Chapter - 4

A CRITICAL SURVEY OF LABOUR WELFARE LEGISLATION SINCE 1947

The role of labour welfare in economic development of India, has been analysed in the previous chapter. It is now important to institute a critical survey of welfare legislations in India since 1947. Such a study is necessary for identifying the role of state in labour welfare. The role of state in labour welfare is equally significant in the process of India's planned development. And in this context, the welfare state as embodied in successive Five Year Plans has crystallised itself through a series of welfare laws since 1947. Thus in a sense, welfare laws are the outcome of welfare state in India.

Therefore, a study of welfare legislation should be preceded by a brief analysis of the concept of welfare state. This will be followed by a survey of main central labour welfare laws in some important well demarcated areas.

Evaluation of Welfare State Concept

The welfare state is a system of social responsibility for certain minimum standards of individual and community welfare. It is organized to ensure the well-being of

its citizens and to use their resources to that end. It is the assumption by the community, acting through the state, of the responsibility for providing the means whereby all its members can enjoy minimum standards of health, economic security, and civilized living, and can share according to their capacity in its social and cultural heritage. In a welfare state, the community at large recognizes the collective responsibility towards its weaker or less fortunate members and takes definite action to assist them. There was then the political idealism of the view that the welfare state "was one in which social security and social services were the birth right of every citizen, normally speaking without test of means, in which the development of social services are democratically organized to meet the essential needs of the whole community and in which the whole community participates as a matter of course." Another theorist stated that the welfare state "is based on two principles: the right of everyone to a job and a guaranteed social minimum of health, wealth and leisure." The emergence of the concept of the welfare state

is the legitimate culmination of the democratic process which emphasizes the values of equal rights and privileges to all the citizens. A welfare state is "a State in which organized power is deliberately used (through politics and administration) to modify the play of market forces in at least three directions - first, by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain social contingencies (for example, sickness, old age, unemployment) which lead otherwise to individual and family crisis; and, third, by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to certain agreed range of social services." Titmuss said that "four main categories of services were largely responsible for Britain being described as a Welfare State - education, medical care, social security, and housing - with a fifth comprising a number of smaller services - child care, juvenile delinquency, employment bureau and financial grants to many voluntary agencies."  

It needs be understood that the emergence of the

concept of public responsibility for personal and social needs of individuals and groups evolved over a long period of time. The welfare services that are taken for granted today were looked upon in earlier days as charity for the poor and the unfortunate. It is only a recent development that under the impact of the new values of social democracy, security, equality, and humanitarianism, the human needs have come to be regarded as a legitimate claim on the society as a whole. Two different approaches to social welfare are discernible in this connection.

One formulation is based upon the premise that the family and the market economy are the "natural" channels through which all individual "needs" are properly met; these are the preferred structures of supply. Sometimes, these institutions do not function adequately; family life may get disrupted, or economic depressions may occur. At other times, the individual, due to some contingencies such as old age or illness, cannot make use of the normal mechanism of need gratification. In such cases, according to this idea, mechanism, namely, the social welfare structure, is brought into play. This concept of social welfare renders it as a residual agency, attending primarily to emergency functions and is expected to withdraw as soon as the regular social structure the family and the economic system - works properly. The residual character of social welfare, thus conceived often
carries with it the stigma of dole or charity.

The second formulation looks upon social welfare as an institutional concept performing normal "first-line" functions of modern society. This view implies no stigma, emergency, or abnormality to the recipient of the service. Social welfare becomes an accepted and legitimate function of modern industrial society in helping individuals to achieve self-fulfilment. This view recognizes the complexity of modern life as well as the inability of the individual to provide fully for himself or to meet all his needs. To the extent that the bases of both the formulations exist side by side, as is the case often, a welfare state tries to provide services of both kinds, namely, those available subject to a means test and those available as a matter of right.

A controversy, however, has come up about the constituent elements of welfare. It is here that the difference between democracy and totalitarianism becomes obvious. Welfare does not consist merely in the enjoyment or possession of the material means of life. Of equal importance is that people enjoy the freedom of choice, the right to think, to express, and to worship according to their choice. They should be free to form themselves into associations for the satisfaction of their political, cultural, and economic needs. The real scope for the development of human personality
is the highest and noblest aim of a welfare state. Thus, the welfare state is the result of an attempt at avoiding the excesses of unmitigated totalitarianism on the one hand and unbridled individualism on the other. As such, in spite of the imperfections that are unavoidable in a compromise of this nature, it provides the ideal form of a humanitarian and progressive society. It seeks to give every individual the minimum standard of subsistence without suppressing personal enterprise. It also tries to bring about a redistribution of income by a policy of progressive taxation and without pretending to establish utopian equality among the citizens. In a welfare state all the assured of adequate help in case of need which may be due to illness, old age, physical or mental handicap, or unemployment. State assistance is given as a right, not as a charity, and no stigma of pauperism is attached to those who receive it.

The Welfare State in concept and practice is best exemplified by the British experiment in 1948, when in Britain the era of Welfare State was heralded irrespective of political allegiance. Without making any value judgement it would be relevant to analyse conceptually to what extent the basic tenets of welfare state theory has contributed to the sustenance of labour welfare concept.

To do this, it is first convenient to evaluate some current theories of Welfare State.

It is sometimes advocated by economic experts that the advent of Welfare State has involved two important processes of social welfare as supplementary to labour welfare. First, the establishment of equalitarian society, and, Second, the distribution of free social services. There are some who are critical of such simultaneous involvement of social changes. According to this view, the establishment of welfare state, while providing social and economic benefits to the working class as compulsory distribution, has impoverished the upper class who are to pay for the benefits.¹ Hagenbuch has advocated that the maintenance of minimum national welfare does not necessarily mean the pursuit of equality.² As a matter of fact, unlike communist society, welfare state is more concerned with easy distribution of socio-economic welfare services and less with equality. Following the above points, welfare services should be provided strictly on economic basis and that national minimum should be maintained not perennially, but until the poor can take care of themselves. It has been

further stated with special reference to Britain, that the fundamental principle of providing social and economic relief to the working class people in a welfare state should be that "no one should live on the taxpayer unless he needs to." 1

According to social theory of welfare state, as propounded by Jouvenel, three sordid consequences might follow the perpetuation of welfare state: 2 (I) "sordid utilitarianism of redistribution of social services," (II) "precarious decline in unrewarded services upon which culture and civilisation subsists," and (III) "tremendous growth in the power of the State as a result of rising cost of social services." Golin Clark has the premonition, following the third aspect of Jouvenel theory that welfare state is a prelude to totalitarian regime, and to mitigate the evil, he has recommended to 'denationalise' the whole process by entrusting the welfare work to some voluntary and religious organisations. 3

The admonition of welfare state is also made by many critics from sociological viewpoints according to which valuable creative leisure enjoyed by upper class people will have to be sacrificed for providing benefits to working class

1 The Economist, June 5, 1954, London.
people in Welfare State, who are incapable to utilise their bestowed leisure.

In India, since 1947, and in some other developing and underdeveloped countries, the introduction of welfare state was particularly intended to resist the attempts of authoritarian form of government by the working class people. And it may be fair to say the main object of welfare state is not equality but equitable redistribution of wealth and social services. In the absence of any conscious social and political efforts on the part of the affluent to provide the minimum benefits to the needy people, it is the duty of the state to effect such provision if social and political disaster is to avoid.

It is not easy to define and to measure needs which are constantly changing in the society according to technological changes. But it is more convenient to conceptualise and measure social services and therefore welfare state is more concerned with these social services than needs.

In recent times, the frontier of social services is, however, fast expanding which includes perhaps all types of hazards and uncertainties of life. So much so that it is wellnigh impossible for voluntary or charitable organisations to provide social services which mean something to the working class people.
The controversy over welfare state is, in fact, much misconceived. The notion that welfare state seeks to perpetuate misery by sacrificing efficiency for the sake of social justice is debatable. To-day, an affluent country like the U.S. also takes pride in proclaiming itself to be a welfare state. After all, there is nothing unique about the concept of welfare state. Any state which believes in non-authoritarian democratic political systems and brings about equitable redistribution of resources without resorting to violent social change is welfare State. The fundamental fact is that along with the provision of social services economic welfare should be maximised by reallocation of resources from the rich to the poor.  

Functions of Welfare State

It is now important to examine the functions of welfare state in theory. It is not our purpose to illustrate the numerous classification of its work in various indefinitely enlarging fields. Conceptually, welfare state must function according to socio-economic division of welfare. This broad division of welfare, catering to the needs of the working class people, may be conceived in the three main categories; viz. (i) social welfare, (ii) fiscal welfare and (iii) occupational welfare. 

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1 See also Chapter - I.
These three categories of welfare as proposed to be
the main areas of function are closely interlinked and this
relationship may now be critically analysed as follows:

The meaning and significance of social welfare consti-
tute the crucial functional concept in modern welfare state.
Indeed, according to many people social welfare should be the
exclusive concern of welfare state and it is better not to be
concerned with economic welfare. But, as we have seen in the
first chapter, the concept of welfare denotes both economic
and social functions though currently social welfare is expanding
its frontier very fast.

The everincreasing pressure of social welfare function
necessitating expanding frontier of social welfare is due to the
fact, that in the process of industrialisation and sharp specia-
lisation and division of labour, certain 'man-made' classes of
dependencies are coming forth in industrialised society. These
"states of dependencies", apart from economic and technological
development, may be the outcome of cultural heritage. The
cultural lag finds its expression in social custom, religious
faith and many forms of superstition. Assuming cultural lag,
the traits of economically undeveloped society, where natural
dependencies are found even in economically advanced countries,
are posing serious threat to the stability of government. The
process of specialisation has brought in its trail some forms
of loss of temporary earning power which may be caused by
unemployment, underemployment, work hazards, compulsory retirement, delayed entry into labour market, trade union militancy and many other acute forms of job uncertainties following the modern methods of selection and rejection. As a result of this process, it has been truly pointed out that helpless social dependency of an employee varies directly with his degree of specialisation and individualisation of self-knowledge.

