Chapter-II

Situation of Labour Welfare in India

- Labour Welfare Amendments
- Labour Welfare in India before and after Independence
- Welfare Programmes of Government
- Welfare Programmes of Trade Unions
In the first chapter an attempt was made to present a brief introduction and methodology of the present study. An attempt was also made to present the review for the present study. In this chapter an attempt is made to present the measures taken by the government agencies/organizations, non-governmental organizations towards labour welfare activities in India. The Government of India’s initiatives in this direction is also presented with reference to pre and post-independent periods.

The term ‘Labour Welfare’ includes all those programmes sponsored within and outside the factory premises by different agencies such as employer, union, state or any other agency or organizations. Such programmes include housing, medical, educational facilities, nutrition including canteen facilities, facilities for rest and recreation, co-operative societies, nurseries and crèches, sanitary accommodation and social insurance measures undertaken voluntarily by employers along or jointly with workers, including sickness and maternity benefit schemes, provident funds, gratuities, pensions etc.

They help in establishing proper working, living, social and cultural conditions so that the employees can relieve themselves from the sense of frustration, personal and family worries and the effects of ill
health. Further, such kind of facilities will increase the productivity of the workers.

Ghosh (1987) says that "welfare is necessarily dynamic, bearing a different interpretation from country to country and from time to time and even in the same country, according to the value system, social institutions degree of industrialization on general level of social and economic development even within one country, its context may be different from region to region. He says, Labour Welfare may be considered as a charity in capitalistic country while it may be treated as a matter of right in a socialistic country.

In an industrially advanced country, where the standards of living are comparatively higher, the quantum, the type and the cost of the service or amenity will be better and more than what can be expected of in a developing economy. Further, the level of the literacy among the working class also influences the extent of the labour welfare programmes in a society. The more the workers are educated, the more they realize the value of welfare activities. Where the educational standards of the working class are below normal, the motivational aspect of industrial work is distorted.

Of late, there is a growing awareness on the part of the state as well, as people on the need for providing equal opportunities and equal
pay to men and women. Women break their age old customs of confining themselves to the house and shunning their participation in nation building activities and economic programmes.

Labour Welfare to be effective must fulfill the following requirements:

1. Enable workers to live a richer and a more satisfactory life;
2. Contribute to the productivity of labour and efficiency of the enterprise;
3. Enhance the standard of living of workers by indirectly reducing the burden on their purse;
4. Be in tune and harmony with similar services obtaining in the neighbourhood community where the enterprise is situated;
5. Be based on an intelligent prediction of the future needs of industrial work and be so designed as to offer cushion to absorb the shock of industrialization and urbanization to workers; and
6. Be administratively viable and essentially developmental in outlook.

The labour welfare activities could be considered to be significant only when they enhance the satisfaction of the workers, foster productivity of the establishment and promote peace and harmony in the industry.

Thus the welfare programmes should aim at building the favourable and healthy environment to the workers and strengthening the relationship between the employer and the employees.
Though the industrial workers in India today constitute functionally a very significant vulnerable element of the country’s population and also contribute substantially to the nation’s economy. Yet they face certain unique problems in their work life like long hours of work in unhealthy surroundings, drudgery of factory work, rural attachment, uncongenial factory environment, etc. The high rate of labour absenteeism in Indian industries is indicative of the lack of commitment on the part of the workers. Absenteeism can be reduced to a great extent by provision of good housing, health and family care, canteen, educational and training facilities. Welfare amenities enable the workers to live a richer and more satisfactory life and contributes to the productivity of labour, efficiency of the enterprise and helps in maintaining industrial peace (Sharma, A.M, 1988).

The ‘Royal Commission on Labour’ in 1931 felt the need for labour welfare. The necessity of labour welfare measures was emphasized in the resolution passed by the Indian National Congress on Fundamental Rights and Economic Programme in its Karachi session in 1931.

The resolution demanded that the organization of economic life in the country must confirm to the principles of justice and it should secure a decent standard of living. It also emphasized that the state should
safeguard the interest of industrial workers and should secure for them by suitable legislation a living wage, healthy conditions of work, limited hours of labour, suitable machinery for the settlement of disputes between employers and workmen, protection against the economic problems of old age, sickness and unemployment.

