greatly important. However, even in the U.K. the difficulty in getting trained social worker and finance for running voluntary organizations has led to more government control and regulation. Since the emergence of welfare state in Britain, in 1953, for example voluntary bodies like the Liverpool South Dispensary closed after 174 years' service. Also, during this period, the Liverpool City Branch of the Soldiers', Sailors' and
Airmen's Family Association was absorbed in the West Lancashire Branch of the Association due to financial difficulties. The situation in India in this respect also is far from satisfactory.

Evaluation of Social Welfare as a Concept and Policy in relation to Labour Welfare

By definition, the term social is more comprehensive than the concept of economic welfare and therefore transcends the narrow frontiers of economic welfare. It includes in its fold such aspects as personal and social relationships with state which may defy Pigovian Welfare Concept of the measuring rod of money. According to Willensky and Labeaux, social welfare denotes those formally organised and socially sponsored institutions, agencies and programmes which function to maintain to improve the economic conditions, health or inter-personal competence of some parts or all of a population.¹ Therefore, social welfare understood in this sense is to help individuals or groups in developing and utilizing their full capacities so that they are in harmony with the needs of their families and communities. Here labour welfare comes into closer relationship with social welfare as these goals may not be realised always by workers alone in an industrial society. The state gradually came into the picture and took over the responsibility of social welfare where workers both

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outside the factory and inside the factory depend on the government for their welfare work.

Social welfare assists the workers in removing poverty, destitution and illiteracy and thus enables them to establish satisfactory conditions of human living. As causes of poverty are not always found in individuals, but in the society itself, social welfare may, from this approach, be defined as an attempt to reform the society so as to eliminate the weakness of unprotected groups in the society. Social welfare therefore may be considered as an instrument of social change. The gains of social welfare reach the workers in different forms through the patronage of state and thus facilitates the transformation of industrial society. Such an approach to social welfare brings within its field social reform, social legislation, social services, social action and social work considered narrowly, social welfare aims at the well-being of labourers by helping them make better adaptation to the existing social structure.

With a view to giving concrete shape to social welfare function it is necessary to evolve a well-thought-out social welfare policy. In this respect Ponsioeu, the noted specialist in the subject, pointed out that two important factors are essential on the part of government or any institution to the evolution of a real social welfare policy.¹

First, the capacity to feel the misery of others and second, the wish to help. By this the policy becomes social and at the same time real. According to Ponsioeu, problems of social welfare policy may have two dimensions; that of the line of satisfaction, moving from individual needs to those of society at large and that of satisfaction moving from purely biological to the spiritual needs. Hence, social welfare policy, from larger perspective, refers to social services which include health, education, housing etc., social security, social legislation for protecting socially and physically handicapped groups as well as social work which includes case work, group work, community organisation etc.

Social welfare policy has historically always dwelt with economically underprivileged people. To the extent that poverty and other forms of lack of privilege are only the symptoms of a deeper process of "illness" or "malady" in the society, students of social welfare must delve deep into the causes and the processes of illness itself. Welfare measures can hardly be effective and adequate in the long run if the society itself goes on throwing up problems endlessly.

It is necessary to note that social welfare policy emerged in response to the deficiencies of industrial life, and not with the poverty per se. The rational and efficient way of thinking associated with industrial way of life and the recognition of structural defects in industrial society led
the development of organized and comprehensive attack on social problems. Social and labour legislation got enacted. Preventive and curative health services and school, non-school, and cultural education systems were organized. Social security measures were brought in. Housing programmes were undertaken on a gigantic scale. All this was done, in most countries, with the active leadership of the state and through public funds. Since industrial workers constituted a group which was hit the hardest by industrialization, social policy gave special attention to it. The collective resistance organized by labour and a support to it by the revolutionary ideology accelerated the process of amelioration of their conditions. Thus, we find that in most countries, including India, the industrial labour has been a favoured child of social policy.

This kind of development raises several issues for social welfare policy, particularly in developing countries where resources are scarce and demands are many from different groups. Some people contend that industrial workers, large, have received a boost and they can be solely at the cost of other groups of labour in the organized sector of economy. The organized sector of economy provides a good illustration of this. Industrially employed million workers in these, there are about...
unorganized sector is far below even the minimum employed by industrial labour. The working conditions of the former groups might be nearer to what the latter had a century ago. Under the circumstances, it is contended, the former groups must claim priority on the resources and infrastructure of the country. Unless this is done, economic and social disparities between these groups will become highly pronounced, social tensions in the country will become severe, and work force shift to industrial sector might become so huge that it will pull down the labour standards currently held by the industrial labour. Social welfare policy must strive for an even growth of all sections of the community and should be able to balance out the demands of organized social groups and the unarticulated needs of the weaker sections.

Another important issue pertains to the relationship of social services and labour welfare services. Industrial workers, as citizens, are entitled to health, educational, housing and similar services developed by the state. In addition, if they were to be given special social services in their capacity as industrial workers, it will only be duplicating the efforts leading to waste of resources. The argument is particularly relevant in regard to extramural labour welfare services of industrial enterprises. It will be more efficient and economical if extra-mural labour welfare services, such as housing, medical care, recreation, education, transportation, etc., are undertaken in collaboration and harmony with the
general social services.

Then, it has been said that labour welfare programmes should serve a well-defined purpose. In India, the manifest purpose is that welfare measures lead towards the realization of the Directive Principles of the Constitution. It is true that hitherto progress in this respect has been tardy, if not wholly unsatisfactory. Indeed the country by any reckoning has a long way to go. One suspects that this has been due partly to lack of resources and partly to lack of will. In order to realize the Directive Principles in respect of Articles 39(e), 41, 42, and 43 it will be necessary for the state to take concerted measures in co-operation with employers and unions almost on a continuous basis for the next decade. On the other hand, there is no doubt that if, for any reason, the state fails to take deliberate steps in this direction the prospects of realization of Directive Principles would appear to be remote.

Within the framework of the Directive Principles an order of priorities has to be laid down. The highest priorities should be accorded to the health and education of children and dependent minors of workers, maternity care, protection against occupational hazards and diseases - medical treatment, periodical recuperation from fatiguing, strenuous and hazardous work and assurance of benefits in case of temporary and permanent disablement. Some of these amenities
can be better provided through social insurance legislation limited to industrial workers. Other programmes can be developed for particular industries.

The role of administration is very crucial to the achievement of policy goals. One of the most frequent opinions held in the West about developing countries, particularly India, is that the leaders in these countries talk too much too piously but accomplish so little, and that we have the best plans but poor results. The transformation of plans into concrete programmes, and of statements of intentions into tangible actions is dependent on the quality of administrative infrastructure and procedures. Therefore, administrative considerations are crucial particularly in welfare policy area. Badly administered welfare measures are worse than none at all. They create new inequities and generate discontent which, instead of raising the well-being of people, may have the unexpected effect of reducing it. Every welfare measure should be carefully considered not only in respect of broad principles and its relationship with national objectives but right through the details of implementation and probably administrative implications before it finds acceptance by the government.

Finally, social welfare policy should be in harmony with the current social values and social structure. Further, it should have the orientation to give direction to the
process of social change and the emergence of a new value system which is a dynamic feature of all human groups. The pre-industrial society was characterized by small units that were internally cohesive and otherwise self-sufficient, i.e., joint family, caste group, village community, etc. These units gave a high degree of emotional and economic security to their members; the latter drew their values and status from the former. However, these units start breaking under the impact of developmental inputs and are invaded by alien patterns of life. The factory system tends to modify social relationships by making them functionalized, recognizes status based on performance, and permits individuals to switch from one social group to another. Attitudes, values, and mentality of people undergo changes. New needs and different expectations begin to emerge. A shift occurs from a reference to the past to a reference to the future. Social equilibrium, value system, and economic rationality is broken, created, and recreated on a more or less continuous basis.

This process of social change and the consequent modifications in behaviour at individual and institutional levels is stressful and ripe with tensions. Welfare services which are designed to meet the "felt" needs of individuals and to provide support to institutional infrastructures soon become redundant if they are not subjected to continuous evaluation. It is in this context that the state-operated welfare programmes and those of business enterprises may tend
to lose their relevance to consumers of services if they are not matched with the latter's felt needs and value systems. The National Commission on Labour and the Committee on Labour Welfare of the Government of India have rightly emphasized the re-evaluation of all statutory and non-statutory welfare programmes in such a context.

Since the development of the concept of welfare state, great stride has been made on labour welfare legislation; and the States, it seems, are no longer content to play the part of a passive onlooker in an industrial fray. The principal objective of a Welfare state, is to secure for all its citizens social and economic justice. Welfare State is based on notions of progressive social philosophy, which have rendered the old doctrine of Laissez faire obsolete. With the inroad of new principle of social welfare and common good, labour naturally looks upon for better treatment, as well as, better standard of living, reasonable wage, a rampart affording against the dangers of depreciation and safeguard against unfair method of competition and guarantee for their minimum requirements.

Thus, the old economic principle of 'supply and demand' as well as the theory of hire and fire no longer holds good. In its place, develops a new concept of right and wrong,

1 National Commission on Labour.
Malaviya Committee of Labour Welfare.
propriety and impropriety, fairness and unfairness. As the social conscience of the general community becomes more active and alive, the welfare policy of the state takes a more dynamic form.

In fact, it is the ideal of 'better manhood' and better society which have drawn many visionaries and philanthropists to the movement for labour legislation in most countries. Nevertheless, the ideal of social welfare is, "The whole field of welfare is one in which much can be done" observes Prof. H. S. Kirkaldy, and he considers it as a measure to 'combat the sense of frustration of the industrial worker, to relieve him of personal and family worries, to improve his health, to afford him a means of self expression, to offer him some sphere in which he can excel all others to help him to a wider conception of life." He has also added that, if within the field of welfare and particularly that part of it which comprises sport and games a large measure of self government can be left to the workers, even in the management of facilities provided by the employer, a sense of responsibility, initiative and co-operation can be fostered, and often among those whose daily tasks afford them the least opportunity of developing characteristics so essential to industrial enterprise and wise citizenship. Labour welfare

1 H.S.Kirkaldy - The Spirit of Industrial Relations, Bombay, 1947.
has tremendous potentialities in fostering good industrial relations. This, at the same time, possesses an economic edge and improved working and living can be related to the productivity of the workmen. Therefore, it is erroneous to regard the welfare measures as purely a pseudo-philanthropic character, though its motivating forces touch the border of humanitarianism.

