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A BRIEF INSIGHT INTO THE CONCEPT OF LABOUR WELFARE: THE INDIAN SCENARIO

~ Divya Chauhan

INTRODUCTION

"All labour that uplifts humanity has dignity and importance and should be undertaken with painstaking excellence." - Martin Luther King Jr.

Taking care of the wellbeing of employees is the responsibility of employers, trade unions, governmental and non-governmental organisations, and agencies. Anything offered for the comfort and advancement of workers above and beyond their pay is considered welfare.

Employee morale and motivation are maintained through welfare, which helps employers keep their workforces on board for longer. Employee welfare comprises keeping an eye on working circumstances, fostering workplace harmony through health and safety infrastructure, and providing insurance to protect employees and their families against illness, accidents, and unemployment.

Labour welfare is defined by the **Oxford Dictionary** as: *"Efforts to make life worth living for workers"*. Another concept characterises labour welfare as, *"Anything done for the comfort and improvement, intellectual and social, of the employees over and above the wages paid, which is not a necessity of the industry"*. As such, the expression refers to the implementation of policies aimed at advancing the general, psychological, social, and physical health of the working population. Improving the living and working conditions for employees and their families is the goal of welfare work in all industries. Depending on a number of variables, including social norms, industrialization level, educational attainment, and the overall level of socioeconomic development, the concept of worker welfare changes throughout time, across regions, industries, and nations. ¹

LABOUR WELFARE: DEFINITION AND CONCEPT

¹ Binoy Joseph, Joseph Injodey & Raju Varghese, "Labour Welfare in India", JWBH (Vol. 24, 2009)

Welfare is a positive concept since it establishes a minimal quality of living by requiring certain biological and social conditions to be met. After this is established, it is vital to discuss the welfare pillars, which include health, food, clothing, housing, insurance, and medical assistance. Furthermore, there are advantages and disadvantages to the idea of labour welfare. Positively, it deals with giving the worker and his family the chance to lead fulfilling personal and social lives; negatively, it deals with giving opportunities for unfavourable outcomes and labour issues. It could further be reiterated as: “*such services, facilities, amenities, which may be established in or in the vicinity of undertakings to enable persons employed therein to perform their work in healthy and congenial surroundings and to provide them with amenities conducive to good health and good morals.*”²

At the ILO session (SEA) held at New Delhi, in 1947, Worker’s welfare was understood, “as meaning of such services, facilities and amenities, which may be established in, or in the vicinity of the undertaking to unable persons employed there in surroundings and to provide them with amenities conducive to good health and good morale”. According to the **Royal Commission on Labour (1931)**, “*the concept of labour welfare is contingent upon various factors, including the degree of industrialization and educational development of a given country, and is therefore necessarily flexible.*”

Labour welfare work is defined as “*the voluntary effort of the employer to improve the living and working conditions of his employees*” in the most important definitions. This is done with the understanding that stable employment, a fair wage, and reasonable work hours are the primary requirements for employee welfare.

“*We prefer to include under welfare activities anything done for intellectual, physical, moral, and economic development of workers, whether by employer, government, or other agencies, over and above provided by law or under some contract and what is naturally expected as a part of the contract for service,*” the Rege Committee wrote in a 1946 report that it submitted to the Government of India. Labour welfare was defined as “*such services, facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from place of work and for the accommodation and such other services amenities and facilities including social security measures as contribute to improve the conditions under which workers are employed*” in the report of the committee on labour welfare, which was established by the Indian government in 1969.

It is clear from all of these definitions that none are exhaustive or whole. There isn't a clear-cut boundary or outline for this topic. That being said, there is no denying that labour welfare advances employees' well-being in a number of ways.

SCOPE OF LABOUR WELFARE

² The Column of Curae, <https://thecolumnofcurae.wordpress.com/2021/01/02/theories-principles-of-labour-welfare-in-india/> (Last visited on May 27, 2024).

Reading through the definitions reveals that the word "labour welfare" has a broad definition and is a fairly comprehensive idea. It encompasses all endeavours in the form of facilities and events that change periodically, from location to location, and from industry to industry. Labour welfare activities are broadly classified as

- (i) statutory,
- (ii) non-statutory or voluntary and
- (iii) mutual.³

India's government has enacted several laws pertaining to worker welfare which comes under the purview of **statutory provisions**, including the Factories Act of 1948, the Mines Act of 1952, the Motor Transport Workers Act of 1961, the Dock Workers (Safety, Health Act of 1951), The Merchant Act of 1961, the Plantation Labour Act of 1951, The Merchant Shipping Act of 1958, the Coal Mines Labour Welfare Fund Act of 1974, and the Mines Labour Welfare Fund, among others. The minimal requirements for worker welfare, health, and safety are provided by the provisions in these Acts. Employers are expected to abide with these rules. Anything that employers do voluntarily for their staff falls under the category of **voluntary welfare**. **Mutual welfare** is "a corporate enterprise" that is carried out by trade unions or the workers themselves. Due to their limited financial resources, trade unions in India are unable to carry out these kinds of extensive operations. However, in developed nations, trade unions play a crucial role in labour welfare activities.⁴

