

INDUSTRIAL RELATION & LABOR WELFARE

Unit- 3

UNIT - III - LABOUR WELFARE

Concept – Objectives – Scope – Need – Voluntary Welfare Measures – Statutory Welfare Measures – Labour – Welfare Funds – Education and Training Schemes

1. CONCEPT OF LABOR WELFARE

Definition

According to the oxford dictionary “Labor welfare means efforts to make life worth living for worker”

Meaning

Labor welfare is comprehensive term including various services, benefits and facilities offered to employee by the employer. Through such generous fringe benefits the employer makes life worth living for employees.

Objectives and significance of labor welfare

- **Promote Economic development:** - The object of welfare activities is to promote economic development by increasing production and productivity. The primary principle is to make the workers, given their loyal services, ungrudgingly
- **Provide proper human conditions of work and living:** - Organization may be other objective of welfare activities is to secure the labor proper human conditions of work and living
- **Minimize the hazards:** - The welfare activities are done to minimize the hazardous effect on the life of the workers and their family members. It is the duty of the employer to see these human needs. If welfare activities are viewed in this light, it can be seen that they are guided by purpose of humanitarian and social justice
- **Supplement wages in monetary teams:** - The next objective of welfare activities is to add in a real way to the low earning of the labor. The facilities are provided to addition the income of the workers by services such as housing, medical assistance, school. Cooperative, canteens, stores, play grounds, etc.
- **Improve the morale and loyalty of workers** :- Employee welfare improves the morale and loyalty of workers by making them happy and satisfied
- **Reduces labor turnover and absenteeism** :- It reduces labor turnover and absenteeism thereby building a stable workforce
- **Improves recruitment, industrial relations and goodwill** :- It helps to improve recruitment, industrial relations and industrial peace, the goodwill and public image of the enterprise
- **Reduces government intervention** :- Voluntary efforts for the welfare of the workers reduce the threat of further government intervention

Scope of labor welfare

- **Conditions of work environment** :- The workshop hygiene and cleanliness, humidity, ventilation, lighting, elimination of dust, smoke, fumes and gases, convenience and comfort during work, operative postures, sitting arrangements, etc., distribution of work hours and provision for rest times, breaks and workmen's safety measures.
- **Workers health services**:- These should include factory health center, medical examination of workers, clinic for general treatment, infant welfare, women's general education, workers activity facilities, education etc.
- **Labor welfare program**: - These should cover factory council consisting of representatives of labor and employers, social welfare departments, interview and vocational testing, employment, follow-up, workmen's settlement council.
- **Labor's economic welfare program**: - These should include cooperatives or fair price shops for consumer necessities, cooperative credit society, thrift schemes and savings bank, health insurance etc.
- **General Welfare work**:- This should relate to housing and family care

Need of labor welfare

- **From worker's point of view**: - Welfare measures must eliminate risk and insecurity. The organization besides providing fair wages must also provide facilities like medical aid, crèches, subsidized food and transport required by workers
- **From employer's point of view**: - Employers provide facilities to raise the employee's morale. Welfare helps built a positive image of the organization and makes it easier for them to attract and hire competent personnel.
- **From union's point of view**: - Trade union's role in labor welfare stems from workers' need for welfare services. Unions feel that welfare services ought to be provided either by the government or the employers.

Agencies of welfare activities

- **Government**: - The government of India has enacted numerous Laws in order to make it compulsory for employers to provide certain welfare facilities to the employees. These include the factories act, 1948, the mines act, 1952, the plantation labor act, 1951, the motor transport worker act, 1961etc
- **Employers**: - At present, the employer has to provide the various welfare activities as per the norms set by government under the various legislation. **E.g.** Canteens etc
- **Trade Unions**: - Trade unions in India have also provided welfare services for the benefit of their members. These welfare activities are provided out of their own resources and also administrated by them.