This need was subsequently emphasized by the Constitution of India in the chapter on the directive principles of state policy, particularly in the following articles which were amended and enforced from time to time.

Article 39: "The state shall, in particular, direct its policy towards securing (a) that the citizens, men and women equally have the right to an adequate means of livelihood; (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good, (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment, (d) that there is equal pay for equal work for both men and women, (e) that the health and strength of workers, men and women and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength, (f) that childhood and youth
are protected against exploitation and against moral and material abandonment".

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

**Article 42:** "The state shall make provision for securing just and human conditions of work and for maternity relief".

**Article 43:** "The state shall endeavour to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and in particular, the state shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas".

Thus, the above Articles clearly specify the need for social and industrial welfare in India in all sections is clearly enumerated in our constitution.
The Planning Commission also realized the necessity of labour welfare, when it observed that "in order to get the best out of a worker in the matter of production, working conditions require to be improved to a large extent". The worker should have at least the means and facilities to keep himself in a state of health and efficiency. This is primarily a question of adequate nutrition and suitable housing conditions. The working conditions should be such as to safeguard his health and protect him against occupational hazards. The work place should provide reasonable amenities for his essential needs. The worker should also be equipped with necessary technical training and a certain level of general education and technique special skills to build his capacity to facilitate to enhance the levels of productivity.

In view of the importance of the work force, particularly in the Indian context, it imperatively calls for a programme of creating better working and living conditions in the industrial sectors. The necessity and importance of such a programme in India is of greater significance as the Indian industrial workers are to be weaned away from their rural links.

Several welfare measures have been taken up by the Government of India, Labour Committee, industrial organizations and non-governmental organizations. In this connection an attempt is made here
to present the important welfare measures taken up during the pre-
Independence and post-Independence periods.

**Before Independence:** Labour welfare activities in India were largely
influenced by humanitarian principles and legislations. During the initial
stages of industrial development the efforts towards the welfare of the
workers were made largely by social workers, philanthropists and
religious leaders. Before the introduction of welfare and other
legislations in India, the condition of labour was miserable. Exploitation
of child labour, long hours of work, bad sanitation, absence of safety
measure, etc., were the regular features of factory life. The earliest
legislative approach could be the Apprentice Act of 1850 in order to
help poor and orphaned children to learn various trades and crafts.
Afterwards Fatal Incidents Act of 1853 was passed to provide
compensation to the families. The Merchants Shipping Act of 1859
regulated the employment of seaman and provided for their health and
accommodation, etc. The above Acts in the country were mainly aimed
at regulation of employment (Labour Investigation Committee, 1946).

The movement to improve the working conditions of Indian
Labour started with the passing of the first Indian Factories Act in 1881.
The deplorable conditions in which labour worked in the textile mills in
Bombay during those days, as testified by the Factory Commission of
1875, were the immediate cause for the passing of the Act. The Act applied to factories employing not less than 100 persons and using power. Under this Act, the employment of children below the age of seven years was prohibited, while those between seven and twelve years were not to work for more than nine hours a day. An hour's daily rest and four holidays in a month were prescribed for children. Adult labour, however, was not protected in any manner. It was found inadequate in many respects. Anyhow, it recognized the right of the government to safeguard the interests of the workers by means of suitable legislations.

The Mulock Commission was appointed by the Government of Bombay in 1884 to review the working of the Factories Act of 1881. Mr. N.M. Lokhande, founder of the Bombay Mill Hands' Association brought the workmen together on two different occasions in 1884 and presented on their behalf a charter of demands to the commission. Under pressure from labour, the Bombay Mill-owners' Association conceded the demand for a weekly holiday.

The Factories (Amendment) Act, 1891 was passed as a result of the recommendations of the Bombay Factory Commission of 1884 and the Factory Labour Commission of 1890. It applied to all factories employing 50 persons or more. The lower and upper age limits for children were raised to nine and fourteen respectively and their hours of
work were limited to seven and between 5.00 AM and 8.00 PM. Employment of women between 7.00 PM and 5.00 AM was prohibited. Women were allowed to work for 11 hours in a day. Provisions relating to better ventilation, cleanliness and for preventing overcrowding in factories were also made.