According to Valid, labour welfare must adhere to a set of standards. It should make it possible for employees to lead richer, more fulfilling lives; it should increase labour productivity and business efficiency; it should also be timely and in line with comparable services offered in the neighbourhood where the business is located. In order to assist workers and their families in the context of their industrial life, employers, the government, trade unions, and other organisations engage in a wide range of activities collectively known as labour welfare.

LABOUR WELFARE: EVOLUTION IN INDIA

The inception of labour welfare initiatives in India dates back to 1837, when Indian labour was imported by British colonies after slavery was abolished in 1833. The first step in this manner was the Apprentices Measure of 1850, which was passed to prevent orphaned youngsters from learning different crafts with the assistance of experienced artisans. The purpose of the second law, the Fatal Accidents Act of 1853, was to provide compensation to the families of employees who lost their lives due to any preventable workplace accident.

³ Your Article Library, <https://www.yourarticlelibrary.com/management/labour-welfare-its-scope-and-importance/26102> (Last visited on May 28, 2024).

⁴ Id.

Following, the Merchant Shipping Act of 1859 was passed with the intention of controlling the employment of seamen and offering them protection, housing, and health care.

Examining each of these early laws shows that they were not intended to represent any kind of purposeful worker welfare policy, but rather were written with particular objectives in mind. So, instead of trying to improve their working conditions, all they were doing was trying to control employment. 22 years after the shipping legislation, the first Indian Factories act was established in 1881, initiating a string of labour laws that enhanced working conditions. The initial reason for the enactment of this act was the working conditions of the worker force employed in Bombay's textile mills beginning in the 1870s. As a result, the Indian Factories Act of 1881 was extended to all factories that used mechanical power, employed at least 100 people, and worked longer than four months annually. Its rules prohibited minors under the age of seven from working, and those between the ages of seven and twelve from working more than nine hours a day. Progressive transformation was also aided by voluntary labour welfare action during the three decades that followed the Factories Act of 1881.⁵

During World War I, there was a sharp rise in industrial activity, which in turn caused an increase in the number of industrial workers. With the founding of the International Labour Organisation (ILO) in 1919, labour's significance for the global economic and social reconstruction was legally acknowledged for the first time. The ILO proposed several modifications to labour welfare initiatives (schemes) that are currently in operation in India during its inaugural meeting in Washington, D.C. Following this, the Indian government passed the Factories Act of 1922, which prohibited anyone from working more than 60 hours per week or more than 11 hours per day, regardless of gender. After six hours of work, adult workers were entitled to an hour of relaxation, while the minimum age for child labour was set at twelve. Wide-ranging effects from the Second World War were seen in every aspect of life. Adjudication, joint consultation, minimum wages, and higher production standards were mandated in response to the Indian industries' demand for maintained and expanded output.⁶

With the country's independence in 1947, the labour welfare movement expanded. The large-scale industrial investments made under the various schemes mentioned led to an increase in employment. From the outset, it was recognised that labour contributed positively to raising productivity and lowering industrial conflict. The Factories Act of 1948 and the creation of ten five-year plans, which addressed labour welfare initiatives, were noteworthy milestones.

NECESSITY FOR LABOUR WELFARE IN INDIA

⁵ Sharmistha Bhattacharjee, "An Overview of Labour Welfare Measures in India in Response to Globalization", JDS (Vol. 31, 2015).

⁶ Id.

In 1931, the Royal Commission on Labour acknowledged the necessity of labour welfare measures during the colonial era, stating that workers relied heavily on these measures because they were unable to ensure their own well-being. Additionally, the panel acknowledged that labour welfare measures were a prudent investment because they would increase labour productivity and efficiency and yield a profit. According to the commission's findings, the availability of canteens would improve workers' physical appearance; entertainment would lessen the likelihood of vices; medical assistance, maternity, and child welfare services would improve workers' and their families' health and lower the rates of general, maternal, and infant mortality; and educational services would boost workers' efficiency and productivity. It was sometimes claimed that industrial workers protected the social and economic pillars of the industrial economy like warriors.