In this connection, National Economy is the strongest guiding force behind the formation of labour legislation. The nature and state of national economy must be kept in mind while enacting the labour laws, lest the very objective of legislation may be defeated. In the absence of due importance to this principle, the problem of non-implementation of labour laws crops up. Three interlocking problems are closely related to the economic life of every people. They are (i) the standard of living for all people, (ii) the economic future of everybody, (iii) and the inter-relation along sound lines of goodwill between labour and capital. Thus labour legislation must concern and specify, inter-alia, the method of adjustment of wage system with a view to increasing the productivity and prosperity of the workmen. It must also ensure the normal growth of industry for the benefit of the nation as a whole by providing suitable method of resolving industrial disputes, and maintain satisfactory physical and intellectual needs for the benefit of the nation as a whole by providing suitable method of resolving industrial disputes, and maintain
satisfactory physical and intellectual needs for the growth of industrial efficiency. These are of paramount importance and cannot be denied by any country while enacting any law or making any regulation.

International uniformity is another guiding principle of labour legislation. With the emergence of the International Labour Organisation, this become a significant influence in shaping the course of labour welfare legislation in many countries, as this organisation has been trying from its very inception to formulate uniform rules through Conventions and Recommendations which are to be followed by its members countries. And these "conventions" are specially binding to the member countries, who are to ratify these conventions by promulgating specific legislative measures.

Thus by making this obligation to legislate the accepted convention and recommendations, the functions of the State and its role assume today a much larger horizon. And in assisting the State in these ever-expanding objectives, the functions and the role of law have correspondingly enhanced, and now covers a much wider area.

Social Security and Labour Welfare

We shall now analyse the relationship between social security and Labour welfare. At present all over the world, social security, both as economic and more usually as social
welfare policy, occupies a place of paramount significance in relation to labour welfare. Any macro economic study of national income changes and welfare postulation, in the developing economy of India, therefore, should take into consideration the economic and social implications of social security. There is no dearth of literature on the subject of social security. As it is not our purpose to undertake any detailed study of social security as such, it would serve our purpose to explore in what sense social security serves the purpose of the principles of social welfare which have been so far postulated as the basic constituent of labour welfare.

Social security combines the principles of social assistance and social insurance. And from social welfare standpoint, social security is the security that society provides through appropriate organizations to members of society against certain risks and hazards of life to which its members are perennially exposed.  

In essence, both the above interpretations are complementary of the whole concept of social welfare which is embodied in social security. The contemporary literature on social security leans heavily on its social welfare function. The economic significance of social security is to be traced to the historic sources of the social insurance which had its genesis in the origin and evolution of industrial

Historically ideas of social insurance, a very important element in social security, were to be found in mutual aid societies during the twelfth century, which were subsequently also found in the guild benefit societies. The embryonic trade union movement in Europe during the nineteenth century, the chartist movement in England and the efforts in Germany in 1883 were all directed to combat certain social and economic hazards of life. Social security, as understood in the twentieth century, has now spread over the entire globe and, politically, it is the manifestation of social democracy. Social security now is an answer to the challenge of totalitarianism in a welfare state.

Institutionally, the growth and development of social security has been due to three important factors: (i) inadequacy of private insurance plans, (ii) inadequacy of industry welfare plans and (iii) inadequacy of private charity. Socially, and economically, these three factors have tremendous global significance, which can well be examined nationwide. These constraints are not only to be found in backward countries, but also to be found in the U.S., where despite great economic stride, an integrated approach to welfare policy is lacking due to inadequacy of these factors.

Paradoxically, challenge of insecurity increases with the increase in national income and economic growth in developing economy. Insecurities like unemployment, old age dependency, industrial accidents, illness and death haunt every employee however highly paid he might be. Modern wage system has been instrumental in accentuating the process of insecurity. Due to inadequacy and expensive pattern of aforementioned three factors each employee has to fall back on his own earning power in a modern nuclear family unprotected by traditional joint family system. In the affluent society like the U.S., in the last hundred years, national income has leaped from approximately 5 billion to 125 billion dollars, resulting in increase in real wages. But despite this great leap forward, taxation system and geographical income disparity have gradually corroded the workers' savings capacity especially during their loss of earnings.

From economic standpoint, social security, as is practised today, is based on the economic principle of spreading the risks among many all of who do not actually suffer the loss. This makes it possible for smaller premiums and contributions, and the greater the diversification of risks among the vast members of the society the lesser is the comparative cost. This very simplistic principle of social insurance which is not to be found in the private insurance business, is the very fundamental premise of social welfare function. The transition from labour welfare to
social welfare is the immediate possibility as it would be economical as well as efficient. By distributing the risks among the population, it would be possible for the state to participate in social security via social insurance more effectively and economically.

In the gradual evolution of social security combining the principles of social assistance and social insurance, the relative importance of social insurance is, by far, the greatest. But in a country like India, where the workers are mostly poor, social assistance is likely to continue to play its pivotal role as the state participation is the highest in the system. So long as national income of India is not increasing rapidly, the importance of social assistance would be of strategic importance because of its budgetary implications. Although theoretically, social assistance and social insurance are complementary, and the question of predominance of the one or the other is irrelevant, as is experienced in New Zealand and Denmark, the critical significance of social assistance in India will remain more important in future days to come, at least from financial standpoint.

A study of Indian Social Security system

We shall now undertake a study of Social Security system in India. The evolution of social security in India in the systematised methods of social assistance and social insurance is the result of the influence of the west. The
various legislative measures adopted by the Government and which provide protection to the industrial workers in certain contingencies are discussed as follows:

1. **WORKMEN COMPENSATION ACT, 1923**

The Workmen's Compensation Act, 1923 followed, as most legislation in that period used to, the British model with changes to suit Indian constitutions. It laid down scales of compensation to impart precision to the benefits provided under the Act. The Act has been amended several times. It should, however, be noted that Workmen Compensation Act does not apply in areas where the Employees State Insurance Scheme operates. We will discuss it latter.

**Coverage:** The Act applies to all workers employed on monthly wages not exceeding Rs 500 and who are employed in factories, mines, plantations, transport and construction work, railways and certain specified hazardous occupations. It also includes workmen whose employment is of casual nature and who are employed for the purposes of employer's trade or business.

**Title to Compensation:** Compensation is payable by the employer in the case of injury caused by the accident arising out of and in the course of employment.

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No compensation is, however, payable if the injury not resulting in death, is caused by the fault of the worker, e.g., due to influence or drinks, drugs, wilful disobedience of an order etc. Besides compensation is payable in the case of workers who contract certain occupational diseases (mentioned in schedule III of the Act). The State Governments have been authorised to add to the list of diseases mentioned in the schedule III. Accordingly some Governments have made use of this power and, added certain diseases to the schedule. No compensation is payable for temporary disablement for the waiting period of 3 days, but this period gets included if disablement lasts for 28 days.

**Amount of Compensation:** The amount of compensation payable depends on the nature of the injury and the average monthly wages of the workmen concerned, irrespective of whether he is an adult or a minor. Compensation is payable for death, permanent total disablement, permanent partial disablement and temporary disablement.

1. In case of death, compensation is payable to the dependants of the workmen. The rate varies from a minimum of ₹ 1000 in case of person in the lowest wages groups (i.e., upto ₹ 10 per month) to a maximum of ₹ 10,000 in case of those in the highest wage group (i.e. above ₹ 400 per month).

2. For permanent and total disablement, compensation is payable in lump-sum, which varies from a minimum of ₹ 1400
to a maximum of ₹ 14000.

3. For permanent partial disablement, compensation is calculated on the basis of percentage loss of the earning capacity as laid down in schedule I of the Act.

4. In case of temporary disablement, half monthly payments are made at the prescribed rates i.e., the rate of payment varies from half a month's wages in the case of workers getting less than ₹ 10 per month to ₹ 87.50 in case of those getting ₹ 400 or more per month.

Dependants: For purpose of the Act, dependants have been grouped into two classes: (i) Those who are considered dependants without any proof and (ii) those who must prove that they are dependants.

The first group includes, a widow, a minor legitimate son, an unmarried legitimate daughter of a widow mother. The second group includes those who were dependant wholly or partially on the earnings of the worker at the time of his or her death. They are, a widower, a parent other than a widow mother, a minor illegitimate son, an unmarried daughter, a minor brother or unmarried sister or widowed sister if a minor etc.

Administration: The Act is administered by the State Governments through Commissioners for workmen's compensation. The Commissioners are entrusted with (a) the
settling of disputed claims (b) the disposal of claims for injuries resulting in death, and (c) the revising of the periodic payments.

**Assessment**: The working of Act has brought to light several short-comings which impede speedy relief to the workers. There are cases of evasion, even though 52 years have passed when the Act was enacted. A weak feature of the Act is that it places the entire liability for compensation on the employer but there is no obligation on the part of the employer to insure his liability. Thus in many cases small employers find it difficult to pay compensation in the event of heavy liability arising out of a fatal accident. Such defaults tend to bring the law into disrepute. On the other hand trade unions suggest that the rate of compensation should be increased, as the Act does not meet present requirements and needs substantial changes. While employers are of the view that no special change in the Act is necessary.

The Monthly wage limit for coverage under the Act was raised from ₹ 400 to ₹ 500 by amending the Act in 1962. The supervisory staff and other drawing monthly wages exceeding ₹ 500 and employed in mines, manufacture of explosives and other similar operations are exposed to the same employment hazards as those within the monthly wage limit of ₹ 500. It is, therefore, suggested that workmen including supervisors employed in such occupations should be eligible for compensation.
without any wage limit. The Act makes no provision for medical care and treatment which is the greatest need of the worker when he meets with an accident.

RECOMMENDATIONS OF NATIONAL COMMISSION

(1) The National Commission on Labour suggested that scheme of Central Fund for Workmen's Compensation should be evolved. All employers who are subject to Workmen's Compensation Act should pay to this fund a percentage of total wage bill as monthly contributions to cover the cost of the benefit and administration.

(2) The fund should be controlled by the Employees State Insurance Corporation.

(3) Periodic cash payments may be made to injured workers and that dependents by the corporation through its local offices in the same way as payments are made at present for various benefits under the ESI Scheme.

(4) Medical care to injured workers should be provided by the corporation. A similar arrangement in respect of mines may be made by the welfare commissioners who control various welfare funds for coal, mica and iron ore mines.

The Commission further said that under the present conditions, while an able bodied worker can claim and obtain retraining compensation for being surplus, an injured or
disabled workmen is thrown out without adequate payment because accident or disease has incapacitated him. Hence, this legal anomaly should be removed and a worker should be entitled to higher compensation for disablement resulting from industrial accident.

