



Indian Labour Laws and Labour Welfare Practices – A Review

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Abstract

In India, a number of labour legislations have been enacted to promote the condition of the labour keeping in view the development of industry and national economy. But for industrial regeneration, it is necessary that the partners of the industry must care their respective defects. Since independence both legislation and public opinion have done a lot to better the conditions of the workers but unfortunately the employers have not responded very appreciably. The present article is related to the study of Labour Welfare Practices in India. It also includes its present scenario and the study ends with conclusion. The objective of this article are three fold, first - to study the various aspects which includes concept, necessity and scope of Indian Labour Welfare Practices in present scenario with special reference to Indian Labour Laws, second - to study about the various agencies of Labour Welfare Practices in India and lastly - the conclusion drawn from the above study. The emphasis has been given to the necessity and scope of Labour Welfare Practices. It is an endeavour to demonstrate the connectivity between Labour Welfare Practices and Indian Labour Laws. It is also sought to be demonstrated how Labour Welfare Practices contribute towards building healthy industrial relation. Finally, this research-article discusses various dimensions of Labour Welfare Work and Indian Labour Laws.

Keywords – Indian Labour Laws, Industrial Regeneration, Labour Legislations, Labour Welfare Practices

Introduction:

It is generally understood, rather misunderstood, that labour laws are meant for large sized establishments only, having a large working force, undoubtedly, labour is a dominant factor of production in all kinds of organizations and, therefore, legislations have been made for all types of labour employed in different types of establishments- business, industrial, commercial, organized, unorganized etc. So much so that even establishments employing a single employee also come under the purview of labour laws.

Labour Law is a cluster of rules and regulations enacted from time to time or amended by the government. These are to cover the various issues regarding labour and management. The basic concept of the enactment of these labour laws is with regard to security of job of labour class and to check exploitation their exploitation and operation thereof by the management. The success of an organization depends upon the dedication of workers. Therefore, a number of obligations have been imposed upon the employer and the non-compliance thereof entails penalty on the employer. The employer has restricted rights to be exercised against the employees under certain conditions. To resolve the industrial disputes and to harmonize the labour-management relations, several provisions have been made to curb

unfair labour practices such as strikes, go-slow etc. it is, therefore, essential for everyone whether he be the owner, employer, manager, supervisor or even employee of any organization, to keep himself abreast of his rights and obligations under the labour laws.

In India, the beginning of labour laws may be traced back to 1850's. In 1850, the Apprentices Act was placed in the Statute Book which was followed by Fatal Accident Act passed in 1855 and thereafter, Factories Act, Mines Act with a series of labour legislations came into existence. Thereafter, hundreds of labour laws have been enacted by the government Central or State. Most of them have almost been totally modified or replaced or repealed.

The Workmen's Compensation Act, 1923 is one of the oldest one which is among the plethora of modern labour laws. In addition to this, the Employees' State Insurance Act, 1948, the Factories Act, 1948, the Minimum Wages Act, 1948, the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the Payment of Bonus Act, 1965 and the Payment of Gratuity Act, 1972.

The Central Government enacts a labour law while ensuring uniformity and parity throughout the country. The State Governments are empowered to either accept a Central law, as it is, or after making suitable amendments therein or even enact their states. Besides, the State Governments are generally the chief administrative authority having powers to make rules and appoint authorities for carrying out purpose of the legislation.

Labour is a common subject for the Centre and the States. Article 246 (4) of the Constitution of India empowers the Union and the States jointly to legislate on issues relating to trade unions and industrial as well as labour disputes with regard to social security and social insurance, welfare of labour class and their conditions of work, employment and unemployment of labour class, liability of management with regard to provident fund and accidental compensation, pension and maternity benefits etc.

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Labour laws are the one dealing with employment laws in any organization – whether it is a manufacturing organization or trading organization or shops and establishment. The labour laws address the various administrative rulings (such as employment standing orders) and procedure to be followed, compliance to be made and it address the legal rights of, and restrictions on, working people and their organizations. By and large the labour law covers the industrial relations, certification of unions, labour management relations, collective bargaining and unfair labour practices and very importantly the workplace health and safety with good environmental conditions. Further the labour laws also focus on employment standards, including general holidays, annual leave, working hours, unfair dismissals, minimum wage, layoff procedures and severance pay and many other issues related to employer and employee and the various compliance requirements.

