

Chapter-7

LABOUR WELFARE

7.1 The Government has provided the social security cover to most of the workers in the unorganised sector through the Employees Provident Fund Office (EPFO) and the Employees State Insurance Corporation within the legal framework. However, no such social security cover has been provided to the workers in the unorganised sector who constitute about 92% of the total work force. The concept of Labour Welfare Fund was, therefore, evolved in order to extend a measure of social assistance to workers in the unorganized sector. Towards this end, separate legislations have been enacted by Parliament to set up five Welfare Funds to be administered by Ministry of Labour and Employment to provide housing, medical care, educational and recreational facilities to workers employed in beedi industry, certain non-coal mines and cine workers.

7.2 The scheme of Welfare Funds is outside the framework of specific employer and employee relationship in as much as the resources are raised by the Government on a non-contributory basis and delivery of welfare services affected without linkage to individual worker's contribution. Welfare funds, which follow a sectoral approach, are in addition to a large number of various other poverty alleviation and employment generation programmes, which follow a regional approach and for which most of these workers are eligible.

LABOUR WELFARE FUNDS

7.3 The Ministry of Labour and Employment is administering five Welfare Funds for beedi, cine and certain categories of non-coal mine workers. The Funds have been set up under the following Acts of Parliament for the welfare of these workers: -

- The Mica Mines Labour Welfare Fund Act, 1946;

- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
- The Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund Act, 1976;
- The Beedi Workers' Welfare Fund Act, 1976; and
- The Cine Workers' Welfare Fund Act, 1981.

7.4 The above Acts provide that the Fund may be applied by the Central Government to meet the expenditure incurred in connection with measures and facilities which are necessary to provide the welfare of such workers. In order to give effect to the above objectives laid down in the above Acts, various welfare schemes have been formulated and are under operation in the fields of Health, Social Security, Education, Housing, Recreation and Water Supply.

7.5 During 2004-05 a new scheme has been started for providing better health services to beedi workers. Under this scheme all the State Governments / ESIC / Beedi workers housing cooperative societies / reputed NGO's / Central or State Government recognized private hospitals intending to construct or expand its existing infrastructure exclusively for providing both indoor and outdoor medical facilities to beedi workers and their dependents shall be eligible for one time grant-in-aid of up to Rs.2.0 crore or 75 % of the actual cost of construction of the hospital building or including the cost of medical equipments, which ever is less. One time grant-in-aid would also be available for purchase of Ambulance / Mobile van equipped with medical / laparoscopic equipments and accessories up to a limit of Rs.4 lakh or 75% of the total cost or actual cost which ever is less. They will also be eligible for reimbursement of an amount equivalent to

the medicines supplied to beedi workers and their dependents up to an amount not exceeding Rs.10 lakh per annum or 75 % of the actual cost, which ever is less. The Integrated Housing Scheme for beedi workers has also been liberalized and the amount of housing subsidy has been increased from Rs.20,000 to Rs.40,000 per tenement.

7.6 The Labour Welfare Organization which administers these Funds is headed by a Director General (Labour Welfare)/ Joint Secretary. He is assisted by the Welfare Commissioner (Headquarters) of Director rank, who supervises nine Regional Welfare Commissioners for the purpose of administration of these Funds in the States. The jurisdiction of each Welfare Commissioner has been shown in the **Table-7.1**

ADVISORY COMMITTEES AND THEIR MEETINGS

7.7 To advise the Central Government on matters related to administration of the above Funds, tripartite Central Advisory Committees have been set up under the respective Welfare Fund Acts. These Committees are headed by Union Labour Minister. The Central Advisory Committees have 18 members, 6 each from Central Government, Employers' Organizations, and Employees' Organization excluding the Chairman and Secretary.

7.8 Central Advisory Committees on the Beedi Workers Welfare Fund, Limestone & Dolomite Mines Labour Welfare Fund and Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund were held on 10.10.2003, 25.08.2003 and 07.07.2003 respectively.

