CHAPTER II
REVIEW OF LITERATURE

This chapter reviews the studies of different aspects of labour welfare measures connected directly as well as indirectly with the present study. The review of literature is highly useful to design the present study as it indicates the research gap in the study of labour welfare measures of the sugar mills in Tamil Nadu. The study of labour welfare measures has attracted the attention of many researchers and research organizations in western countries, particularly the United States of America. Their experiences may be of relevance and significance to us. Therefore, studies of such countries are also discussed and reviewed in this chapter.

Misra (1974)\(^1\) carried out a research aimed at sociological analysis of the labour welfare problems of sugar industry. The analysis was based on the firsthand data collected from the sugar factories of Eastern Uttar Pradesh. The study found that the conditions of work in sugar factories of eastern region of Uttar Pradesh were not very satisfactory particularly in respect of safety measures, cleanliness, sanitation, latrine facilities, drinking water, rest rooms, etc. It also points out that the provisions for leaves and holidays, lighting, housing, medical and education are far from satisfactory.

Koshan (1975)² pointed out that in spite of statutory provisions and enforcing agencies in India, the labour welfare facilities were absent and the cement industry was the only one where provisions were adequately enforced. The study insisted the need for overhauling and tightening the machinery of inspection. Appointment of welfare inspectors for different industries, distinguishing the duties of factory inspectors from those of welfare inspectors to submit annual and quarterly reports and empowering the welfare inspectors to fine in case of default are some of the steps suggested in this study.

Monga (1980)³ conducted a study on implementation and awareness of labour laws in Haryana. He focused mainly on the machinery for implementation of labour laws and the impediments confronting the implementation. He has found that the staff deployed for enforcement of labour laws are inadequate, inspections are not frequent, the status of supervision of returns under various laws reveals a dolesome picture, procedures are frivolous and vexatious, penalties imposed for offending legislation in the state are fine and the penalty of imprisonment is rarely imposed. He concludes that the absence of adequate awareness about the laws is the major factor for inadequate enforcement of law.

Srivastava (1984)\textsuperscript{4} states that work is important in man’s life since time immemorial. Whatever may be the reason for working, one thing is certain that man has continued to work. The urge to work seems to be deep rooted in most men and work is viewed as much more than a means of seeking economic gratification. Work seems to serve many other functions for an individual. An individual’s sense of well being, of doing something worthwhile, of having purpose in life, seems to be associated with work.

Deepak Bhatnagar (1985)\textsuperscript{5} in his study on “Labour Welfare and Social Security Legislation in India” evaluated the effectiveness of the Employees State Insurance Scheme. He has found that the employees are uncomfortable on the issue of their contribution towards the scheme. Majority of the employees are not fully aware of different benefit schemes as admissible under the Act. Medical certificates are easily available to the insured persons. He suggests that steps should be taken to curb this tendency of tax certification.

Bhatia (1986)\textsuperscript{6} in his study on the administration of Workmen Compensation Law has found that the graver the effect of the accident, the need of help of a trained lower becomes more frequent. There seems to be


an immense need of providing free legal aid and advice to the claimants under the Workmen Compensation Act. He says that the quantum of compensation fixed by the law does not appear to have been formulated with an eye to the future. There is a need for enhancement of compensation in this age of inflation.

Rajwant Singh (1987)\(^7\) states that all the difficulties in the implementation of labour welfare measures must be overcome, before the dawn of the new century is reached. The country must find ways of meeting people’s basic needs by giving them access to sources of income, food, education, housing, health and hygiene.

Rawat (1988)\(^8\) has attempted an investigatory and analytical study of the state policy on the subject of formulation of legislation relating to labour welfare and implementation of welfare measures and programmes in various industrial sectors in industrial areas in the country. He concludes that there is a need in the country to establish more welfare funds for agricultural, unorganized labour, construction workers, handloom workers, etc., has been done in the case of coal, mica, iron ore and limestone and dolomite mine workers. No efforts to improve the well being of the toiling workers can be successful so long as they lack legal literacy and remain


ignorant of their rights; duties and welfare measures are imposed upon them from outside. Labour welfare is no bounty gift, reward or premium. Indeed it is workers’ right.