With regard to fiscal welfare, it might be said that this aspect of function of Welfare state, correctly speaking, relates to taxation, especially the theory of progressive taxation and therefore is in the realm of welfare economics. For last two decades the literature in progressive taxation has been enormous and it is difficult to do justice to the fiscal welfare from standpoint of concept so briefly. Since, however, this analysis is not meant to be logically economic discussion, it would be relevant to refer to some important points only.

Fiscal welfare, largely emanates from social welfare in specially administered social security system. State expenditure on known social security benefits is considered as fiscal welfare and this is popularly known as social service expenditure. Collective provision made for dependencies is treated

2 E.Durkheim - The division of Labour in Society, 1933.
as transfer payment which also includes tax relief. The pro-
gressive taxation system is generally used as fiscal measures
to maintain fiscal welfare programme. In almost all countries
tax policy is today suited to effect redistribution of income
from the rich to the poor. There is a great controversy,
however as to the justification and effectiveness of progressive
taxation. Notwithstanding controversy, the fact remains that
progressive taxation is today an indispensable fiscal tool in
the hands of government in democratic countries, which wish to
effect peaceful redistribution of income. Pigou, as is well
known, has found it a great effective weapon in the hands of
capitalistic government whereby maximisation of economic welfare
is effected.

Closely connected with fiscal welfare, occupational
welfare benefits are provided by state in cash and in kind in
specially selected occupational dependencies. Some of the
occupational welfare benefits are: pensions for employees and
their dependents, death benefits, child allowance, health and
welfare services, unemployment benefit and numerous other forms
of benefits which are akin to social welfare. The magnitude
and true picture of occupational welfare might be obtained
from the following British observation: 'Modern improvements
in the conditions of employment and the recognition by employers
of a wide range of obligations towards the health, comfort and
amenities of their staff may well lead to a greater proportion
of an employee's true remuneration being expressed in a form
that is neither money nor convertible into money.\textsuperscript{1}

If the present trend of widening the range of occupational welfare persists, it is not unlikely that in future economic significance of salary, wage and income may diminish considerably. Admittedly, however, the ever increasing growth of occupational and social welfare has greatly contributed to the maintenance of harmonised industrial relations in many big industries in advanced countries. In developing countries, like India, human relations side of enterprises is probably not properly understood and labour welfare programme especially the importance of occupational welfare does not receive the attention it deserves.

In majority of tribunal cases in India wage questions constitute the predominant causes of disputes and welfare questions are almost insignificant. This presents quite a reverse outlook as compared with advanced countries.

**Dilemma of Economic and Social Growth in Welfare State**

In India, new welfare economic approach is to be broadbased on some basic considerations. However, in the absence of any past experience of optimum national income policy and full employment policy tremendous obstacles are likely to impede the success of initial attempts in this direction, as particularly felt in carrying out the Five Year Plans. Nevertheless,
through trial and error ultimately it would not be impossible to attain the desired aim if a planned economy is firmly established with real sincerity and efficiency. National Income reflects the economic well being of the people of a country. But national income, as economic idea is dependent on certain other factors. Fulfilment of these factors is a prerequisite for maximisation of national income. And the condition of full employment is one of these important factors. Hence, it is very important to reconstruct welfare approach together with income approach and employment approach. Maximisation of national income via full employment should be the modus operandi of new welfare approach, if we are to cast a new light on welfare economics.

In the face of phenomenal economic growth and affluence in future, and in the prospect of that has been argued in favour of private market mechanism as a rational allocator of resources, the singular omission and neglect of the famous Pigovian divergences between social costs and private costs is the most glaring drawback of modern economic analysis. Alongside economic growth, possible diseconomies and disservices involved in the production and consumption of a large range of future economic goods will widen the divergences between social costs and private costs in the forms of urban light air and river pollution, ill health, destruction of aesthetic amenities, industrial injuries etc. Economists are perhaps dismayed in quantifying the effects of such damages suffered by the society which is the consequence of rapid economic growth. It is in this context, that framing
of a social policy and the role of welfare state should be judged.

In future, the formidable waste of disservices and disutilities generated as a result of such divergences will affect immediately those who are not benefited by such social and technological changes. For example, the social cost benefit implications of economic changes in the following sectors will be of greatest worry to the government of an expanding economy: (i) the effects of automation on unemployment; (ii) obsolescence of vocational and professional skill and their ill effects on family stability; (iii) effects of scientific discoveries like thalidomide resulting in permanent personal dependency; (iv) effects of fringe benefits; (v) increasing impact of rejection on human psychology as a result of unfair market competition in every sphere of human existence.

It is obvious that, all these areas of distribution are almost wholly uncompensated and there is none but welfare state which might be the protector from these social evils. Thus, as logical Corollary to this problem, two most important theories may be formulated. First, with rapid economic and technological growth distribution of wealth and benefits tend to be unequal. Second, progressive economic growth synchronizes with increasing role of welfare state in formulating and pursing economic and social welfare policy for compensating future disservices and disutilities as analyzed before.
As already noted, economists find it difficult to calculate social costs of such disservices of industrial society. Economic analysis, therefore, has always taken recourse to calculation of economic costs. In future affluent society, economists would be seriously confronted with rational cost-benefit calculation as, for convenience, social costs and social growth would largely be neglected. On the top of it, the problem of differentiation as between social classes and sub-classes, religion and racial traits would seriously hamper the equitable distribution of the fruits of economic growth. In all the present and future circumstance of an industrialized society, the role of welfare state will undoubtedly be more decisive and strategic.

In fact, from perspective viewpoint, we may visualize a society in which problems of social growth would become more serious even when economic growth has been maximised. In such a situation economic growth will become meaningless if it is unaccompanied by social justice and equality. The quantitative indicators of this social growth, may be judged by the following norms of development:

(a) Increasing proportion of national income spent on educating totally illiterate people than educating normally educated people especially in developing countries;

(b) larger expenditures on housing for slum dwellers and the poor as compared with middle class people;
(c) larger amount of medical fund spent for hospitalizing the chronically sick people than average sick people;

(d) larger participation of social workers in public programmes;

(e) minor differentials in income and assets between the rich and the poor without regard to colour, creed and religion.

The Backdrop of Welfare Legislation and Its Scope

It is now relevant to note the backdrop of Indian welfare legislation as this is likely to reveal its structural pattern. Although basically, the major structure of the present day labour legislation in India is rooted in the British initiated laws before 1947, specifically welfare laws were, however, insignificant before the Second World War. Mention may be made of a few important landmarks only in this connection. In 1922 an All-India Labour Welfare Conference was held in Bombay with a view to discussing some important problems connected with labour welfare. Following the convention of International Labour Organisation, an enquiry into the question of welfare work was undertaken and the State Governments were asked to collect data on various aspects of the problems. This attempt to enquire into the problems of labour welfare received further impetus during the Second World War, and after the achievement
of Independence in 1947, special efforts were made to revitalize welfare laws.

It must be noted, however, that the area of legislation regarding labour welfare in India is very vast and overlapping with other non-welfare laws since 1947. It is not our object to describe the provisions of every such law along with their amendments. That will merely be a repetitive exposition. The main purpose of this chapter is to survey and to evaluate the principal Central welfare legislations attempting to identify their main welfare implications.

Apart from the specific objectives of welfare laws in the specific areas, the general purpose of welfare legislation initiated by State Governments and Union Government is to enable the employers and employees to understand the basic welfare needs of the working class. In other words, this pattern of welfare legislation seeks to provide various welfare measures which ensure better health, housing, safety, general well-being and industrial efficiency of workers beyond the minimum standards of wage benefits.

In this context a brief reference may be made to international perspective. It is a common knowledge that welfare oriented views either by the Government or by the private entrepreneurs synchronised with Industrial Revolution in Western Countries. Ruskin's views on the concept of justice in payment of wages to the workers had reawakened the conscience of the British Government during Industrial Revolution in England.
Several laws, notable among these Corn Law were passed to ameliorate the pitiable working conditions of the labourers. It is remarkable how Ruskin visualised the modern problems of working class long ago though he had not spoken anything about the Marxian revolution. This shows that the conscience for betterment of working class is not the monopoly of only revolutionaries or the socialists alone. In the interest of the government and in the interest of the entrepreneurs themselves welfare measures for the workers are imperative in any country where industrialisation has matured.

It is in this context welfare measures have become an absolute necessity particularly in India. Thus, three important reasons may be accounted for the modern acceptance of labour welfare concept in every country where industrialisation has developed. 1 Firstly, the imperative need to provide better standard of living for working coupled with the need for maintaining better industrial relations is considered an important requirement for maximisation of production. Secondly, the large-scale production and the concomitant expansion of world market has led to the emergence of working class as an important source of power for which labour welfare is an essential investment. Thirdly, the growing importance of scientific management has necessitated the development of labour

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1 Recent Developments in Certain Aspects of Indian Economy, Vol.IV, p.86, 1959 - I.L.O.
research especially in the context of the latest experiment in industrial psychology which is leaning heavily in human motivation and morale as the key factor of productivity.

However, the pattern of labour welfare policy varies from country to country in accordance with economic and political structure. It must be observed that the labour welfare policy as adopted either by the government or by private entrepreneurs was looked upon by the organised labour with scepticism as the evidence of paternalism for a long time in different Western Countries. And the labour welfare policy was well-received by the trade unions not until "the content of welfare work had become integrated into the management structure and the term itself with its disagreeable connotations was discarded."  

