

Reviewed Study on Non-Statutory and Statutory Indian Labor Welfare Schemes

Jodha Bai*

VPO-Batta, Kaithal

Abstract – Ancient Indian Literature ‘Manusmrithi’ mentioned about codes for the protection and safety of the people. The concept of Social Security was associated with the Hindu Joint Families which was the ‘Original Cell of Security’ and ‘First Line of Defense’ against any misfortune. Then in Vedic period ‘Guilds’ a group of merchants or artisans worked during calamities for the security of life and property. Organized Social Security Measures in statutory form are of recent origin as a key factor in Industrial system to protect employees and their dependents against contingencies like disability, sickness, employment injury and unemployment. The Schemes for Provident Fund, Medical Insurance, Maternity Benefit, Compensation and Gratuity are useful in India. The efficiency, extent of coverage, finding suitable policy and approaches to strengthen the delivery system according to priorities through planned justice for inclusive growth is the need of the day. This article is a reviewed study to understand Labor Welfare measures and non-statutory and statutory Indian labor welfare schemes related to it.

Keywords: Labor Welfare, Social Security, Workers, Schemes, Laws, etc.

-----X-----

I. INTRODUCTION

Social Security Schemes includes both Social Assistance and Social Insurance. The government provides these protections through its institutions against certain risks through the collective contributions of employees, employers and the state. The Surplus fund over current benefits will be invested further by the government to earn income emphasizing upon contingency oriented approach for future need. The benefit one receives will be proportional to the contribution he has rendered to the scheme. The core purpose behind providing Social Security Measures to workforce is to create sound industrial relations, creation of qualitative work environment, meeting legislative requirements, safeguarding against the risk of accidents, protecting health and securing against social risks like old age, maternity, unemployment etc. It meets the requirement of retirement, loss of support by the death of the bread winner and exceptional expenditure related to birth, marriage and death. Actually in the beginning it was restricted only to children's allowance, comprehensive health services, rehabilitation and avoiding mass unemployment. It covers mainly nine components like Medical care, Unemployment Benefits, Old Age Benefits, Employment Injury Benefits, Family Benefits, Maternity Benefits, Invalidity Benefits and Survivor Benefits.

Social Security has been universally accepted as the responsibility of the state to protect employee and his dependents against certain hazards when they are unable to earn and restore themselves. However, the

application of social security to the developing countries in South Asia is a challenging task due to the existence of large informal sectors, incomplete structural transformation and high level of poverty. Modern Social Security Programmes may be regarded as the device to distribute income as per the need to divert part of the fruits of current production for the benefit of injured workers, secure minimum pensions for lowly paid employees, partly at the expense of their better paid colleagues, spread the social cost of widowhood by appropriate tax measures and the industrial sector to directly assist the development of basic health services for the people at large. The efficiency of the state in providing the benefits as per the expectations of the beneficiaries by extending the coverage need to be focused. The coverage of Employees State Insurance Scheme should be extended to agricultural workers and self-employment. The corporation should focus to establish more dispensaries and hospitals with improved medical facilities. Steps should be taken to include Old age benefits.

II. EMPLOYMENT IN INDIA

Nisha Srivastava and Ravi Srivastava, (2010) study the rural working female condition and investigate the criteria and nature of the jobs that females do⁴⁸. For analyzing data, national survey data from NSS, NFHS, the agriculture census by the

⁴⁸ N. Srivastava and R. Srivastava, *Women work and employment outcome in rural India*, (EPW, July 10, Vol XIV, No.28, 2010).

Ministry of agriculture, National Income data from the Central Statistical Organization (CSO) are put into use. Males are more involved in profitable jobs as compared to females. Females doing the job are impacted by sociocultural, religious, financial, reproductive or health-related and demographic aspects. The regression analysis method is used to determine the involvement of the rural female population. In agricultural and farming, the women labour force has increased although self-employment and informal labour are more prevalent in this regard. This increase of women labour force in agriculture has been a result of policy interventions for increased job scopes alongside enhanced payment for women in villages.