Sellers Bob (1990)\(^9\) in his article titled “Executive Compensation: Bankers Jump into Golden Parachutes” states that the “golden parachute contract” giving key financial institution executives security in the event of a change in control, must be carefully structured to avoid challenges. The board must approve only those plans which are consonant with the exercise of fiduciary duties and whose payments are related to the value of the employees’ services. Also the parachute’s size should relate to the institution’s e.g. at smaller institutions, the benefits level might be half of annual salary, not two to three times salary. The plan needs to be structured to avoid falling under ERISA’s mandatory funding rules.

Dirks H. John and Salow Mary (1990)\(^{10}\) have stated that most of the firms have been accounting for post-retirement benefits other than pensions (OPEB) on a cash basis as benefits are paid to retirees. The Financial Accounting Standards Board (FASB) believes that post-retirement benefits are a form of deferred compensation that is earned by employees as they

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work. As such, OPEB costs should be accrued in the employer’s financial statements over the employees’ service lives. An FASB exposure draft requires that employers estimate the cost of providing future medical benefits to employees during retirement years using the plan provisions currently in place, thus ignoring future anticipated plan changes, and using an estimated future per capita claims cost of providing OPEB benefits at each age subsequent to retirement. The proposal also requires that OPEB obligations be attributed to periods of employee service ending with the date of full eligibility for plan benefits, and the transition obligation be recognized on a prospective basis.

Yakushev (1991)\(^{11}\) in his paper titled “New Approaches to Social Security Provision in the USSR” states that social security plays an important social and economic role in the USSR. In order to improve social security provisions, it is necessary not only to increase expenditure substantially, but to ensure better organization not only to raise the level of minimum social protection for needy persons, but also to overcome leveling effects in the system. To achieve a more efficient distribution of resources, it is necessary to eliminate the existing imbalance between financing and expenditure and to establish the closest possible correspondence between the value extracted from particular categories of workers and the social

protection they receive in return. The Soviet Pensions Act, 1990 does away with the regressive method of basing pensions on wage scales. The Draft Fundamental Principles, set forth by the Ministry for Labour and Social Affairs, will help to establish a number of social security principles.

Pond James (1991)\textsuperscript{12} in his article titled “Exploring Options in Employee Services” reports that with the growing emphasis on keeping employees comfortable and happy, many firms are providing their workers with more than a traditional benefits package. One perquisite that is often provided is an on-site food service. Other services include on-site fitness centers, day-care facilities, and small retail establishments such as stationery stores. Some firms even provide health care in the home for employees’ children or elderly parents. Not every firm will be able to provide its employees with every one of the services, but those companies that can provide one or more of the amenities will benefit from higher productivity, lower turnover, and improved morale.

Matthes Karen (1992)\textsuperscript{13} points out that today’s workers switch jobs, and even careers, several times over the course of their lifetime. As a result, traditional pension plans, which use length of service as a primary factor to determine retirement income, do not hold the same appeal for today’s


employees. Since defined benefit plans accrue most of their income at the end of an employee’s service, today’s on-the-move workers will receive only minimal retirement income when they leave. Defined contribution plans attempt to solve this problem by basing retirement income on an employee’s average career income. In this way, employees can leave their jobs after only a few years of service and receive an acceptable sum of money. During the past 3 years, employers have terminated more than 84000 pension plans, and defined benefit plans have accounted for more than 1/2 of those terminations. A cash balance plan, a hybrid of both defined benefit and defined contribution plans, provides employees with individual accounts that can grow over time based on a percentage of pay plus interest credits.

Thomas Susan (1992)\(^{14}\) states that CIGNA Corporation’s “subsidy project” was created to review all subsidized employee amenity programs and recommend an improved program mix that would be the best value possible for the resources invested in the program. The first step was to appoint a task force of representatives from employee relations, corporate staffing, employee services, and the human resources from financial area. In addition, 13 focus groups of about 10 employees each were conducted across the US. As a result of its research, CIGNA modified such programs

as discounted personal property casualty insurance coverage, which were not of great value to employees but were sizable percentages of total subsidy cost. The net result was a reduction in subsidy expense and a program mix that was intended to better meet employee needs.

Getubig and Schmidt (1992)\textsuperscript{15} have defined social security based on the expansion of the elements of social security as any kind of collective measures or activities design to ensure that the members of the society meet their basic needs such as adequate nutrition, shelter, health care and clean water supply and are protected from contingencies (illness, disability, death, unemployment and old-age) so that they are able to maintain a standard of living consistent with social norms. Hence, the definition of social security is extended to include other aspects of existence, which relate to accessing adequate food, health care and shelter to vulnerable groups.