The labour laws derive their origin, authority and strength from the provisions of the Constitution of India. The relevance of the dignity of human labour and the need for protecting and safeguarding the interest of labour as human beings has been enshrined in Chapter-III (Articles 16, 19, 23 & 24) and Chapter IV (Articles 39, 41, 42, 43, 43A & 54) of the Constitution of India keeping in line with Fundamental Rights and Directive Principles of State Policy. Labour law reforms are an ongoing and continuous process and the Government has been introducing new laws and amending the existing ones in response to the emerging needs of the workers in a constantly dynamic economic environment. Labour is a subject in the Concurrent List where both the Central & State Governments are competent to enact legislation subject to certain matters being reserved for the Centre.

Under the Companies Act, 2013 the role of the company secretary has been considerably widened in as much as now he is not only responsible for the compliances under the company law but also in respect of compliances under all other applicable laws.

Review of Literature:

Dayal Sahab in his book "Industrial Relations System in India" has critically examined the historical perspective of the Labour-Management relations. The book also throws light on the various provisions which are important for maintenance of industrial peace.

Chhabra T.N. & Suri. R.K., in their book "Industrial Relations Concepts and Issues" has evaluated various labour laws, growth of trade unions and several Acts regarding labour welfare. They have also discussed the reasons for unrest among workers and majors for maintenance of industrial peace and consequential economic growth of the country.

Baldev R. Sharma and Sundararajan P.S. in their article on “Organisational Determinants of Labour Management Relations in India” investigated several factors determining labour management relations. He critically analysed these factors such as political, social, economical, psychological factors and suggested several points to improve labour-management relations in India in his article.

Nibedita Nanda in her article “Challenges and Effectiveness of Industrial Relation Environment in Indian Industries: A Study” has examined the requirement of labourers as human resource. She says that in today’s dynamic business environment, every organization wants to be a successful organization. It cannot be possible without Human Resource (HR). The success of any organization depends upon the performance of their Human Resource. If question arises to find out the most important difference between ordinary organization and successful organization, the answer would be their HR. The organization also wants quality people. The greatest challenge before every organization is to recruit right people in right place. HR is the factors. Employee and Employer both are important. They are the two sides of the same coin. One cannot operate without the services of the other. The main purpose behind her research is to observe the industrial relation operation and satisfaction level of the employees, to observe the different welfare schemes provided by the industry.

Objectives of the Study:

- To study the various aspects which includes concept, necessity and scope of Indian Labour Welfare Practices in present scenario with special reference to Indian Labour Laws.
- To study about the various agencies of Labour Welfare Practices in India and lastly - the conclusion drawn from the above study. The emphasis has been given to the necessity and scope of Labour Welfare Practices.
- To demonstrate the connectivity between Labour Welfare Practices and Indian Labour Laws.
- To demonstrated how Labour Welfare Practices contribute towards building healthy industrial relation.
- To discusses various dimensions of Labour Welfare Work and Indian Labour Laws.

Labour Welfare In India

The term 'Labour Welfare' is one which tends itself to various interpretations and it has not always the same significance in various countries. As pointed out by the Royal Commission on Labour, the term 'Welfare' as applied to the industrial workers “is one which must necessarily be elastic, baring a somewhat different interpretation in one country form another, according to the different social custom the degree of industrialization and the educational development of workers.” Therefore, it is not easy to define the term precisely. Different interpretations are given to the term welfare activities by different people. One definition confines it to voluntary efforts on the part of the employers to provide employees the best conditions of employment in their organizations. The other view is that it is an activity to ensure the comfort and improvement-intellectual or social-of the employees over and above the wages paid which is not the necessity of the industry nor required by law.

Necessity of Labour Welfare in India

The necessity of Labour welfare Activities in India can easily be realized if we look into the working conditions of the Labour class in Indian industries. India, an industrially backward country, is in its developing stage.