Theories of labor welfare

- **Police theory:** - According to this theory, owners and managers of industrial undertaking get many opportunities for exploitation of labor. Hence, the state has to interfere to provide minimum standard of welfare to the working class
- **Religious theory:** - Even today, many acts of man are related to religious sentiments and beliefs. These religious feelings sometimes prompt an employer to take up welfare activities.
- **Philanthropic theory:** - Philanthropic means “loving mankind”. Man is believed to have a natural support by which he struggles to remove the suffering of others and prompt the well being.
- **Trusteeship theory:** - The main emphasis of this theory is that employers should provide funds on an ongoing basis for the well being of the employees
- **Placating theory:** - This theory is based on the fact that the labor groups are becoming demanding and challenging and are more conscious of the rights and privileges than ever before. The demand for higher wages and better standards of living cannot be ignored.
- **Public relation theory:** - This theory provides the basis for an atmosphere of goodwill between labor and management, and also between management and the public. Labor welfare under this theory, work as an short of an advertisement and help an organization to project its good image and build up and promote good and healthy public relations
- **Functional theory:** - This is also called the efficiency theory. Here, welfare work is used as a means to secure, preserve and develop the efficiency and productivity of labor.

Classification of labor welfare

On the basis of industrial welfare working

- a. **Statutory welfare:** - The government enacts certain laws for the provision of labor welfare in order to enforce the minimum standards of health and safety of the workers.
- b. **Voluntary welfare :-** It includes all those activities, which employers undertake for their workers on a voluntary basis
- c. **Mutual welfare:** - Mutual welfare is a “corporate enterprises” undertaken by workers themselves. Some trade unions also undertake the responsibility of workers welfare.

WELFARE MEASURES SCHEMES

Voluntary/Non – Statutory welfare Schemes

It includes all those activities, which employers undertake for their workers on a voluntary basis. It differs from industry to industry.

Statutory Welfare schemes

Government enacts certain laws for the provision of labor welfare in order to enforce the minimum standards of health and safety of the workers. Employers have to observe the rules relating to the working conditions, hours of work, hygiene, safety, light, ventilation etc.

Voluntary / Non – Statutory welfare Schemes

Welfare work by employers

- **Education facilities** :- A scheme of workers education was predict on all India basis by the government of India, way back in 1957 to develop strong union and leadership
- **Medical facilities** :- Both private and public sector employers facilitate medical facilities for their workers and their families
- **Transport facilities** :- The committee of labor welfare, 1969, recommended the provision of transport facilities to workers so that they can reach the work place punctually and comfortably.
- **Recreational facilities** :- It is in form of music, dance, drama, games and sports, paintings, etc are usually offered to the employees to build a physical and mental relax and discipline, and creating a healthy climate for industrial peace and progress.
- **Housing facilities** :- Recognizing the need for housing accommodation, an industrial housing scheme was introduced in 1952. Under this scheme, the central government offers loans to industrial workers for constructing houses at concessional rates.

Welfare work by worker's organization:

- **Textile labor association** :- Mahatma Gandhi established the textile labor association 1916 and considered it to be his laboratory to make experiments' in the sensitive labor field through truth, non-violence and welfare activities.
- **Mill Mazdoor Union** :- It has established welfare centers to provide cultural, recreation, etc to its members. It organizes music, dance, and other social get together.
- **Rashtriya mill Mazdoor Sangh** :- It was founded by late G.D.Ambadkar and was registered on August 26, 1941, under the trade union act 1926, in the name of Rashtriya kamgar Sangh. It changes its name to Rashtriya mil Mazdoor Sangh, September 1947.
- **Ambedkar institute for labor studies** :- It was established in Mumbai 1976. It is registered under societies registration act, 1860. It has been set up to meet the need of Indian workers in general and the textile workers

- **Mill mazadoor sabha:** - It was established in 1947 as the organization for textile workers. Some of the welfare activities are the union runs credit cooperative societies for the members belonging to small scale factories which lack facilities. It grants merit a based scholarship to its member's children's studying in 8th, 9th, and 10th standard.
- **Transport and dock workers union:** - It was established in 1932, by P.D'Mello, a cleark in Bombay port trust. It has above 35000 port and dock workers has its members. Its welfare activities consist of housing, free medical treatment for family and dependents, Schooling for children, and so on. The workers get annual financial grant for medical facilities