Labour welfare has been a major goal of the Indian government's social and economic policies ever since independence. This is done in order to boost productivity and guarantee a reasonable degree of social security. In order to foster industrial harmony through the provision of the infrastructure for industrial relations, skill development, monitoring of working conditions, and unemployment, accident, and illness insurance have all received funding from the public sector. But in the unorganised, informal economy, excess manpower and unregulated employment have led to the emergence of harmful social practices like child labour, bonded servitude, and a host of other unfavourable working conditions.

LABOUR WELFARE: POSITION IN INDIA

Their low productivity can be attributed to the appalling working conditions. When compared to their colleagues in industrially developed nations, Indian labourers are positively inefficient. The primary cause of India's low labour productivity is the lack of welfare programmes like those found in developed nations. There has been a noticeable awareness on worker welfare since independence. In order to boost industrial productivity, it has been widely acknowledged that labour must be given the proper consideration as an element of production. The labour force has become more cohesive. Thus, India currently has a climate that is favourable to offering workers a variety of amenities. It is now a well-known fact that the nation would pay a heavy price—the rate of industrialization will have to slow down—if workers are not given the respect and facilities they deserve. As a result, the necessity of labour welfare is increasingly acknowledged, and organisations including governments, businesses, and trade unions are taking action to improve the lot of workers by enacting laws and providing a variety of physical amenities.⁷

❖ CENTRAL GOVERNMENT:

Our nation is a welfare state that is committed to providing welfare to its citizens. The nation's struggling people need to be taken care of and have their lot better if its economy is to recover. The government can play a proactive role in this area. In order to secure the workers' unwavering and voluntary cooperation for the

⁷ Economic Discussion.net, <https://www.economicdiscussion.net/labour/labour-welfare/31839> (Last visited on May 27, 2024).

nation's economic advancement, the government must take the initiative to improve the workers' intellectual, physical, moral, and financial well-being. Workers are acknowledged as a vital component of the nation's industrial and economic governance apparatus in our plan's objectives. The Central Government has made efforts to enhance working conditions for its employees.

A number of laws have been passed to protect workers' interests and provide them with social security and financial benefits. For instance, **The Factories Act** is a daring attempt to provide factory workers with a range of amenities, including housing, financial aid, social security, and physical protection. Another piece of legislation that attempts to provide welfare to mining workers is the **Mines Act. Labour Welfare Funds** were established under particular Central Government Acts. For the benefit of plantation workers, we have the **Plantation Labour Act** once more. In addition to the numerous Acts enacted to protect labourers in industries, plantations, and mines, the Central Government has maintained awareness of worker conditions through its Labour Ministry. Current policies include provisions for workers to receive financial, legal, and medical assistance through a number of programmes. Social security laws have been in effect for a while, including the **Employees' State Insurance Act**, the **Maternity Benefit Act**, and the **Workmen's Compensation Act**.

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❖ STATE GOVERNMENTS:

Before independence, the State Governments of India showed little concern for the wellbeing of their labour force. However, today's state governments are aware of the poor working circumstances and are taking action to improve the lot of their workforce. Today's labour fronts from various political parties are powerful enough to push workers' demands on the government, and there is such a close relationship between State Governments and political party labour wings that workers can now access a variety of facilities through the State Government's infrastructure.⁹

❖ EMPLOYERS:

Today's Indian employers are beginning to understand that they need to align their interests with those of their workforce. As a result, wise management can no longer overlook employee interests and hope to profit from increased labour productivity. Thus, employers are being forced to implement worker welfare programmes out of self-interest. We can say that, given their background in professional training, employers in India are growing increasingly aware of their employees, whom they now view as the most important resource for bolstering their organisational activities, without going into detail about the facilities offered by various industries either legally or as a result of union pressure.¹⁰

❖ TRADE UNIONS:

⁸ Id.

⁹ Id.

¹⁰ Id.

Industrialization gave rise to the trade union movement. According to **Section 2(h)** of the **Trade Unions Act 1926**, a trade union is any temporary or permanent organisation that was established primarily with the intention of regulating the relationships between employees and employers, employees and other employees, and employers and other employers, or to impose restrictive measures on the conduct of any trade or business. Another definition of a trade union is an ongoing, long-term group of workers established and maintained with the express intent of promoting and defending the interests of members in their professional interactions. These labour unions were established with the goal of advancing, defending, and strengthening their members' social, political, and economic interests via collective action. In India, they perform the following duties: Participation in choices that impact employees, negotiation, and representation services for members, Training and education, financial savings, legal support, and welfare benefits.¹¹