Furthermore, the impact of the conventions of International Labour Organisation on the significance of labour welfare has led to more widespread adoption of welfare services in different countries.

The Philadelphia declaration of the I.L.O. specifically lays down its major objective, among others, "the provision of adequate nutrition, housing and facilities for recreation and culture." One of the main recommendations of the utilisation of spare time is to secure the use of workers' spare time.

1 Encyclopaedia of Social Sciences, pp.397-398.
In 1947 the I.L.O. advanced one step further on the importance of labour welfare when at its 30th session it passed a Resolution on the importance of establishing, in co-operation with the representatives of the workers concerned, adequate canteens, facilities for sanitary and medical help and rest, recreation, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes etc. In this respect the 39th session of International Labour Conference considered some welfare facilities and adopted a Recommendation which defines and elaborates certain principles and certain standards concerning labour welfare. Among other things, it laid down that various welfare facilities should be provided through laws and regulations by the expert authority in consultation with employers' and employees' organisations or through collective bargaining.

The Second Asian Regional Conference held at Newara in Ceylon in January 1950 considered the special welfare problems as prevailing in Asian countries and passed a resolution on very inadequate welfare facilities existing in backward areas and emphasised on the need for legislation and regulation of welfare by the respective governments prescribing and defining the basic minimum standards of welfare measures. The conference is indeed an important landmark in emphasising the inclusion of labour welfare as an object of public policy which should ensure specifically social welfare, such as educational and recreational facilities, housing, medical care to be administered by public authorities.
The Scope and Classification of Central Welfare Laws since 1947

After the Independence in 1947 the Indian Constitution for the first time unequivocally has laid down the citizens' right to work and welfare as embodied in the Directive Principles of State Policy according to which the State shall strive "to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice - social, economic and political - shall inform all the institutions of national life." To conform to this state policy the First Five Year Plan specifically declared, "our approach to labour problems rests on consideration which are related, on the one hand, to the requirements of the well-being of the working class, and on the other hand, to its contributing to the economic stability and progress of the country. The worker is the principal instrument in the fulfilment of the targets of the Plan and in achievement of the economic progress as generally his co-operation will be an essential factor in creating an economic organisation of the country which will best subserve the needs of social justice. Adequate provision has to be made for the basic needs of the workers in respect of food, clothing and shelter so as to enable them to remain in a state of health and efficiency."

With this declared objective of social justice and economic well-being of the work people the labour has now been given due importance and attention which it really deserves. Labour has now become both state and concurrent subject and both the state government and the Central Government are
endeavouring to tackle problems statutorily as far as possible.

As already noted basically the main welfare laws were enacted by the British Government before 1947 but the amendments after 1947 to these Acts are, by far, the most important aspects of the welfare developments in the country. These amendments seek to provide specific welfare facilities or benefits to the workers with the passage of time and to suit the dynamic changes of industrial development. A general review is now undertaken in the following specific categories which will outline the main strands of legislative measures in the welfare front:

(1) Factory, (2) Mines, (3) Social Security,
(4) Plantations, (5) Railways, (6) Post and Telegraphs, (7) Shipping, (8) Ports and Docks,
(9) Industrial Housing.

It should be noted in this connection that, in these specific areas there are also some relevant welfare laws in different States. We shall, however, survey only the main Central Welfare laws with a brief reference to some important State Welfare Laws.

Evaluation of the working of the Factory Act 1948

In the area of factory welfare the Factory Act 1948 is the most important. One of the principal objects of the Act is to ensure better health, safety and welfare of the workers. As laid down in detail in the Act, better health
measures are mainly concerned with cleanliness, disposal of wastes, ventilation, control of temperature, elimination of dust and fumes, artificial humidification, overcrowding, lighting, drinking water facilities, latrines and urinals. Safety measures have been laid down in the Chapter IV in the Act covering such items as washing facilities, facilities for storing and drying clothes, better sitting facilities, first aid appliances, canteens, shelter and creches etc. Factories employing 300 or more workers are required to appoint Labour Welfare Officer who, according to law, are to look after the welfare of the workers.

The provisions of the Act are reviewed from time to time to improve the same from the safety and welfare view points. In 1972, for example the State Government of Maharashtra had notified the normal standards to be followed by the Factory Department, while approving plans of the industrial establishments as required by section 6 of the Factories Act, 1948 based on the recommendations made by the Evaluation Committee under the Factories Act. The said standards are reproduced hereunder:

Site: The Department normally is not likely to approve site of any factory which by virtue of its process hazard or fire-hazard involved, in use of raw materials, is likely to cause nuisance to neighbouring areas. This particularly would apply to factories which may let out dangerous, obnoxious or hazardous dust or fumes. Such factories are not considered as desirable in industrial Estates.
Roof: Minimum height between ceiling and floor level should be 12 feet, in case of R.C.C. slab roof: A.C. sheets or C.G.I. sheets would be acceptable only if heat-insulating ceiling is provided below the sheet roof or the sheets are covered with tiles. A sheet roof would be acceptable only if minimum height at eaves is at least 16 feet from floor level. Further consideration in regard to height would be shown if the rooms or halls are to be air-conditioned. In case of foundries and other processes, involving evolution of hot air, dust, steam or fumes etc., high level roof ventilation at the ridges or eaves ventilation will be necessary.

Walls: A.C. sheets or C.G.I. sheets will not be acceptable as material for side walls, either in cladding or louvre form, for heights below 12 feet from floor levels.

In large sheds, efficient forced draught ventilation by use of inlet fans and ducts, supplemented by booster fans and air circulators to ensure sufficient number of air changes per hour are required. In accordance with the process, number of air changes may be as per recommendations of I.L.O. or I.S.I.

Windows & Doors: The windows should be fully openable preferably side-hung and sill height may not be more than one metre from floor, and other working levels, on lofts and platforms.

The dimensions of doors should not be less than
prescribed standard of 195 cm x 90 cm. The leaves of doors should open outwards in the direction of exit or be of sliding type.

Stairs: In case of factory building where any part is below the ground floor level used as work-rooms, two substantial stairways shall be provided, dependent upon the occupation at any one time and the hazards of the process of materials stored. From any work area, the nearest staircase shall be within 45 metres. Further, each workroom should have at least more than one exit, preferably in opposite walls.

In case of multi-storied building, with tenement factories, each unit should have two exits, one at the front, leading to a staircase and the other exit at the back at least to a gallery leading to another staircase.

Latrines, Urinals & Wash places: The number of latrines, urinals and wash places should be in accordance with the prescribed standard. Flush type or aqua-privy type latrines are preferable. Basket type would not be acceptable, unless special circumstances exist.

It is further necessary that washing accommodation and bathrooms, should not be located in the same enclosure or in the vicinity of sanitary accommodation. However, if separated from the sanitary block by a wall upto the ceiling, the same would be acceptable.
Canteens & Lunch Room: The canteen building, including kitchen, dining hall stores, pantry and washing taps should be in accordance with rules 79 to 85 of Maharashtra Factories Rules.

The lunch room should be in accordance with rule 86 of Maharashtra Factories Rules 1963.

Creeche: The creeche should be in accordance with rules 87 to 91 of Maharashtra Rules 1963.

Lay out of Machinery: In case of textile industry, recommendations of Government of India Post-war Planning Committee would be acceptable, till fresh standards are finalised by I.S.I.

In general, a distance of clear 30 inches between two rows of machines, where a worker is liable to walk, would be necessary and in case of last row, a distance of one metre between the machine and wall is desirable.

General: It may be further noted that the above standards are for general guidance only and in particular cases minor deviations with justifying cause would be permissible.¹

With regard to the working of the Act, the total number of factories on register at the end of 1966 was found to be 70,969 of which 52,299 were inspected during 1966.² A state-wise break-up in tabular form will reveal the position in details.

² Indian Labour Year Book - 1967 Labour Bureau, Government of India.
The inspection of the factories, according to the Act, involves possible convictions punishable under law which may occur in the event of contravention of any provision of the Act.

The following table - 4.1 gives the state-wise details of factories inspected during 1966.

Table - 4.1

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<th>State/Union Territory</th>
<th>Number of factories on register at year ending 1966</th>
<th>Number of factories inspected during 1966</th>
<th>Percentage of factories inspected to factories on register</th>
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<td>Andhra Pradesh</td>
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<td>Assam</td>
<td>1,521</td>
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<tr>
<td>Maharashtra</td>
<td>10,207</td>
<td>8,358</td>
<td>86.78</td>
</tr>
<tr>
<td>Mysore</td>
<td>2,769</td>
<td>2,107</td>
<td>76.09</td>
</tr>
<tr>
<td>Orissa</td>
<td>1,163</td>
<td>471</td>
<td>40.50</td>
</tr>
<tr>
<td>Punjab</td>
<td>4,077</td>
<td>2,848</td>
<td>69.86</td>
</tr>
</tbody>
</table>
Table - 4.1 (Contd.)

<table>
<thead>
<tr>
<th>State/Union Territory</th>
<th>Number of factories on register at year ending 1966</th>
<th>Number of factories inspected during 1966</th>
<th>Percentage of factories inspected to factories on register</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rajasthan</td>
<td>1,558</td>
<td>834</td>
<td>53.83</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>3,810</td>
<td>3,766</td>
<td>98.85</td>
</tr>
<tr>
<td>West Bengal</td>
<td>6,050</td>
<td>2,624</td>
<td>43.37</td>
</tr>
<tr>
<td>Andaman &amp; Nicobar Islands</td>
<td>16</td>
<td>3</td>
<td>18.75</td>
</tr>
<tr>
<td>Delhi</td>
<td>1,423</td>
<td>1,001</td>
<td>70.34</td>
</tr>
<tr>
<td>Goa, Daman &amp; Diu</td>
<td>73</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Tripura</td>
<td>82</td>
<td>47</td>
<td>57.32</td>
</tr>
<tr>
<td>Manipur</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Total</td>
<td>70,969</td>
<td>52,299</td>
<td>73.77</td>
</tr>
</tbody>
</table>


It will be seen in the table 4.1 that the percentage of factories inspected is the highest in Madras, 98.85% and the lowest in Haryana.