Statutory Welfare measure

- Factories Act, 1948
- Plantations Act, 1951
- Mines Act 1952
- Motor transport Workers Act, 1961

Factories Act, 1948

- **Washing facilities (Sec 42)**

Adequate and suitable facilities for washing for the use of workers in the factories, such facilities being easily available, and being kept clean

- **Facilities for storing and drying clothes (Sec 43)**

A suitable place for keeping clothes not damaged during working hours shall be provided in every factory. Facilities shall also be for the drying of wet clothes

- **Facilities for sitting (Sec 44)**

For workers who are to work in a standing position, suitable arrangement for sitting shall be provided in the factories. This is to enable workers to take advantage of any opportunity for rest which may occur in the course of their work.

- **First - aid appliances (Sec 45)**

First-aid boxes or cupboards equipped with the required contents should be provided for workers in every factory. This should be readily available to them during all working hours.

- **Canteen (Sec 46):-** In factories employing more than 250 workers, there shall be a Canteen for the use of workers.
- **Shelters, rest rooms and lunch rooms (Sec 47):-** In every factory where more than 150 workers, organization should make adequate and suitable arrangement for shelters or rest rooms and lunch rooms with provision of drinking water where the workers can take rest or eat meals brought by them.
- **Crèche facilities (Sec 48) :-** In every factory, where more than 50 women workers are employed, provision shall be made for suitable and adequate room for the use of children under the age of six years of such women. Such a room shall be adequately lighted and ventilated.

- **Welfare officer (Sec 49):-** The factories Act also provides for employment of welfare officers with given qualification. Such a provision exists in every factory employing more than 500 workers.

Plantation Act, 1951

- **Canteen (Sec 11):-** Provision of canteen in all plantations employing 150 or more workers is a statutory (legal) obligation under section 11 of the plantations labor act.
- **Crèche (sec 12) :-** In every plantation 50 or more women workers are employed, there shall be provided and maintained by the employer suitable rooms for the use of children of such women who are the below the age of 6 years
- **Recreation Facilities (Sec 13) :-** The state government may make rules requiring every employer to make provision in his plantation for such recreational facilities for the workers and children employed therein as may be prescribed
- **Educational Facilities (Sec 14):-** Where the children between the ages of 6 and 12 of workers employed in any plantation exceed 25 in number, the state government may make rules requiring every employer to provide educational facilities for the children in such manner and of such standard as may be prescribed
- **Residential Accommodation (Sec 15):-** It shall be the duty of the employer to provide necessary housing accommodation, for every worker who has put in 6 months continuous service
- **Medical facilities :-** Medical aid to workers and their families to be provided with sickness and maternity allowance
- **Other facilities (Sec 17) :-** The state government may make rules requiring that in every plantation the employer shall provide the workers with such number and type of umbrellas, blankets, rain coats etc
- **Welfare office (sec 18) :-** In every plantation, wherein 300 or more workers employed, the employer shall employ such number of welfare officers as may be prescribed

Mines Act 1952

- **Drinking Water (sec 19):-** In ever mine shall be maintaining drinking water with marked “drinking water “in a language understood by a majority of the persons in the mine.
- **Medical Appliance (Sec 21):-** According to mines act, first aid boxes and medical appliances on the same lines as that of the factories act.
- **Provision of shelters:-** Rule 62 of the mines rules, 1955 laid down that in every mine where more than 50 persons are ordinarily employed, adequate and suitable shelters, workshops etc, are to be provided for taking food and rest
- **Provision of canteens:-** Rule 64 of the mines rules, 1955 provides that in every mine wherein more than 250 persons are ordinarily employed and where the chief inspector so requires, a canteen must be provided with in the area of the mine, for the use of all persons employed.

