

Chapter - 7

LABOUR WELFARE

7.1 The Government has provided the social security cover to most of the workers in the organized sector through the Employees Provident Fund Organization (EPFO) and Employees State Insurance Corporation (ESIC) within the legal framework. However, no such social security cover has been provided to the workers in the unorganized sector who constitute 93% 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 & 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 & Employment is administering five Welfare Funds for beedi, cine and certain categories of non-coal mineworkers. 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 Acts enable the Central Government to meet the expenditure incurred in connection with measures and facilities which are necessary or expedient to promote the welfare of such workers. In order to give effect to the 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 an additional avenue was created for providing better health services to beedi workers. Under this scheme, all the State Governments / ESIC / Beedi workers group housing cooperative societies / reputed NGO's / Central or State Government recognized private hospitals/dispensaries intending to construct or expand its existing infrastructure exclusively for providing both indoor and outdoor medical facilities to beedi workers and their dependents are 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 is also available for purchase of Ambulance / Mobile van equipped with medical / laparoscopic equipments and accessories up to a limit of Rs. 4.0 lakh or 75% of the total cost or actual cost whichever is least. They are also eligible for reimbursement of the cost of 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 Reputed and Recognized private hospitals have been identified to provide specialized treatment to the mine/beedi/cine workers in respect of heart, kidney and cancer diseases on credit basis to enable the beneficiaries to get the costly treatment without paying anything in advance to the hospitals.

7.8 Welfare Commissioners under the Labour Welfare Organization have been delegated powers for reimbursement of medical claims upto Rs.2.00 lakh.

7.9 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.” It has been implemented w.e.f. 27th May, 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 up to Rs. 40,000/- under the erstwhile Integrated Housing Scheme, 2004. A beedi worker or a Ghar Khatta, engaged in the beedi making, having a piece of land in his/her or spouse’s name, with one year service, *with* 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 full 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), Lime Stone and Dolomite mines (LSDM) and Mica Mines.

7.10 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, which ever is less.

HANDING OVER CEREMONY OF 10,000 HOUSES OF WOMEN BEEDI WORKERS AT SOLAPUR ON 1st SEPTEMBER, 2006 BY THE HON’BLE PRIME MINISTER

7.11 Welfare activities of beedi workers are met from the Cess collections under Beedi Workers welfare Fund (BWWF) @ Rs. 5 per 1000 beedi. The rate of Cess on beedi has been increased from Rs.2 to Rs.5 per 1000 beedi during last two years. During last 13 years since 1993-94, more than **1.25 Lakh houses** have been sanctioned under the Integrated Housing Scheme & the Revised Integrated Housing Scheme (RIHS), 2005. The subsidy available for construction of a house by a beedi worker presently is Rs.40,000. Under the earlier scheme an amount of Rs.20,000 per tenement was granted as housing subsidy.

7.12 As a result of initiative taken by Mrs. Mangala Hotgi, Mrs. Shashikala

Panibhate, Mrs. Fatima Farid Baig and Ms. Naseema Gudubhai Shaikh, under the guidance of the social worker **Mr. Narsayya Adam**, an MLA in Maharashtra Assembly, the Comrade Godutai Parulekar Mahila Beedi Kamgar Sahakari Grih Nirman Sanstha Maryadit – A/B/C, Solapur, was registered as **Cooperative Society** to give **10,000 houses** to the members of the **Women's' Co-op. Society** by M/s. Pandhe Construction (P) Ltd., Solapur, who were also appointed as developer for execution of this project.

7.13 This project is perhaps the first of its kind and an excellent example of 'public-private relationship in Co-operative Sector. The land area admeasuring 400 acres (app.) for construction of 10,000 houses having other facilities has been purchased by the developer for construction of 10,000 houses. Ministry of Labour & Employment gave administrative approval of this mega-project in year 2000. After constructing 10,000 houses for the three Women Co-operative Societies, completed in all respects, and with all the facilities like open areas, parks, approach roads etc. the developer will hand-over these houses to the Societies. The remaining area earmarked for commercial purposes will be the property of the developer. In this way beedi workers will get land and a completed house in her own name at a much less cost, because of '**economies of scale**' as the developer has constructed 10000 houses.

7.14 Besides, the State Govt. has provided Water Storage System (Over-head Tanks & Under-ground Tanks for supply of water. The State Govt. is in process of completing infrastructure facilities like main road from Kumbhari to Nilamnagar, internal roads/streets/lanes, external electrification, street-lights & work sub-station of 33/11 KV amounting Rs.375 Lakh (installed); water-supply line scheme amounting Rs.972 Lakh Over-

head/Underground Water tanks (completed), water pipelines etc.

7.15 The cost per dwelling unit, was estimated at Rs.64, 965/-, out of which the Ministry's share as Central subsidy is Rs. 20,000/-, the State Govt.'s share is Rs. 20,000/- and the beedi worker will contribute the remaining amount. Each dwelling unit is being constructed on a land area of 51.66 Sqr. meters with built up area of 23.70 Sqr. meters having a living room, kitchen room and WC. Out of 10,000 houses, construction of **8204 houses** has since been **completed** and remaining 1796 houses are at various stages of construction. The Hon'ble Prime Minister of India handed over 5 (five) houses to the women beneficiaries on this auspicious occasion held on **1st September, 2006** at the site at Solapur. So far, **central subsidy** amounting to **Rs 17.40 Crore** has been released to the Society. The Society has also been granted matching subsidy by the Maharashtra State Govt.

7.16 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

7.17 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 a Chairman, nominated by Union Labour and Employment Minister. The Central

Advisory Committees on Beedi Workers Welfare Fund and Cine Workers Welfare Fund have 21 members, 7 each from Central Government, Employers' Organisations, and Employees' Organisations 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.

7.18 The meetings of Central Advisory Committee on the Cine Workers Welfare Fund, Beedi Workers Welfare Fund and Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund were held on 29th March, 2006, 23rd June, 2006 and 26th June, 2006.

LEVY OF CESS

7.19 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 5/- per thousand manufactured beedis w.e.f. 1st April, 2006.
- 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 is Re.1/- per 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. 11/9/01.
- The Limestone and 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. 1/11/1990.

7.20 Achievements of Welfare Funds in brief, are given in **Table-7.2**.

Table 7.1		
WELFARE COMMISSIONERS AND THEIR JURISDICTION		
Sl.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, 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		
	2005-2006	2006-2007
Utilization of Welfare Funds	Rs.152.55 crore	Rs.35.04 crore*
Cess collection	Rs.161.75 crore	Rs.88.98 crore*
Expenditure on health care facilities	Rs.8.42 crore	Rs.2.09 crore**
Assistance sanctioned for housing	Rs.6.49 crore	Rs.0.64 crore**
Expenditure on educational assistance	Rs.45.01 crore	Rs.0.64 crore**
Expenditure on recreational facilities	Rs.0.08 crore	Rs.0.007 crore**

*2006-07 figures are upto August, 2006.

**2006-07 figures are upto July, 2006.