The place of Labour in industries in India is not recognized. The principles of personnel management and industrial relations have not been developed in India except in few big industrial units. Commodity concept of Labour still prevails in the country. Thus the scope of Labour management relations has not been much widened in India while in western countries, the Labour is regarded as the partner in the affairs of the industry. The attitude of employers is sympathetic to workers in western countries and

provides various welfare facilities as a measure to improve industrial relations and better working conditions.

The money spent on Labour welfare work by the employer is bound to react directly or indirectly to their own benefits and to the direct benefit of the employees. If work conditions are improved, it will certainly improve the health and efficiency of the workers and which in turn, increase the production and the productivity of workers. The employer may contribute something towards the amenities of the workers to which the employees spend nothing in India because of their poor financial condition. Labour welfare activities may ensure the employer a stable and contented Labour force, lower absenteeism and Labour turn over. These results may not have been achieved if the benefits are extended in the form of cash wages, because it may be spent on drinking, gambling and extravagance. It seeks to promote a better standing between the employer and the employees.

Scope of Labour Welfare in India

Labour welfare activities include all services, amenities and facilities which are provided by the employer, in or in the vicinity of the undertaking in order to enable the employees to perform their work in healthy and congenial surroundings and provided with amenities conducive to good health and high morale.

Balfour committee has enumerated the various activities as Labour welfare activities. According to the committee “In its widest sense, it comprises all matters affecting the health safety, comfort and general welfare of the workmen, and includes provision for education, recreation, theft schemes, convalescent houses.” The International Labour conference at its 39th session, adopted a resolution enumerating some of these services and amenities.

These include:

- ❖ feeding facilities, in or near the undertaking,
- ❖ rest and recreation facilities and
- ❖ Transportation to and from work where ordinary public transport is inadequate or impracticable.

The Labour Investigation Committee of the Government of India clears the scope of welfare activities perhaps in the best manner. It says “For the past we prefer to include under welfare activities things done for the intellectual, physical, morale and economic betterment of the worker whether by employer, by government or by other agencies, over and above what is laid down by law or what is normally expected as part of the contractual benefits for which the workers may have bargained. Thus under this definition we may include housing, medical and educational facilities, nutrition (including provision of canteens) Facilities for rest and recreation, comparative societies, day nurseries and crashes, provision of sanitary accommodation, holidays with pay, social insurance measures undertaken voluntarily by employers alone are jointly with worker, including sickness and maternity benefit scheme, provident funds, gratuities and pensions etc.

Agencies for Labour Welfare Activities in India

The importance of Labour welfare activities in India has been recognized very recently by the employers, by the government and by the other agencies, though the progress in this direction is very slow.

We shall discuss hereunder the various activities organized by the various agencies in India. The Labour welfare activities are organized in India by the following agencies:-

1. The Central Government
2. The State Governments
3. The Employers
4. The Trade Unions
5. Other Agencies

Labour Welfare Activities by the Central Government

Till Second World War, the Indian Government did very little in the field of Labour welfare. It was during the Second World War that the Indian Government, for the first time, launched schemes for Labour welfare in their ordinance, ammunition and other war industries to increase the productivity of the workers and to keep up their morale. With the achievement of Independence and emergence of India as a republic, we needed to be the ideal of a welfare State and to a socialistic pattern of society, efforts in this direction were intensified. Since then, various legislations were passed bringing the matters connected with worker's welfare more and more within the preview of these legislations. A few legislations are given below:

Labour Welfare Activities of Factories Act 1948

Prior to Factories Act 1948, various minimum standards regarding ventilation, lighting, fencing of machineries, control of temperature safety provisions etc. were laid down in Factories Act.