2. MATERNITY BENEFIT

When Royal Commission on Labour submitted its report, the maternity benefit legislation in some States to provide for grant of leave and payment of cash benefits for certain periods before and after confinement to women workers in factories were operating. Several other State also passed Maternity Benefit Act subsequently. Besides, there have been three Central Acts, that is, the Mines maternity Benefit Act, 1941, the Employee's State Insurance Act, 1948 and the Plantation Labour Act 1951, under which maternity benefits have also been granted to women workers. It should, however, be noted that with the passage of the Employees State Insurance Act, 1948 maternity became the responsibility of the Corporation (Employee's State Insurance Corporation) and the State Acts applied to residuary employments/areas (not covered by ESI Act) till the Maternity Benefit Act, 1961 was passed. The Act applies to every establishment - whether factory, mine or plantation - except the factories to which the provisions of the Employees State Insurance Act, 1948 apply. The States have been gradually adopting the Central Act. The
benefits under the central Act are superior to the benefits under the State laws - and provide for various contingencies which were not provided for earlier. Obviously the States Acts have lost their importance.

Assessment: The Maternity Benefit Acts place on employers the responsibility for providing the benefits except where the ESI Corporation has taken it over. It has been found that the legislation has led to a tendency among some employers not to employ married women and even discharge women workers on signs of pregnancy. Moreover, evasion is widely prevalent either owing to the loopholes in the law or other causes. (Such as the capacity of the smaller enterprisers to pay the benefits.) Besides, many women workers do not claim maternity benefits on account of their ignorance or due to the fear of losing a permanent job. The National Commission on Labour recommended that a scheme of Central Fund for maternity benefit should be evolved (just like Workmen's Compensation Act). All employers who are subject to Maternity Benefit Act should pay to this fund a percentage of total wage bill as monthly contributions to cover the cost of the benefit and administration. The fund should be controlled by the Employees State Insurance Corporation. The Commission further said, pending the creation of this Fund the Maternity Benefit Act, 1961, should be adopted in all States as early as possible.
EMPLOYEES STATE INSURANCE SCHEME

In 1927, the International Labour Conference adopted two conventions regarding health insurance of workers in industry, commerce and agriculture. The Royal Commission on Labour also discussed this question in detail in their report and recommended that a tentative scheme of health insurance should be adopted after collecting statistical data regarding sickness incidence. The Government of India was not in favour of adopting such a scheme on account of financial difficulties but it addressed the State Governments on the subject. However, the State Governments did not favour the proposal. The Bombay Textile Labour Enquiry Committee also discussed this problem. The question was also considered in 1940, 1941 and 1942 by the first three conferences of Labour Ministers.

In March 1943, Professor B. P. Adakar, an officer on special duty was appointed to work out a scheme of health insurance for industrial workers. He submitted his report in August 1944. He recommended a compulsory and contributory health insurance for workers in perennial factories, in three groups of industries, namely textile, engineering, minerals and metals. In 1945, Messrs. M. Stack and R. Rao, two experts of the ILO, reviewed the scheme recommended by Professor Adakar and suggested that the scheme should be adopted after certain modifications. Taking these suggestions into consideration, the Government of India passed in April 1948, the employees State Insurance Act. It was designed to provide
cash benefits in the case of sickness, maternity and employment injury, payment in the form of pension to dependants to workers who died of employment injury and medical benefits to workers.

**SCOPE AND COVERAGE**

The Act covers all employees where remuneration does not exceed ₹500 per month working in factories, other than seasonal ones and employing 20 or more persons excluding mines and railway running sheds. The term employees includes manual workers, clerical and supervisory staff, casual workers and contract labour but excludes any member of Indian Naval, Military or Air Forces. The Act provides that it can be extended to any other establishment or a class of establishments - industrial, commercial, agricultural or otherwise. Starting with about 1.2 lakh insured persons in Kanpur and Delhi in 1952, the scheme has been gradually extended and at the end of March 1971-72 covered over 43 lakh beneficiaries entitled to medical care (including family members of insured persons) in 318 centres which will be evident from table given below:
Table 2.1

NUMBER OF FACTORIES AND EMPLOYEES COVERED UNDER ESI
SCHEME - 1961-72

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of centres</th>
<th>No. of factories</th>
<th>No. of employees</th>
<th>No. of insured persons</th>
<th>No. of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-62</td>
<td>132</td>
<td>14,391</td>
<td>1,865</td>
<td>2,164</td>
<td>6,528</td>
</tr>
<tr>
<td>1966-67</td>
<td>273</td>
<td>17,797</td>
<td>3,212</td>
<td>3,545</td>
<td>13,017</td>
</tr>
<tr>
<td>1969-70</td>
<td>314</td>
<td>20,543</td>
<td>3,665</td>
<td>4,077</td>
<td>15,761</td>
</tr>
<tr>
<td>1970-71</td>
<td>324</td>
<td>21,856</td>
<td>3,839</td>
<td>4,218</td>
<td>16,306</td>
</tr>
<tr>
<td>1971-72</td>
<td>318</td>
<td>23,496</td>
<td>3,976</td>
<td>4,344</td>
<td>16,715</td>
</tr>
</tbody>
</table>

BENEFITS PROVIDED UNDER THE ACT

The benefits provided under the Act are:

- (a) Sickness Benefit
- (b) Maternity Benefit
- (c) Disablement Benefit
- (d) Dependents Benefit
- (e) Funeral Benefit
- (f) Medical Benefit

It should, however, be noted that an insured person who is entitled to benefits under the ESI scheme is not eligible to claim similar benefits under the Workmen's Compensation Act, and the State Acts relating to maternity benefits.
**Employee’s State Insurance Hospitals:** The Administration of medical benefit is the responsibility of the State Governments under the Employees State Insurance Act. In some places, e.g. Madras, Bangalore, Kanpur, Bombay, Hyderabad etc. State Governments run full-fledged ESI hospitals in buildings constructed/acquired for the purpose. In several States, e.g. Andhra Pradesh, Bihar, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Madras, Orissa, Punjab, Uttar Pradesh, and West Bengal hospital meant exclusively for insured persons of Employees State Insurance corporation are in various stages of construction. As an interim measure, beds have been reserved in several States in existing hospitals exclusively for the use of insured persons. It is, thus, obvious that the Central and State Governments are paying full attention for the welfare of the industrial workers.

**Methods of Finance:** The cost of the Employees State Insurance Scheme is paid out of the Employees State Insurance Fund which consists of the contributions from employers and employees, grants and donations from the Central and State Governments and other organisations, individuals and local bodies. The Central Government undertook to bear 2/3rds of the administrative expenses for the first five years and the State Governments were contribution 1/3rd of the cost of medical care provided to insured persons in their respective states. The share of the State Governments has been reduced to 1/4th in the areas where the medical benefit has not been extended.
to the families.

**Employees Contributions**: The employees contribution to the Employees State Insurance (ESI) Fund ranges from 25 paise to Rs 1.75 per week per employee according to their daily wages, for wages, for which purpose, they have been divided into eight wage groups as shown in the table given below. The workers whose wages are below Rs 1.50 per day have, however, been exempted from paying contributions.

The average contribution of the employees comes to 2 percent to 2.5 percent of the wages. The National Commission on Labour works out at about 2.3 percent of the total wages (basic pay + dearness allowance).

**Employers Contribution**: It can be seen from the table given above that the employers share to the Employees State Insurance Funds ranges from Rs 0.45 to Rs 3.50 per week per worker according to the average daily wages of the employees.

The employers in those areas where the scheme was first to be implemented, that is in Delhi and Kanpur, objected to the implementation of the scheme by stages on the ground that it will affect their competitive capacities adversely. Accordingly the Act was amended in 1951, whereby the incidence of the employer's in those areas where the scheme was to be implemented has been spread over on all employers throughout the country. In other words all employers have now to pay
their contribution irrespective of the fact whether the scheme is implemented in their area or not. This contribution is known as Employers Special Contribution. This special contribution is to be fixed by the Central Government from time to time but not exceeding 5 per cent of the total wage-bill. Initially the rate as fixed by the Government was 1½ per cent, of the total wage bill for the areas where the scheme had been fully implemented and 3/4 per cent of the total wage bill in all other areas, with effect from the 1st April 1962, the rate of Employer's Special Contribution in implemented areas has been raised to 2.5 per cent of the total wage bill but the rate of non-implemented areas remains at 9.75 per cent as before. The Employers contribution in implemented areas has been further raised to 3.00 per cent from 1st April 1968 to meet the increasing expenditure on medical and cash benefits, however, the contribution on non-implemented areas continues to be 0.75 per cent of the wage bill.

ASSESSMENT OF THE WORKING OF THE ESI SCHEME

Review Committee: The Government of India set up the ESI Scheme Review Committee in June, 1963 to review the working of the Scheme and to recommend necessary modifications or changes in the structure and organisation of the ESIC to ensure a more satisfactory functioning. The Committee submitted its report in February 1966. The Committee realised that in a
nation wide scheme of this magnitude and size, complaints and criticism from various sources was naturally to be expected, however, it must be said to the credit of the corporation that it has been taking notice of all complaints, criticisms and suggestions and has introduced improvements. The corporation has tried to smoothen out the working methods to eliminate time-lags and delays to the extent possible.

When the Committee was formulating its recommendations, some of the known deficiencies in the ESI Act were removed by the major amendments to the Act in 1966. These were directed inter alia to:

(i) Raise the wage limit for coverage of employees from Rs 400 to Rs 500 per month; and widen the coverage by redefining the term "employee";

(ii) Grant of funeral benefit, not exceeding Rs 100 on the death of an insured person;

(iii) Enlarged the Scope of the scheme of Maternity Benefit;

(iv) Raise the exemption limit for employees contributing from below Rs 1.00 to below Rs 1.50 per day.

(v) Add new provision to enable the corporation to recover contributions payable under the Act as arrears of land revenue.
The Committee made 176 recommendations covering (a) extension of coverage, (b) rationalising of contributions, (c) improving cash benefits and their proper disbursement, (d) administration of medical benefits including indoor medical care and treatment in special diseases; (e) preventive care, (f) the autonomy of the Corporation, (g) the administrative and organisational set-up of the corporation, and (h) the building up of a comprehensive social security scheme. Of these, 173 recommendations were unanimous, and on the remaining 3, there was a note of dissent by the workers representatives. However, most of the recommendations have been accepted either fully, or with modifications or in principle by the corporation. In this context the National Commission on Labour observed and said, "We note with satisfaction that several recommendations of ESIS Review Committee have been accepted for implementation by the corporation."¹

Note of dissent of Workers Representatives: The workers representatives on the committee (ESIS Review Committee) recorded a dissent on the following three issues:

(a) The majority view of the Committee is that the wage limit for exemption from payment of contribution should be raised from Rs 1 to 2 per day. The workers representatives have suggested that the limit should be raised to Rs 3 per day.