Cline and Andy (1993)\textsuperscript{16} in their paper entitled “More Companies Burn Benefits Candle at Both Ends” state that if we need child care, chances are many that the company offers a benefit to cover expenses, or a referral service, or a stated policy, or at least some form of time off or flex-time. When the baby boomers have reached middle age, they are beginning


to think about another kind of service, elderly care. In many companies, employers have addressed child care for a long time though parents of the boomers have reached retirement and old age.

Scott Diana and Petrone Kimberley Ryan (1993)\textsuperscript{17} in their article entitled “What You Need to Know Now about Accounting for Post-employment Benefits” state that SFAS 112, Employers’ Accounting for Post-employment Benefits, is the culmination of the FASB’s 13 year project to address employers’ accounting for pensions and other employee benefits provided after employment. The purpose of the statement is to ensure greater uniformity in accounting for these benefits by requiring employers to accrue the expected cost of benefits likely to be paid. Pay-as-you-go or cash basis accounting for post-employment benefits will be precluded when the new standard takes effect. How and when costs should be accrued will depend on the nature of the benefit and the probability of payment. The expected cost is to be accrued over employees’ service periods if the following conditions are met: an employee’s right to the benefit accumulates with service; payment of the benefit is probable; and the value of the benefit can be reasonably estimated. If any one of these conditions is absent, then the benefit cost should be accrued when the triggering event occurs.

Subramanya (1994)\(^{18}\) defines social security as a guarantee by the whole community to all its members, of the maintenance of their standard of living, or at least of tolerable living conditions, by means of redistribution of income, based on national solidarity. In other words, the concept of social security in its broadest sense should be understood to mean the support provided to the individual by the society to enable him to attain a reasonable standard of living, and to protect him or her from falling due to the occurrence of any contingency.

Guhan (1994)\(^{19}\) in his article entitled “Social Security Options for Developing Countries” states that the debate on social security in developing countries emerged largely in the 1980s, prompted by several factors. One factor was the acknowledgement of the glaring dichotomy in the availability of social security between the industrial and developing countries. Another factor was the realization that even the portfolio of direct poverty alleviation measures could not be depended upon to provide adequate, timely, or guaranteed protection to insure the poor against identifiable forms of deprivation. A third factor has been the recognition of the role of social safety nets in cushioning the poor during the structural adjustment which many developing countries initiated in the 1980s. While


formal social security systems cannot be exclusively relied upon in developing countries, it is necessary to reform them and to extend their application where and when appropriate. Rural employment schemes, wage upgrading for rural labour, food subsidies linked to public distribution systems, child nutrition and contingency related support for old age, maternity, survivors, and the disabled could constitute a minimal social assistance package. Prima facie, a target of 3 per cent of GDP for such basic minimum social assistance appears to be reasonable and affordable in most developing countries.

Huth Stephen (1995), in his article titled “How Will You Nip this One at the Source?,” states that in the last few years, various organizations have aggressively begun to solicit all employee benefit functions. Some have labeled this process as “total benefits outsourcing”. Initially, large benefits consulting firms and large employers themselves began to implement the notion of an employee benefits service center, a separate organization that could in effect take over the company’s day-to-day employee benefits business. More recently, this trend has spread to other vendors in the benefits business. With a good deal of electronic dazzle and a hefty dose of employee responsibility, an outside employee service center can offer a whole new way of doing business. The technology will allow a service representative in a

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rural area of the country access to myriad details of hundreds of benefits plans, schedule, and to analyze each detail for an employee.

Benedict Mary Ellen and Shaw Kathryn (1995)\textsuperscript{21} state that using standard measures of income inequality and detailed pension benefit information on participants in the 1983 Survey of Consumer Finances, how pension benefits affect the distribution of earned income is investigated. The results suggest that private pensions increase annual income inequality by only about 2\% among all employed individuals, but by 21\% among union workers. Further, the analysis indicates that private pensions raise annual income inequality primarily by increasing the rate of return to tenure, possibly through pension “back loading” and the increasing incidence of pensions with age. Private pensions have little effect on estimates of the distribution of expected life income, but the addition to the analysis of social security benefits strongly reduces inequality in that distribution.

Pawan (1996)\textsuperscript{22} has made an attempt to study the human resource management practices in six different manufacturing industries in Britain. The primary data were collected from employees. The questionnaire consists of 13 sections which emphasize issues such as the structure of the human resource


departments, role of human resource function, recruitment and selection, pay
and benefits, training and development, performance appraisal, employee
relations, influence of competitive pressures, institutional factors, business
sector, national culture on human resource management, etc.