- **Crèches:** - The mines crèche rules 1959 provide for the maintenance of crèche in mines. Owner, agent or manager of every mine where in 50 women are employed preceding 12 months, are required to construct a crèches as planned by authority
- **Welfare officer:** - According to the rule 72 of the mines rules, 1955. For every mine employees consists of 500 or more , the owner shall be appoint suitable, qualified as welfare officer

Motor transport act, 1961

- **Canteen (Sec 8):-** Provision of canteen in all motor transport employing 100 or more workers is a statutory obligation under section 8 of the Motor transport act,1961
- **Rest room (sec 9):-** Clean ventilation, well lighted and comfortable rest rooms at every place where motor transport worker are required to halt at night.
- **Uniforms (Sec 10) :-** The employers has to provide uniforms and raincoats for drivers and conductors and there shall be paid an allowance for washing the uniforms
- **Medical facilities (Sec 11):-** Medical facilities such as operating centers and halting stations as may be prescribed by the state government.
- **First – Aid Facilities (Sec 12) :-** There shall be maintained by the employer during all working hours a first aid box equipped with every transport vehicle

LABOR WELFARE FUND

Labor welfare refers to all the facilities provided to labor in order to improve their working conditions, provide social security, and raise their standard of living. In order to provide social security to such workers, Government has introduced Labor Welfare Fund to ensure assistance to unorganized labors

Levels of labor welfare funds

- a. Centre – wise labor welfare fund
- b. State wise labor welfare fund

a. Centre – wise labor welfare fund :- The welfare funds are raised by government by imposing cess on manufactured beedis, feature films, export of mica, consumption of limestone and export of iron ore, manganese ore & chrome ore.

The Ministry of Labor is responsible for the administration of these funds which have been set-up under the following Acts of Parliament

- **Beedi workers welfare cess act, 1976:-** This act provides for levy of cess by way of excise duty on manufactured beedis from 1 to 5 per thousand manufactured beedis. This is presently 2 per 1,000 beedis with effect from 28th June, 2000.

- **The cine workers welfare cess act, 1981:-** This act provides for duty of cess, at such rate not being less than one thousand rupees and not exceeding twenty thousand rupees, on every feature film submitted to the Chairman, Central Board of Film Certification. This is 20,000 per feature film of Hindi and English and for regional films it is 10,000 per film with effect from 20th April, 2000.
- **The Iron Ore, manganese ore and chrome ore mines labor welfare cess act, 1976:-** This act provides for levy and collection of cess on Iron Ore, Manganese Ore and Chrome Ore between 50p to 1, 1 to 6, and 3 to 6 respectively.
- **The limestone and mines labor welfare fund act, 1972:-** This act provides for the levy and collection of cess on Limestone as a duty of excise at such rate not exceeding one rupee per metric tone of limestone. The rate of cess on Limestone is 1 with effect from 27th December, 2000.
- **Mica Mines Labor welfare fund act, 1946:-** This act provides for levy and collection of cess on all mica exported as duty of Customs not exceeding 6.25% ad valorem (value). This is 4.5% ad valorem (value of the product) on export with effect from 1st November, 1990.

b. State Wise labor welfare funds

- **Bombay Labor Welfare fund act :-** The Bombay Labor Welfare Fund Act, 1953 passed by the Bombay Government and brought into force with effect from 24th June, 1953

The main activities as defined in the Act are as under:

- Community and social education centers including reading rooms and libraries;
- Games and Sports;
- Entertainment and other forms of recreations;
- Co-operate activities of a social nature;

- **Gujarat Labor welfare fund: -** Under the Bombay Labor Welfare Act, Gujarat Labor Welfare Board was set-up.

Board is caring-out following activities for welfare of worker.

- Education centers;
- Social Activities;
- Sports;
- Tourism;
- Entertainment;
- Improving the standard of living of workers.

