



EMPLOYEES' WELFARE AND SOCIAL SECURITY

LABOUR WELFARE

- ▶ Labour welfare includes provision of various facilities and amenities in and around the work place for the better life of the workers.
- ▶ Labour welfare facilities include medical, sports, education, cultural and other facilities.
- ▶ In India, some welfare facilities are compulsory as per labour laws. While others are purely voluntary in character.
- ▶ Labour welfare has the following objectives:
 1. To provide better life and health to the workers.
 2. To make the workers happy, satisfied and efficient.
 3. To relieve workers from industrial fatigue and to improve intellectual, material conditions of living of the workers.

LABOUR WELFARE

- ▶ "Labour welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry." - Arthur James Todd
- ▶ According to an ILO report, "workers' welfare may be understood as including such services facilities and amenities which may be established in, or in the vicinity of undertakings to perform their work in healthy and congenial surroundings and to avail of facilities which improve their health and bring high morale.

FEATURES

- ▶ Comprehensive term
- ▶ Dynamic concept
- ▶ In addition to regular wages and other economic benefits
- ▶ Essential part of social welfare
- ▶ Voluntary and statutory

SIGNIFICANCE

- ▶ Provide better physical and mental health to the workers
- ▶ Help them to devote greater attention towards their work
- ▶ Gain in terms of productivity and quality of work
- ▶ Improved industrial relations and maintenance of industrial peace
- ▶ Stable labour force
- ▶ Attract talented labour force
- ▶ Improve goodwill and public image of the enterprise

AGENCIES OF EMPLOYEES' WELFARE

- ▶ Central Government – through various laws and acts

<https://labour.gov.in/labour-welfare>

- ▶ State Governments – through health centres, educational and vocational guidance , recreational centres etc.
- ▶ Employers –provides voluntary and statutory welfare facilities like reading rooms, medical and transport facilities, gyms, clubs etc.
- ▶ Trade Unions- educational, cultural and other recreational facilities
- ▶ Non-governmental organisations- medical aid, scholarships etc.

TYPES OF WELFARE FACILITIES

- ▶ Intramural –within the organization
- ▶ Extra-mural :- outside the organization

(Housing, education, transportation, recreation, consumer cooperative stores)

- ▶ It can also be classified into:
 - ▶ Economic – additional economic security over and above wages (like credit facilities, premium for life insurance paid etc.)
 - ▶ Recreational services- indoor and outdoor games, relationship buildup activities etc.
 - ▶ Facilitative services- canteen, restrooms, lunch rooms, housing, transport, medical, washing, educational etc.

STATUTORY PROVISIONS CONCERNING EMPLOYEE WELFARE

- ▶ Factories Act, 1948
Chapter V of this Act provides provision regarding welfare (refer page. 29)
https://labour.gov.in/sites/default/files/Factories_Act_1948.pdf
- ▶ The Plantation Labour Act, 1951; The Mines Act, 1952; The Motor Transport Workers Act, 1961 etc.
- ▶ Other laws available <https://labour.gov.in/labour-welfare>

SOCIAL SECURITY



- ▶ “The securing of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, provide for retirement through old age, to provide against loss of support by death of another person and to meet exceptional expenditure connected with birth, death, or marriage The purpose of social security is to provide an income up to a minimum and also medical treatment to bring the interruption of earnings to an end as soon as possible.” - William Beveridge
- ▶ According to ILO, "Social security is the security that society furnishes through appropriate organization against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means and meagre resources cannot effectively provide by his own ability or foresight alone, or even in private combination with his fellows. These risks being sickness, maternity, invalidity, old age and death. It is the characteristic of these contingencies that they impair the ability of the working man support himself and his dependents in health and decency.

