

**A CRITICAL REVIEW OF COMPLIANCE OF STATUTORY  
PROVISIONS WITH REFERENCE TO LABOUR WELFARE IN  
MANUFACTURING UNITS IN PUNE.**

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**Introduction:**

Labor welfare is an important issue for any manufacturing organization. A small neglect in the aspect can create serious implications for the employees and employers alike. Recent issues and disputes in leading organizations point to the importance of labour welfare policy implementation in manufacturing units. A recent issue at Maruti Suzuki, a serious turn by the management as to not to appoint Grievance Redressal Committee and a Labour Welfare Committee, agitated the workers to demonstrate against the management. Labour laws state that companies must have the two above mentioned committees for the benefit of the workers and Maruti Suzuki has flouted rules by not having them at its Manesar plant<sup>i</sup>. This led to workers going on strike in 2012 demanding a wage increase and better working conditions.<sup>ii</sup> This paper aims to find out the extent of statutory provisions compliance by the manufacturing organization in Pune.

**Scope of the Research**

The scope of the research is random sampling in manufacturing units in Pune region.

**Labour Welfare and Statutory Compliances**

“Welfare “ is a provision made to provide assistance to individuals on various aspects. It is a very broad concept which not only covers state provisions but also individual provisions by companies. The Government / State imposes / mandate welfare programs for the workers which are to be implemented by organizations who arrange specialized programs for the welfare of employees.

The concept of a “WELFARE” state is “Health First and Health Last”. The scope of welfare includes economic, social and political contents. It is a method of tackling various problems of weaker section of the society like poverty, unhygienic, recreational profit sharing and other facilities to name a few.

The need for labor welfare is to maintain a balance of physical, mental, moral and emotional well-being of individuals. It further devolves to society as a whole maintaining the national economy irrespective of region to region, industry to industry and country to country. It is the duty of the state to maintain Welfare of its people to maintain good work life, free from pollution and provide facilities for food, clothing , housing , medical assistance , education , insurance , job security , recreation and the like. The Indian government has devolved a number of schemes in order to maintain good health and clean environment for its People. It is mandatory for every organization to implement such government schemes. The organization also should contribute towards the society namely in the form of “CSR” or “Corporate Social Responsibility”.

The objective of this paper is to explore the contribution of Organizations towards the “WELFARE” of its employees and effective implementation of the various employee welfare schemes. After Independence India has had a positive role to play in increase productivity and reducing industrial tension. The development of INTUC (1947), HMS (1948), UTUC (1949), BMS (1955), CITU (1970) NLO (1969) gave a further fillip to the growth of labour welfare movement<sup>iii</sup>. The various Five Year Plans since 1961 till date stress upon the allocation of budgets for labour welfare.

**Table 1: Trends in Labour Welfare provisions as per Five Year Plans**

Five Year plan	Various Welfare Acts
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First Five Year Plan (1951 – 56)	<ol style="list-style-type: none"> <li>1. The Mines Act 1952</li> <li>2. The Plantation Labour Act 1951</li> <li>3. The employees’ Provident Fund Act 1952</li> <li>4. Subsidized Housing Schemes for industrial workers 1952.</li> <li>5. The Bombay housing Board Act 1948.</li> </ol>
Second Five Year Plan (1956 – 61)	<ol style="list-style-type: none"> <li>1. Employees’ State Insurance Schemes</li> <li>2. The Assam Tea Plantation Employees’ Welfare Fund Act.</li> </ol>
Third Five Year Plan (1961-66)	<ol style="list-style-type: none"> <li>1. The Apprentice Act 1961</li> <li>2. The Iron- Ore Mines Labour Welfare Cess Act 1961</li> <li>3. The Payment of Bonus Act 1965</li> </ol>
The Fourth Five Year Plan (1969 – 74)	<ol style="list-style-type: none"> <li>1. Employees’ State Insurance Schemes</li> <li>2. The Payment of Gratuity Act 1972</li> <li>3. The Employees ‘ Family Pension Scheme 1971</li> </ol>
Fifth Five Year Plan (1974 – 79)	<ol style="list-style-type: none"> <li>1. Amount of Rs 57 Crores – provided for labour welfare including craftsmen training and employment service.</li> </ol>
Sixth Five Year Plan (1980 – 85 )	<ol style="list-style-type: none"> <li>1. Family Pension Schemes</li> <li>2. Programmes for benefit of labour, artisans, fishermen and other unorganized workers.</li> </ol>
Seventh Five Year Plan (1985-90)	<ol style="list-style-type: none"> <li>1. Child Labour and erradiction.</li> <li>2. Tasks for women labour</li> <li>3. Rs 344 crores for centre and the state and the union territories’ had been provided for labour welfare in the plan.</li> </ol>
Eight five Year Plan (1992 – 97)	<ol style="list-style-type: none"> <li>1. Stress for improvement in quality of labour , productivity, working conditions and social security measures.</li> </ol>
Ninth Five Year Plan (1997-2002)	<ol style="list-style-type: none"> <li>1. Conditions for improvement in labour</li> <li>2. Priority to agriculture and rural development</li> <li>3. Review of statutory and non statutory schemes in</li> </ol>