A more precise idea of the working of the Act will be obtained from the following Table - 4.2, where the incidence of convictions during 1966 are recorded state-wise. This will indicate the extent of violation of welfare provisions in Act showing working of welfare measures as compared with other
Table - 4.2

Convictions obtained during 1966 for offences under the Factories Act, 1948 indicating the Extent of Violation of Welfare Provisions

<table>
<thead>
<tr>
<th>State/Union Territory</th>
<th>Employment &amp; Hours of work</th>
<th>Notices of Registers, Provis-</th>
<th>Safety Returns &amp; sions Licen</th>
<th>Health, Sanitation &amp; welfare Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>29</td>
<td>80</td>
<td>66</td>
<td>24</td>
<td>164</td>
</tr>
<tr>
<td>Assam</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Bihar</td>
<td>-</td>
<td>40</td>
<td>33</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gujerat</td>
<td>836</td>
<td>88</td>
<td>135</td>
<td>28</td>
<td>38</td>
</tr>
<tr>
<td>Haryana</td>
<td>-</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>-</td>
<td>29</td>
<td>-</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Kerala</td>
<td>7</td>
<td>58</td>
<td>5</td>
<td>10</td>
<td>187</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>6</td>
<td>15</td>
<td>7</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Madras</td>
<td>67</td>
<td>415</td>
<td>115</td>
<td>63</td>
<td>169</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>388</td>
<td>117</td>
<td>78</td>
<td>8</td>
<td>97</td>
</tr>
<tr>
<td>Mysore</td>
<td>21</td>
<td>8</td>
<td>1</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Orissa</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punjab</td>
<td>35</td>
<td>347</td>
<td>109</td>
<td>50</td>
<td>45</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>-</td>
<td>9</td>
<td>17</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>122</td>
<td>74</td>
<td>44</td>
<td>36</td>
<td>155</td>
</tr>
<tr>
<td>West Bengal</td>
<td>1</td>
<td>31</td>
<td>8</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Andaman &amp; Nicobar Island</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
</tr>
<tr>
<td>Delhi</td>
<td>43</td>
<td>14</td>
<td>25</td>
<td>8</td>
<td>77</td>
</tr>
<tr>
<td>Goa, Daman &amp; Diu</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Tripura</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
</tr>
<tr>
<td>Manipur</td>
<td>NOT AVAILABLE</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
<td>N11</td>
</tr>
</tbody>
</table>

Total .. 1,605 1,335 643 252 967 4,802

Source : Indian Labour Year Book 1967.
causes of violations in the Act. This information has been collected after having been investigated by the inspectorate staff of the State Governments on the complaints lodged by individual workers, trade unions and private persons regarding infringements of the provisions of the Act.

The table is self-explanatory. As compared with other types of violation of the law, the welfare sector does not count much. However, if taken together columns 4 and 5, i.e., safety provisions and health sanitation and welfare, the total number of convictions amounts to 895, which though not large enough, yet is not insignificant. It will be seen in the table that the highest number of violations of the Act is with regard to employment and hours of work.

Mines

In the category of mines the following legislations are described:

Mines Act 1952

Provisions for health and welfare of mining workers were thought of for the first time by the Bihar Labour Enquiry Committee in 1938. During the war and post-Independence period there has been a plethora of statutory measures for the welfare, health and safety of mining workers.

Rules such as the Coal Mines Rescue Rules and Coal Mines (Pithead) Bath Rules were framed. The Mica Mines Labour
Welfare Fund Act and the Coal Mines Labour Welfare Act were passed in 1946 and 1947 respectively. In 1948 the Coal Mines Provident Fund and Bonus Schemes Act was passed. The plethora of mining legislation with its ad hoc nature and often conflicting administrative set-ups created considerable confusion and the need for a comprehensive legislation incorporating all the basic provisions on working hours, working conditions, safety, health and welfare was increasingly being felt. Consequently the Mines Act 1952 was brought into existence.

The Mines Act 1952 lays down provisions for drinking water similar to those in the Factories Act, with the exception that the scale of water to be supplied is at the rate of half a gallon per day per worker employed. Conservancy arrangements are to be made on the lines of factories and at the scale of one seat for every 50 workers on the surface and one seat for every 100 workers working below ground. The Act requires that first aid boxes should be made available at suitable places on the surface and first aid stations should be set up below ground. There should be at least one trained person for every 100 workers working above ground and one for every 50 persons working below ground.

The Coal Mines (Pithead) Bath rules were framed in 1946. Under these rules, the manager of every coal mine is required to construct a pithead bath as per specifications approved by competent authority. Detailed provisions have
been made regarding the bathrooms for both males and females, and also for water supply, lighting and drainage arrangement.

In the Mines Act 1952, adequate provisions have been incorporated for ensuring better health, safety and various welfare measures.

to

According to the latest available data, in order to investigate the nature of violation of welfare provisions affecting mines, total inspection was 14,092 in 1966, as against 12,695 in 1965. During the year 1966, 173 prosecutions were instituted as compared with 155 prosecutions in 1965 for all types of violation of provisions including welfare provisions.

The principal objective of the Mines Act 1952 is to regulate the working conditions and welfare measures for the working in all types of mines. The main provisions of this Act are concerned with detailed procedures regarding (1) hours of work, rest, intervals, weekly day-off; (2) leave with wages; (3) health, safety and welfare and (4) employment of women and children.

The Mines Act 1952 lays down detailed provisions for hours of work, rest intervals and weekly off-days. The Act limits the hours of work of adult workers to 9 per day and 48 per week if employed above ground, and 8 per day and 48 per week if employed underground. The adult worker is forbidden to work continuously for more than 5 hours under ground unless he is allowed a rest interval of at least half an hour.
The Act makes it obligatory for the employers in mines to provide cool and wholesome drinking water, separate urinals and latrines for male and female workers and first-aid boxes. All employers are statutorily required to report cases of fatal accidents and serious injuries and health conditions to the Chief Inspector of Mines.

In view of the fact that statutory labour welfare is most comprehensive in coal mines detailed analysis of labour welfare system in coal mines has been undertaken in the next chapter which will give a comprehensive idea of the working of the legislative measures in coal mining industry.

The Mica Mines Labour Welfare Fund Act 1946 provides medical facilities to mica miners and their members. According to this Act a 14-bed hospital at Kalichedu in Andhra Pradesh, a 70-bed central hospital at Kodarma in Bihar 13 static dispensaries, 7 ayurvedic dispensaries, 9 mobile medical units and 14 maternity and child welfare centre have been provided in different mica mines.

Recreation facilities and scholarships for general education have also been provided under the statutory powers of the Act in Andhra Pradesh, Bihar and Rajasthan.

The Mica Mines Labour Welfare Work Fund Act 1946 was subsequently amended in 1961 according to which for the purpose of raising of a fund a levy of an advalorem duty was imposed
on all mica exported from India up to a maximum rate of 6% per cent. The fund is to be utilised for augmenting labour welfare work for mica miners. There are also Coal Mines and Iron Ore Mines Labour Welfare Fund Acts. Details of these Acts have been given in Chapter 8.

Evaluation of Indian Social Security System 1

Employees' State Insurance Act 1948

In the realm of labour welfare legislation in India, social security system as based on the Employees' State Insurance Act 1948 is the pioneering and the most comprehensive piece of welfare law. This welfare legislation presumably precedes the Social Security (Minimum Standard) Convention, 1952 which was adopted by the International Labour Organisation at its 35th session. This convention advocates the coverage of such benefits as sickness, maternity, employment injury, old age, invalidity and death. The Asian Regional Labour Conference held in Delhi in October 1947 also highlighted the overriding importance of social security in developing countries.

As is well-known, Indian social security system has been broad based by several other previous social security laws like the Maternity Benefits Act 1941, the Workman's Compensation Act 1925 etc. Employees' State Insurance Act 1948

1 See also Chapter - 2 for detailed analysis.
is the outcome of a series of enquiries and investigations, notable among these are the Bhor Committee and the Adarkar scheme.

The Employees' State Insurance Act 1948 provides a certain number of benefits like sickness, maternity, disablement and death while in employment to the insured persons working in perennial power using factories employing 20 persons or more. The Act lays down detailed procedures prescribing payments to insured persons under specified conditions in the States. An administrative set-up has been established centrally and regionally to administer the Act, which has been introduced in different stages in different parts of the country since the inception.

The main purpose being the evaluation of the working of the Act, we are not getting into procedural details of the Act. It would serve our purpose to analyse and to reveal the perspective development of the social security system as such in the context of the Act of 1948.

The Act had been extended to about 30.48 lakhs of industrial workers in 249 centres by the end of December 1965. And the total number of family units so far covered is 3027 lakhs consisting of over one crore beneficiaries including the insured persons.

1 See Employees' State Insurance Act, 1948 for details.
In accordance with the Third Plan the total coverage of insurable polution is 500 and the targets for the Third Plan are the total coverage of about 30 lakh industrial workers and about 100 lakhs of family beneficiaries. Nearly 34 hospitals and 51 dispensaries are under construction in addition to 11 independent E.S.I. hospitals. The Fourth Plan envisages further extension of hospital facilities under E.S.I. to more factories as per Factory Act 1948 and shops and establishments employing 20 or more persons in selected centres.