RATIONALE

- ▶ includes both social insurance and social assistance.
- ▶ Related to the high ideals of human dignity and social justice.
- ▶ instrument of ensuring social and economic justice
- ▶ In a welfare state, social security is an essential part of public policy.
- ▶ provide protection to people of small means against risks or contingencies. The contingencies which may impair a person ability to support himself and his family may include sickness, old age, invalidity, unemployment, death,
- ▶ payment to affected persons to partly compensate them for the loss of income due to any of the contingencies
- ▶ must for the protection and stability of workforce in any economy

SCOPE OF SOCIAL SECURITY

Includes

1. health insurance,
 2. maternity benefits,
 3. compensation for employment injury,
 4. worker's family pension-cum insurance schemes,
 5. compulsory and voluntary social insurance,
 6. provident fund schemes, as also public health services; etc.
- ▶ Social security programs have three characteristics in common across countries, viz.,
 - ▶ they are established by law:
 - ▶ they provide some form of cash payment to individuals to compensate at least a part of the lost income that occurs due to such contingencies as unemployment, maternity, work injury, invalidism, industrial disease, old age, widowhood, and orphan hood; and
 - ▶ the benefits or services are provided in three ways: social insurance, social assistance, or public service.

- ▶ **Social Insurance.** Under it, the workers and employers make periodical contributions, with or without a subsidy from the Government. The funds so collected are used to provide benefits on the basis of the contribution record of the beneficiary without testing his/her financial position. For ex- Provident fund and group insurance
- ▶ **Social Assistance.** Under it the cost of the benefits provided is financed fully by the Government without any contributions from workers and employers. However, benefits are paid after judging the financial position of the beneficiary. For ex: Old age pension
- ▶ Following components of social security are prescribed : (a) Medical case. (b) Sickness benefit.(c) Old age benefits or retirement benefits.(d) Employment injury benefit.(e) Family benefit. Maternity benefit.(g) Invalidity benefit. (h) Survivor's benefit.

SOCIAL SECURITY IN INDIA

► THE WORKMEN'S COMPENSATION ACT, 1923

The employer is liable to pay compensation to a workman for all personal injuries caused to him by accident arising out of and in the course of employment which disable him for more than three days. The Act further provides that if a workman contracts any occupational disease specified in the Third Schedule It shall ordinarily be deemed as an employment injury. The amount of compensation to be paid depends upon the wages, age and the type of injury of the workman.

SOCIAL SECURITY IN INDIA

THE EMPLOYEES' STATE INSURANCE (ESI) ACT, 1948

- ▶ It is a compulsory and contributory health insurance scheme.
- ▶ The Employees' State Insurance Scheme (ESIS) provides medical benefits in the form of medical attendance, treatment, drugs and injections to insured persons and to members of their families where the facility has been extended to the families.
- ▶ The ESI Act is applicable to all factories employing 20 or more workers.
- ▶ devised to provide social protection to workers in contingencies such as illness, long-term sickness or any other health risks due to exposure to employment injury or occupational hazards.
- ▶ Under the provisions of the scheme, medical facilities are also made available to the legal dependent's of insured persons
- ▶ .The insured workers and their families are entitled to the following benefits under: Sickness, medical, maternity, disablement, dependent's and funeral benefit

SOCIAL SECURITY IN INDIA

THE EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

- ▶ Retirement benefits in the form of provident fund, family pension and deposit linked insurance are available to the employees under the Employees Provident Fund (and Miscellaneous Provisions) Act, 1952.
- ▶ There are a number of provident fund schemes. Under this, the employer contributes a portion of the basic salary of the employees and the equivalent amount is deducted from the salary of the employee. The total of the provident fund contributions is either deposited with the Provident Fund Commissioner or a trust may be created to look after the provident fund amount under the provisions of the Provident Fund Act. The employee gets the provident fund after his retirement. It may be mentioned that the provident fund also carries interest which generally varies from 8% to 12%.

SOCIAL SECURITY IN INDIA

► THE MATERNITY BENEFIT ACT, 1961

The main purposes of this Act are:

- (a) to regulate the employment of women in certain establishments for certain specified periods before and after child birth;
- (b) to provide for the payment of maternity benefits to women workers;
- (c) to provide for certain benefits in case of miscarriage, premature birth or illness arising out of pregnancy.

► THE PAYMENT OF GRATUITY ACT, 1972

Benefit. Gratuity is payable on retirement, death, disablement or termination after five years of continuous service. Gratuity is payable at the rate of 15 days' wages for every completed year of service or part thereof subject to a maximum of 20 months wages or 20,00,000 whichever is lower.