The Government of India appointed a Commission in 1907 to study the working conditions of labour in Industry and made recommendations. A more comprehensive act was introduced in 1911 on the basis of the recommendations of this Commission. The Indian Factories Act of 1911 was made applicable also to seasonal factories working for less than four months in a year. The hours of work for children were reduced to six per day. The hours of work of an adult male worker were specified for the first time to 12 hours a day. Certain provisions were also made for the health and safety of the industrial workers.

In the meanwhile, voluntary action in the field of labour welfare also made considerable progress. Group efforts came to the forefront. The Amalgamated Society of Railway Servants of India and Burma (1897) started a number of friendly benefit schemes. The Printers Union, Calcutta (1905) and the Bombay Postal Union (1907) introduced mutual insurance schemes, night schools, educational stipends, funeral
allowances, etc. In 1910, the Kamgar Hitvardhak Sabha was established which helped the workers in various ways.

The outbreak of the First World War in 1914 led to a number of new developments in the field of labour welfare. The Russian Revolution had a tremendous impact on the attitudes of government and society towards labour. During the war year (1914-18) the number of factories and the number of persons employed therein increased. Wages did not keep pace with the rising prices and profits. The working class became more conscious as a result of the general unrest following the war. The I.L.O declared that universal peace can be established only if it is based upon social justice. The formation of All India Trade Union Congress (AITUC, 1920) the first central trade union organization in our country, also helped in furthering the cause of welfare movement.

As a result of all these developments, the importance of labour in economic and social reconstruction of the world was recognized. All these factors created the background for a new factory law. Following industrial unrest in 1919 and 1920, the Government of India passed the Indian Factories (Amendment) Act, 1922 which was made applicable to all the factories using power and employing not less than 20 persons. Children below 12 years of age were not to work in factories and those between 12 and 14 were not to work for more than six hours a day.
Children and women were not to be employed between 7.00 PM and 5.30 AM. The hours of work for adults were limited to 60 in a week, and 11 in a day. Factory inspection was improved by the appointment of full time factory inspectors possessing technical qualifications.

The Royal Commission was appointed in 1929 and made an in-depth survey of different aspects of health, efficiency, welfare, standard of living, conditions of work and relations between employers and employees and submitted its monumental report on March 14, 1931.

It recommended the enactment of a number of legislations relating to payment of wages in time, minimum wages, need for health insurance for industrial workers, improvement of working conditions of plantation workers, etc. Most of the recommendations of this Commission were accepted by the government and they constituted the powerful influence that led to the enactment of the Factories Act of 1934.

Apart from amending and consolidating all the previous enactments, the Factories Act, 1934 introduced a number of important changes. It drew a distinction between perennial and seasonal factories. The hours of work for children between 12 and 15 were reduced from six to five per day, while those for women from 11 to 10 in all kinds of factories. The Act also made provision for the improvement of working
conditions within a factory. For the first time in factories’ legislation, welfare measures were also thought of and provision was made to provide rest sheds and crèches by big factories.

A number of committees also were setup by the provincial governments to enquire into the working conditions of labour including the provision of housing facilities. Some of these committees were: Bombay Textile Labour Enquiry Committee (1937), the Kanpur Labour Enquiry Committee (1937), the Central Provinces Textile Labour Enquiry Committee (1938) and the Bihar Labour Enquiry Committee (1938). These Committees conducted detailed investigations regarding housing facilitation available in various industries and drew keen attention of the governments towards inadequate and unsatisfactory housing conditions of industrial workers.

Another milestone in the field of labour welfare was reached with the appointment of the Labour Investigation Committee (Rege Committee) in 1944. The Committee was asked to investigate the problems relating to wages and earnings, employment, housing and social conditions of workers. The Committee went into details of the working conditions, including welfare measures available, for workers employed in a large number of industries. The Committee covered different areas in labour welfare such as housing policy, rest and
recreation, occupational diseases, relief in the case of old age and death, crèches, canteens, medical aid, washing and bathing facilities, educational facilities, etc. For the first time in India, this Committee highlighted the importance of welfare measures for workers in improving their social and economic life. It also emphasized the need for strengthening the enforcement machinery for effective implementation of various laws.