The Employees' State Insurance scheme is being financed by the joint contributions from employers, employees, State and Central Governments. Those employees who are getting less than Re.1/- per day are exempted from paying any contribution but they are not deprived of the benefits under the scheme. The employers have been paying their special contributions since February, 1952. The scheme is being administered by the Employees' State Insurance Corporation. Detailed procedures have been laid down to settle any dispute or grievance that may arise in connection with working of the scheme.

Recently, the Perspective Planning Division of the Government of India has estimated the projected distributions of employees in different industries in the perspective of the Fourth and the Fifth Five Year Plans on the basis of 1961 census of the working force. This perspective analysis will indicate the likely coverage and accruals of contributions
under social security scheme in 1966, 1971 and 1976 in different occupational sectors which are shown in the following tables - 4.3, 4.4 and 4.5. The same statement in public services is also shown in table 4.6. These tables are self-explanatory. Table 4.7 indicates the coverage of teachers through social security scheme. As there is no availability of basic data in this regard, the estimate may be considered controversial. But according to a conservative estimate in 1957-58 the provident fund contributions from the employees of educational institutions were found to be about 10 crores. \(^1\) In this context the present estimate in the table is not altogether invalid.

According to the perspective estimate the total social security contributions by 1967 are expected to amount to 24 per cent as against 19 per cent in 1966. However, economic and financial implications of the social security contributions affecting the investment possibilities of the planned economy in relation to labour welfare will be analysed in chapter - 8 on the basis of the conclusion of the present chapter.

In this connection, the establishment of National Health Insurance Corporation to cover those who enjoy steady income but not already covered under Employees' State Insurance

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is being contemplated to broaden the concept of social security. Beyond the limited objectives of E.S.I. a far more wider concept of labour welfare may be statutorily formulated in the perspective of social welfare in future. For this purpose, development of group health policies, establishment of medical care co-operatives and mutual benefit societies to suit local conditions might be considered. In future, the concept and practice of welfare might have the possibility of being attributed to the term "social" instead of "labour" just as the term labour productivity is being superseded by social productivity.

A new department called the Department of Social Welfare has been set up to widen the social security system by the Government of India in 1964. The foregoing perspective analysis of social security in India is indicative of the special importance that has been attached by the Government of India to the department of social welfare.
Statement Indicating the Likely Coverage and Accruals of Contributions under Social Security Measures - 1966

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Name of Industry</th>
<th>No. of employees (in millions)</th>
<th>Earnings (₹) annual average per employee</th>
<th>Contributions per employee (₹ in millions)</th>
<th>Total Accruals (₹ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>1.</td>
<td>Fishing, forestry &amp; hunting</td>
<td>-</td>
<td>-</td>
<td>345</td>
<td>311</td>
</tr>
<tr>
<td>2.</td>
<td>Plantations</td>
<td>1.272</td>
<td>59</td>
<td>0.750</td>
<td>665</td>
</tr>
<tr>
<td>3.</td>
<td>Mining &amp; Quarrying</td>
<td>0.957</td>
<td>45</td>
<td>0.431</td>
<td>1285</td>
</tr>
<tr>
<td>4.</td>
<td>Factory Establishments</td>
<td>5.747</td>
<td>70</td>
<td>4.022</td>
<td>1555</td>
</tr>
<tr>
<td>5.</td>
<td>Small enterprises</td>
<td>1.523</td>
<td>-</td>
<td>-</td>
<td>840</td>
</tr>
<tr>
<td>6.</td>
<td>Transport other than Railways</td>
<td>0.917</td>
<td>22</td>
<td>0.200</td>
<td>835</td>
</tr>
<tr>
<td>7.</td>
<td>Storage &amp; Warehousing</td>
<td>0.069</td>
<td>20</td>
<td>0.014</td>
<td>835</td>
</tr>
<tr>
<td>8.</td>
<td>Organised Banking &amp; Insurance</td>
<td>0.250</td>
<td>90</td>
<td>0.225</td>
<td>4000</td>
</tr>
<tr>
<td>9.</td>
<td>Other Commerce</td>
<td>2.000</td>
<td>5.6</td>
<td>0.112</td>
<td>825</td>
</tr>
<tr>
<td>10.</td>
<td>Other Services</td>
<td>2.484</td>
<td>20</td>
<td>0.497</td>
<td>780</td>
</tr>
<tr>
<td>11.</td>
<td>Construction</td>
<td>1.874</td>
<td>-</td>
<td>-</td>
<td>685</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1456.4</td>
</tr>
</tbody>
</table>

Source: Perspective Planning Division
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Industry</th>
<th>No. of employees (in millions)</th>
<th>Likely to be Covered %</th>
<th>Total Number of employees</th>
<th>Earnings (Rs. in annual)</th>
<th>Contribu- tion per employee (Rs. in @21.5%)</th>
<th>Total accruals (Rs. in millions)</th>
<th>Total (Rs. in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fishing, forestry &amp; hunting</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>390</td>
<td>351</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Plantations</td>
<td>13.37</td>
<td>75</td>
<td>1.003</td>
<td>830</td>
<td>747</td>
<td>161</td>
<td>161.5</td>
</tr>
<tr>
<td>3</td>
<td>Mining &amp; Quarrying</td>
<td>1.482</td>
<td>60</td>
<td>0.889</td>
<td>1640</td>
<td>1478</td>
<td>317</td>
<td>281.8</td>
</tr>
<tr>
<td>4</td>
<td>Factory Establishments</td>
<td>9.515</td>
<td>80</td>
<td>7.612</td>
<td>1760</td>
<td>1584</td>
<td>341</td>
<td>2595.7</td>
</tr>
<tr>
<td>5</td>
<td>Small enterprises</td>
<td>2.300</td>
<td>15</td>
<td>0.345</td>
<td>975</td>
<td>878</td>
<td>167*</td>
<td>57.6</td>
</tr>
<tr>
<td>6</td>
<td>Transport other than Railways</td>
<td>1.310</td>
<td>40</td>
<td>0.524</td>
<td>970</td>
<td>873</td>
<td>166*</td>
<td>87.0</td>
</tr>
<tr>
<td>7</td>
<td>Storage &amp; Warehousing</td>
<td>0.118</td>
<td>40</td>
<td>0.047</td>
<td>970</td>
<td>873</td>
<td>166*</td>
<td>7.3</td>
</tr>
<tr>
<td>8</td>
<td>Organised Banking &amp; Insurance</td>
<td>0.354</td>
<td>100</td>
<td>0.354</td>
<td>4705</td>
<td>4235</td>
<td>805*</td>
<td>235.0</td>
</tr>
<tr>
<td>9</td>
<td>Other Commerce</td>
<td>3.012</td>
<td>10</td>
<td>0.301</td>
<td>945</td>
<td>851</td>
<td>162*</td>
<td>48.8</td>
</tr>
<tr>
<td>10</td>
<td>Other Services</td>
<td>2.925</td>
<td>20</td>
<td>0.585</td>
<td>890</td>
<td>801</td>
<td>152*</td>
<td>88.9</td>
</tr>
<tr>
<td>11</td>
<td>Construction</td>
<td>3.663</td>
<td>25</td>
<td>0.916</td>
<td>790</td>
<td>711</td>
<td>135*</td>
<td>123.7</td>
</tr>
<tr>
<td><strong>Total</strong>:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>3737.8</strong></td>
</tr>
</tbody>
</table>

Source: Perspective Planning Division * @ 19%
Table - 4.5
Table indicating the likely coverage and accruals of contributions under Social Security Measures - 1976

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Industry</th>
<th>Total Likely Coverage (in millions)</th>
<th>No. of employees (in millions)</th>
<th>Earnings (in millions)</th>
<th>Annual Contribution per Employee</th>
<th>Total Contribution per 24% of Earnings</th>
<th>Total Contribution (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fishing, forestry and hunting</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Plantations</td>
<td>1.450</td>
<td>90</td>
<td>1.865</td>
<td>222</td>
<td>222</td>
<td>222</td>
</tr>
<tr>
<td>3</td>
<td>Mining and Quarrying</td>
<td>1.994</td>
<td>75</td>
<td>1.458</td>
<td>453</td>
<td>453</td>
<td>453</td>
</tr>
<tr>
<td>4</td>
<td>Factory Establishments</td>
<td>13.096</td>
<td>90</td>
<td>11.777</td>
<td>1791</td>
<td>1791</td>
<td>1791</td>
</tr>
<tr>
<td>5</td>
<td>Small Enterprises other than Railways</td>
<td>2.850</td>
<td>30</td>
<td>0.855</td>
<td>1130</td>
<td>1130</td>
<td>1130</td>
</tr>
<tr>
<td>6</td>
<td>Transport and Warehousing &amp; Insurances</td>
<td>1.097</td>
<td>60</td>
<td>0.172</td>
<td>1120</td>
<td>1120</td>
<td>1120</td>
</tr>
<tr>
<td>7</td>
<td>Organised Banking &amp; Insurance</td>
<td>0.286</td>
<td>60</td>
<td>0.172</td>
<td>1120</td>
<td>1120</td>
<td>1120</td>
</tr>
<tr>
<td>8</td>
<td>Other Services</td>
<td>4.104</td>
<td>100</td>
<td>0.607</td>
<td>1080</td>
<td>1080</td>
<td>1080</td>
</tr>
<tr>
<td>9</td>
<td>Insurance</td>
<td>3.654</td>
<td>100</td>
<td>3.654</td>
<td>1020</td>
<td>1020</td>
<td>1020</td>
</tr>
<tr>
<td>10</td>
<td>Construction</td>
<td>5.052</td>
<td>50</td>
<td>2.516</td>
<td>900</td>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>18637.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8637.4</td>
</tr>
</tbody>
</table>