Venkatraman (1997)\textsuperscript{23} in his study entitled “Human Resource
Development: Concept, Theory and Practice” rightly focuses on the practice
of human resource development as far back from the year 1900. He is the
first among the foremost industrialists in providing facilities like health
care, education, housing, retirement benefits and canteen facilities to the
employees.

Michael E Smith (1998)\textsuperscript{24} in his article entitled “Whirlpool’s Human
Resources Center Embraces IVR and CTI” states that in the year 1997
Whirlpool’s human resources management team made a strategic decision
to bring the administration of its benefits plans in-house and implement a
benefits administration software module from the same company that
produced its payroll software. The company was interested in implementing
employee self-service applications to automate certain transactions, as well
as provide employees the option to access trained benefits associate if they


\textsuperscript{24} Michael E Smith (1998). “Whirlpool’s Human Resources Center Embraces
IVR and CTI,” \textit{Telemarketing & Call Center Solutions}, Vol.16, No.11, May,
pp.104-106.
needed to discuss issues and transact business that required immediate assistance. To develop their human resources call center, named “Employee Service Center,” Whirlpool contacted TALX, a leading provider of interactive Web, IVR and computer telephony integration solutions.

Bruce Shutan (2000)\textsuperscript{25} in his article entitled “Staking a Claim” has stated the group health benefits administration issues. Health care benefits have become significant issues at Fox Entertainment Group Inc., where the average age is 34, length of service runs about 4 1/2 years and the company’s per capita medical cost is $5,400 per employee. Drug benefits feature a formulary 20% employee co-pay, utilization review and incentives to use generic brands. Efforts have been taken to improve employee service and analyze data and build upon the company’s hospital, only network, formalize disease management and require conclusive results for alternative medicine approaches. He has outlined how employers are reining in health care costs through several strategies, including power purchasing, portfolio management, and plan engineering.

Elangovan (2001)\textsuperscript{26} studied the human resource management practices of Tamil Nadu Newsprint and Paper Limited and Seshasayee


Paper and Boards Limited. The primary data for this study was collected from schedule from the workers and officials. He concluded that there was a significant relationship between welfare facilities and job satisfaction of employees in the selected paper mills.

Grover Chris (2003)\(^{27}\) has explored the aim of new labour’s welfare reform programme to reconstitute the reserve army of labour so that it is able to fulfill its role in managing economic stability. The emphasis is upon ensuring that labour is as cheap as possible for capital to employ through various direct and indirect wage subsidies and requiring more benefit dependent groups to compete for paid employment.

Michael Kiley (2003)\(^{28}\) states that unemployment insurance programs balance the benefits of consumption smoothing against the disincentive effects of unemployment benefits. This balance is likely sensitive to the cyclical state of the economy, and hence the generosity of benefits should also respond to the business cycle. The nature of such responses in an optimal unemployment insurance (UI) program is analyzed in a simple model. The results suggest that an optimal UI program would increase the initial level of benefits and probably extend higher benefits over time in response to a recessionary shock. In the simple model, an


extension of benefits, as exists automatically in the system in the United States, provides poorer insurance and poorer incentives than the optimal program, and does so at a higher cost. Moreover, the UI system in the U.S. provides a substantially higher level of welfare to workers who lose jobs during tight labour markets.

Susanna Loeb, et al. (2003)\textsuperscript{29} state that as welfare-to-work reforms increase women’s labour market attachment, the lives of their young children are likely to change. This note draws on a random assignment experiment in Connecticut to ask whether mothers’ rising employment levels and program participation are associated with changes in young children’s early learning and cognitive growth. Children of mothers who entered the Connecticut’s jobs first program an initiative with strict 21 month time limits and work incentives, displayed moderate advantages in their early learning compared with those in a control group. A number of potential mechanisms for this effect are explored, including maternal employment and income, home environment, and child care. Mothers in the new welfare program are more likely to be employed, have higher income, are less likely to be married, have more children’s books in their home, and take their children to libraries and museums more frequently. However,

these effects explain little of the observed gain in child outcomes. Other parenting practices and the home’s social environment do explain early learning, but these remain unaffected by welfare reform.