	<p>industrial establishment both in public and private sector.</p> <p>4. The National Labour Commission gave certain suggestions.<sup>iv</sup></p>
Tenth Five Year plan	<ol style="list-style-type: none"> <li>1. National Plan of Action to operationalise the Women's Empowerment Policy</li> <li>2. National Policy and Charter for Children</li> <li>3. National Commission for Children to ensure protection of their rights</li> <li>4. National Nutrition Mission</li> <li>5. Pilot project for providing food-grains to under-nourished pregnant and lactating mothers and to adolescent girls</li> </ol>
Eleventh Five Year plan	<ol style="list-style-type: none"> <li>1. functions of the Labour Department.to maintain Industrial relations, to Enforcement of Labour Laws,Ensuring payment of minimum wages to the workers, Labour welfare , Labour Statistics , National Child Labour Project (NCLP) ,Industrial housing Scheme .</li> <li>2. Rs. 459.00 lakhs proposed Separate inspector, factories and boilers department in the state.</li> <li>3. To ensure industrial safety and health amongst the industrial workers, promoting labour welfare through industrial hygiene in the organised sector and enforcing effectively the statutory provisions relating to industrial safety and health.</li> <li>4. In the Eleventh Five Year Plan, Rs 10.00 lakhs has been proposed for the scheme of bonded labour, and Rs. 1.00 lakh is proposed for Annual Plan 2007-2008.</li> <li>5. The Eleventh Five-Year Plan, an allocation of Rs. 7.00 lakhs</li> </ol>

	has been proposed for manpower and gazetteers department and Rs. 1.00 lakh for Annual Plan 2007-2008. <sup>v</sup>
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### **Statutory Welfare Provisions**

There are various statutory Welfare Provisions provided under the following Act

1. The Factories Act 1948
2. The plantation Labor Act 1951
3. The Mines Act,1952
4. The Motor Transport Workers Act, 1961
5. The Contract Labour (Regulation and Abolition) Act, 1970

The Statute provides for various welfare provisions which have to be incorporated by business organizations. They are as follows

- a. **Washing Facilities** – Every factory has to provide adequate and suitable washing facilities separate for male and female workers.<sup>vi</sup> Under The Contract Labour (Regulation and Abolition) Act, it provides that every contractor employing contract labour in connection with work of an establishment has to provide and maintain washing facilities.<sup>vii</sup>
- b. **Facilities for Storing and Drying Clothing** – Suitable places for clothing not worn during work have to be placed in separate rooms allocated for such. Further the Maharashtra Factories Rules, 1963, states that separate pegs, lockers and other arrangements approved by the chief Inspector should be installed.<sup>viii</sup>
- c. **Facilities for Sitting** – Rest places must be provided for all workers and especially for those who are in a standing position for a continuous period of time.

- d. **First – Aid Appliances** – Is the most for every factory. Every factory must provide and maintain first- aid boxes or cupboards equipped with the prescribed contents. Where there are 150 workers - one medical box to be maintained. A separate responsible person to be maintained and readily available to all. Where there are 500 workers an ambulance, prescribed equipments’ which should be readily available anytime for all.<sup>ix</sup>
- e. **Shelters, Rest Rooms and Lunch Rooms** – Where 150 more workers in a business organization, then adequate shelters or rest rooms and lunch rooms with provision for drinking water, should be furnished. Workers employed under the Motor Transport Workers Act should be provided with adequate rest room or suitable alternatives accommodation at night.<sup>x</sup>
- f. **Canteen Facilities** - Where 250 more workers are employed, proper canteen facilities to be provided.<sup>xi</sup> In cases of plantation where 150 or more workers are employed there is statutory provision as to provide for canteen facility.
- g. **Crèche** – Where more than 50 or more women workers were employed it is a statutory obligation on the employers to provide for crèche facilities. Section 48 under The Factories Act, 1934 to provide for Crèche facilities where there are 30 women workers employed for the use of children under the age of 6 years. Rooms to be adequately lighted and ventilated.<sup>xii</sup>

### **Voluntary Welfare Measures**

These welfare measures are undertaken by the employers which are on a voluntary basis.