Source: Perspective Planning Division
## Table - 4.6

**Statement Indicating the Likely Coverage and Accruals of Contributions Under Social Security Measures in Public Services**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Industry</th>
<th>No. of employees (in millions)</th>
<th>Earnings (Rs.) annual average per employee</th>
<th>Contribution per employee</th>
<th>Total Accruals (Rs. in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Coverage @ 100%</td>
<td>Total Base for</td>
<td>Contribution @ 90%</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>1966</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Rail Transport</td>
<td>1.438</td>
<td>1.438</td>
<td>1880</td>
<td>1692</td>
</tr>
<tr>
<td>2.</td>
<td>Communications</td>
<td>0.441</td>
<td>0.441</td>
<td>2065</td>
<td>1859</td>
</tr>
<tr>
<td>3.</td>
<td>Public Services</td>
<td>7.944</td>
<td>7.944</td>
<td>1800</td>
<td>1620</td>
</tr>
<tr>
<td>4.</td>
<td>Total</td>
<td>9.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Rail Transport</td>
<td>2.054</td>
<td>2.054</td>
<td>2185</td>
<td>1967</td>
</tr>
<tr>
<td>2.</td>
<td>Communications</td>
<td>0.595</td>
<td>0.595</td>
<td>2390</td>
<td>2151</td>
</tr>
<tr>
<td>3.</td>
<td>Public Services</td>
<td>8.900</td>
<td>8.900</td>
<td>2085</td>
<td>1877</td>
</tr>
<tr>
<td>4.</td>
<td>Total</td>
<td>11.549</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Rail Transport</td>
<td>2.661</td>
<td>2.661</td>
<td>2530</td>
<td>2277</td>
</tr>
<tr>
<td>2.</td>
<td>Communications</td>
<td>0.827</td>
<td>0.827</td>
<td>2775</td>
<td>2498</td>
</tr>
<tr>
<td>3.</td>
<td>Public Services</td>
<td>10.600</td>
<td>10.600</td>
<td>2420</td>
<td>2178</td>
</tr>
<tr>
<td>4.</td>
<td>Total</td>
<td>14.088</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Perspective Planning Division
Table - 4.7

Statement Indicating the Likely Coverage and Accruals of Contributions under Social Security Measures - Teachers

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of employees (in millions)</th>
<th>Earnings (‡) annual average per employee</th>
<th>Contribution per employee (‡ in millions)</th>
<th>Total Accruals</th>
<th>* @ 12.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Likely to be Covered @ 100%</td>
<td>Total Base for Contribution @ 90%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>1966</td>
<td>1.810</td>
<td>1.810</td>
<td>1345</td>
<td>1211</td>
<td>151 *</td>
</tr>
<tr>
<td>1971</td>
<td>2.551</td>
<td>2.551</td>
<td>1635</td>
<td>1472</td>
<td>236 **</td>
</tr>
<tr>
<td>1976</td>
<td>3.594</td>
<td>3.594</td>
<td>1985</td>
<td>1787</td>
<td>286 **</td>
</tr>
</tbody>
</table>

* @ 12.5%

** @ 16.0%

Source: Perspective Planning Division.
Provident Fund Legislation

Provident Fund legislations have important place in social security legislation. A detailed study of Provident Fund Legislation as part of social security has already been made in chapter 2. To avoid repetition, here only mention is made to the following Provident Fund Acts.

COAL MINES PROVIDENT FUND AND BONUS SCHEME ACT 1948

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. Bring 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.

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

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

---

1 Coal Mines Provident Fund and Bonus Scheme 1948.
been established, there is either no minimum employment limit of it is kept at five persons.

In this connection, a few comments on gratuity would be relevant. The provisions for old age comprise pensions, provident funds, and gratuity schemes. All the three provisions are different forms of retirement benefits. Gratuity is a lumpsum payment made to a worker or to his heirs by the company on termination of his service due to retirement, invalidity, retrenchment, or death. In many industries, gratuity is paid as a second retirement benefit besides the provident fund or pensions.

The practice of paying gratuity is deeply rooted in the Indian system. One comes across several instances in the epics where the retiring officers were given cash amounts to set themselves up in other remunerative occupations or they were given property or real estate which yielded regular income sufficient to maintain the person concerned in a state of accustomed comfort and style. In the early decades of industrial development, many established industrial enterprises like the cotton textiles and iron and steel followed the practice of paying cash gratuities to employees who retired after long and meritorious service. However, gratuity retained its voluntary character and was treated as a payment gratuitously made by an employer to his employees at his pleasure. This position remained more or less, unchanged
till the end of the Second World War. Thereafter, the number of enterprises operating gratuity schemes multiplied and so did the disputes on the subject. The status gratuity is quite different now. There is no law on the subject. But as a result of a series of decisions of industrial tribunals, gratuity has come to be regarded as a legitimate claim which workmen can make and which, in a proper case, can give rise to an industrial dispute. In many instances, gratuity schemes form a part of the contracts or agreements between employers and their unions or are prescribed in the Standing Orders or enterprises and thus constitute a condition of service.

Gratuity is a retirement benefit paid to an employee on termination of his service on grounds other than misconduct. It is a provision of his service on grounds other than misconduct. It is a provision against old age and a reward for good, efficient, and faithful service for a considerable period. By and large, most gratuity schemes are tenable under the following five circumstances:

- on retirement or superannuation,
- on voluntary retirement or resignation after a specific period of service,
- on physical and mental incapacity which may render an employee unfit to continue in service,
- on termination of service by the company for reasons other than misconduct or indiscipline, and
- on death while in permanent service.
Generally, the gratuity schemes cover permanent employees who have put in a continuous service for a period of 10 to 15 years, though some schemes have much lower limits of 2 to 5 years as well. Whereas a few companies prescribe no salary limit as an eligibility condition, most companies exclude employees drawing a basic salary exceeding ₹ 2,000 per month. Likewise the commonly prevalent rate of gratuity is 15 days average pay per completed year of service. There are, of course, several variations to the common practice; some companies pay one month's salary for every completed year of service. Most gratuity schemes also prescribe the superannuation age of 55-60 years.

It has often been contended that employees are entitled to only one type of retirement benefit. But this and similar other controversies have been recently refuted.

It has been generally decided by most tribunals that gratuity may be payable in addition to provident fund/pension, depending upon the capacity of industry to pay and its profitability in the long run. It has also been decided that the payment of retrenchment compensation is no bar to the payment of gratuity.

The practice of paying gratuity is widely prevalent in Indian industries. Railways, ports, docks, posts, telephones and telegraphs departments, and a few local bodies operate
gratuity schemes for their employees. The central wage boards for cement and sugar industries recommended the payment of gratuity to employees in the respective industries. Similar schemes were introduced in insurance and banking industries as a result of gratuity schemes framed by the Central government. Gratuity schemes were introduced in cotton textile, jute textile, and engineering industries all over India as a result of the omnibus industrial tribunal. Recently, the Government of Kerala has issued an ordinance requiring the specified undertakings to institute gratuity schemes. In addition, a large number of leading industrial concerns have introduced gratuity payments as result of collective agreements arrived at through bilateral negotiations. In short, gratuity constitutes as essential and important part of the service conditions of employees in the manufacturing and industrial sector of the economy, and also constitutes one of the important social security measures for industrial workers in India.

EMPLOYEES FAMILY PENSION SCHEME, 1971

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

1 The Scheme has been enforced from March 1, 1971.
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. The employees who are already members of the above mentioned Employees Provident 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 $\frac{1}{6}$ per cent of his pay with an equal amount out of employers share. The Central Government will also contribute at the rate of $\frac{1}{6}$ per cent 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.

**SEAMEN'S PROVIDENT FUND ACT, 1966**

**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.

**Contribution**: Every Employer covered under the Act is required to contribute to the Fund for the period from July, 1964 to July 1968 at the rate of 6 per cent of the wages paid and thereafter at the rate of 8 per cent in respect of each seamen employed by him; every such seamen has to contribute an equal amount to the Fund.

**Administration**: The Fund is administered by a Board of Trustees consisting of representatives of Government, Employers and Employees. The Chief Executive of the Organisation is the Seamen's Provident Fund Commissioner.

**Progress**: The Seamen's Provident Fund Organisation started functioning from 9th July 1966. During the year 1970-71, Provident Fund amounting to ₹ 18.83 lakhs was disbursed to 1,143 retired seamen and 271 families of deceased seamen.

**Plantations**

In the category of plantations the following welfare legislations may be mentioned:
Plantations Labour Act 1951

Till 1950, Cochin was the only State in India to have adopted legislative measures for the direct control of labour conditions in plantations. Since the conditions of life and employment in plantations differed from those in other industries, the Labour Investigation Committee (Rage Committee) in 1946 suggested enactment of separate Plantations Labour Code for the whole of India. Subsequently in 1948 comprehensive investigations were undertaken by the Government of India on welfare conditions of plantations labour. On the basis of reports of the survey and the discussions that followed the Parliament passed the Plantations Labour Act in October 1951.

The Act makes provisions for recreational, educational, and medical facilities for workers for which prescribed standards have been laid down. Among others, the Act particularly lays down to have one canteen if 150 or more workers are employed. Creches facilities are to be provided as under Factories Act 1948. One labour welfare officer is to be appointed if 300 or more workers are employed. The Act enjoins to provide recreational facilities for children and where children of 6-12 age group exceed 25 a school is to be set up. Every worker to be given accommodation with a piece of land for a kitchen garden. The Act also lays down to provide cheap grains, rain coat, umbrella and necessary blankets.
Transport:

In this category following legislative measures were adopted:

Railways: Indian Railways (Amendment) Act 1956

In the category of the railways the following welfare legislation may be mentioned:

The Labour Investigation Committee (1944) examined a number of complaints on working conditions of Railwaymen. The All India Railwaymen's Federation demanded the appointment of an adjudicator in respect of certain demands. The Government appointed Justice Rajadhyaksha as the adjudicator who gave his award in May 1947. The Railway Servants (Homes of Employment) Rules were framed in 1951 to meet the provisions of the award. All the provisions were incorporated in the Indian Railways (Amendment) Act 1956.