- **Karnataka labor welfare fund: -** This Act may be called the Karnataka Labor Welfare Fund Act, 1965. It extends to the whole of the State of Karnataka. An Act to provide for the constitution of a Fund for financing- and conducting activities to promote welfare of labor in the State of Karnataka.
- **Uttar Pradesh industries labor welfare and development funds :-** U.P. Sugar and Power Alcohol and Labor Housing Board Constituted under Section 10 of the U.P. Sugar and Power Alcohol Industries Labor Welfare and Development Fund Act, 1950.

- **Assam tea plantation employees' welfare fund:** - The Government of Assam passed the Assam Tea Plantation Employees' Welfare Fund Act in 1959.

This Act is applicable to all tea plantations including all estates registered under the Tea Act, 1953 in the State of Assam.

- **Kerala toddy workers welfare fund :-**

- This Act may be called the Kerala Toddy Workers' Welfare Fund' (Amendment) Act, 2009. It shall be deemed to have come into force on the 19th day of January, 2009.

EDUCATION AND TRAINING SCHEME

EDUCATION SCHEMES

According to Harry Laidlar, "Workers' education is an attempt on the part of the organized labor to educate his own members under in educational system in which the workers prescribe the courses of instruction, select the teachers, and in considerable measure furnish the finance".

Characteristics/Features of workers education

- The scope of workers' education is much wider than that of trade union education.
- Worker's education is designed to create trade union consciousness in the workers besides making them good citizens and training them to understand their status, rights and responsibilities.
- The institutions providing workers' education are controlled financed and managed by the workers.
- It is based upon the idea of gaining more strength for the bargaining power of trade and producing workers who should behave as workers.
- Its main aim is to train a worker for his group advancement and for the solution of group problems
- The approach in workers' education is psychological and philosophical.

History of workers education scheme

The workers' education program is of recent origin. The Government of India, appointed an international committee of Experts. The committee submitted its report in March 1957 On the basis of the committee's recommendations, The central Board of Workers' Education (CBWE) was set up in 1958. The CBWE was constituted by having representatives from the central organizations of both workers and employers, Central and State governments and educational institutions

The first training was held in May 1958 in Bombay and thereafter continued for 15 weeks each in other major cities. The syllabus covered topics ranging from trade unionism, labor and economic problems to labor. Legislation and wages. The original batch of 502 officers included 140 union nominees. From February 1959 onwards, these officers were posted at different centers. The minimum education level of worker teachers was 7th standard, both the number of training programs and centers expanded over the years and till December 1981, over 60,000 worker teachers were trained in over 14 industries

Workers Education Scheme

- **Tripartite body:** - It is Tripartite in character; the Board consists of representatives from Central Organizations of Workers, Employers, Central/State Governments, and Educational Institutions.
- **Effective participation:** - Awareness is required to be created among the working class about their rights and obligations for their effective participation in socio-economic development of the country.
- **Training programs:** - Different types of training programs are organized by the Board for workers in organized, unorganized, rural, and informal sectors.
- **Educational Need** :- Board's programs reflect the new orientation, direction, and dimensions for meeting the wider educational needs of the worker, trade unions, and managements, keeping in view the changed scenario

Objectives of workers education scheme

- To empower the workers of employees of the organization and to develop sense of belongingness as effective instruments of friendly industrial relations and maintaining industrial peace
- To develop capacity of workers in all aspects to meet the challenges of the country from time to time
- To develop leadership from among the rank and file of workers themselves
- To develop strong, united and more responsible trade unions through more enlightened members and better trained officials;
- To develop among workers a greater understanding of the problems of their social and economic environment, their responsibilities towards family members, and their rights and obligations as citizens, as workers in industry, as members and officials of their trade unions.

Functions of education scheme

- Administration of Workers education scheme at all level
- Establishment of regional centers in places of industrial importance on the Pattern of the Central Board
- Training of Education Officers and worker teachers
- Preparation of study material in the form of pamphlets, books, charts, etc
- Arranging programs for instruction on trade union consciousness;
- Encouraging employers' and workers' organizations to promote their own workers' education schemes;
- Providing instruction to all industrial workers.