(b) The majority view of the Committee is that the

¹ The National Commission on Labour, p.170.
existing waiting period of 2 days for drawing of sickness cash benefit should continue, while the view of workers representatives is that the waiting period should be abolished.

(c) Workers, representatives have suggested that a "no-claim bonus scheme should be introduced. The majority view of the Committee is not in favour of such a scheme.

Recommendations of the National Commission on Labour:

The National Commission on Labour made the following recommendations for the improvement of social and economic conditions of the workers and the working of the scheme.

(1) The Commission recommended that full-fledged medical colleges should be started at places where there are large and well-equipped ESIS hospitals, either directly by the ESI corporation or by the State with the help from the corporation. In case the corporation contributes financially to medical training, the trainee should be under obligation to serve the ESI Scheme for a specified period which should not be less than 5 years after achieving full qualifications. The ESIC hospitals should also be utilised for training of nurses and other paramedical staff. It should also be noted that similar recommendation has also been made by the ESIS Review Committee.

(2) The Commission suggested that surplus bed, if any, in the ESIC hospitals may be made available for the use
of general public, on payment by the State Governments. It has also been suggested by the ESIS Review Committee.

(3) The Commission recommended that the wage limit for exemption from payment of employees contribution should be raised to Rs 4 per day, it is because the price level has gone up.

(4) The Commission also recommended that a scheme of "no claim bonus" for insured persons who do not claim any benefit during a year should be evolved.

(5) With regard to the administration of the scheme, the Commission recommended the constitution of regional boards should be amended for giving increased representation to employers and employees and for nomination by ESI Corporation of Chairmen of the Boards by rotation. The Commission further said that the Boards should be given adequate powers to enable them to exercise effective control on the working of the scheme in their respective regions.

(6) Finally, the Commission recommended the ESI Corporation should make a suitable contribution to the National Safety Council as a part of its programme of integrated preventive and curative services. A similar recommendation has also been made by the ESIS Review Committee.
Provident Fund, Pension system, Gratuity and Unemployment Insurance as part of Social Security System

In India, provident fund, gratuity and pension benefits also constitute important part of social security system. This is now examined under the following heads: (1) Coal Mines Provident Fund and Bonus Scheme (ii) Employees' Provident Fund Act 1952 (iii) Employees' Family Pension Scheme (iv) Assam Tea Plantation Provident Fund Act, 1955 (v) Seamen's Provident Fund Act 1966 (vi) Survivorship Pension (vii) Old Age Pension (viii) Gratuity Trust Funds (ix) Unemployment Insurance.

There was no legislation in India providing benefits for old-age and death of industrial workers in the early thirties. Some of the private and Government undertakings attempted to solve these problems by means of provident funds, gratuity and pension schemes. Then the Royal Commission on Labour in their report, published in 1931, admitted the necessity of making some provisions against old-age. According to the findings of Labour Investigation Committee 1946, some of the large employers in private sector had submitted tolerably good schemes, but their number was not large. The concept of provident fund as a social security measure was being gradually recognised by the employers etc. in the country but it could find a practical shape only with the enactment of the Coal Mines Provident Fund and Bonus Scheme Act, 1948, which, inter alia, aimed at establishing a compulsory provident fund for coal miners.
Coal Mines Provident Fund And Bonus Scheme

In the coal mining industry where the workers were eking out a precarious living with inadequate wages and complete absence of social security, the unrest was acute. This led the Central Government to appoint a Board of Conciliation in 1946. In May 1947, the Board recommended, inter alia, the payment of a month's basic wages once a quarter as attendance bonus and the institution by law of a scheme of compulsory contributory provident fund for the colliery workers. Being payable to the worker conforming to a specified minimum attendance bonus in a quarter, the bonus served as an inducement for more regular work but it was felt in certain circles that the provident fund scheme might not be successful as the labour force was extremely casual. Despite these forebodings, an ordinance was promulgated in April 1948 to confer powers on the Central Government to frame the detailed statutory scheme of provident fund. The ordinance was later repealed by an Act and the Coal Mines Provident Fund Scheme was notified in December 1948. The scheme is applicable to all the coal mines both in the public and private sector spread all over the country except in the state of Jammu and Kashmir.1

Scope of the Scheme : The Coal Mines provident Fund Scheme which was initially applied to the States of Bihar and

1 The Act is also made applicable to the State of Jammu and Kashmir with effect from 1st Sept. 1971.
West Bengal; now covers all coal mine workers in the country. Initially, the membership of the fund was open to employees in coal mines, whose basic pay did not exceed Rs 300 per month. The wage limit was gradually withdrawn; persons employed in organisations ancillary to coal mines and some special categories of workers were brought within the scheme. The scheme now applies to all persons, whether employed directly or through contractors, irrespective of their pay.

Table 2.2

PROGRESS OF COAL MINES PROVIDENT FUND SCHEME 1962 to 1972
(AS ON 31ST MARCH 1972)

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of Coal Mines and ancillary organisations covered</th>
<th>Employees Covered</th>
<th>Amount of Contribution received during the year (Rs in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Live membership during the year</td>
<td>Registered membership at the end of the year</td>
</tr>
<tr>
<td>1961-62</td>
<td>1,197</td>
<td>408</td>
<td>1,217</td>
</tr>
<tr>
<td>1966-67</td>
<td>1,282</td>
<td>368</td>
<td>1,307</td>
</tr>
<tr>
<td>1967-68</td>
<td>1,339</td>
<td>361</td>
<td>1,294</td>
</tr>
<tr>
<td>1968-69</td>
<td>1,321</td>
<td>349</td>
<td>1,286</td>
</tr>
<tr>
<td>1969-70</td>
<td>1,326</td>
<td>352</td>
<td>1,293</td>
</tr>
<tr>
<td>1970-71</td>
<td>1,329</td>
<td>368</td>
<td>1,317</td>
</tr>
<tr>
<td>1971-72</td>
<td>1,339</td>
<td>373</td>
<td>1,322</td>
</tr>
</tbody>
</table>

Administration: The Fund is administered by a tripartite Board of Trustees consisting of representatives of Central and State Governments and employers and workers. The
Coal Mines Provident Fund Commissioner is the Chief Executive Officer of the Board. The schemes are administered through the Headquarters office at Dhanbad and 3 regional offices in different States. The cost of administration is met out of a separate levy on the employers at 2.4 percent of compulsory contribution.

**Progress:** The table 2.2 indicates the progress made by the Coal Mines Provident Fund Scheme during 1962-72. The number of Coal Mines covered by the scheme were 997 in 1951-52, this number increased to 1,197 in 1961-62 and 1,339 in 1971-72. The amount of contribution received during the 1961-62 was ₹ 430 lakh, it increased to ₹ 1360 lakhs in 1971-72.

**Coal Mines Bonus Schemes**

The Coal Mines Bonus Schemes were framed under the Coal Mines Provident Fund and Bonus Scheme Act, 1948. It is applicable to all coal mines in the country except those in the State of Jammu and Kashmir. There are four coal mines bonus schemes viz. (i) The Coal Mines Bonus Scheme, 1948, which applies to the Coal Mines in West Bengal, Bihar, Madhya Pradesh, Maharashtra and Orissa; (ii) The Andhra Pradesh Coal Mines Bonus Scheme, 1952, which applies to the Coal Mines in Andhra Pradesh; (iii) The Rajasthan Coal Mines Bonus Scheme, 1954, which applies to the only Colliery (Palana) in Rajasthan owned by the Rajasthan Government; (iv) The Assam Coal Mines Bonus Scheme, 1955,
which applies to the Coal Mines in Assam excluding the tribal areas.

**Purpose** : The scheme provides an incentive to the workers to be more regular in attendance and thereby provide a stable labour force in the Coal Mining Industry by arresting the tendency for absenteeism amongst the workers. This is drawn by providing for payment of a quarterly bonus in addition to the wages to the workers who put in specified days of attendance in a quarter and do not take part in illegal strikes.

**Employees Provident Fund Act 1952**

As a result of the successful working of the Scheme of 1948, persistent demands were being made to the Central Government from other industries for extending similar benefits to the workers employed therein. As a result of that the Central Government promulgated the Employees Provident Fund Ordinance towards the close of the year 1951, which was replaced by the Employees Provident Fund Act 1952.

**Scope and Coverage** : The Act and the Employees Provident Fund Scheme were brought into force from 1st November 1952. Initially, the Act was applied to six industries, viz. cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textile. It applies to the

whole of India, except the State of Jammu and Kashmir. During the last twenty-three years it has been extended to additional industries, now it is applicable to 127 industries. By amendment in the Act in 1956, the scope of the Act which initially covered factory establishments only, was extended to cover non-factory establishments such as plantations except tea, mines other than coal mines and commercial establishments. Originally 50 or more persons was reduced to 20 or more persons with effect from 31st December 1960. The membership of the scheme was initially restricted to employees whose monthly pay did not exceed ₹300. The pay limit was raised to ₹500 from 31st May 1957 and ₹1000 from December 31st, 1962.

Administration: The Employees Provident Fund is administered by a Tripartite Board of Trustees consisting of representatives of Central and State Governments, employers and employees. The Central Provident Fund Officer is the Chief Executive Officer of the Board. The scheme is administered throughout India through the headquarters office at New Delhi and 15 Regional Offices, one in each State and one in Delhi. The expenses of administration of the Fund are met from administrative and inspection charges. The administrative charges at 0.37 percent of basic wages and dearness

1 The Act has been made applicable since 1st Sept.1971 to the State of Jammu and Kashmir.
2 At present there is one Regional Officer for Punjab and Haryana and are for Assam and Nagaland.
allowance are paid by employers of unexempted establishments. Inspection charges at 0.09 percent of basic wages and dearness allowance are payable by employers of exempted establishments.