CLASSIFICATION OF LABOUR WELFARE WORK

Work in labour welfare may be (i) statutory or (ii) non-statutory (voluntary). As the name suggests, statutory welfare measures are programmes whose execution relies on the government's ability to use force. The government enacts regulations to enforce minimum standards for worker health and safety in order to guarantee this. Since you are a manager and these obligations are legally binding on you, it is your responsibility to comply with them. Any voluntary actions you take to promote the welfare of your staff are considered non-statutory welfare measures.¹²

❖ STATUTORY LABOUR WELFARE SCHEME:

According to various government legislation, employees are required to have access to these benefits. For instance, India's Factories Act of 1948 addresses employment of women and children as well as health, welfare, safety, working hours, and annual leave with pay. Similar provisions for restrooms, clothes, laundry allowances, medical facilities, etc., are included in the Motor Transport Workers Act of 1961. There are laws similar to this for workers in other industries, such as mines and plantations. Every nation is required to abide by the rules established in this regard by the International Labour Organisation (ILO). In India, it is the duty of the State Governments to set regulations that guarantee the availability of a cafeteria in any designated workplace or firm that employs more than 250 people. The administration of canteens must to include representation from employees. Reforming laws to provide State Governments the authority to enact regulations that support dietary goals and establishing cooperative canteen operations are two ideas that have been put up. Way back in 1931, there was emphasis on the importance of putting up creches. In any institution

¹¹ Your Article Library, Supra Note 4.

¹² Egyankosh, <https://egyankosh.ac.in/bitstream/123456789/17058/1/Unit-22.pdf> (Last visited on May 27, 2024).

with more than fifty women workers, the Factories Act of India mandates the provision and upkeep of a clean and hygienic creche for children under six years of age. Caretaker women with childcare training should be in charge of the creche. Enough space, appropriate lighting, and ventilation are essential for the creche. In India, state governments have the authority to enact regulations pertaining to development tools and resources, standards, and equipment. It's important to allow moms enough time to feed their kids at the appropriate times. In major enterprises, there are provisions for the appointment of labour officers. Considering your own organisation, you should be aware of the welfare laws that apply to it.¹³

❖ **VOLUNTARY LABOUR WELFARE SCHEMES:**

Some firms have embraced the initiative and offered their staff a wide range of welfare amenities:

1. **EDUCATIONAL FACILITIES:** The quality of the labour force is a key factor in both economic and social advancement. Education is essential for inspiring employees and equipping them for the continual change and advancement that the industrial sector demands. An educated worker is more responsible and perceptive by nature. Many companies even go so far as to provide their employees' children with educational benefits like book allowances, reimbursement for fees, and other things.
2. **TRANSPORT FACILITIES:** The worker's commute from home to workplace has gotten longer as a result of the development and expansion of industries. For workers who live distant from their place of employment, transport services are necessary to reduce stress and worry. Without a doubt, these amenities will also increase opportunities for leisure and lower absenteeism rates. Enough transit facilities should be made available to employees so they can get to work quickly and without being tired. Employees receive a conveyance stipend that has been mutually agreed upon by the employer and employees in offices where transport services are not offered. In an effort to motivate staff members to possess their own vehicles, several companies provide loans for the purchase of cars, scooters, bicycles, and other vehicles.
3. **RECREATIONAL FACILITIES:** Recreational activities such as sports, gaming, theatre, music, and art can be very beneficial to your employees' physical and mental growth. Numerous study teams, committees, and commissions have stressed the need of recreation in fostering an environment that fosters industrial peace and advancement. In order to maintain the health and fitness of the worker force, trade unions and other organisations could work together to provide a minimum amount of sports and leisure activities. You have the option to create youth clubs, plan excursions, and give your staff vacation homes.
4. **OTHER FACILITIES:** Employees are given access to a wide range of additional amenities, which differ depending on the organisation. For instance, an adventure sports tour company might offer instructors or

¹³ Id.

escorts health insurance, a hotel or resort might offer lodging close to the location of employment, and staff might get free or heavily discounted lunches, etc.

CONCLUSION

A welfare state's social security system forms its foundation. Labour welfare is, in fact, welfare that is granted to labour. Numerous studies demonstrate that labour welfare programmes lead to an increase in worker productivity as well as the advancement of worker health and safety. Understanding the demands and working conditions of the labour force is necessary for the appropriate development and execution of these programmes. Numerous academics believe that labour welfare programmes increase workers' productivity and efficiency while also allowing them to live richer lives. They support positive workplace cultures and raise the productivity of the companies that hire them, which helps to keep labor-management harmony. Additionally, they improve the level of living for workers and their quality of life at work. Effective labour welfare initiatives typically result in workers being more engaged and participating in their work, as well as taking an active interest in it. Employers in India should view labour welfare programmes as a worthwhile investment because they will give their workforce a stable, healthy, and productive workforce.

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