Programs under workers education schemes

a. Training programs for workers in the organized sector

- **National level programs:** - At the first level, training is given to the candidate. The period of training is generally four months on full- time basis. After a successful completion of training, these education officers are posted at different regional directorates.
- **Regional level programs:** - At the second level, workers from different Establishments, sponsored by the trade unions. The training programs are for the period of continuous full-time, three months duration in batches of about 20 30. They are selected by local committee and by the Director of regional centers from various industrial units
- **Unit level programs:** - The unit level class is the third stage where the trained worker trainers impart education to their co-workers in the respective organization.

b. Special program for rural workers and workers in the unorganized sector

Since 1977-78, the Board has been organizing a number of programs for workers in the unorganized and rural sectors. The programs for unorganized sectors include camps for women workers, child labor and their parents as also the weaker sections of the society

Suggestions for better implementation of workers' education scheme

- **More publicity:** - More publicity is required for workers education among the management staff to have more initiative, interest and involvement to a great extent for the success of the scheme.
- **Well-planned study tours:** - Well-planned and organized study tours with definite objectives will motivate the workers to join this program.
- **Responsibility of the trade unions:** - Trade unions should take more initiative and responsibility in organizing the classes and induce the employers to provide necessary facilities to the workers.
- **Simplified training course material:** - Training course and unit level classes should be simplified and made
- **Best suited quantitative approach:** - A selective qualitative approach with demands on improving the skill of the participants. The training efforts at all levels should be used in this direction to get better results.
- **Selection of desirable workers for worker – teachers training courses:-** Workers with right attitudes, abilities, and intelligence should be sponsored for the worker-teacher's training courses
- **Implementation of training program with due care of trade union:** - Trade unions should play a valuable role in implementation of the scheme.
- **Preparation of the literatures in English as well as in the regional languages:** - To further improve the effectiveness of the program, the literature and books are required to produce and should be translated in different regional languages.

TRAINING SCHEMES/WORKERS TRAINING

Introduction

In India, there is an acute shortage of skilled and trained workers for a number of industrial occupations and a majority of workers suffer from low efficiency, which necessarily means that the rate of skill formulation has been low. Training leads to efficiency and increased productivity, less waste, reduced supervision, higher employee earnings, reduced accidents, increased organizational stability and flexibility

Training scheme of DGET (Director General of employment and training)

- **Craftsmen's' training program:** - Government of India initiated crafts men training scheme in 1950. The period of training for various trades varies from 6mts to 3 yrs and the entry qualification varies from 8th to 12th class pass, depending on the requirements of training in different trades. About 70% of training period is allotted to practical training and the rest to theoretical training relating to trade theory.
- **Craft instructor's training:** - In order to impart vocational training to craftsmen, trained instructors are the first essential. The objective of training is to upgrade theoretical and practical knowledge and to train the instructor in teaching in various trades.
- **Advanced vocational training:** - In order to upgrade and update the skills of helping industrial workers, an advanced vocational training scheme has been in operation since 1977. The objective of this scheme is to update the skills of the helping industrial workers to specialize in their field of work in 6 weeks duration
- **Foreman's training:** - DGET has two Foremen Training Institutes (FTIs) at Bangalore and Jamshedpur. The objective of the Institute is:
- **Apprenticeship training scheme:** - The Objectives of apprenticeship training is
 - i) To regulate the program of training of apprentices in the industry, as laid down by the Central Apprenticeship Council; and
 - ii) To utilize fully the facilities available in industry for imparting practical training with a view to meeting the requirements of skilled manpower for industry.
- **Part - time training for industrial workers:** - Part-time training was introduced in the year 1958 for improving knowledge, capabilities, and skills of workers who do not have proper training in institutes.
- **Vocational training program for women:** - The Women's Vocational Training Program at Ministry of Labor, Directorate General of Employment and Training was designed and launched by the Women's Cell in 1977 with the aim of training women in employable skills, thereby enhancing their participation in the Nation's economy