Progress of the Employees Provident Fund Scheme:
The following table 2.3 indicates the progress made by the Employees Provident Fund Scheme under the Act of 1952, during the period of 1961-72. The number of factories covered were 12,133 in 1961, this number increased to 52,769 in 1972. The amount of Provident Fund collected in 1961 was ₹ 104.59 crores, the amount increased to ₹ 819.44 crores in 1972.
Table - 2.3
WORKING OF EMPLOYEES PROVIDENT FUND

<table>
<thead>
<tr>
<th>As on 31st March</th>
<th>No. of Factories/establishments covered</th>
<th>No. of Subscribers in the factories/establishments</th>
<th>No. of Subscribers in unexempted factories/establishments</th>
<th>Amount of contribution collected from unexempted factories/establishments (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>12,133</td>
<td>29.29</td>
<td>17.93</td>
<td>104.50</td>
</tr>
<tr>
<td>1962</td>
<td>17,416</td>
<td>31.52</td>
<td>19.87</td>
<td>130.76</td>
</tr>
<tr>
<td>1963</td>
<td>22,413</td>
<td>35.17</td>
<td>22.48</td>
<td>163.70</td>
</tr>
<tr>
<td>1964</td>
<td>25,663</td>
<td>39.07</td>
<td>25.22</td>
<td>203.87</td>
</tr>
<tr>
<td>1965</td>
<td>29,578</td>
<td>42.09</td>
<td>26.24</td>
<td>251.95</td>
</tr>
<tr>
<td>1966</td>
<td>34,951</td>
<td>45.70</td>
<td>28.68</td>
<td>305.88</td>
</tr>
<tr>
<td>1967</td>
<td>41,922</td>
<td>51.95</td>
<td>31.37</td>
<td>373.44</td>
</tr>
<tr>
<td>1968</td>
<td>43,835</td>
<td>53.29</td>
<td>33.14</td>
<td>448.94</td>
</tr>
<tr>
<td>1969</td>
<td>46,504</td>
<td>56.04</td>
<td>35.30</td>
<td>528.84</td>
</tr>
<tr>
<td>1970</td>
<td>49,806</td>
<td>59.90</td>
<td>37.82</td>
<td>617.67</td>
</tr>
<tr>
<td>1971</td>
<td>52,769</td>
<td>62.51</td>
<td>39.57</td>
<td>712.0</td>
</tr>
</tbody>
</table>

Employees Family Pension Scheme

The Employees Provident Fund Act 1952 was amended to provide for introduction of Employees Family Pension Scheme. The Scheme provides protection to the family of the worker member who dies prematurely in service. The protection is provided for a reasonably long period. It is applicable compulsorily to all the employees who become members of the Employees Provident Fund Scheme on or after 1st March, 1971.

1 The Scheme has been enforced from March 1, 1971.
The employees who are already members of the above mentioned Employees Provident Fund Scheme as on 28th February, 1971, have been given option to join the Family Pension Scheme within a special time limit.

Constitution of Fund - The benefits to the family of the worker member are provided out of the fund constituted by transfer of a portion of employees share of Provident Fund representing \( \frac{1}{6} \) percent of his pay with an equal amount out of employers share. The Central Government will also contribute at the rate of \( \frac{1}{6} \) percent of the pay of the member and also bear the expenditure on the administration of the scheme.

Benefits - The following benefits are provided under the scheme.

(a) Family Pension - The rate of family pension payable to specified members of the family one at a time, in case of subscribers death while in service, ranges from Rs. 40 to Rs. 150 per month provided that the contribution has been paid for a period not less than two years.

(b) Retirement Benefit - A lump sum of Rs. 4000 is payable to the members on retirement at the age of 60 years, provided contribution has been paid for not less than 2 years.

(c) Life Assurance Benefit - In addition to the family pension, a lump sum of Rs. 1000 is payable to the members of the family of the subscriber in the case of latter's death.
while in service.

(d) Withdrawal Benefit - In case of cessation of membership before the age of 60 years for reasons other than death, a lump sum payment of an amount which is a graded factor of ₹ 4000 depending upon the age at the time of entry and cessation of membership, is to be made.

The above benefits to the maximum extent are available to the employees who became member at the age of 25 or below. In case of those who entered the scheme after that age, the amount of benefit will be reduced progressively depending on the age at the entry. The Fund is administered by the Central Board of Trustees of the Employees Provident Fund.

Recommendations of National Commission on Employees Provident Fund Scheme

The Commission has put forward the following main recommendations to improve the Scheme:

1. The Employees Provident Fund Act 1952, at present does not apply to establishments employing between 10-20 persons. The Commission recommended that it should be extended to these establishments and the minimum rate of contribution therein should be fixed at 6½ per cent.

2. The Commission also recommended that—
(a) Wherever the present rate of contribution is 6\% per cent, it should be raised to 8 per cent; and where
the existing rate of contribution is 8 per cent, it should be raised to 10 per cent;

(b) Conversion of a part of provident fund into retirement cum-family pension is desirable. It should be
noted here that the Government of India on the recommendation of the Commission has introduced Employees Family Pension
Scheme from March 1, 1971 (It has already been discussed).

3. The Commission, further, recommended that the penalties for defaults in the Payment of Provident Fund dues (i.e.
employers' contribution) should be made more stringent. Defaults should be made cognizable under the I.P.C. Arrears
of Provident Fund should be made the first charge on the assets of an establishment/factory at the time it is wound
up.

4. The Commission also recommended that the Provident Fund accumulations should be invested in securities yielding
higher interests as far as possible consistent with the security and safety of funds, to enable the members to get
a higher rate of interest.

The Assam Tea Plantation Provident Fund Act, 1955

This welfare legislation has been discussed in
Chapter 4. To avoid repetition a brief reference is made
here only.
The scheme framed under the Act initially covered only adult persons residing in a plantation and employed in any kind of work, manual or otherwise, and getting wages directly or indirectly from the employers. The Act was amended in 1958 to cover non-resident workers as also the clerical, medical and other staff. By another amendment of the Act in 1960, children and adolescents were brought within scope of the Act. The Act was again amended in 1967 to make provision for pension fund. It covers now all categories of employees in tea plantations in Assam excluding those whose total emoluments exceed ₹ 500 p.m.

**Seamen's Provident Fund Act**

This welfare law has also been discussed in Chapter 4. To avoid repetition brief reference is made here.

**Scope and Coverage:** As the problems of Seamen working on board of the ships for truncated periods are of a special nature, it was considered desirable to enact a separate Provident Fund legislation for them. Accordingly, the Seamen's Provident Fund Act was passed in 1966. The Act generally follows the pattern of the Employees Provident Funds Act, 1952. Every Seamen engaged or employed as a member of the crew of a ship under the Merchant Shipping Act of 1958, but excluding certain categories of officers and other employees were covered by the Schemes.
Concluding Remarks on Provident Fund and Pension Schemes

The Provident Fund Schemes such as, the Coal Mines Provident Fund Scheme (Act) 1948, the Employees Provident Fund Scheme (Act) 1952, the Assam Tea Plantations Provident Fund Scheme (Act) 1955, the Seamen's Provident Fund Act, 1966, have played a significant role in providing security for old age, invalidity and death of the bread winner. But a Provident Fund measure is not considered an adequate cover for the contingencies of death or invalidity. Thus, the family pension scheme has now acquired some significance. Hence, the National Commission on Labour recommended, 'conversion of a part of provident fund into retirement-cum-family pension.' In this context the Commission suggested that where the rate of contribution from employers and employees is raised to 10 per cent a portion of the contribution should be converted into Pension. Therefore, the Government of India introduced the Family Pension Scheme from March 1, 1971, which now covers all workers covered by the Coal Mines Provident Fund Act 1948, Employees Provident Fund Act 1952, Assam Tea Plantation Act 1955.

Survivorship Pension

Sometimes the bread winner- dies suddenly leaving behind him, his wife and children without any income. In such circumstances the lot of such unfortunate wives and children becomes extremely miserable giving rise to many social evils. Workmen Compensation Act 1923 and Employees State Insurance
Act, 1948 provide some benefit for dependants of an employee who dies in an industrial accident. The provident fund schemes have played a significant role in providing security for old age, invalidity and death of the bread winner. But this alone can not be considered an adequate cover for the contingency such as death.

Hence, there is a great need of providing survivorship pensions for the dependants of the persons who die otherwise. It has been defended by some on the ground that, in case of soldiers the Government grants pensions to the widows of killed soldiers in a war. The Central Government introduced family pensions scheme and in the event of an employee's death, his dependants become entitled to family pensions. There is no reason why such a scheme can not be introduced for the dependants of the industrial workers. Considering the significance of such benefits the Government of India introduced Family Pension Scheme in 1971 for the employees who are covered under the Provident Fund Schemes. There is great need to extend the benefits to the dependants of all workers, whatever may be the cause of his death.

Old-Age Pension

The States of Uttar Pradesh, Kerala, Andhra Pradesh, Tamil Nadu, Punjab, West Bengal and Rajasthan have introduced old-age pension schemes. These schemes do not limit themselves to the workers but are open to all, to the residents of the
respective states. The primary object of the scheme is to provide some measure of social security and help to such needy persons who have no source of income. These schemes have no statutory backing and provide pensions to destitutes aged 60 and above with no income or source of income and relative who may support them. The amount of pension varies from Rs 12 to 25 per mensum. In the context of old-age pension schemes introduced by these states, the National Commission on Labour said that, "we consider this to be a desirable move, though its utility to the working class appears to be marginal."

Old-Age Pension Scheme In Public Sector

The Industrial Employees of the Central and State Governments are entitled to non-contributory pension as a part of their service conditions. The Central Government introduced a Family Pension Scheme for their employees in 1964. Under this scheme, an employee who retires in the normal course get a pension which is recurring payment till death and also a lump-sum in the form of gratuity. In the event of an employee's death, his dependents become entitled to family pension and gratuity.

Railway employees in service are given the option either to select the pension system of retirement benefits or remain under the system of contributory provident fund which was applicable prior to the introduction of the new scheme in April 1957 or thereafter are compulsorily governed by the
pension rules. This is a welcome change in the social security arrangements for Government employees.

**Gratuity Trust Funds**

The workers have been persistently pressing the demand for gratuity on retirement and the industrial tribunals have considered the demand favourably, particularly in units which do not have other social security benefits like provident fund and pension and in those establishments which are more prosperous. However, some enlightened employers have made arrangements for gratuity by way of agreement between them and their unions. There are some who have introduced the system of gratuity voluntarily.

The National Commission on Labour did not make any specific recommendation regarding gratuity and has left it to the process of evolution. A Working Group was appointed by the Government in 1973 to examine the Creation of Gratuity Trust Funds. The Group, however, has recommended for setting up of such funds by big employers. In case of small and medium sized scheme of insurance with the Life Insurance Corporation of India. The Report of the Working Group is under examination.