Besides, Railway Minister's Relief Welfare Fund was set up in April 1961. This is voluntary welfare fund which provides relief to railwaymen and their families in distress. The fund is built up from the voluntary contributions made by railwaymen and the proceeds from the charity shows arranged by the various railways.

Post and Telegraphs

During 1948 a welfare organisation was started with a director in charge of welfare and an welfare officer in
each circle to promote, organise and expand welfare activities. Subsequently in 1958 the Posts and Telegraphs Welfare Advisory Board was set up. Based on its advice a welfare Fund was created in 1960 largely to cater to such welfare activities as could not be financed directly from the general revenues. However, the posts and telegraphs employees substantially avail themselves of medical facilities under the Central Services (Medical Attendance Rules) 1944.

Shipping : Indian Merchant Shipping Act 1958

In the category of shipping the Indian Merchant Shipping Act, 1923 was amended in 1958 which now governs the main welfare arrangements. Under the Act every seaman aboard a ship must be allotted accommodation as prescribed. Water of good quality and fit for use of crew, free medical treatment and free medicines should be made available to the master, seamen or apprentices while aboard a ship. Provision has also been made for relief to distressed seamen and their families.

Ports and Docks :

In this category the following Central Welfare laws may be mentioned.

Indian Dock Labourers Regulations, 1948

Dock Workers (Safety, Health and Welfare) Scheme 1961

The Indian Dock Labourers' Regulations apply to all stevedore workers employed on board any vessel within the
limits of a port and also to shore workers doing work alongside a vessel.

In addition to the statutory provisions, each port has an employees' welfare fund which provides welfare amenities to dock and port workers outside the work premises including medical, educational, recreational facilities etc. The fund is administered by the Chairman of the respective trust who at his discretion constitutes an advisory committee for the welfare of workers. The Malaviya Committee reviewed in its report the existing welfare amenities provided to the port and dock workers and it found that all the Port Trusts had provided canteen facilities to their employees at subsidized rates.

Industrial Housing Legislation

The industrial housing present a three-fold problem, social, economic and civic. And basically the problem of finance stands in the way of implementation of housing schemes in different industrial centres of India. The situation was studied about two decades ago with some care. According to Labour Investigation Committee (1946), unless housing responsibility is statutorily fixed and the Government step in, the committee observed: "Our study of the housing situation leads us to the conclusion that the present state of affairs wherein

1 Malaviya Committee of Labour Welfare.
2 Industrial Labour - T.N.Rastogi, pp.35-38.
responsibility for providing houses is statutorily shoul-
dered by none can not be allowed to continue if workers' health and morals and their standard of living are to be improved."

In 1948 the Central Government, however, stepped in and in 1949 a new housing scheme was announced according to which large funds were made available to the State Governments for building industrial houses in their respective areas. The attempt, however, produced no desired results. In 1952 a Subsidised Industrial Housing Scheme was announced on the recommendations of the First Five Year Plan, which was a precursor to legislative measures. This Subsidised Industrial Housing Scheme was subsequently modified several times. The first plan started with an humble beginning in the matter of the scheme. The Second Plan, made a provision of 45 crores which was subsequently reduced to 27 crores. The Third Plan provided for 29.8 crores for expediting the construction of tenements for workers under the scheme.

The Scheme, however, made a tardy progress though response from the respective State Governments was satisfactory. It is mainly because of the poor response from employers and workers co-operatives that the Subsidised Housing Scheme made unsatisfactory progress.

As already noted, two important industrial housing schemes were incorporated in Coal Mines Labour Welfare Fund under the Coal Mines Labour Welfare Act of 1947 and in the Plantation Act 1951 respectively.

State Legislation relating to Industrial Housing

In the sphere of industrial housing specifically coal mines and mica mines were treated with special care by the Central Labour Legislation. However, since 1947, a number of State Governments passed housing legislation in the specific industries in their own areas. Of these state legislations, the following may be mentioned:

The Bombay Housing Board Act 1948, since amended several times, empowered the State Government, under the constitution of Housing Board, to frame and to execute housing schemes for industrial workers. This Act provides special power to the Board for promotion of land and building development and also for the imposition of betterment charges for the purpose. The Act further has the provision of setting tribunal for settling disputes in connection with the imposition of betterment charges.

In 1950, Madhya Pradesh Government passed Madhya Pradesh Housing Board Act authorising the Board to execute housing schemes for industrial workers with the aid of a fund to be raised with the help of Central Government assistance,
loans, donations from different sources. The Board is also to provide allied facilities like sanitation, water supply along with construction of buildings.

The Mysore Housing Board Act was passed in October 1955 in partial replacement of the Mysore Labour Housing Act 1949. This Act is entrusted with the responsibilities of constructing new building, demolishing old buildings and acquiring land necessary for house building purposes. The Board has also wide powers to evict persons and to cheapen the construction of the building.

In November 1952, Hyderabad Labour Housing Act was passed which is now applicable to Andhra Pradesh. This Act authorises the State Government to set up Hyderabad Labour Housing Corporation, a tripartite body of employers' representatives, employees' representatives and nominees of the Government. The enactment lays down detailed procedures regarding raising of the fund, functions and administration of the Corporation.

Under the Punjab Industrial Housing Act 1956 the State Government is authorised to undertake the management of the houses built under subsidised industrial housing scheme of the Central Government. This Act actually has limited objective of managing the houses in the matter of allotment, recovery of rent, eviction and such other things relating to housing matters.
The State Government in U.P. passed the U.P. Industrial Housing Act 1955 for the administration, control and management of the tenements built by the State Government or by the local authority under the Subsidised Industrial Housing Scheme of the Government of India. The State Government also has framed the U.P. Industrial Housing Rules, 1959 under the Act which lays down detailed procedures regarding allotment, rent and other related matter.

In Uttar Pradesh (U.P.), the State Government have undertaken extensive house building programme in different industrial centres especially in Kanpur under which model labour villages are being set up.

To improve housing problems of labourers in sugar factories the U.P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund has been created out of a levy on sale proceeds of molasses by an agreement.

After independence in the First Five Year Plans adequate provisions have been made to reinforce the legislative measures of state governments. In the planned economy the central supervision is essential for quick implementation of housing programmes. Thus in the first plan Rs 36.5 crores were provided for industrial and low income group housing and Rs 120 crores were provided in the Second Plan. An integrated picture of the provisions of housing in the Second and the Third Plan including subsidised industrial housing may be
obtained from the following table - 4.8:

Table - 4.8

Housing Provisions in the Second and Third Five Year Plan

<table>
<thead>
<tr>
<th>Name of the Scheme</th>
<th>Anticipated Expenditure (2nd Plan)</th>
<th>Outlay for Third Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Subsidised Industrial Housing</td>
<td>24.2</td>
<td>29.8</td>
</tr>
<tr>
<td>2. Dock Labour Housing</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td>3. Slum Clearance, Slum improvement and construction of shelters</td>
<td>9.9</td>
<td>28.6</td>
</tr>
<tr>
<td>4. Low Income group housing</td>
<td>37.8</td>
<td>35.2</td>
</tr>
<tr>
<td>5. Middle Income group housing</td>
<td>0.3</td>
<td>2.5</td>
</tr>
<tr>
<td>6. Village housing</td>
<td>3.7</td>
<td>12.7</td>
</tr>
<tr>
<td>7. Plantation Labour Housing</td>
<td>0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>8. Land Acquisition &amp; Development</td>
<td>2.0</td>
<td>9.50</td>
</tr>
<tr>
<td>9. Provision for Experimental Housing &amp; Research</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>10. State Housing Schemes</td>
<td>1.2</td>
<td>2.3</td>
</tr>
<tr>
<td>11. Town Planning</td>
<td>1.1</td>
<td>5.4</td>
</tr>
<tr>
<td>12. Urban Development Scheme</td>
<td>-</td>
<td>12.3</td>
</tr>
</tbody>
</table>

|                                           | 80.3                             | 142.0                 |


In this connection it is to be noted that the progress of the subsidised industrial housing scheme is particularly commendable.
Some State Level Welfare Laws

A detailed study of different state welfare laws is outside the scope of the present chapter as mentioned before. However, a reference is now made to the following state labour welfare laws:

Assam Plantations Employees Welfare Fund Act 1959:

This fund is built up from the fines realised from the employees, grants from the Central/State Government and the Tea Board, unclaimed wages and donations. The money of the fund is utilised for the activities such as adult education and literacy drives, maintaining Community and social education Centres, organising games and sports, excursions, tours, running holiday homes, providing training in subsidiary occupations and home industries for women and unemployed persons.

The Assam Tea Plantation Provident Fund Act, 1955:

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.

**Group Insurance** : A group insurance scheme was introduced for the provident fund members in 1963. Under the scheme, a blanket policy was taken by the Board for all provident fund members of the age group 18-40. Male members are covered for ₹ 500, women for ₹ 250 and staff for ₹ 1000 each. Workers are required only to make a declaration of good health and no medical examination or proof of age is necessary. Premium payable to the Life Insurance Corporation are deducted and paid annually from the Provident Fund accumulations of the members by the Board of Trustees.

**Pension Fund** : The scheme makes provision for the constitution of Pension Fund from the accumulated undisbursed interest amount of the Provident Fund to enable the Plantation Workers to enjoy pensionary benefits in addition to the Provident Fund. The Pension Fund Scheme was introduced with effect from October 2, 1967.

**Administration** : The scheme is administered by a Board of Trustees consisting of representatives of the State Government, the employers and the workers.