In May 1944, the grand Charter of Labour, popularly known as the Declaration of Philadelphia, was adopted by the member states of ILO. Among its aims and objectives, the Declaration said that labour is not a commodity and that it is entitled to a fair deal as an active participant in any programme of economic development or social reconstruction.

The Second World War brought about far-reaching consequence in all fields of activities. The need for sustained and increased production gave a fillip to Indian industry. The government took the initiative and actively promoted various welfare activities among the industrial employees. A number of legislations for the welfare of the working classes were also enacted. Because of these initiatives the number of factories and factory employees increased enormously during pre-independent period.
After Independence: After Independence, the labour welfare movement acquired new dimensions. It was realized that labour welfare has a positive role to play in increasing productivity and reducing industrial tensions. The state began to realize its social responsibilities towards the weaker sections of society. The emergence of different central trade union organization – Indian National Trade Union Congress (INTUC) (1947), Hind Mazdoor Sangh (HMS) (1948), United Trade Union Congress (UTUC) (1949), Bharatiya Mazdoor Sangha (BMS) (1955), Communist of Indian Trade Union (CITU) (1970), National Labour Organization (NLO), etc., gave a further fillip to the growth of labour welfare movement.

Mainly on the basis of the recommendations of the Rege Committee, the Government of India enacted the Factories Act, 1948. To draft this important piece of legislation, the services of Sir Wilfred Garrett were utilized. He drafted the legislation in detail using his wide experience of Factories’ Law. The Factories Act of 1948 came into effect from 1st April 1949 and is a comprehensive legislation. The Act applies to all establishments employing 10 or more workers where power is used and 20 or more workers where power is not used, and where a manufacturing process is being carried on.
However, Section 85 of the Act empowers the state governments to extend all or any provisions of the Act to any premise. It contains many important provisions regarding health, safety, welfare, employment of young persons and children, hours of work for adults and children, holidays, leave with wages, etc. The responsibility for administration of the Act rests with the state governments who administer it through their own Factory Inspectorates. The onus for compliance with the provisions of the Act wholly rests on the occupier of the factory, though certain obligations are also imposed on workers. The Directorate - General of Factory Advice Service and Labour Institutes coordinate the work of enforcement of the Factories Act throughout the country, frame Model Rules and suggest amendments to the Act and the Rules in consultation with the State Chief Inspectors of Factories.

The Constitution of India enshrined a list of Fundamental Rights and Directive Principles of State Policy for the achievement of a social order based on justice, liberty, equality and fraternity. It is stated in the chapter embodying the Directive Principles that the “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.”
Various labour welfare activities were incorporated in different Five Year Plans. The First Five Year Plan (1951-56) paid considerable attention to the welfare of the working classes. It laid emphasis on the development of welfare facilities, for avoidance of industrial disputes and for creating mutual good-will and understanding. During the period, the Plantations Labour Act, 1951, the Mines Act, 1952, the Employees’ Provident Fund Act, 1952, were enacted. A subsidized housing scheme for industrial workers was evolved in 1952. The state governments passed various laws regarding housing for industrial labour, e.g., the Bombay Housing Board Act, 1948.

During the Second Five Year Plan (1956-61) the importance of better working conditions were progressively recognized. Greater stress was laid on the creation of an industrial democracy. The Second Five Year Plan saw further developments in the field of labour welfare. New enactments were made to cover seamen and motor transport workers. The coverage of the Employees’ State Insurance Scheme was also extended bringing in its fold more workers. A comprehensive scheme known as Dock Workers (Safety, health and Welfare) Scheme was drawn up in 1961. In 1959, the Government of Assam passed an Act called the Assam Tea Plantations Employees’ Welfare Fund Act. In April 1956, a New Plantation Labour Housing Scheme was involved which envisages a certain amount of loan for construction of houses for
workers. Various states enacted legislation to regulate the working conditions in shops and establishments. The Second Five Year Plan period also saw a number of enactments in the field of industrial housing by various state governments.