Deregulated market economy has new industries in variable structure of economy targeting the fast benefits. **Vanamala, (2011)** led a contextual investigation of global designing unit in Andhra Pradesh⁴⁹. New industries have presented flexibilisation and have gotten changes authoritative administrative, innovative and operational frameworks. These have exasperated informalisation prompting feminization. Laborers in the new industries abhor any formal government disability benefits. Weaknesses of work, business and wages have hit the female specialists hard. Fundamental goal of the examination is to look at the effect of changes on female laborers in the casual portions of a formal division industry which is a huge scale global organization. The global huge scale designing industry under investigation produces blowers and engines for fridges and clothes washers. Investigation uncovers that female laborers are less inclined to unionization, do not request higher wages, truancy is less and have persistence to work sensitive machine.

Devi (2012) performed micro-level research on education or academics, employment as well as the professional chances of females in Thrissur district of Kerala⁵⁰. These women were chosen to do the micro study of this linkage (374 households that is 74% of these were from villages, 128 households that are 26% were from towns and cities). These households were researched across 5 Gram Panchayats and one municipality. As per the surveys, the women jobs are high at the lowest who are from the higher sections of the academic qualifications. Besides, they see that as far as work performance is concerned, white collar jobs are primary obstacles when it comes to employing females. Certain aspects like marital status, likelihood of having kids under 5 years, joint or nuclear family, parents' socioeconomic strata as well as academic qualifications (technical or professionally relevant) are major role-players to determine women employment.

⁴⁹ Vanamala, *Informalisation and feminization of a formal sector industry – A case study*, (EPW, June 30, 2001, 2011).

⁵⁰ K.R. Lakshmi Devi, *Education, Employment and job preference of women in Kerala: A micro level study*, (Discussion paper-42, CDS, Trivandrum, 2012).

Cast based employment circumstance in India and current work advertise elements is clarified by **Mritiunjoy Mohanty, (2016)**. It is set up that the upper station Hindus are fundamentally better in instruction, employment and relative livelihoods than SC, ST and OBCs⁵¹. Access to top notch tertiary instruction has then turned out to be critical to getting to the most powerful section of a decelerating work showcase. Information from NSSO from its 1999-2000 enormous example overview and the statistics 2001 are utilized for the investigation. The main part of India's work force is as yet utilized in horticulture. Administrations are a far off second as far as offers pursued considerably further behind by industry. Be that as it may, on account of yield commitment, administrations represent over half with the rest being shared by the essential sector and industry. By and by, the general economy's capacity to create occupations had changed. Farming was the principle new employment supplier before 1990s. After 1990 net new occupation age has been driven generally by the administration sector (yet there is supreme decrease in new employment development in the economy.) But the total and relative capacity of the economy to create net new occupations has declined fundamentally.

III. LABOR WELFARE MEASURES

Copeland (2009) in research paper on "The Welfare Effects of Incentive Schemes" found that the change in welfare associated with the introduction of incentives⁵². He measured by how much the welfare gains of increased output due to incentives outweigh workers disutility from increased effort. He studied the use of incentives by a firm in the check clearing industry. Using this firm's production records, model and estimate the worker's dynamic effort decision problem. Finally he concluded that the firm's incentive scheme has a large effect on productivity, raising it by 12% over the sample period for the average worker. The cost of increased effort due to incentives is equal to the dollar value of a 5% rise in productivity. Welfare is measured as the output produced minus the cost of effort. Hence, the net increase in the average worker's welfare due to the introduction.

Gupta (2009) conducted research on a "study on employee welfare measures in Arignar Anna Sugar Mills, Tanjore"⁵³. In this project the researcher has found the labour welfare measures provided in the Arignar Anna Sugar Mills are satisfactory, He studied the various dimensions of employee welfare measures perceived by the worker and to the perception of the respondents regarding the various labour welfare provided to them and to suggest to

⁵¹ Maritiunjoy, *Social inequality, labour market dynamics and reservation*, (Special Article, EPW, ZA, 2016).

⁵² A. Copeland, *The Welfare Effects of Incentive Schemes*. (Review of Economic Studies, Volume76, Issue1, Pp. 93-113., 2009).

⁵³ S. Gupta, *Conducted research on a study on employee welfare measures in Arignar Anna Sugar Mills*, (Tanjore, 2009).

suitable measures to enhance HRD intervention used to improve the welfare facilities. The study of satisfaction level of various employees towards welfare measures with special reference to social security. He concluded that 75% employees are satisfied with welfare facilities provide by Arignar Anna Sugar Mills.