- a. **Educational Facilities:** Catering to the Social interest of the society employers have undertaken to provide educational loans to employees. The sole objective is to eradicate illiteracy.
- b. **Transport Facilities:** To provide transport facilities for the workers. This is in order to release them from strain and anxiety. In order to provide greater facilities for relaxation and recreation.

- c. Recreational Facilities – To contribute towards social development. Such activities are undertaken to develop his sense of physical and mental discipline.
- d. Housing Facilities – To provide housing facilities to their employees.
- e. Consumer Co-operatives Societies – Where people associate together on the basis of equality for the promotional of their economic interest.

**Methodology of Study:**

**A survey of manufacturing organization in Pune was carried out to study further aspects in implementation of labour welfare statutory provisions.**

**Findings and Discussions:**

- (i) Every organization had dedicated personnel for labour welfare.
- (ii) Most organizations surveyed had employee strength of more than 100 employees and upto 4500 employees. Also it was observed that women employees were on an average about 5% to 20%.
- (iii) Monthly meetings with employees were regularly held in the organizations .
- (iv) Medical facilities provided were either missing or inadequate.
- (v) Provision of canteen and crèche provision as per rules is observed.
- (vi) Transport facility is provided by forty percent of the organizations.
- (vii) Incentives are given to employees on quarterly, half yearly or annual basis.
- (viii) Performance based promotions are followed by most organizations and annual promotions by ten percent.
- (ix) Safety measures are adequately taken in the form of prohibition of hazardous machines for women, masks and gloves, safety shoes, helmets, eye safety, ambulance etc as necessary.
- (x) Environment is maintained clean by following mandatory requirements like, ventilations, spittoons, drinking water, toilets, exhaust fans, etc
- (xi) A few MNCs were found to be more employee friendly by providing quality crèche facilities, play areas, etc

- (xii) Safety of the employees is taken care of by providing industrial shoes, toilets, spittoons , washing facilities , lighting and dry area.
- (xiii) Canteens are provided where the employees are more than 150. Medical facilities are provided.

### **Other additional provisions**

Also, in addition to the statutory provisions some of the organizations were found to be following practices that inculcated a feeling of belongingness and caring. These practices were

Gifts and Sweets distribution on festivals, Greeting and celebrating birthdays, get together with all family members, child welfare, loan for child's education , Annual get-together with family, Picnic, Medical and education facilities. Periodic incentives are given and promotion is a tool to motivate employees to give maximum output.

### **Suggestions**

- (i) Organizations need to focus on providing quality medical facilities to employees more seriously.
- (ii) Organizations to concentrate on facilitating common transport to its employees.

### **Conclusions**

From the above data collected it is seen that the organizations by and large follow the provisions laid down by the Indian Labour Organizations and all the procedures under Welfare and Safety laid down under the Factories Act, yet they differ in some respects. It is seen that most of the organizations have implemented various government schemes.

It is further observed by the researchers that despite government welfare policies and their effective implementation the sense of Corporate Social Responsibility (CSR) is growing among the business organizations.

The organizations have laid down the underline principle as to” HEALTH, WELFARE and SAFETY First and HEALTH, WELFARE and SAFETY LAST.”

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- <sup>iii</sup> A.M.Sharma, ”Aspects of Labour Welfare and social Security “,Pg 13,Himalaya Publishing House, Reprint 2009.
- <sup>iv</sup> *ibid*
- <sup>v</sup> [http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11\\_v3/11th\\_vol3.pdf](http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v3/11th_vol3.pdf)
- <sup>vi</sup> Section 42, The Factories Act 1948.
- <sup>vii</sup> Section 18©, The Contract Labour (Regulation and Abolition) Act, The Contract Labour (Regulation and Abolition) Rules, 1971.
- <sup>viii</sup> The Maharashtra Factories Rules, 1963.
- <sup>ix</sup> Section 21, The Mines Act, The Factories Act 1948, Section 12, The Motor Transport Workers Act, Section 19 The Contract Labour (Regulation and Abolition) Act.
- <sup>x</sup> Section 46 – The Factories Act 1948, Section 9 – The Motor Transport Workers Act
- <sup>xi</sup> Section 46 of The Factories Act and Rules 79 to 85 of The Maharashtra Factories Rules, 1963. Also refer Cooperatives Society’s Act 1960, The Motor Transport Workers Act.
- <sup>xii</sup> Section 48 - Factories Act 1948, Rule 87 – The Maharashtra Factories Rules 1963. Section 12 - The Plantation Labour Act. , The Mines Crèche Rules 1959, The contract Labor (Regulation and Abolition) Central Rules, 1971.

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