The Third Five Year Plan (1961-66) stressed the need for more effective implementation of various statutory welfare provisions. It recommended improved working conditions and emphasized greater productivity and more efficiency on the part of workers. It called upon the state governments to strengthen the factory inspectorates for effective implementation of various labour enactments. The Plan also recommended setting up of cooperative credit societies and consumers' stores for industrial workers, and emphasized the role of trade unions and voluntary organizations in administering such cooperatives. Some of the legislative measures during this period include the Maternity Benefit Act, 1961, Apprentice Act, 1961, Iron-Ore Mines Labour Welfare Cess Act, 1961 and the Payment of Bonus Act, 1965. Some of the state governments have also passed labour welfare fund enactments.

The Committee on Labour Welfare (1969) was constituted by the Government of India in 1966 to review the functioning of various statutory and non-statutory welfare schemes in industrial establishments, both in the private and public sectors. The Committee concluded that,
while certain facilities have been provided on satisfactory scale in some industries by some managements, there seems to be considerable scope for improvement in the rest of the industries.

The Committee on Labour Welfare (1969) suggested the following functions of the labour welfare boards for the unification:

(1) Community and social education centres including reading rooms and libraries;
(2) Community necessities;
(3) Games, sports and other programmes of physical fitness;
(4) Excursions, tours, and holiday homes;
(5) Entertainment and other forms of recreations;
(6) Home industries and subsidiary occupations for women and unemployed workers;
(7) Corporate activities of social nature;
(8) Such other activities as would in the opinion of the State Governments improve the standard of living and promote health, family planning and social conditions of labour.

Murthy and Narayana (1970) in their study on participation of workers in welfare work, examined the extent of participation of workers in the welfare policy formulation, programme formulation and implementation, level of assuming responsibility for administering the programmes and participation at the levels of assessment of results. They concluded that participation of workers in welfare work mostly depended upon the age of the worker, type of welfare activity,
experience and ambitions of the workers, living in contiguity with the work place, domestic problems of workers etc.

The First National Commission on Labour (1969) had suggested that the PF accumulations should be invested in securities yielding higher returns, as far as possible consistent with the security and safety of the fund, to enable the members to get higher rates of interest. Subsequently, there have been many changes in the money market and many suggestions have been made for engaging professional experts for managing investments.

Family Pension Scheme was introduced in 1971 which was substituted by the Old Age Invalidity and Survivorship Pension Scheme 1995. The new scheme is an enlargement of the erstwhile Employees' Family Pension Scheme 1971. Although ordinarily, a pension scheme is preferred to a provident fund scheme, the Employees Pension Scheme has come in for criticism.

An International Labour Organization (ILO) Technical Assistance Appraisal Mission (November 1996) commented on certain aspects of the scheme and made the following recommendations.

- Withdrawal option should be abolished or modified.
- Pensions should be adjusted to inflation.
- Provision regarding return of capital should be withdrawn.
• The option to commute part of the pension should be withdrawn.
• The minimum pension age should be raised to 50, and the reduction factor should be modified.
• The financial sustainability of the current standard age of 58 should be assessed actuarially.
• Pension should be calculated on the basis of the earnings for a longer period instead of last year’s earnings.
• Provision should be made to see that no insured person would receive more than one benefit for the same category.
• Provision to pay pension to a non-relative nominee should be reviewed.

The Fourth Five Year Plan (1969-74) provided for the expansion of the Employees’ State Insurance Scheme to cover medical facilities to the families of insured persons, and to cover shops and commercial establishments in selected centres. During the Fourth Plan period, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Gratuity Act, 1972, Employees’ Family Pension Scheme were passed. The Plan directed that programme for welfare centres, holiday homes, and recreational centres should be included under the state plan, and stress be laid on strengthening labour administration machinery for effective enforcement of labour laws. For labour welfare programmes, a provision of Rs.37.11 crores was made in the Plan.