**Unemployment Insurance**

India, being a developing country has always been suffering from unemployment, under-employment and disguised
unemployment. The continuous growth of population which has taken place unaccompanied by a corresponding growth in production of wealth, has accentuated this problem. In the terminology of social security, unemployment means "inability of the able bodied to find employment." However, a distinction must be made between mass unemployment (cyclical or secular), seasonal unemployment and frictional unemployment, for unemployment benefit schemes are not capable of providing security against every type of unemployment. Generally, the schemes for unemployment benefit are devised to deal with frictional unemployment which is short lived and with unemployment due to temporary slackening of production. There is no risk involved in seasonal unemployment because it is known from the beginning that employment will continue only for certain period. Mass unemployment (whether cyclical or secular) requires entirely different measures, and no unemployment benefit scheme can cope with it. "Unemployment, therefore, is a condition that presents itself in a variety of modes, each of which, in theory at least, demands some differentiation in a social treatment."¹

Thus, unemployment insurance is possible for those workers who for one reason or the other have been thrown out of employment and they are in search of a suitable employment; it is not possible for those who have not been employed before.

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¹ I.L.O., Approaches to Social Security, p.63.
Need For Integrated Social Security

In the existing arrangement, it is found that different agencies provide a measure of social security for different sections of the working class. It has been argued that if the work of these agencies could be combined under one unified administration, it might be possible to provide better benefits to workers without any extra cost either to employers or workers. Therefore, in 1957, the Government of India appointed a Study Group to report on the possibilities of having an integrated social security scheme. The Study Group recommended that the Employees State Insurance Scheme, the Employees Provident, the Coal Mines Provident Fund Scheme be merged into one, mainly with a view to achieving administrative convenience and streamlining. It has also recommended adoption of pensions for invalidity, retirement and survivors.

The Employees State Insurance Scheme (ESIS) Review Committee, also considered the proposal for integration and recommended that —

(A) A comprehensive integrated Social Security Scheme may be evolved and the Government, in consultation with the Indian Labour Conference, should set up and Expert Machinery to evolve a blue-print for a Comprehensive Scheme of Social Security; and

(B) Step may be initiated in the first instance for administrative merger of Employees State Insurance Corporation
and the Employees Provident Fund organisation. Merger of the Coal Mines Provident Fund and the Assam Tea Plantations Provident Fund may be postponed for the present.

The National Commission on Labour also considered the question of a comprehensive integrated Social Security Scheme and suggested that,

(a) the aim should be to work gradually towards a comprehensive Social Security Plan by pooling all the Social Security Collections into a single fund from which different agencies can draw upon for disbursing.

(b) It should be possible over the next few years to evolve an integrated Social Security Scheme which will, with some marginal addition to the current rate of contribution, take care of certain risks not covered at present. This will be limited to the benefits of (i) Provident Fund and retirement/family pension; (ii) Unemployment insurance.

It is thus, obvious that National Commission believes that the process of integration should be gradual. The integrated Social Security Scheme should contain the benefits of (i) provident fund and retirement/family pension, and (ii) Unemployment Insurance. However, the rate of contribution may be increased with the increase in benefits. The proposal for merger of the Employees State Insurance and the Employees Provident Fund Schemes has been accepted in principle by the
Government of India.

Social Legislation and Labour Welfare

We shall now analyse the relationship between social legislation and labour welfare. The functions of the State and its role in labour welfare assume to-day, a much larger horizon in the ever-expanding objectives. The functions and the role of law have therefore correspondingly enhanced, and now it covers a much wider area. Social security, in such a context, has become a legal instrument in the hands of state to transform society on principles of social welfare.

During the last century and even till the first half of the second decade of this century, when the first World War began the role of the democratic government vis-a-vis its citizen was purely passive and static. Democratic Government even when working under the Parliamentary system, took a very narrow view of their obligations to the society. Their functions were primarily limited to the prevention of disorder inside the borders of the State, resistance of foreign aggression, aquisitive enlargement of national boundaries, and spread of international trade. It was then professed that the rule of the market and the free-inter play of economic motives would fairly determine all socio-economic tensions. The rule of market and the free-competition were the catchword during these days and their efficiency and validity, still then remained unchallenged.
Now social security in concrete term, may be based
on Social legislation and labour legislation to meet the needs
of the present society. Social legislation, therefore, aspires
to serve the present social and economic objectives of the
national economy and deals adequately with current social
problems. The term "social legislation" is very wide and in-
cludes all those legislations which affect social customs.
But in more concrete terms, it may be stated that "social
legislation" has to concern itself with the promotion of the
welfare of individuals or groups prevailing in the society.
Hence, the aim of the social legislation is to be provided
every one with a purpose, and with the means and opportunities
for the fulfilment of hopes and aspiration of average citizen.

The need for the social legislation stems from the
dynamic nature of the society. Law traditionally lags behind
the social needs and consequently, social opinion goes against
those laws; social legislation in such situation as a social
therapy constantly thrives to adjust the legal system to the
present requirements of the society. The function of the social
legislation is to calculate the gap and enforce the new laws
to abridge the gulf between the existing laws and the current
needs of society.

Mr. Gajendragadker the former Chief Justice of India,
has clearly stated the function of law and according to his
observation, "Law in relation to liberty and social justice,
has to be considered in its aspect of a flexible instrument of social change and social adjustment." He has further added that "law is not merely a command of the legislature or the monarch." But, according to him, the most significant is the functional aspect of the institution and he envisages that this social institution democratically evolved in order to achieve the object of making adjustments to meet the challenge which necessarily and incessantly flows from unsatisfied legitimate human desire and ambition. It reveals that the main object of legal system is to achieve socio-economic justice and remove the existing imbalance in the socio-economic structure. Thus law is ever seeking to regulate the dispersion of freedom of one to that of the many, to the ultimate advantage of each sharer in the common stock." Social legislation, therefore, is the science of social adjustment.

An important area of social legislation pertains the problem of welfare and the protection of workmen. The relation between employers and employees had been regulated in the Common Law, for a long period. In England this relationship between workman and employer according to Common Law is voluntary relationship; the parties may enter on terms laid down by themselves within limitation imposed only by the general law of contract. If a man agrees expressly or by implications to work as a servant or an apprentice, there would be no other

1 L.L.J - September, 1967.
relationship except that of master-servant relation and the voluntary character of the relationship would be sufficient to secure the active aid of the courts.

The Common Law had been in vogue for a long time and used as the most effective instrument at the hands of judicatures, and then became gradually ineffective in the face of mounting complexities of industrial societies and had to undergo a series of amendments, or to repeal a lot of old laws aand enactments and consequently other new legislation emerged in statute book which has reckoned as a new branch of legislation. But the spirit of this new legislation has been taken from Common Law and the study of the Common Law provides an invaluable introduction.

William I of Germany used the term 'social legislation' in 1881 in his famous speech before the Reichstag urging the adoption of public accident and health insurance scheme. Afterwards, the term was referred often in Germany as well as all other countries. However, the term is an off-sprung of this century. It is also much associated with the concept of welfare state and social security. With the acceptance of welfare principle, the state has to take cognizance of new social needs of the people gradually at an increasing rate for attaining the desired social goals. Hence a large number of enactments appeared to fill up the gap between the current laws and social needs.
Social legislations consist of three major branches, namely, (I) Economic Legislation; (II) Civil Legislation; and (III) Labour Legislation. Economic Legislations concern with fixation and payment of wages, price fixing anti-trust law, co-operative societies, company, banking and mercantile law, law relating to indebtedness, etc. Whereas social legislation deals with mainly marriage, separation, divorce, adoption, inheritance, etc., protection of children and women, regulation of institutions, associations and social service agencies, juvenile delinquency, prostitution, gambling, drinking, etc. and other social evils, and social defence, moral and social hygiene. Labour legislations relate to employment and non-employment, working conditions, wages of the workers, and industrial relations, social security, labour welfare and protection of workers and other rights of industrially employed persons.

This classification, of course, is made arbitrarily and over lapping. It is obvious, that perfect classification cannot be possible as many of them may relate to more than one group.

Social Justice and Labour Welfare

It is now convenient to examine the relationship between social justice and labour welfare.

The legal ideas and social realities often conflicted and it becomes more and more apparent, that political freedom
and equality in the eyes of the law did not embrace economic freedom, and equality was achieved though there was a legal friction. This realisation, therefore, leads to consider that something must be done to ensure real equality and to eliminate social injustice.

The term 'social justice' has been referred to frequently in Parliament in India whenever the House would embark to promulgate any social legislation. The term also was uttered time and again by Industrial Courts, Tribunals, High Courts and Supreme Court whenever they endeavour to resolve any conflict between the employers and the workers. In fact, the decisions made in this field by the Courts were largely influenced by the concept of 'social justice' and those decisions have formed a set of norms which seem very important from the industrial relations point of view.

The phrase social justice is mainly associated with pre-conceived idea of class concept. The principle advocates the protection of those who cannot protect themselves. And the workers having inferior social status or position, deserve the protection in the society from the onslaught of the employers. Hence, by 'social justice', Giri means an equitable distribution of profits and benefits accruing from industry between employers and employed and providing protection to workers against harmful effect on their health, safety and morality.  

application, it is very difficult to draw out the contour of this principle. In fact, this term has not been defined in any of the Labour Legislation or in any other act of Indian Parliament. It is, however, therefore, not possible at all to have a precise meaning of the term. Thus "social justice" is a concept which is easy to comprehend and even to describe but almost impossible to define. Apart from the difficulty of framing a definition in the logical sense, any definition which may be framed under peculiar combination of circumstances which arise in actual life may be found to be inadequate, and runs the risk of being interpreted by different individuals in different ways.

For the understanding of the term 'social justice' first the term 'justice' may be defined and then proceed to define 'social justice'. And 'justice' is exactly making the conformity to some obligation as expressed in judicial sense. But in this perspective the concept expressed is merely a micro sense.

"Justice" may be defined as right according to the concept of mankind generally or of that portion of mankind who may be governed by some principles or morals.

In a judicial sense, it is defined as exacting conformity to some obligation. Two more terms closely associated with the concept of "Social Justice" are, equity and natural justice. However, Equity is not necessarily synonymous with
'Justice' or Natural Justice although it has been sometimes so used. Justice as a moral principle, postulates equality of consideration for all who may come within its scope - which means in effect all human creatures.

"Natural Justice" is defined as that type of justice which is founded on equity, honesty and right. Natural Justice stood, in part, for justice according to conscience that is justice administered without reference to any positive law such as statute or a decision of law court. But with the growth of the body of law, justice came to be administered more and more according to statutory or other laws and the principle of natural justice found to be applied less and less. Further, it was observed by the British Judges that the principle of "Natural Justice" was too vague to be used and applied in all cases.

