at retirement, retrenchment etc. In case of death of the worker, the gratuity is made to the dependents of the deceased worker. This is for the workers of mines, factories, oil fields, plantations, ports, railways, companies, shops and other establishments.

- **Employee's Pension schemes:** The governments of India introduced two types of pensions schemes- the Coal Mines Family Pension scheme and Employees' Family Pension Scheme in 1971. The main aim is to provide long-term financial support to family of a worker who met premature death. In the year 1995, Employees' Pension Scheme replaced this. Under this scheme, 50% pay is payable to the employees at the retirement or retrenchment on completion of 33 years of contributory service. To avail this scheme, 10 years' service is mandatory.



CHECK YOUR PROGRESS

Q 7: What is meant by social security?

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Q 8: Name five different types of social security measures available in India.

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12.10 PROBLEMS IN LABOUR MARKET AND SUGGESTIVE MEASURES

12.10.1 Definition of Labour Market

According to Oxford Dictionary of Economics, labour market are the processes by which workers and employers are brought into contact, and wages and conditions of work are decided. Some of these involve formal institutions: contacts between workers and employers may be arranged by employment exchanges or agencies, either public or private. Wages and conditions of work are frequently

disputes in India, personnel and retrenchment turn out to be a significant factor. It accounted about 29 percent of the total disputes during 1961-76. It was decreased to nearly 22% in 1981-84.

- **Non-implementation of labour laws:** Non implementation of laws formulated in favour of labour results in industrial disputes. In India, nearly 200labour laws are formulated at union and state levels. But they are very poorly implemented an enforced.
- **Conflict between employer and employee:** The basic reason behind the industrial dispute is the conflicts between the goals of employers and employee. If employers try to maximise their profit maximisation goal, the employee are certainly effected by lower wage rates, no bonus or low bonus, under provision of working conditions, over-time work etc.
- **Job security:** Job security is the most prior need of present time's worker. The job with less job security is least preferable. On onset of uncertain economic conditions (business cycle), lack of job security could be reason for industrial dispute.
- **Political factors:** Political interest also remains behind industrial dispute in India. It appears that political parties in most cases use trade union for their own benefits and trade union works under the wings of political party. In earlier, the trade union were not much powerful to influence employers. But now-a-days, trade union acquires strength and enables to influence employers. The trade union also conscious to avail their rights by using political power. Thus, the political scenario of a nation may result in disputes among workers and employers.
- **Intra/inter union fights:** Another reason behind disputes can be the inter union as well as intra union rivalry. Now a day, there are more than one union in a single industry. The objectives of these multiple unions are not always the same. These differences lead to industrial unrest.

- **Lock outs:** A Lock out is the extreme cause of industrial disputes in India. The lockouts are declared by employers when the productivity of the workers is low, prolonged strike for fulfilment of different demands of workers, increase in competition due to liberalisation policy, higher degree of bargaining power of employers etc.

12.8.2 Settlement of Industrial Disputes

The industrial dispute is a very common phenomenon in all economies. The conflicts between the two major players of industrial sector i.e., employers and employees on various issues are not conducive for economic growth and development of an economy. Thus, a good and co-operative behaviour among employers and employees is essential requirement for preventing the industrial disputes. Therefore, many measures have been undertaken to settle industrial disputes in India. The primary objective of industrial dispute settlement is to assist all the players of industrial sectors to settle their problems without any work stoppage. Generally, there were two types of disputes settlement mechanisms: conciliation and arbitration. Conciliation (also known as mutual negotiation) is a settlement mechanism in which settlements are done through discussions or mediation. A neutral third party is chosen to narrow down the gap between disputed parties to achieve an amicable solution. In the terminology of industrial disputes, the conciliation officer is called as "Flying Ambulance Squad." Though this seems to be an effective mechanism, it is a time-consuming process and the economy suffers the cost of delay in disputes settlement.