The Draft Fifth Five Year Plan (1974-79) also laid down programme for labour welfare. For promoting industrial safety in
increasing measure, the Plan provided for setting up of safety cells in various states. An amount of Rs. 57 crores was provided for labour welfare including craftsmen training and employment service.

In the Sixth Plan (1980-85), "the thrust of the programmes should be on implementing effectively the measures contemplated in different legislative enactments and in extending the coverage of the employees’ state insurance scheme, the employees’ provident fund and family pension scheme. Special programmes would also need to be undertaken by the state governments for the benefit of agricultural labour, artisans’ handloom weavers’, fishermen, leather workers and other unorganized workers in the rural and urban areas". An outlay of Rs. 161.9 crores is proposed for Labour and Labour Welfare Programmes for the period 1980-85. Of this, the Central outlay would be of the order of Rs. 78.5 crores and the remaining Rs. 83.4 crores being accounted for by states and union territories.

In the Sixth Five Year Plan (1980-85) emphasis was on labour welfare, improvement in working and living conditions of unorganized labour not only in the rural areas, but also in the urban areas. According to the Plan, "effective implementation of the existing legislation would greatly improve matters for the unorganized urban workers. Efforts would be made not only to train and upgrade the skills of the workers
but also to educate them and make them aware of the programmatic and legislative provisions available for them.

Genuine and effective voluntary organizations would be involved in the process of organizing the poor and in actual implementation of the schemes”. As regards child labour, the Planning Commission is of the view that “as it is not feasible to eradicate the problem of child labour at the present stage of economic development, attention has to be focused on making the working conditions of child labour better and more acceptable socially. Improved legislation coupled with better enforcement machinery are called for. Association of voluntary organizations and agencies with the tasks of providing child workers with health care, nutrition and education will be desirable. A plan allocation of Rs.334 crores for the Centre, the States and the Union Territories has been provided for labour and labour welfare in the Plan.

In the Seventh Five Year Plan (1985-90) emphasis was placed in labour welfare and on improvement in working and living conditions of unorganized labour, not only in the rural areas but also in the urban area. As regards child labour, the Planning Commission was of the view that, as it was not feasible to eradicate the problem of child labour at the present stage of economic development, attention has to be focused on making the working conditions of child labour more acceptable. The
Plan laid down certain major tasks as far as women labour was concerned. They were: (i) to treat them as specific target groups in all rural development programmes, (ii) to ensure that in all Asset Endowment Programmes, women have rights over assets and resources, (iii) to properly diversify vocational training facilities for women to suit their varied needs and skills, (iv) to provide crèche facilities and family planning centres, (v) to establish marketing estates at the state level, (vi) to increase women’s participation in Trade Unions and in decision making, and (vii) to improve and enlarge the scope of the existing legislation for women workers. During the Seventh Plan, Rs.333.72 crores was allocated for labour and labour welfare programmes.

In the Eighth Five Year Plan (1992-97) emphasis has been laid on the improvement of the quality of labour, productivity, skills and working conditions and provision of welfare and social security measures. As against the expenditure of Rs.485.14 crores on labour and labour welfare in the Seventh Plan, an outlay of Rs.1315.39 crores has been provided for labour and labour welfare in the Eighth Plan.

While it is true that there is room for improving the new pension scheme, one cannot deny that the 1995 reform constitutes a considerable step forward in terms of retirement income security.
According to the World Labour Report 2000, the public expenditure on social security in India is 1.8 per cent of the Gross Domestic Project (GDP) against 4.7 per cent in Sri Lanka and 3.6 per cent in China. This is a measure of the human development that these countries have achieved, and the distance India has yet to travel. In the light of the inadequate expenditure on social security in India, it is necessary that plans and programmes be devised to address the needs of diverse vulnerable sections of the people, comprising the total population of India.

The Second National Commission on Labour (2002) suggested:

- The Employees Provident Fund Organization (EPFO) should have its own mechanism for investment of its balances as the Life Insurance Corporation of India (LIC) and the General Insurance Corporation (GIC) have; and, for this purpose, financial experts should be inducted into the organization at various levels;
- Investment patterns should be further liberalized.
- Government may consider issuing of indexed bonds for investment of PF balances assuring a fixed real rate of return.