It is to be noted that 'social justice' is a very vague concept and hence no clearcut definition can be worked out which will satisfy all situations. Therefore, it is easier and safer to state that 'social justice' seeks to do justice. But it differs greatly from legal justice as social justice ushers to do justice between two classes in the society and not between individuals and, therefore, it adopts unorthodox methods, different from the methods of municipal law. Furthermore, 'social justice' is not based on contractual relations and it is not enforced on the principles of contract of service. It is something outside these principles and is
invoked to do justice without a contract to back it. However, the concept of social justice takes within its sweep the objective of removing all inequalities and affording equal opportunity to all citizens in social affairs as well as economic activities. Thus the term social justice, in a comprehensive sense, includes both economic justice and social justice. And social justice had already begun to affect not merely legal thought but legislation and judicial decisions which the courts were working out as the extreme deductions from the order conceptions.

Influence of the term social justice on the enactment of labour legislation in India is obvious and it has been well observed that "new social justice inspiring social legislation further stresses essentials to protect the weak against the strong, the under-privileged against the privileged and the have not against the haves. The original idea of equity, therefore, developed into a sense of new equity and original limitations of law of contract were further deepened by a new outlook of justice." In fact, on the recognition of this principle along with the growing strength of democracy, a sense of justice and fairness gave impetus to the formation of labour laws to protect the withered section of the society. Thus, it is presumed that the lasting peace can only be possible in industry and trade, if it is based on "social justice". The doctrine of

1 The Supreme Court in Rastriya Mills Masdoor Sang and another vs. Apollo Mills Ltd. and other, 1960 (II) LLJ 263 (1960-61) 18 FJR 303 (S.Court 1960).
the contract has to yield to the higher claim for social justice.¹

But lack of proper definition of the term has resulted in confusion and anomalies in its practical applications. Consequently, judgements made on the basis of the social justice were embarrassing and in India it is found that awards of the different tribunals and courts on the same issue differ widely. And in case of wage it is found that different tribunals making different awards have caused the disparity in wage system in India. This, no doubt stems from the difference, in the realisation of the concept of social justice amongst the judges.²

The position on the concept of social justice has been well summarised by Allen, - "We hear much to-day of 'social justice'. I am not sure that those who use the term most glibly know very clearly what they mean by it. Some mean distribution or 'redistribution' of wealth, some interpret it as 'equal of opportunity' - a misleading term, since opportunity can never be equal among human beings who have unequal capacities to grasp it. Many, I suspect, mean simply that it is unjust that anybody should be more fortunate than themselves, and the more intelligent mean that it is just - I would rather say it is a concept of benevolent that every effort should be made at least to mitigate the disparities of natural human inequality and that no obstacles

² Justice Das Gupta, in the Associated Cement Co. Staff and the Associated Cement Co., Ltd.
should be offered, but rather help afforded to practicable opportunity for self improvement." ¹ And he further added that it is certainly something very different from distribution of justice, as Aristotle conceived it, for that was a matter of allocation of goods and privileges among a small body of free citizens, all of whom were what would to-day be called Capitalists (or perhaps 'bourgeois').

Aside this, the concept of 'social justice' is a static one. It is noticed that it looks backward in search of a standard and concerns of a static society. A worker to-day may consider that a certain standard of living will give him a measure of social justice, but a worker of twenty years hence may consider such standard as a denial of social justice. It is therefore, very difficult to define 'social justice' in a society which constantly changes.

But the principle of 'social justice' as we have noted, basically contradicts the principle of freedom of contract.² To-day human activities are basically governed by the law of contract. Though the shift from status to contract is jubilated as the most outstanding event of this century in the evolution of law, nevertheless, it may seem less significant as reflected in the history of social legislation, and despite the parties are equal in the eyes of law, the underlying inequality cannot be distinguished for any

¹ R.L. Allen - Economics of Labour, Ch. VI, London 1962.
length of times when the legal ideas, and social realities conflicted, and it becomes more and more viable that political freedom and inequality in the eyes of the law did not embrace economic freedom, and real equality was achieved though there was a legal friction. This realisation, therefore, claims that something must be done to ensure real equality. Furthermore, the social legislations culminated in labour laws and mooted with certain rights for the workers only, which other citizens are deprived to share. Therefore, partial return from contract to status has been imposed again through labour legislation to meet the urged need of the society. And an attempt to establish real equality through changing the aspect of law in its relation to individual and as well as its relation to prosperity of the nation assuring gradually an elimination of unequal status.

Thus, we find very little novelty in the concept of social justice. However, it is pertinent to establish certain norms for resolving the industrial disputes, the norms which contour the activities of both the parties in the industrial horizon. Common Law was in force for a long time in England for resolving industrial conflicts. But it gradually became insufficient to meet the complexities of modern industrial life. It thus became imperative on the part of the state, to establish certain rules for peaceful settlement of industrial conflicts, as the State functions not only for maintaining internal peace and order but also for the prosperity of the nation. Thus, it becomes a function of state to maintain the
industrial peace, otherwise it will fail to promote its coveted function of maintaining law and order, and national prosperity. It is strange event that Common Law, which follows the principle of 'equality' not 'Equity' (as conceived by those who advocate the principle of social justice), still regards the wage bargain as contract between an individual worker and an individual employer. The general policy of the law has been and is to leave the contracting parties a general liberty of bargaining so long as they are not against public policy.

The status and function of the worker, has been radically changed with advent of this century. The workmen, at present, are politically conscious persons and do not want to be reduced to the status of a mere cog in the industrial machine. Nor they want to be used as a pawn on the chessboard of capitalistic strategy and diplomacy. To-day, trade union has acquired much more strength and gained the same status as management. The concept of industrial democracy or the workers' participation in management pre-conceives the equal status of workers and employers. Even the profit sharing scheme or bonus system works on the recognition of a definite status of workers and on the realisation of the fact that the workers are essential partner of the industrial venture. In the context of all these developments, it is proper at present to treat the principle of social justice, as the concept which entitles labour to a status of equality with capital before the
law of country and not defacto equality.

Social Administration and Labour Welfare

At this stage, we shall now examine the relationship between social administration and labour welfare. In future, further extension of public sector and public services as a sequel to socialization of industrial life would require the recruitment and training of a growing number and variety of workers who in turn will play a major part in extending and shaping the services themselves. The contribution of these groups, who are regarded as "professions" is likely to shape the destiny of labour welfare management programmes both strategically and politically.

It is more likely that the commitment of these professional groups to the development of their work will repeatedly lead them to demand more and better social services. For instance, professionals may feel disturbed by the knowledge that children cannot be taught unless they are first fed, that sick workers cannot be cured unless they are decently housed, that young delinquents cannot be tamed if they have no legitimate playground. It should be remembered that the primary responsibility of these professionals are not to the tax payers or the organization that employs them, but to their profession and the people whom they serve.

The growth and development of professionalism has
to-day made it imperative for management to stress and develop those features of its work which are peculiar to itself, which distinguish it most effectively from other groups and protect it from what are seen as extraneous or "unprofessional" commitments. Partly as a result of this tendency to specialisation - sometimes fruitful, sometimes merely protective - each tends to promote the growth of satellite specialisms whose practitioners later seek professional status on their own account.

Closely related to this, the struggle for the resources needed to provide an effective service and the struggle for 'professional' freedom have frequently led the professions to call for bigger administrative units and increasing intervention on the part of Central Government, for example, the contribution of the medical profession to the development of the health services. Hence, the growth of a new social service depends on the growth of new professions and new administrative organizations which then proceed to expand, subdivide and multiply.

There exists a definite relationship between the form and function of public services and professions. While the form and function of public services are often shaped by the professions they employ, the form and function of the professions may, in turn, be shaped by the administrative structure within which they develop. The relationship between the two can often be seen most cleanly when comparisons are made between
similar professions in different countries. For example, in the U.S., the practice and outlook of social workers owes a great deal to the voluntary family. Casework agencies whose contribution to the development of this profession has been much greater than their size alone would suggest. These agencies have the right to select their own clients and restrict their caseloads; their material resources are limited but they have considerable freedom to determine their own functions, as they have a relatively simple administrative structure and operate alongside a wide variety of other services largely created by local initiative and largely financed from local resources. In Britain, on the other hand, voluntary services exist too, but, here they operate on a smaller scale alongside a more extensive national system of statutory services in which the most of the country's social workers are employed. In Britain, social work has been regarded as one aspect of social administration, and in the U.S., it has more often been regarded as an independent professional activity. This contrast helps to explain why social workers in Britain have long been more subdivided, and more concerned with the provision of practical help, the exercise of statutory powers and duties and the study of social administration while their American counterparts have gone further in analysing and developing the skills of personal relationship and the practice of community organization.

It is therefore of supreme importance that social
services should not be construed as an unproductive element tacked on to the economy as a charitable afterthought, but an integral and a necessary part of economic and social syst of modern industrial society.

Historically, social services have grown up as a result of the activities of charitable voluntary agencies as well as labour movement in different parts of the world. However, the social services form only a part of the collective provisions which have grown up in such countries to meet the needs that the open market cannot adequately cater for. The redistribution of incomes brought about by fiscal systems in which taxation is adjusted to promote the welfare of children, old people and other selected groups, the pensions, welfare services and other non-monetary benefits provided by employers, the 'semipublic' 'non-profit' - making bodies which operate under public supervision, with the aid of tax privileges, subsidies and government loans, to provide housing, medical care, pensions and other services - all these are parts of the same framework, although the use made of different institutions within this framework and the methods and policies each adopt vary from time to time and from country to country.

It is obvious therefore that the social administration and its various problems should be postulated in the context of its framework and mere institutional studies of social administration would appear inadequate. Viewed from
this standpoint, social services is not a static institution applying well-tried methods to well-defined problems; similarly the framework of collective provision within which such services operate is not a permanent edifice as the concept of 'welfare state' too often suggests. The social services are a continually developing response to continually changing needs and problems.

Evaluation of some problems of Social Administration in India

It would now be relevant to make an evaluation of social administration in India vis-à-vis labour welfare. In India, that the Government had a definite role to play in the field of social welfare was all too apparent. But the precise nature of this role and the way how social administration could be harmoniously co-ordinated between Governmental and private agencies were matters which could not be easily determined. In the first instance, the incorporation of general social service schemes in a plan primarily directed towards economic development and circumscribed by paucity of resources was in itself achieved with difficulty. Then there was the problem of adjustment; for Governmental machinery to gear itself to the tasks of social welfare a complex process of reorientation was necessary.

All this notwithstanding, Government's responsibility for social administration had been accepted as a guiding principle of policy. But when it came to translating this praise-
-worthy principle into practice, all manner of difficulties cropped up. A great deal of confusion prevailed. Not all of it has been resolved, though a continuous effort is being made to evolve a harmonious pattern of working. Three of the major factors contributing to the complexity of the problem may be cited. First, the absence of a precise definition of the scope of social welfare; second, the dispersal of social welfare subjects under several Ministries at the Centre and Departments or Directorates in the States; and third, the lack of co-ordination between Ministries or Departments dealing with allied social services.