Espen Moen and Asa Rosen (2004)\textsuperscript{30} analyzed the efficiency of the labour market outcome in a competitive search equilibrium model with endogenous turnover and endogenous general human capital formation. The results show that search frictions do not distort training decisions if firms and their employees are able to coordinate efficiently, for instance, by using long-term contracts. In the absence of efficient coordination devices, there is too much turnover and too little investment in general training. Nonetheless, the number of training firms and the amount of training provided are constrained optimal, and training subsidies therefore reduce welfare.

Hedva Sarfati (2004)\textsuperscript{31} in his article titled “Gender Discontinued Careers and Low Activity Rates in a Long Life Society” states that while long life society constitutes progress in terms of healthier, better and longer lives, it is also associated with higher pension and health expenditures to an extent that threatens the long term adequacy and sustainability of existing welfare systems. It therefore requires adaptation on the part of society and


of social institutions and policies, in particular the labour market and the welfare systems, in order to stem or even reduce the growing dependency ratios of the population. This article highlights the main responses of the welfare systems to these changes, emphasizing activation measures and indicating their successes and shortcomings. The article concludes by suggesting policies that may enhance female activity and employment rates, from both the labour supply and demand perspectives.

Robert Strathdee (2004)\(^{32}\) concentrates on New Zealand’s welfare-to-work policy and draws on interview data to explore the impact of “outsourcing” on tutors who work with young, unemployed people. Contracting independent organizations to provide services, or outsourcing, as it is euphemistically known, has become standard practice in business and is assuming a central role in social policy in many Western nations. He argues that outsourcing is used to control the practices of those who work with unemployed people in New Zealand. The data show that outsourcing achieves this control by creating uncertainty over the tutors’ own employment situation. In this respect, outsourcing helps to create a regulatory framework in which the tutors seek to secure their own employment by improving their tutees’ employability.

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Anders Karlstrom, et al. (2004)\textsuperscript{33} present an empirical analysis of how Sweden’s public old age pension system affects the retirement decision. They focus on male blue-collar workers whose dominant income source as retired comes from the public old age pension system. They have developed a dynamic programming model using the rules for the public pension system. In addition to the effects of economic incentives through the pension systems, the model measures the effect of the mandatory retirement age of 65, which applies to most parts of Sweden’s labour market, on retirement behaviour. The estimated model fits within sample retirement patterns remarkably well. A simulation of a hypothetical reform, where all retirement incentives in the pension schemes are delayed by three years, shows that economic incentives affect retirement behaviour.

Jorge Soares (2005)\textsuperscript{34} has studied the bias of actually fair measures commonly used to evaluate the impact of a social security system on the well-being of individuals. He has investigated how the magnitude of this bias is affected by different features of a pay-as-you-go social security system. Social security affects an individual’s welfare in ways other than through its direct effect on lifetime income. It influences labour and savings


decisions and hence factor prices affect labour income and the return to savings. Although social security can provide insurance against risk, it can also push borrowing constrained individuals further away from their optimal consumption paths. The result shows that by ignoring these features, fair measures can grossly misevaluate the impact of social security on the well-being of an individual.

Karl Aiginger (2005) reassessed the relative impact of labour market regulation on economic performance. Inflexible labour markets combined with high welfare costs are often thought to be the main cause of low growth in Europe. The main result is that regulation impacts on growth, the impact of regulatory change is, however, less easy to demonstrate. The impact of macroeconomic policy can be demonstrated first by the more growth oriented monetary and fiscal policy in the US and the success of some European countries in bringing private and public costs in line with productivity and tax revenues. However, boosting investment into future growth by encouraging research, education and technology diffusion seems to be the most important determinant of performance.

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Alison Earle and Jody Heymann (2006)\textsuperscript{36} in their study entitled “A Comparative Analysis of Paid Leave for the Health Needs of Workers and their Families around the World” state that the ability of workers to take time off work when they are ill, and when their children or adult family members are ill, is critical to the health of workers and their families. They have examined labour codes and labour related legislation for 178 countries available from the International Labour Organization, and 160 individual country reports in Social Security Programs throughout the world to determine the availability of paid sick leave globally and explore whether there is a correlation with four measures of macro-economic status. They find that 145 nations from around the globe provide paid sick leave for working adults, 33 for care of children and 16 for care of adult family members’ needs, and find no evidence of a negative relationship between paid leave for personal or family health needs and macro-economic status.