LEVY OF CESS

7.9 The Labour Welfare Funds are financed out of the proceeds of cess levied under respective Cess/Fund Acts on manufactured beedis, feature films, export of mica, consumption of limestone &

dolomite and consumption and export of iron ore, manganese ore & chrome ore as per the rates given below: -

- Beedi Workers Welfare Cess Act, 1976 provides for levy of cess by way of excise duty on manufactured beedis from Re.1/- to Rs.5/- per thousand manufactured beedis. This is presently Rs.2 per 1000 beedis w.e.f. 28.06.2000.
- The Cine Workers Welfare Cess Act, 1981 provides for duty of cess, at such rate not being less than one thousand rupees and not exceeding twenty thousand rupees, on every feature film submitted to the Chairman, Central Board of Film Certification. This is Rs.20,000 per feature film of Hindi and English and for regional films it is Rs.10,000 per film w.e.f. 20.04.2001.
- The Iron Ore, Manganese Ore & Chrome Ore Mines Labour Welfare Cess Act, 1976 provides for levy and collection of cess on Iron Ore, Manganese Ore & Chrome Ore between paise 50 to Re.1/-, Re.1/- to Rs.6/- and Rs.3/- to Rs.6/- respectively. The rate of cess rate is Re. 1 per metric tonne (MT) on Iron Ore. The rate of cess is Rs.4 per MT on Manganese Ore and Rs.6.00 per MT on Chrome Ore w.e.f. 11.9.2001.
- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 provides for the levy and collection of cess on Limestone and Dolomite as a duty of excise at such rate not exceeding one rupee per metric tone of limestone & dolomite. The rate of cess on Limestone and Dolomite is Re.1/- w.e.f. 27.12.2000.
- Mica Mines Labour Welfare Fund Act, 1946, provides for levy and collection of cess on all mica exported as duty of Customs not exceeding 6.25% ad valorem. This is 4.5% ad valorem on export w.e.f. 01.11.1990.
- Achievements of Welfare Funds in brief are given in **Table-7.2**

Table 7.1**WELFARE COMMISSIONERS AND THEIR JURISDICTION**

S. No.	Name of Region	States Covered
1	Welfare Commissioner, Allahabad	Uttar Pradesh, Himachal Pradesh, Punjab, Jammu & Kashmir and Uttaranchal
2	Welfare Commissioner, Bangalore	Karnataka & Kerala
3	Welfare Commissioner, Bhilwara	Gujarat, Rajasthan & Haryana
4	Welfare Commissioner, Bhubaneswar	Orissa
5	Welfare Commissioner, Kolkata	West Bengal, Assam, Tripura & Meghalaya
6	Welfare Commissioner, Hyderabad	Tamil Nadu & Andhra Pradesh
7	Welfare Commissioner, Jabalpur	Madhya Pradesh and Chhattisgarh
8	Welfare Commissioner, Karma	Bihar and Jharkhand
9	Welfare Commissioner, Nagpur	Maharashtra & Goa

Table 7.2**Achievements of Welfare Funds**

	2003-2004	2004-2005
Utilization of Welfare Funds	Rs.98.98 crore	Rs.77.62 crore
Cess collection	Rs.110.73 crore	Rs.43.74 crore
Expenditure on health care facilities	Rs.37.45 crore	Rs.29.84 crore
Number of Patients treated in dispensaries / hospitals	Rs.51.58 lakh	Rs.36.04 lakh
Assistance sanctioned for housing	Rs.11.40 crore	Rs.21.36 crore
Expenditure on educational assistance	Rs.43.23 crore	Rs.35.01 crore
Expenditure on recreational facilities	Rs.0.682 crore	Rs.0.41 crore
Expenditure on Water Supply	Rs.0.18 crore	Rs.0.1 crore

Note: 2004-2005 figures are upto 31st December 2004.