The EPF Scheme provides for non-refundable withdrawals from the PF accounts of the members for a variety of purposes:
• Financing of life insurance policies
• Purchase or construction of houses
• Illness
• Repayment of loans
• Marriages
• Education of children
• Abnormal conditions
• Cut in supply of electricity
• Purchase of equipment by the physically handicapped
• Lock out or closure of establishments.

The Ninth Five Year Plan (1997-2002) attempts to create conditions for improvement in labour productivity and provision of social security to supplement the operations of the labour market.

The resources have been directed through the Plan programmes towards skill formation and development, exchange of information on job opportunities, monitoring of working conditions, creation of industrial harmony through an infrastructure for healthy industrial relations and insurance against disease and unemployment for the workers and their families. The achievement of these desirable objectives in the areas of labour and labour welfare have been determined primarily by the kind of labour market that exists.

During the Ninth Plan, it is envisaged that the Trade Unions will contribute to promote changes in the work culture. The contributions
from the Trade Unions is also required for creating an environment that encourages linking of rewards to labour with productivity improvement in a more flexible structure of the firms that deliver such services.

Ninth Plan aimed at reducing the number of labour laws which determine relations between workers and employers with the objective that a much smaller number of laws can reach the entire work force. During the Ninth Plan period, elimination of undesirable practices such as child labour, bonded labour and aspects such as ensuring workers safety and social security, looking after labour welfare and providing of the necessary support measures for sorting out problems relating to employment of both men and women workers in different sectors has received priority attention.

In the Ninth Plan, the outlay amount of Rs.899.12 crore was spent on labour Ministry/Department out of the total outlay amount of Rs.2,74,028.35 crore spent among different ministry/departments. The amount of Rs.34 crore was spent on labour welfare in particular.

The Second National Commission on Labour (2002) suggested that the Employees Provident Fund and Miscellaneous Provisions Act, 1952 be amended so as to do away with the distinction between different classes of establishments for purposes of the rate of contribution. This is, however, without prejudice to the suggestions made elsewhere to
provide for different packages of contributions and benefits for different classes of employees.

In the study conducted at Karnataka State Road Transport Corporation (KSRTC) by Mr. Madhumathi and R.G. Desai study titled "Analysis of Pre and Post-Reform Social Security and Labour Welfare Expenditure in KSRTC from the year 1988-89 to 1997-98 for ten years. An attempt has been made to examine the social security and labour welfare facilities in KSRTC. More specifically the study seeks to:

1. Assess growth of expenditure for all social security and labour welfare measures in KSRTC before and after the economic reforms.
2. Assess the use and abuse of medical facilities extended to employees.
3. Study the changing outlook and emerging perspectives in spending by the KSRTC.

They have concluded by the study by underlying some of the major findings:

1. Labour welfare expenditure in KSRTC had grown year after year under pressure as well as under the changing relations between employees and management.
(2) The per capita labour welfare expenditure increased substantially during the post-reform period specially in the later years.

(3) If we go by the number of patients treated vis-à-vis per capita medical reimbursement, there is a strong negative relation between number of patients treated and the amount of reimbursement. There is a possibility of abuse of this facility.

(4) If we compare the per capita expenditure on patients and per capita medical reimbursement there is a direct relation between the two.

(5) An important finding of the study is the establishment of Rehabilitation Centre to provide employment to the dependents of the deceased employees, who are denied employment opportunities for want of educational qualifications and age as per the cadre and recruitment regulations of the organization. In this respect KSRTC is a model and other organizations can follow this practice.

(6) In order to reduce absenteeism and increase productivity, to improve operational efficiency and road safety, KSRTC launched de-addiction programme during the year 1997-98. This is another milestone of KSRTC towards an end to addiction of alcohol among its employees.
The objective of Tenth Plan (2002-07) will be to increase the coverage of the labour market institutions. The essential condition for this is the provision of gainful employment to the entire labour force. It also ensure for improving labour productivity and the welfare of workers.