Jeff Dominitz and Charles F. Manski (2006)\textsuperscript{37} have studied the impact of public and private pension plans on individual decision making. They have reviewed the occasional national surveys that have sought to measure pension benefit expectations and describe efforts to improve the measurement of US social security benefit expectations by elicitation of

probabilistic expectations about well-defined outcomes. They document striking uncertainty and heterogeneity of beliefs about the long-term existence of the social security system and about the level of benefits should the system survive. In so doing, they highlight the additional information that is extracted using our probabilistic elicitation method as opposed to more traditional methods that only seek point forecasts.

Franklin A. Michello and William F Ford (2006)\textsuperscript{38} identified and analyzed an inherent conflict between some U.S social security reform measures, which would encourage delayed retirement decisions, and the objective of minimizing the economy’s unemployment rate. Using recent demographic trends in the age composition of the U.S. labour force, the study suggests that U.S. social security reform measures may actually increase the economy’s unemployment rate. They conclude that measures to encourage older workers would relieve labour market pressures if and only if unemployment is persistently near the non-accelerating inflation rate of unemployment.

Paul Harris (2006)\textsuperscript{39} in his paper states that besides being probably the largest outsourcing contract ever signed DuPont pay $1.1 billion to

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Convergys over 13 years, the partnership is a trial blazing effort to go beyond reducing HR benefits administration costs and improving employee service to increasing productivity throughout the worldwide company. Convergys employs DuPont’s SAP enterprise software program to integrate HR services with other systems including performance management and employee development. This move helps DuPont to meet strategic business goals such as talent recruitment and succession planning. The firm’s second annual study of HRO effectiveness and satisfaction has found that while HR outsourcing is delivering results from a cost perspective, success in meeting other key objectives remains elusive. It is found that continuing frustration with service quality and a growing realization that outsourcing alone cannot transform the HR function.

Courtney Coile and Jonathan Gruber (2007)\(^{40}\) have explained that a critical question for social security policy is how program incentives affect retirement behaviour. They have used the health and retirement survey to examine the impact of social security incentives on male retirement. They have implemented forward looking models whereby individuals consider the incentives to work in all future years. They have found that forward looking incentive measures for social security are significant determinants of retirement. It is also found that private pension incentives have roughly

similar effects. They suggest that social security policies that increase the incentives to work at older ages can significantly reduce the labour force exit rate of older workers.

Alberto Chaia, Antonio Martinez and Luis Enrique Rodriguez (2007) in their paper have stated that in Latin America, pension reform and privatization have delivered benefits, shrinking deficits and greater transparency, but systems need to boost their returns and attract more workers. As part of wider efforts at social security reform over the past 25 years, most governments in Latin America have endeavoured to reduce the financial burden of paying pensions. The measures have been closely watched in the developed world, where aging populations are straining publicly funded pension systems. The most urgent challenge is to increase replacement rates. Innovative strategies to attract unaffiliated people are needed to bring the system’s benefits to a larger share of the population.

Marie Gottschalk (2007) in his paper titled “Back to the Future? Health Benefits, Organized Labour, and Universal Health Care” states that the umbrella of employment based health benefits is growing increasingly threadbare. As a result, health benefits are once again a major arena of

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labour-management strife, and once again calls for universal health care by many labour leaders mask important differences between them over health care reform. Some labour leaders advocate a bottom-up mobilization in support of a single-payer solution that would dismantle the system of job based benefits rooted in private insurance. Others stake their health care strategy on wooing key business leaders to be constructive partners in some kind of unspecified comprehensive reform of the health system. Organized labour faces enormous obstacles, both institutional and ideological, to forging an effective united front to fight for comprehensive, high quality, affordable health care for all. Two entrenched features of the shadow welfare state of job based benefits, notably the Employee Retirement Income Security Act (ERISA) of 1974 and the union run health and welfare funds created under the Taft Hartley Act, remain daunting barriers on the road to reform, exacerbating tensions and differences within organized labour. Moreover, a dramatic ideological schism in the labour movement about its future direction vexes its stance on health care reform. These ideological differences fuel vastly different views within organized labour about how best to confront the unraveling of job based health benefits and the growing popularity among business leaders, insurers, and public officials of the “individual mandate” solution, which would penalize people who do not have adequate health insurance.
Michael Gerfin and Robert E Leu (2007)\textsuperscript{43} have stated that income support for working low income families is on top of the political agenda in Switzerland. The current social assistance system is considered inadequate to support working poor households. Several European countries have introduced in-work benefits in order to make work pay. Based on a structural labour supply model, this paper provides micro-simulation results of the effects of introducing different schemes of in-work benefits. It turns out that adding a minimum hours, requirement to the current social assistance system is the most cost effective reform. One-third of expected costs can be attributed to behavioural changes in labour supply.