In the latest Factories Act 1948, various welfare measures to be undertaken by the employers have been laid down such as washing facilities, first-aid appliances, canteens, rest-rooms, creches etc. The act provides for the proper seating arrangement for the workers and the power is given to the state governments to make rules requiring the representatives of workers in any factory to be associate with the management regarding the welfare arrangement for the workers. The act also requires the owner of the factory employing 500 or more workers to appoint a Labour Welfare Officer and state governments have been given powers to prescribe the duties, responsibilities, qualifications and conditions of services etc. for these officers. Provisions for welfare of workers also exist in the Indian Dock Labourers Act 1931, the miner act of 1952, the Plantation Labour Act of 1951, the Merchant shipping Act of 1958, the Motor transport workers Act of 1961, the Bidi and Cigar workers conditions of employments Act 1966, the Contract Labour (Regulation and Abolition) Act of 1970.

Labour Welfare Funds

The Government of India established Labour-Welfare Funds in government industrial undertakings. As early as in 1946, the government initiated an experimental scheme to finance welfare activities in government owned by controlled undertakings excluding the undertakings excluding the undertakings under the control of Railway Board and major ports.

These funds were contributory in character and were built from contributions of workers, government grants and receipts from various other sources like film shows, fines, profits from canteens etc. initially the scheme was applicable for a period of four years only. In view of the keen interest of the workers, the scheme was extended with a condition that there would be a Welfare Fund Committee consisting of employee's representatives and government, to administer the Funds. Funds are in operation, at present, in 269 industrial establishments on voluntary basis.

Labour Welfare Funds in Mines

For the welfare of the mine workers, welfare funds have been set up in coal, mica, iron-ore, limestone and dolomite mines. Various acts were passed for this purpose.

The main acts are :-

- (i) Coal Mines Labour Welfare Fund act 1944,
- (ii) The Mica Mines Labour Welfare Fund Act 1946,
- (iii) The iron-ore Mines Labour Welfare Cess Act 1961 and
- (iv) Limestone and Dolomite Labour Welfare Act 1972.

The finances for the funds are raised through the levy of cess on the production and export. The welfare activities covered under these funds acts are housing, public health and sanitation, medical education and recreational facilities for workers and their is dependent. It also covers provisions of accident and other benefits.

Labour Welfare Activities in Railways and Ports

Railways and major ports of Bombay, Calcutta, Cochin, Kandla, Madras, Goa, Vishakhapatnam and other ports in India have provided various welfare measures for their workers. These facilities include well-equipped hospitals and dispensaries, canteens recreational activities, education, facilities by running their own schools housing co-operative societies, and fair price shops etc. Railways maintain a Staff Benefit Fund which provides for financial assistance in times of emergencies. A welfare fund has also been established at Madras port for the assistance of workers in distress. A tripartite National Welfare Board for Salesmen has also been established.

Other Labour Welfare Activities

Some other Labour welfare activities as follows:-

- ❖ The Government of India has set up a Central Board for Workers Education, consisting of Representatives of central and state governments, organizations of employers and workers and educations. It established 37 regional centres to cover important industrial centres. It also provides grants-in-aid to trade unions and institutions for workers regarding educational, medical or other facilities.
- ❖ Various schemes for grant of National Safety Awards to factories covered by the Factories Act 1948 and Ports have been instituted for good safety records. Four such schemes are in operation, each having 15 awards for good safety records. Each scheme consists of cash prize and certificates of merit. A National Safety Council was set up in 1960. Its main function is to conduct seminar, organize file shows in factories and distribute posters on the subject of safety.
- ❖ Shram-Vir Awards have been instituted for workers in factories, mines, plantation and docks. The awards are given in recognition of meritorious performance-such as suggestions leading to higher productivity or economy or greater efficiency.

Labour Welfare Activities by State Governments

State governments have also played a pivotal role in providing the welfare activities to labours in their state. States of Maharashtra, Uttar Pradesh and West Bengal are the leading states in organizing various welfare activities.

Maharashtra- In 1939, Bombay government organized for the first time in the state the Model Welfare Centres. In 1953, the government passed the Labour Welfare Fund Act and transferred all welfare activities to the Bombay Labour Welfare Board constituted under the act having representatives of employer's independent persons and women.

A welfare fund consisting of underutilized fines and unpaid wages, donation etc., was set up. Labour welfare boards maintain a member of Labour welfare centres catering to the various welfare activities for workers and their families. The State government also set up an Institute for training Labour welfare officers for the factories in the state.