In the arbitration mechanism an arbitrator (a neutral member) tries to solve the industrial disputes. Arbitration can be of two types: voluntary and compulsory. In the voluntary arbitrary, a neutral or impartial third party is employed by the disputing parties to settle the disputes. In the compulsory arbitration (also known as adjudication),

for the period less than the three years. For permanent disablement, the payment is made for worker's life and the rate of benefit is determined on the basis of the degree of disablement.

- **Dependent's benefits:** This benefit is offered to dependents of the insured worker who died of industrial accident or injury. The rate of benefit depends on the relationship between the deceased worker and the dependent. The dependents are widow, minor children and parents.
- **Funeral benefits:** the funeral benefit is provided for the expenditure of funeral of the deceased worker. This benefit is given to the eldest family member of the deceased worker.

- **Maternity Benefit Act:** This Act is enacted in 1961. Under this Act, the benefit is made to a woman for a total period of six months. She is provided benefits for 6 weeks before and six weeks after the child birth. There is no wage limit.
- **Employees' Provident Funds and Miscellaneous Provisions Act:** This Act is enacted in 1952. It covers the industrial or factories with 50 or more employees. It covers six major industries: iron and steel, textiles, engineering, cement, paper and cigarettes. This is compulsory and contributory in nature. Thus, this Act provides for provident fund, family pension and deposit linked insurance for the employees in factories and industries.
- **Death Relief Fund:** It is set up under the Employees' Provident Fund Scheme in 1964. The main motive is to provide financial assistance to the nominee/heir of the deceased worker whose wage is excess of Rs. 1000 per month at the time of death.
- **Employees' Deposit Linked Insurance Scheme:** This scheme was introduced for the members of the Employees' Provident Fund. In this scheme, the workers do not need to contribute to the insurance, only the government and employers are required to contribute. The maximum amount that a worker could get is Rs. 35,000.
- **The Payment of Gratuity Act:** This Act was passed in 1972. Under this, a gratuity is made to a worker on termination of his employment i.e.

- **Workmen's Compensation Act of 1923:** This act was enacted by the government of India in 1923 to provide compensation to the workers by the employers for industrial injuries and accidents. The amount of compensation depends on the type of injury and the salary of the worker. This covers industrial units like factories, mines, plantations, mechanically propelled vehicles, construction worker and other hazardous units. The maximum amount of compensation for death was fixed at Rs. 90,000 and for permanent disablement was Rs. 1,14,000. For partial disablement the workers are compensated at 50%of wages for maximum of 5 years period.
- **Employee's State Insurance Act:** This act is passed in 1948 by the government of India. The main objective is to provide compulsory and contributory health insurance to employees. The act covers the workers whose wages are below Rs. 6,500 per month. It does not take into account the armed force employees. The major benefits include:
  - **Sickness benefit:** under this head, the benefit can be availed by an insured worker for certified sickness. The benefits can be incurred through cash payment for maximum of 91 days in any continuous period of one year. The daily payment under this is calculated as half of average daily wages.
  - **Medical benefits:** medical benefits are provided to the worker claims for sickness benefits, maternity benefits or disablement benefits. It provides free medical treatment ad it can be avail if the worker take treatment in the dispensary or hospitals run by the Employee's' State Insurance Corporation. This benefit can be availed by all the family members of the insured worker.
  - **Maternity Benefit:** this benefit is to provide cash payment to the insured women worker for a period of 12 weeks. She gets benefit for 6 weeks before and 6 weeks after the delivery.
  - **Disablement benefits:** This benefit is provided to the insured worker who suffers from injury, accident and occupational disease. For temporary disablement the 70% of the wage is paid during the periods of disablement. But the worker does not get benefit for disablement

a third party (adjudicator)is appointed by the government to settle the industrial disputes legally. It is the ultimate legal remedy for industrial disputes settlement. It is also known as binding arbitration as the decision is final and binding. Though it is the ultimate dispute settlement mechanism when other measures like mutual negotiation or conciliation is failed, it suffers from drawbacks like undemocratic, sometimes the solution is not mutually benefitted or accepted by either party, it paves the formation of healthy trade union, it works against the unity and enlarges the differences etc. Hence, the compulsory arbitration should be used as an emergency method for settlement of industrial disputes while the conciliation is mostly preferred method of disputes settlement.