The Tenth Plan will strive to ensure that over a period of five to ten years, the labour market institutions for productivity improvement, safety, health and social security of workers cover the bulk of the labour force through simplified procedures.

The outlay under Central Plan for Ministry of Labour for the Tenth Plan is Rs.1500 crore. Out of which an outlay amount of Rs.52.40 crore was spent on labour welfare from Central Schemes of total amount of Rs.1144.90 crore and centrally sponsored schemes of Rs.355.10 crore.

Apart from the initiatives through Five Year Plans to facilitate, protect and safeguard the interests of the workers by the state, and it further encouraged the working class by providing special provisions and facilities.
Welfare Programmes of Government

The role of Government has been very crucial in making it a legal obligation on the part of the employers to provide certain minimum facilities. The policy of the Governments envisages that the employer is responsible to provide facilities within the establishment and to improve upon the minimum standards set by the legislative acts mentioned below:

(i) The Workmen's Compensation Act, 1923.
(ii) Trade Union Act, 1926
(iv) The Payment of Wages Act, 1936
(vi) The Minimum Wages Act, 1948
(vii) Industrial Disputes Act, 1948
(ix) The Employees' Provident Fund Miscellaneous Provisions Act, 1952
(x) The Mines Act, 1952
(xiii) Apprenticeship Act, 1961
(xv) The Plantation Labour Act, 1961
(xvi) The Payment of Bonus Act, 1965
The part played by the central government till the Second World War was mostly confined to the holding of labour conferences and making recommendations on labour welfare. But after the Second World War, steps were taken to boost workers morale and increase their productivity. The schemes initiated then were continued later on. The Government tried to become a model employer and place its experience for emulation by the private sector. After Independence, India set to itself the task of establishing a welfare state. It resolved to bring in a socialistic pattern of society. Hence, it brought about a number of statutes bearing on labour welfare. It allocated specific amounts for labour welfare in all the Five Year Plans as well as in the annual plans.

The state governments are also playing a vital role in the development of welfare activities. They enacted several Acts relating to labour welfare funds. These funds are financed by means of receipts from fines, grants from government, unpaid accumulation, unclaimed or
forfeited sums in provident fund accounts, voluntary donations, fines imposed on employers for defaults, funds transferred from any other labour welfare funds and sums borrowed. Several state labour welfare centres are also started to provide recreational facilities, adult educational classes, library and reading room, vocational training, knitting, lace-making, embroidery and so on.

Welfare Programmes of Trade Unions

The role of trade unions in the management of welfare activities is negligible. Very few trade unions take an active interest in organizing welfare work. The participation of the workers in the safety committees, canteen committees, etc., is rather disappointing. This kind of reluctance may be due to low literacy, lack of self-analysing ability, lack of leadership, lack of encouragement from the management on the one hand and political and inter-union rivalry on the other. The Ahmedabad Textile Labour Association, the Mill Mazdoor Union at Indore and the Mazdoor Sabha in Kanpur must be mentioned among the trade unions which undertake welfare programmes. The Ahmedabad Textile Labour Association participates actively in intramural and extramural welfare activities. The association has established seva mandals for different localities and started the Mohalla Sahayata funds. A volunteer is in charge of each group of ten families. He establishes contact with
such families and knows their difficulties and renders the necessary help.

A labour association promotes education among the worker's children by providing books, reading rooms, boarding houses for boys, and study homes for girls. It also assists the families to keep their houses clean and attends to environmental sanitation. It encourages small savings among workers by propagating the Janatha Insurance Policies and starting a worker's cooperative bank, consumer's societies, credit societies and housing cooperative societies are attached to the bank. Legal help to the workers is also provided.

The Mill Mazdoor Union at Indore runs labour welfare centre consisting of Bal, Kanya and Mahila Mandirs. It organizes music, dance and social gatherings. Importance is given to elementary education, tailoring and knitting, a few welfare amenities are also provided by Unions like the Mazdoor Sabha of Kanpur, the Railway Men's Union, the Indian Federation of Labour in Uttar Pradesh, etc.