**The U.P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund Act, 1951** :

The act came into force in September 1951 and was amended in 1953 to remove certain technical difficulties.
The main purpose of the Act is to constitute a Sugar and Power Alcohol Industries Labour Welfare Fund for promoting welfare of labour employed in the Sugar and alcohol industries in the State.

The Bombay Welfare Fund Act 1953:

The Bombay Welfare Fund Act 1953 was made applicable to all factories covered by section (ii)(m) of the Factories Act, tramways, motor or omnibus services and any business or trade employing more than 50 persons. The fund consists of fines realised from employees, unpaid accumulation of voluntary donations, labour welfare fund of establishments transferred to the fund and any other such sums furnished for the purpose of the Act.

Mysore Labour Welfare Fund Act 1965
Punjab Labour Welfare Fund Act 1965:

Similar to Bombay Labour Welfare Fund Act, there are also welfare Acts in Mysore and Punjab with similar objects.

Comments on the General Structure of Labour Welfare Legislation as affecting welfare work:

The basic principles underlying the major labour legislations, can conceived of in the social objectives. The four basic principles which were discussed in chapter 1 are the foundation on which the principal labour laws are fabricated. But the primary object of the labour legislation in India is to minimize industrial strife, wean away labour
from violent or radical action, and promote industrial growth. It is based on the principles of social justice to protect weak labour and try to develop Collective Bargaining through equalising the bargaining power of labour with the employer. Social Welfare, no doubt was stressed in many labour laws for ameliorating the moral and material conditions of the working class.

The object of all labour legislation, therefore, is to ensure welfare, fair wages and prevent disputes so that production might not be adversely affected (Benares Tin Factory Ltd. vs. Its Workmen, AIR 1957 SC 168; Hari Prasad Shivasankar vs. A.D. Divelkar, AIR 1957 SC 121). It will proceed not only to achieve industrial peace or harmony but it should, at the same time, inculcate industrial discipline. Economic development is vital issue to any nation; hence, labour legislation must not contravene the process of economic development, but it will conform to the stages of economic development. It will also equally consider the economic effects on the employer by taking into account the capacity of the industry to bear the burden and carry out its provisions. It must provide incentive to productivity and efficiency, so that it may not degenerate into a tool in the hand of workers to put forth exaggerated demand. It must not provide conflicting provisions vis-a-vis with other Acts. At the same time, it must be comprehensive as well as simple and prevent confusion and ambiguity. There must not be overlapping and
duplication of efforts. Ambiguity leads to litigation which means a good amount of strife and a kind of uneasy feeling of expectancy and uncertainty. This leads to a situation unfavourable for increased production which is essential for national development.

Labour Welfare legislation must be enacted in such a way so that it may limit the scope of judicial interference or appeal to the Courts. It must facilitate self-reliance rather than dependence on the state. It must not lead to evasion of responsibility as far as possible and it will try to maintain uniformity among the States, which no doubt require a well defined national labour policy. It will also try to search international uniformity based on ILO conventions. It must not discriminate between the different industry or between public or private sector industry. It will make both the employer and the employee conscious about their social responsibility towards the other sections of the community. The welfare legislation must be schemed in parity with the necessity of the society and it must fit in with the requirement of particular period of time, otherwise it will be ineffective. These aims can be attained only if there is a positive action to realise the aspirations of labour; otherwise welfare laws only play a negative role in industrial relations and is observed more in the breach than in its actual implementation. It is, therefore, necessary to study whether these aims have been realised or not and
how it has been designed to fit the requirement of the society at large or what has been done to achieve this coveted goal.

Different welfare laws cover a wide range of industries, workers and their rights and they are liberal as regards their concepts and coverage.

Considering its coverage and variety, welfare legislation must impress any body and can be compared favourably even with any advanced and enlightened country. Particularly, the laws passed after independence proceed definitely on a new basis and these laws are framed with a view to processing and promoting the welfare of industrial workers who are not able to achieve all these facilities due to their weak bargaining strength. From a single restraint on child labour in 1881, welfare legislation in India has become an important agency in the law of the State for the regulation of working and living conditions of workers. The pace of welfare legislation has also been very fast. In the developing economy of a community whose social and political institutions are also in the process of change and growth - as in India - the Government of the country has to assume a more active role to give direction to social change and create conditions for unhampered economic development. In fact, the attitude of the Government has undergone a change from toleration to encouragement of workers' aspirations. In India, history was largely permitted to take its own course and the industrial relations system, became crystalised over a period of decades. But, to-day India is not content to let history move on its own speed; she is
determined to plan and rebuilt her system, in the shortest possible time.

A study of the welfare legislation over the past years will reveal a positive shift in legal and social thinking of the law of welfare. During the past, in this century the courts very often considered a trade union activity as a criminal conspiracy and not as an essential institution for the true fulfilment of democratic ideas. Today, trade union rights have been accepted through legislation support and collective bargaining and is more and more recognised and improved upon in terms and conditions of service and welfare conditions and also relied progressively on the process of collective bargaining.

Labour Welfare legislation enforced since 1947 has been greatly influenced by considerations of social justice, welfare and equity. Basic labour standards pertaining to working hours and working conditions as well as grass-root level structures for social security are moulded by the governmental action. While legislation such as Employees' Provident Fund Act 1952 etc. have been passed specially in consideration of social justice as well as economic interest of the community, E.S.I.Act, Factories Act, etc., all have contributed significantly in providing the workers with some minimum standard of

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of social security, good conditions of work in order to maintain productive efficiency and safety of workers.

Out of this mosaic pattern of labour welfare legislation certain uniform standard must be evolved into an all-India code without detriment either to employers' interest or the interests of the working class.

There has been a plethora of labour laws particularly in the Post-Independence period. There are on the Statute Book about 108 enactments both central and state. This rapid proliferation of labour legislation in India has been the subject of much comment and criticism, of late. Inevitably, the necessity to legislate with speed, both in centre and state, has led to repetitiveness in legislation. Several of the labour laws are contended to be 'half baked and hastily devised.' This has naturally affected welfare laws also. With high frequency of amendments there are a good deal of confusion and ambiguity and overlapping and multiplication of welfare laws. These issues were further augmented by the division of labour subject into three lists.

The details of basic provisions of health and welfare in various Central Welfare laws indicate that these provisions are relatively more regulative and comprehensively instructational. Provisions have been made not only for cleanliness, washing facilities, toilets, etc., but the rules have also

1 Interim Report on Legislation, p118.
prescribed the manner and frequency of dusting and washing of floors, painting of walls, number of water taps, scale of lavatory seats, type of latches to be fixed to doors and water taps in the cubicle. In western countries, these things are taken for granted, and hopefully it will be so in India also. The fact that improvement has been registered in the manner of providing and use of these services shows that they have a great educative value.

Though responsibility to comply with welfare provisions legally rests with employers, yet works have been statutory associated with the administration of many welfare measures. The canteen is to be looked after by a canteen committee which is competent to discuss all or any of the welfare measures and to advise on their improvement. All welfare funds are administered by boards on which workers are adequately represented. The labour welfare officer whose specific responsibility is to run welfare programmes not only brings in a sense of reality to the programmes but it makes the services efficient and the staff more vigilant. It develops a feeling for the undertaking in the minds of workers and gives them experience in democratic functioning which should be of significant value to workers in the discharge of their duties as citizens.

Recent investigations conducted by independent sources show a great deal of discrepancy in the manner in which
employers comply with legal requirements as well as the extent of their utilization by workers. It can generally be said that in big and medium-sized establishments, most of the welfare services have been well provided. Canteen, emche, drinking water, washing and toilet facilities, shelters and rest rooms, lockers, first aid boxes, etc., in work-places are not merely items of legal requirement but are the usual facilities expected in urban industrial environment. Today, an employer in an urban centre will have to provide most of these facilities at the required minimum standard even if there was no legal enactment. The problem is presented by small employers everywhere and in most of the establishments located in outlying rural areas. A survey of fifty creches in Dhanbad and Asansol coalfields showed almost no utilization of them by women workers. Contacted by the investigators they stated that they preferred to leave their children at home rather than in the creche because the creche staff used the same feeding bottles for all children and this polluted their caste. Another worker visited a number of new plants set up in rural areas where work force was recruited from the neighbouring villages. It was found that workers did not utilize the canteen. Most of them were surplus agricultural workers who travelled to the work-place every day. They brought their own food and were not in the habit of spending anything on themselves. Dirty and fly-infested tea stalls and eating places as well as pan shops are a common sight outside most of them factories and
mills. They are well patronized by workers. Is it that the workers feel more relaxed and free in these places? Or, is it that they pay less here as compared to the canteen inside? Small size factories are notorious for not providing and facilities and have a way of getting away with it. It is in respect of the small establishments that administrative authorities should be most vigilant.

Proper legislation on welfare and health was formed in 1947-48. Things have substantially changed since then. Some services that were introduced at that time are now well accepted, at least by a major part of the industry. A need exists to revise and amend the welfare and health measures in factories, mines, and elsewhere workers' health is very precious and canteens could be used effectively to promote it. It should be made a legal requirement for employers to provide a subsidized balanced meal to all workers and for workers to take at least one meal at the canteen. Such a practice is being followed in many of the continental countries and in Japan. Similarly, the problems in creche utilization should be looked into. A creche costs at least eight thousand rupees as non-recurring expense and steps should be taken to make the money spent on it more fruitful. The problem of drinking water in mines continues to be acute. The pithead bathrooms in the mines need improvement, in many cases, and usefulness of the pithead baths is nullified by the practice of issuing coal to workers. On coming out of the pit, a worker takes
bath after which he carries home coal on his back. This makes him dirty all over again. There is a need to integrate legal provisions with current local practices. In other words, not only a legalistic approach to labour welfare, but also a practical and moral approach to labour welfare should be developed in order to secure more effective co-operation of workers for whom welfare laws are actually meant.