

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 2004-2005, 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, whichever 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 whichever 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, whichever is less.

7.6 The existing Integrated Housing Scheme, 2004 has been simplified, rationalized and decentralized and has been replaced with a new scheme on a pilot-basis, namely, **“Revised Integrated Housing Scheme-2005” for Beedi Workers etc.** which has been implemented w.e.f. 25.05.2005. A beedi worker will have to contribute an amount of Rs.5,000/- only as worker’s contribution along with his application form, instead of Rs. 40,000/- under the erstwhile Integrated Housing Scheme, 2004; and having a piece of land in his/her or spouse’s name with one year service and family income of Rs.6,500/- per month, will be eligible for a uniform housing subsidy of Rs.40,000/- per worker, per tenement, for the construction of a house. The subsidy will be released to the respective State Government. The Deputy Collector / Deputy Commissioner of the concerned district through the State Government would release the subsidy to the eligible beneficiaries in two equal installments of Rs.20,000/- each. The first installment would be released after grant of administrative approval and the second installment would be released on reaching the construction at roof level. The benefits of the scheme would also be available to the workers engaged in the Iron Ore, Manganese Ore & Chrome Ore Mines (IOMC), Limestone Ore & Dolomite Ore Mines (LSDM) and Mica Ore Mines.

7.7 In addition, under the Type I and Type II Housing Schemes for mine workers, mine managements are granted subsidy at the rate of Rs.40,000/- and Rs.50,000/-

respectively, per dwelling units, or 75% of the actual cost of construction per tenement, whichever is less.

7.8 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

7.9 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 & Employment Minister. The Central Advisory Committees have 21 members, 7 each from Central Government, Employers' Organizations, and Employees' Organization respectively and Central Advisory Committee on Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund and Limestone & Dolomite Mines Labour Welfare Fund have 18 members, 6 each from Central Government, Employers' Organisations, and Employees' Organisations respectively excluding the Chairman and Secretary.

7.10 The meetings of Central Advisory Committee on the Cine Workers Welfare Fund were held on 7th January 2004 and 28th January 2005 and Beedi Workers Welfare Fund was held on 28th January 2005.

LEVY OF CESS

7.11 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: -

- The 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.4/-per 1000 beedis w.e.f 01.04.2005
- 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/- per MT on Chrome Ore w.e.f. 11.09.2001.
- 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.
- The 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, Ajmer	Gujarat, Rajasthan & Haryana
4	Welfare Commissioner, Bhubaneshwar	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		
	2004-2005	2005-2006*
Utilization of Welfare Funds	Rs.108.59 crore	Rs.51.11 crore
Cess collection	Rs.97.80 crore	Rs.51.27 crore
Expenditure on health care facilities	Rs.44.51 crore	Rs.21.02 crore
Assistance sanctioned for housing	Rs.13.16 crore	Rs.68.75 crore
Expenditure on educational assistance	Rs.44.38 crore	Rs.21.45 crore
Expenditure on recreational facilities	Rs.0.69 crore	Rs.0.26 crore

Note : *2005-06 figures are upto September, 2005.