Gupta (2009) conducted research on a “study on employee welfare measures in Arignar Anna Sugar Mills, Tanjore”⁵⁴. In this project the researcher has found the labour welfare measures provided in the Arignar Anna Sugar Mills are satisfactory, He studied the various dimensions of employee welfare measures perceived by the worker and to the perception of the respondents regarding the various labour welfare provided to them and to suggest to suitable measures to enhance HRD intervention used to improve the welfare facilities. The study of satisfaction level of various employees towards welfare measures with special reference to social security. He concluded that 75% employees are satisfied with welfare facilities provide by Arignar Anna Sugar Mills.

IV. SOCIAL SECURITY OF WORKERS

OECD (2009) The National Policy on Older Persons (NPOP) was implemented by Ministry of Social Justice and Empowerment, in January, 1999. NPOP recognized the role of individuals, private sector, Non-Governmental Organizations and other institutions of civil society. In India, vital social security, poverty alleviation and social welfare measures are being implemented by various ministries, along with central and individual state departments and civil society. These include Public Distribution System (PDS), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREG), Indira Awaas Yojana (IAY) and Indira Gandhi National Old Age Pension Scheme (IGNOAPS) among others. However, India devotes just around 2 percent of GDP to social protection programmes. Despite efforts of the government, remarkably low public expenditure in social protection programmes is the reason that, only about 11 percent of the labour force is covered with some social security programme or the other.

Warren McGillivray (2011) while studying the Implications of Contribution Evasion of social security pension schemes looked into the nature of contribution evasion and identified the reasons of contributions evasion⁵⁵. He described the possible practical measures to promote compliance and also outlined the dangers of contribution evasion to participants and to the State as well.

Per capita health care expenditure is not necessarily affected by the ageing of the population due to an increase in life expectancy. Rather an increase in

elderly's share of the population seems to shift the bulk of health care expenditure to higher age, leaving per capita unchanged. **Ruggeri (2012)** has found that the growth of health care spending depends on growth of population, age structure change, growth of health care cost per person within each age group and interaction within these factors⁵⁶. The growth of the cost per person depends on the inflation rate and growth of the real cost, which in the future will depend on advances in diagnostic treatment and pharmaceutical technology in the future.

Guhan (2018) observes that the prevailing Social Security Schemes cover only the workers in the organized sector, who enjoy security of employment and regular incomes⁵⁷. Self-employed and informal workers who constitute nearly 90 per cent of workers virtually remain outside the purview of prevailing schemes. He also observed some defects of the Social security schemes in India like limited coverage, administrative lapses, evasion, defects in legislation, and difficulties in enforcement, delay or denial of benefits to entitled persons. The social assistance schemes like old age and destitute pension, which are specifically designed to provide benefits to those below the poverty line, also suffer from various shortcomings of limited coverage and wide variation across the state.

V. NON-STATUTORY AND STATUTORY INDIAN LABOR WELFARE SCHEMES

Dr. Jebamalairaja and Pichumani (2012) pointed out that the labor-welfare measures in the industrial sectors are not yet developed and implemented⁵⁸. They are the crucial for any industrial organization to enhance its productivity in the global world. Aruna (2010) opined that welfare measures are recreational, medical, educational, housing, sanitation and so on. Every organization provides the statutory welfare measures but some organization provides some more welfare facilities to the employees so that they may retain the employees and their quality of work life.

Dr. Usha Tiwari (2014), in his study of Employees welfare schemes and its impact on employee's efficiency at Vindha Telelinks Ltd. appear good⁵⁹. The average mean score and percentage score of the overall of 22 items has been computed at 3.64(66%). As per the study it is observed that VTL Rewa (M.P.) is provided various facilities to the employees and also follow the rules and regulation of state and Indian Government. Therefore there is necessity of making some provision for improving the

⁵⁴ S. Gupta, *Conducted research on a study on employee welfare measures in Arignar Anna Sugar Mills*, (Tanjore, 2009).

⁵⁵ W. McGillivray, *Social security in South Asia*. (In Ahmed, E. et al (Ed) op- cit, 2001).

⁵⁶ S. Guhan, *Social Security in India; Looking One Step Ahead*, (Working paper 11817, Madras: Madras Institute of Development Studies, 2018).