From the very beginning the government of India tried to prevent and settle the disputes resulted to industrial sector. As the industrial disputes adversely affects the economy of a country thus the government tries to resolve the issues regarding disputes as fast as possible. The deliberate govt.'s attempt started with the enactment of The Industrial disputes Act 1929 though it failed to a great extent. Again in 1947, government of India passed the Industrial Disputes Act 1947, which is implemented from 1956.Some of the major criteria are mentioned below:

- **Works committees:** Works committees are joint committees of employees and employers to ensure good relationship among them. The main objectives of such committees are to remove the frictions between employers and workers in day-to-day scenario of the factory. The government may direct establishments with 100 or more workers to maintain a good relation among employees and employers through the formation of works committees. These committees provide a forum for negotiations between employers and workers at the factory level. 546 and 870 such works committees are established in 1987 and in 1998 respectively.

- **Conciliation Officers:** The government of India appoints conciliation officer, region and industry wise. The main work of the ciliation officer is to settle the disputes and bring the employers and workers together and maintain a healthy relationship among them. If the officer is success to resolve the dispute then he/she has to the report the government about the agreements. If he/she is failed to settle the disputes, then he/she should inform about the failure and also provide the reasons behind failure and the unsuccessful steps taken by him/her.
- **Board of Conciliation:** The government forms a board of conciliation with a neutral person as a chairman and two or four persons representing the workers and employers. The main motive of this board is to resolve the industrial disputes. The board should report about its success and failure in settling the issues between the employers and workers and the steps have taken by the it to address the dispute.
- **Court of Enquiry:** When an industrial dispute is not settled by above mentioned methods then the issue is addressed to a court of enquiry. This court consists of one or more independent persons and the court investigate the industrial dispute. After that the reports should be submitted to the government. Then the case will be referred to the Industrial Tribunal for adjudication.
- **Labour Courts:** In order to consider the issues like dismissal, suspension of employees, legality of strikes, lock -outs etc, the state governments set up the labour court. The labour courts try to resolve the issues with great pace. The labour has to report the state government.
- **Industrial Tribunals:** The industrial tribunals are set up for adjudication of disputes. There are two types of tribunals: a) the state level industrial tribunal, and b) the national level industrial tribunals.

The state level industrial tribunals adjudicate disputes related to bonus, wages, profit sharing etc. these industrial dispute tribunals

are headed by a person of the rank of a high court judge.

The national level industrial tribunals are appointed by the central government to resolve the disputes involve in the matter of national importance and which affect industrial establishments in more than one states.

12.9 SOCIAL SECURITY MEASURES INTRODUCED FOR THE WELFARE OF LABOURS

According to ILO (International Labour Organisation), "Social security is the protection which society provides for its members through a series of public measures against the economic and social distress resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death. These measures are also of a great importance to a country which is on the way of large-scale industrialization as they improve employee's morale by providing sense of security to them again various industrial hazards." In other words, social security is an attack on five "Giants": Want, Disease, Ignorance, Squalor and illness. Security against giant of "squalor" mean security against all those evils which come through the unplanned and unorganized growth of cities. The ultimate aim of social security measures is to provide economic and political protection against risks. Thus, the social security has vital importance in mitigating the unplanned contingencies face by the workers.

In India, social security measures were undertaken after independence social security schemes are introduced in two broad ways by: i) social insurance -under this, both employers and employees contribute regularly for benefits of employees. ii) Social Assistance - under this, the state provides certain benefits like medical facilities in govt. hospitals, free enrolment in schools etc to the people without any direct contribution.

Like other countries, India enacted many laws to provide social security to the labour. These are the Employees' State Insurance Act, the Employees' provident funds etc. the following are some of the major laws formulated by government of India as social security measures for benefits of workers.