Jay Wiggan (2007)\textsuperscript{44} in his article has outlined that the creation of the Department for Work and Pensions and the new delivery agency Jobcentre Plus is a significant reorganization of the administration of employment and social security policy. Drawing on regulation theory, the article argues that reform is structurally driven by the need to ensure delivery mechanisms aligned with labour’s vision of an “employment first” welfare state. The organization and objectives of the Employment Service and Benefits Agency that labour inherited hinder moves to promote joined-


up working to deliver employment opportunities for the economically inactive. To overcome this problem, the Government embarked on a merger to break down the organizational, historical and cultural barriers that separated the work of each agency. The administrative function of delivering social security and employment policy has been shaped into an active exponent of the Government’s socio-economic strategy for supporting an evolving neo-liberal regime of accumulation.

Joachim Ragnitz and Marcel Thum (2007)\textsuperscript{45} have stated in their paper that the possible introduction of a minimum wage in Germany has led to significant controversy over the economic effects of such a change. Some fear the disappearance of the entire low-wage sectors. Others see opportunities for wage increases with no appreciable consequences. This article presents an estimate of how large the group of persons affected by a minimum wage in Germany would actually be and how many jobs might be lost. The percentage of persons that would be affected by a minimum wage law can be determined by using the data from the survey on the salary and wage structure in the manufacturing and service sectors. The warning of possible job losses from a minimum wage must not be understood as a call for the withdrawal of the welfare state. The state’s responsibility to ensure

that as many citizens as possible can earn a sufficient income from their own labour is certainly justifiable.

Robert J Lemke, Robert Witt and Ann Dryden Witte (2007) considered how the market for child care services, child care vouchers, and welfare reforms affect the transition of welfare recipients from welfare to work. In particular, they are interested in identifying which factors encourage single mothers to move directly from welfare to work and which factors encourage single mothers to pursue schooling or job training options before entering the labour market. The difference in these potential transition paths is important when considering economic self-sufficiency. Although their data prevent them from observing the earnings of single mothers after they have made the transition from public assistance, they are able to analyze the effect child care vouchers and welfare reforms have on the decisions of single mothers when deciding to pursue work or education in preparation for exiting the welfare system.

Padhi (2007) in his book titled “Labour and Industrial Law” explains that the term welfare refers to the state of well being and implies wholesomeness of the human being. It is a desirable state of existence involving the mental, physical, moral and emotional factor of a person.

Adequate levels of earnings, safe and humane conditions of work and access to some minimum social security benefits are the major qualitative dimensions of employment which enhance quality of life of workers and their productivity.

Lea Henriksson (2008) examined the reconfiguration of professional groups in welfare service work through the lens of gendered inequalities in order to develop an inclusive research horizon that extends to the middle grade of care workers. The research design positions workforce change within a wider social and cultural context by highlighting occupational, educational and unionist orders from the viewpoint of Finnish practical nurses. The author identifies the special vulnerability of the practical nurses institutionally embedded “in-between” the upper and lower grades, the social and health sector, and the union traditions. The national policy agenda on workforce change mainly follows the sectoral split and focuses on the established health professions. The unionist agenda of practical nurses in turn reflects inter-professional relationships and tribalism. This analysis of welfare service work provides insight into social and cultural transformations related to workforce change in a segmented and culturally diverse labour force and offers reflections on the changing nature of craft unionism.

Alok Kumar (2008)\textsuperscript{49} states that often an increase in the minimum wage is accompanied by a reduction in the capital tax. He analyzed the effects of interactions between the minimum wage and the capital tax in the general equilibrium framework. The analysis was done in an inter-temporal search model in which firms post wages. A minimum wage provides a lower support for the distribution of wages. He has found that the interaction of these two policy instruments significantly modifies labour market outcomes and welfare cost. In the presence of a binding minimum wage, a decrease in the capital tax leads to an increase in wage dispersion. In contrast, when it is not binding, a lower capital tax may reduce the dispersion in wages. A binding minimum wage magnifies the positive effects of a lower capital tax on labour supply, employment, and output. It also enhances the welfare cost of capital tax.