Uttar Pradesh- In 1937, the government created a new Labour Department under a commissioner of Labour. The department has organized Labour welfare centre in almost all big industrial centres. The regular centres are divided in to three categories on the basis of the activities undertaken by them. Nearly all basic welfare facilities like hospitals and dispensaries, libraries and reading rooms, sewing classes, maternity centres, crèches, indoor and outdoor games etc. are provided by these centres. The U.P. Government framed rules for factories welfare offices. According to these rules, every factory employing 500 workers or more will have to appoint a Labour Welfare Officer and factories employing 2,500 workers or more will have appoint an additional welfare officer. There are also Labour welfare advisory committees, one for the whole state 19 in districts to advise the government in organizing Labour welfare activities. The government passed U.P. Welfare Fund Act 1956 to provide funds for welfare activities.

West Bengal- The government started Labour welfare centres at different place and the various activities undertaken by these canters are publicity, library, reading rooms, radio, sports, dispensary etc. Each centre is under the charge of a Labour welfare worker, assisted by a Labour Welfare Assistant and Lady Welfare Workers.

Other State Governments- The governments of others state have also started Labour welfare centres.

Catering to almost all the Labour almost welfare facilities. The states have also undertaken the projects of housing for labourers in the state.

1. Labour Welfare Activities by Employers

At present, the welfare activities are being brought more and more under the legislation rather than being left to the good sense of the employers. The government has made certain facilities obligatory on the part of employers. The government has made certain facilities obligatory on the part of employers under legislations. The employers have limited financial resources and moreover their attitude towards Labour is apathetic. They consider the expenditure on Labour welfare activities as waste of money rather than an investment. Even so, some enlightened employers, on their own initiative, have been doing a bit in the direction of welfare. They have provided medical aids, hospital and dispensary facilities, canteens, fair prices shops, co-operative societies, recreation club etc. these facilities are apart from their liability under various control of state legislations. The Delhi Cloth and General Mills have an Employees Benefit Fund Trust managed by a Board of Trustees. This fund is financed by the contribution of a fixed percentage of the amount distributed as dividend, unclaimed wages and fines etc.

2. Labour Welfare Activities by Trade Unions

The welfare work undertaken by the trade union agency is negligible because of lack of organization and financial stringency. Only few unions, like the Ahmedabad Textile Labour Associations, the Mazdoor Sabha of Kanpur, Indore Mill Mazdoor Sangh and Bank Employees Association, have devoted themselves to welfare work. The Ahmadabad textile Labour association spends nearly 30 % of its income on welfare activities.

3. Labour Welfare Activities by Other Agencies

There are two options of Labour welfare work by other agencies:

Social Service Agencies: Several social service agencies such as Bombay Social Service League started by the servants of India society and similar leagues in Madras and Bengal, the Shivasena Society, the Bombay Presidency Woman's Council, the Maternity and In fact Welfare Association, the Y.M.C.A. The depressed classes' mission society and many other mission societies plays an important role in organizing the welfare work, both by helping employers and Labour and by independent efforts. These agencies have provided various welfare activities, like education, indoor and outdoor games, establishment of co-operative societies, night schools and libraries etc.

Municipalities: A few municipalities and municipal corporations have also taken special welfare measures such as co-operative credit societies, maternities and nursery schools, adult schools, creches, etc. these progressive municipalities are of Bombay, Calcutta, Delhi, Kanpur, Madras, Ajmer etc.

Conclusion

Labour law also known as employment law is the body of laws, administrative rulings, and precedents which address the legal rights of, and restrictions on, working people and their organizations. As such, it mediates many aspects of the relationship between trade unions, employers and employees. In other words, Labour law defines the rights and obligations as workers, union members and employers in the workplace. Keeping in view the above discussions, it can be concluded that the term welfare is a very comprehensive term which may include as any activity which is connected with the social, moral, economic or non-economic betterment of workers provide by any agency whether it is government, employer, employees or any other agency. Such activities may differ from country to country and from region to region.

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