In regard to the first, there is no unanimity on the exact definition of social welfare either in India or in other countries. For practical purposes, however, it is assumed that social welfare services are those intended to enable individuals and groups in need of social care to develop their capacities as near to the normal level as possible. These are distinct from social services in general, which are meant for the normal community. Thus, while education and health are social services, schools for the blind or correctional institutes for juvenile delinquents or care homes for destitutes are examples of social welfare services. Welfare programmes for women and children, who constitute what are known as the vital though vulnerable sections of the community, constitute social welfare services. In the light of this demarcation, the seven subjects assigned to the Working Group

The administrative structure at the Central and State levels reveals a very irregular pattern. The Union Ministries of Education, Health, Home Affairs, Community Development and Labour and Employment and the Rehabilitation Department of the Ministry of Works, Housing and Supply directly or indirectly deal with social welfare subjects. There are other Ministries at the Centre, namely, Defence, Railways and Transport and Communications, which also have welfare programmes of their own for their employees. These welfare services are mostly in the nature of amenities and, as such, do not conflict with the social welfare services in the special sense. The Ministry of Home Affairs is not only in charge of various schemes relating to the backward classes (save that the Ministry of Education handles the scheme of post-matric scholarships for these classes) but also deals with subjects like beggary and vagrancy, welfare of prisoners, juvenile delinquency and probation, suppression of immoral traffic and emergency relief measures in case of flood and famine. The Ministry of Education has within its purview programmes of youth welfare and recreation, education and welfare of the physically and mentally handicapped (that is, the blind, the deaf, the crippled and the mentally deficient), social and moral hygiene and after care, social education and social work, training and research.
Schemes for social education and welfare of women and children in rural areas are handled both by the Central Social Welfare Board, which is an autonomous body under the administrative control of the Education Ministry, and by the Ministry of Community Development and Co-operation. The Central Social Welfare Board deals with welfare services organised by and through a large number of voluntary bodies. Other welfare services with a socio-medical content, such as maternity and child welfare, health services for school-going children and family planning, are taken care of by the Ministry of Health. The Planning Commission is associated with social welfare schemes in so far as the examination processing and formulation of a national plan for social welfare are concerned. This wide dispersal of social welfare activities among various Ministries and Departments at the Centre makes it difficult to have an integrated approach to the formulation of plans and policies and also for unified action and direction at the stage of implementation. A statement showing the services undertaken by the different Central Ministries in the field of social welfare is shown in table 2.4.
<table>
<thead>
<tr>
<th>Name of the Ministry</th>
<th>Service*</th>
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<td>1. Community Development and Co-operation</td>
<td>1. W.W.</td>
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<td>3. Y.W.</td>
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<td>2. Commerce and Industry</td>
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<td></td>
<td>2. W.E.</td>
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<td>3. S.A.P.</td>
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<td>3. Defence</td>
<td>1. W.E.S.</td>
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<td>8. S.R.</td>
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<td>9. T.P.</td>
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* See 'Key' at the bottom of this table.
<p>| 4. Education       | 1. W.H.       |
|                   | 2. S.P.S.     |
|                   | 3. Y.W.       |
|                   | 4. S.R.       |
|                   | 5. G.I.R.     |
|                   | 6. G.I.T.     |
| 5. External Affairs| 1. W.B.C. |
|                   | 2. I.P.       |
|                   | 3. S.R.       |
| 6. Finance        | 1. S.A.P.     |
| 7. Food &amp; Agriculture | 1. W.E.      |
|                   | 2. S.A.P.     |
|                   | 3. G.V.O.     |
| 8. Health         | 1. W.H.       |
|                   | 2. W.E.       |
|                   | 3. T.P.       |
|                   | 4. W.D.P.     |
|                   | 5. G.W.O.     |
|                   | 6. G.I.R.     |
| 9. Home Affairs   | 1. W.D.P.     |
|                   | 2. W.E.       |
|                   | 3. S.P.       |
|                   | 4. S.R.       |
|                   | 5. G.T.C.     |
|                   | 6. W.D.C.     |
|                   | 7. G.I.T.     |
|                   | 8. T.P.       |</p>
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<th>10. Information &amp; Broadcasting</th>
<th>1. P.P.</th>
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<td>2. W.E.</td>
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<td>11. Irrigation and Power</td>
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<td>12. Labour &amp; Employment</td>
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<td>13. Law</td>
<td>1. S.L.</td>
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<td>14. Railways</td>
<td>1. C.W.</td>
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<td>15. Rehabilitation</td>
<td>1. W.D.P.</td>
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<td>2. G.C.O.</td>
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<td>17. Steel Mines &amp; Fuel</td>
<td>1. W.E.</td>
</tr>
<tr>
<td>18. Transport &amp; Communications</td>
<td>1. S.A.P.</td>
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<td></td>
<td>2. W.E.</td>
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<td></td>
<td>3. C.W.</td>
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<td></td>
<td>4. W.W.</td>
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<td></td>
<td>5. S.R.</td>
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</tbody>
</table>

'Key'

C.W. = Child Welfare
W.W. = Women Welfare
Y.W. = Youth Welfare
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>L.W.</td>
<td>Labour Welfare</td>
</tr>
<tr>
<td>W.H.</td>
<td>Welfare Services for the Physically handicapped</td>
</tr>
<tr>
<td>S.P.S.</td>
<td>Welfare Services for the persons in special need</td>
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<tr>
<td>S.D.</td>
<td>Social Defence</td>
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<tr>
<td>S.L.</td>
<td>Social Legislation</td>
</tr>
<tr>
<td>T.P.</td>
<td>Training of personnel</td>
</tr>
<tr>
<td>G.I.R.</td>
<td>Grants-in-aid to institutions for Research</td>
</tr>
<tr>
<td>G.I.T.</td>
<td>Grants-in-aid to institutions for training of personnel</td>
</tr>
<tr>
<td>G.V.O.</td>
<td>Grants-in-aid to voluntary organisations for Social Welfare Work</td>
</tr>
<tr>
<td>W.D.P.</td>
<td>Welfare Services for displaced persons</td>
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<tr>
<td>W.B.C.</td>
<td>Welfare for Backward Classes</td>
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<tr>
<td>W.E.S.</td>
<td>Welfare for Ex-Servicemen</td>
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<tr>
<td>W.E.</td>
<td>Welfare services for employees</td>
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<tr>
<td>S.R.</td>
<td>Survey and Research</td>
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<tr>
<td>S.C.</td>
<td>Slum Clearance</td>
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<tr>
<td>L.I.H.</td>
<td>Low Income Group Housing</td>
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<tr>
<td>P.P.</td>
<td>Propaganda and Publicity in Social Welfare</td>
</tr>
<tr>
<td>S.A.P.</td>
<td>Social Assistance Programmes</td>
</tr>
</tbody>
</table>
Need for Co-Ordination

To ensure smooth and steady progress there is need for proper co-ordination among the various agencies operating in the field. Co-ordination, however, does not mean the subordination to one agency of all the others participating in the programmes. It only means making the most effective use of every agency so as to get the best results, dovetailing the various schemes to eliminate any waste of time or effort.

The problem of co-ordination in the field of social welfare services would fall into the following heads: (1) between the Central Government and the State Governments; (2) at the Centre, among the different Ministries, and similarly in the States among the several departments; (3) between Government departments and voluntary agencies; and (4) among the voluntary agencies themselves.

Co-ordination between the Central and State Governments does not present any particular obstacle. Difficulties experienced in the earlier stages with regard to the relationship between the Central Social Welfare Board and the State Governments, have been largely overcome. Child welfare programmes at the Centre have now been recently brought under the administrative responsibility of the Ministry of Education. This Ministry is also to co-ordinate the activities of other Ministries and organisations dealing with child welfare. A Co-Ordination Committee on Child Welfare has been set up under the Cabinet Secretariat for this purpose.
In respect of co-ordination among Ministries or among State departments, the real problem is one of more clearly defined allocation of functions, of the gradual fostering of proper attitudes of mind among the departmental agencies, and of a greater identification with the public they serve. There is little doubt that progress has been made in this direction, thanks largely to the impact of the voluntary agencies.

Special mention, may, however, be made of the efforts of the Central Social Welfare Board. When it was set up in 1953, one of its functions was to co-ordinate social welfare programmes in the voluntary sector. The Board has taken a number of steps to strengthen its relations with the Central Ministries and the State Governments, as also with the various all-India voluntary organisations engaged in welfare work. During the past few years, it has been able to establish close bonds with the Ministries on a wide front, and sponsored programmes which are implemented with their active cooperation. The best possible co-ordination exists between the Central Board and the Ministries of Education, Finance, Health, Labour, Community Development, and Commerce and Industry, and also the Planning Commission. The Ministries provide representation to the Board on the several advisory committees set up by them, thus enabling it to keep abreast of what is happening in various fields of development and to participate in the formulation and implementation of schemes. The committees
serve to bring the various non-official organisations into closer contact with the Board.

To cite examples, the Central Social Welfare Board co-operates with the Ministry of Health in the extension of grants-in-aid for various health schemes. The Ministry helps in training midwives and dais for the Board's rural welfare programmes. The Family Planning Board set up by the Ministry works in active co-operation with the Central Social Welfare Board and utilises voluntary organisations for propagating the message of family planning. The Board's socio-economic programmes are implemented in co-ordination with the Ministry of Commerce and Industry. That Ministry not only provides financial and technical assistance for the schemes, but also helps in the marketing of the articles produced under the various schemes.

The Ministry of Home Affairs operates in liaison with the Board in channelling assistance to welfare institutions connected with Harijan welfare work. It also administers the programme of social and moral hygiene and after-care of persons discharged from correctional and non-correctional institutions. (This programme was transferred to the Ministry of Education in July 1960.) The Board has agreed to start Welfare Extension Projects in intensive development blocks of the multi-purpose type in tribal areas, for which the Home Ministry has assumed responsibility along with the Ministry
of Community Development. The closest possible co-ordination exists between the two in the implementation of welfare services for women and children in rural areas covered by these blocks.

Special mention may be made of the All-India Handicrafts Board, which has extended full co-operation to the Central Social Welfare Board in the matter of training the latter's nominees in various handicrafts and in marketing the articles produced by women receiving craft training in rural welfare centres.

The Ministry of Information and Broadcasting takes special interest in promoting understanding of the Board's programmes and popularizing them among the public through its various media units.