Rick Csiernik (2009)\textsuperscript{50} in his article explores labour welfare in Canada across three distinct periods of occupational assistance: welfare capitalism that began with the Industrial Revolution and persisted through the depression of the 1930s; occupational alcoholism programming that emerged during World War II and the typically unreported domestic labour strife of the 1940s, lasting through the postwar economic boom into the

1960s; and the employee assistance programming era with the introduction of the broad-brush approach to workplace-based assistance that also witnessed organized labour in Canada provide fundamental supports to workers that were originally introduced by workplace owners during the welfare capitalism period, though now to benefit workers rather than to control them.

Randhir Kumar Singh (2009)\textsuperscript{51} studied the welfare measures and its impact on manpower productivity. He states that there is a difficulty in arriving at the homogeneity concerning labour due to difference in scale, energy, training, environment, incentive, rates of pay etc. The ratio of output to labour is universally acknowledged to have some uniformity. He has found that there is a correlation between the welfare measures and manpower productivity i.e. if the proper welfare measures are taken then the productivity of the employees will increase and ultimately the profit of the organization will increase. The welfare measures increases the productivity of the organization as well as it enhances the morale and motivation of the employees which gives a positive impact on the efficiency level of the organization.

Venugopal, Bhaskar and Usha (2011) explain that human resources play a very important role in the development of the business. They constitute the organization at all levels and are regarded as a dynamic factor of production. The study was conducted with the main objective of evaluating the effectiveness of welfare measures in industrial sector and to suggest measures to make existing welfare measures much more effective and comprehensive so that the benefits of the employees will be increased. In order to get best results from the employees, management must be aware of what employees expect from their employees. It is for the management to see that whether the workers get economic, social and individual satisfaction and employee welfare activities.

Swapna (2011) addresses social responsibility of the business in light of labour welfare with special reference to Singareni Collieries Company Limited. The linkages and the ethical considerations involved in employee welfare have been addressed with implications for labour welfare. The concept of social responsibility in its narrow contours has been equated with economic welfare. Conceptually as well as operationally, labour welfare can achieve through social responsibility, which in turn is closely

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linked to the concept of social welfare and the role of the state. Hence in this way, it is understood the importance of social responsibility towards labour welfare.

Vijaya Banu and Ashifa (2011)\textsuperscript{54} throws light on welfare measures followed in public sector transport corporation. This study analyses the various dimensions of labour welfare measures that are perceived to the labours. It highlights the perception and levels of satisfaction of the labours regarding the various welfare measures and the methods to improve the welfare schemes in public sector transport corporation.

Poongavanam (2011)\textsuperscript{55} explains that India’s labour force exhibits extremes ranging from large numbers of illiterate workers unaccustomed to machinery or routine, to a sizable pool of highly educated scientists, technicians and engineers, capable of working anywhere in the world. He studied the labour welfare measures in Anglo French Textiles. He concluded that welfare work in any industry aims, or should aim, at improving the working and living conditions of workers and their families. The concept of labour welfare varies from time to time, region to region, industry to industry and country to country, depending upon various factors


such as educational level, social customs, degree of industrialization and the general standard of socio-economic development.

Rama Satyanarayana and Jayaprakash Reddy (2012)\textsuperscript{56} carried out a research to know the satisfaction levels of employees about labour welfare measures in KCP Limited (Cement Division). For the purpose of the study, convenience random sampling method was adopted. Out of 925 employees, 90 were selected covering almost all the departments. A questionnaire was used to collect primary data. The results of the research reveal that majority of the employees are satisfied with all the welfare measures provided by the organization. The overall satisfaction level of employees about welfare measures cover under study is satisfactory. However, a few are not satisfied with welfare measures provided by the organization. Therefore it is suggested that the existing welfare measures may be improved further. Such welfare measures enrich the employees’ standard of living and their satisfaction levels.

The above reviews show that most of the studies on welfare measures have been carried out in public and private enterprises. These studies have not covered the entire measures of labour welfare measures. Selection of limited samples and lack of studying the relationship between demographic variables

of the employees towards the labour welfare measures are the limitations of these studies. No study has been undertaken so far to analyze the attitude of employees towards the labour welfare measures of the sugar mills. Hence, a careful study is essential in this regard. With this background, the present study is an attempt to fill in the research gap in these areas. The study covers 3 sugar mills, namely, Chengalrayan Co-operative Sugar Mills, Perambalur Sugar Mills Limited and Sakthi Sugars Limited with a sample of 444 employees.