⁵⁷ S. Guhan, *Social Security in India; Looking One Step Ahead*, (Working paper 11817, Madras: Madras Institute of Development Studies, 2018).

⁵⁸ H. P. Singh, Lecture on Labor Welfare Schemes, 4/4/2013r
59 Rege Committee 2012
<http://faceintervieweasier.blogspot.in/2012/04/historical-development-of-Labor.html>

welfare facility through that employees will become happy, employees performance level become increase. It leads to improve favorable effects of profitability and products of the organization. They identified that the Auto sector companies provide welfare facilities to their employees to keep their motivation levels high. He classified the welfare measures in to (1) intramural activities (2) extramural activities. Now day's maximum companies give their employees Non Statutory (voluntary) welfare and recreational facilities. Under this research I have studied welfare measures provided to the employees, satisfaction and awareness about the welfare it leads employee performance.

Dr. M. Ravichandra and Divyaraja (2017) are identified that the employee welfare measures are affected some variables namely satisfaction, rewards, time, facilities and finally the work environment⁶⁰. This study finds, increased productivity, employee skill development, less supervision, achieve the goal in effective and performance manner will be helpful for the organization development and for the growth of the organization. They observed that the employees are the backbone of the successful organization. The concern can get maximum performance from the workers by satisfying their expectations. The welfare facilities are essential for all successful organizations. From the research conclude that the labour welfare facilities are provided properly, in addition to that the research suggested some ideas to improve the welfare facilities.

Chepuri and Rao (2017) Health, safety and welfare are the measures of promoting the efficiency of employee at work⁶¹. The various welfare measures provided by the employer will have immediate impact on the health, physical and mental efficiency. Contributing high performance by the worker leads to the higher productivity. Welfare measures may be both statutory and non-statutory; to fabricate motivation the employer should extend certain benefits to employees in addition to wages or salaries. In the present study an attempt has been made to study the employee Non Statutory welfare facilities and its impact on employee performance at Reliance KG D6, Kakinada. The study focuses on Non Statutory Welfare Facilities in Reliance Kg D6. The primary data collected by direct interview method from 100 Employees of different selected departments in the organization. It can be conclude that the employee welfare facilities provided by the company to employees are satisfied and it is commendable, but still lot of scope is there for further improvement. So that efficiency, performance and productivity can be enhanced to accomplish the organizational goals.

⁶⁰ Dr. M. Ravichandran, and S. Divyaraja, "An Organizational Study and a Study on Employee Welfare with Special Reference to Podaran Foods India Pvt. Ltd, Kangayam" International journal of Emerging Technologies in Engineering Research, vol-4

⁶¹ A. Chaia, A. Martinez and L. E. Rodriguez, "Reforming Latin American Pension Systems", (The McKinsey Quarterly, pp.126-131, 2007).

VI. CONCLUSION

Social Security is a Programme of protection provided by society against the contingencies of modern life, sickness, unemployment, old age, dependency, industrial accidents and invalidation against which the individual cannot be expected to protection himself and his family by his own ability or foresight. Comprehensive social security policy should link and co-ordinate different schemes to achieve inter complementary goals of different schemes. Social security schemes will contribute towards social protection if carefully designed to meet the local needs, adequately supported with resources, and integrating with the National Policy which is committed to providing social protection to the excluded majority.

REFERENCES

1. Sharma A. M. (2016). Aspects of Labour Welfare and Social security, Bombay Himalaya.
2. "Labour Laws" Taxman, New Delhi, 2003.
3. Best employers in India, Annual summary, 2002, 2003, 2004, Business today, great places to work, annual summary, 2003 and 2004, business world
4. "Reports of the Labour Investigation Committee" Government of India, 1946
5. Zeenat Hisan (2006). "Collective Care Arrangements in the Informal Labour Market". Road Transport Workers in Pakistan, Economic and Political Weekly, 27th May-2006.
6. Human Resource Management Second Edition -V S P RAO.
7. Report on the national commission on labor, 1969
8. Report of the committee on labor welfare, 1969.
9. Report on the royal commission on labor in India, 1931.
10. Malhotra, S. N. (1980). labour Problems in India, New Delhi, S. Chand & Co. (Pd.) Ltd., p. 197.

Corresponding Author

Jodha Bai*

VPO-Batta, Kaithal