

Course Name: Labour Welfare and Industrial Relations

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Lecture – 18

Hello learners. Namaste. Welcome back to the course on labor welfare and industrial relations. If you have gone through the previous lecture, you would have seen that we have gone through one of the most critical aspects, which is intramural labor welfare amenities. So today we'll talk about extramural labor welfare amenities.

I'm Dr. Abraham Cyril Issac. I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati. So, when we look into extramural labor facilities, let's understand this. Though I have introduced you to the concept of extramural specifically in the previous lecture, anything which is there within the campus, within the organization, within the premises of that particular factory or plant, Those are intramural, specifically something which is outside, let's say, housing help or, you know, giving some some land to the worker.

All these aspects generally comes under extramural. Let's understand it deeply. Extramural facilities for workers. When you look into facilities provided to workers outside. The factory specifically, it could be, as I mentioned, housing, it could be recreation and education.

They are all known as extra mural facilities. So please note, extra mural facilities are voluntary benefits which are aimed to improve worker welfare and upliftment. I repeat. Voluntary benefits, which aims to improve worker welfare and upliftment. So when we look into extramural facilities, it is, you know, you have to understand on a historical point of view.

Earlier, due attention was not given to the provision of these extramural facilities. To the workers generally, but now it is realized that these facilities are very critical and for the general welfare and upliftment, they need to provide or the employers need to provide these extramural facilities. When you look into extramural facilities, we have to understand the extramural functions of trade unions. Extramural functions of the trade unions could be understood, one based on the educational and recreational facilities. Mainly, trade unions provide educational, recreational housing facilities for their members.

It could be like the trade unions in the factories also undertake. The tasks that are required for the welfare of their members. So it could be, as I mentioned, education. It could be recreation. It could be housing.

So generally, the unions raise funds or raise finance to actually provide for their members. So it could be through subscriptions from members or spend them for the welfare of workers sometimes. It also helps in case of the workers' untimely death. So financial assistance also happens to be one extramural function that is being conducted by the trade union. We should not also forget the essence of promoting cooperation.

Let's look into issues like extramural aspects, which actually inculcate the spirit of cooperation among members. It could be that the extramural schemes outside the factory premises, be it medical assistance, be it health care, education, all these are actually channelized. to promote cooperation among the workforce. Extension of, let's say, medical facilities during sickness and casualties is also understood as an extramural function of the trade union. When you look into extramural services generally, there are many, but we can classify them into some of the main aspects.

One is housing. When I'm talking about housing, it is all about subsidized housing development plots. hostels or dormitories for workers so it is about giving a proper housing for the worker who is working for you without any hesitation on a very sincere note when you are looking into other aspects it could be education it could be related to the child welfare It could be something related to leave travel, some leave travel allowances or some subsidies related to that. Maybe some interest-free loans.

It could be based on some educational loan, education for the children, for the workers' children, or maybe with respect to the interest-free loans towards procuring a house or getting a vehicle and all the vocational guidance that will come under the education and welfare scheme. When you look into certain extramural services, we should also appreciate community facilities also provided by the authorities. Generally, it could be based on the employer arrangement or it could be coming from the trade union side. So worker cooperative societies and other amenities outside the factory. are also part of or significant part of this community facilities and that will actually lead towards extramural services.

When we look into these extramural labour welfare amenities in detail, the most important aspect would be housing. So housing for industrial workers has been historically one of the most critical aspects. Let's look into generally the layout, what we see, the timeline. When we are looking into the government schemes, industrial housing scheme provided subsidies for worker housing. But then the challenges were that slow progress was there due to the low priority, obviously given by the employer and lack of land and high cost adding to the whole situation.

And finally, what we recommend is increased government responsibility and fiscal incentives for employers. So we have to also understand the role of ILO. Recommendation 115 of the ILO typically states that the housing should be a matter of national policy. So when we look into the Indian Industrial Commission 1918, prior to the independence and the Royal Commission realized importance and the specific necessity of improving housing conditions of industrial workers and suggested various measures. So if you trace back history in 1944, there was a Labour Investigation Committee.

The LIC here means the Labor Investigation Committee reviewed housing conditions in all the principal urban areas and found industrial housing far from satisfactory. So they felt a very clear long term housing policy was the need of the hour, was required. So in 1948, as a result, the government of India put forth the industrial housing scheme. Industrial housing scheme in 1948. So when you're looking into the entire scheme, the central government subsidized the state governments to the extent of, I think, 12.5

percent on a maximum of 200 per house provided the state government contributed an equal amount.

So the response to the scheme, to be honest, was very poor. The first five year plan that started around 1951 suggested that the central government should take major responsibility for financing the housing scheme. So the moment you involve the state government, they were not at par in terms of the revenue. So they were not able to provide that much of support. The subsidized housing scheme for industrial workers were extended to weaker sections of the community also.

So when you look into the factories act section two, whose wages did not exceed, let's say the people whose wages did not exceed 300 per month till they reached a maximum of 500 per month. The plots, skeleton houses, hostels, dormitories, buildings at subsidized rates were to be made eligible for them. So when you look into the entire scheme, you have to understand that housing has been one of the most critical aspects. But then when we look into the challenges, as I've already mentioned, there is a slow progress. The reason for slow progress of industrial housing schemes were the low priority accorded to it by the state government, because generally the entire labor and labor welfare schemes were ascribed towards a function of the central government.

So the state government generally had a detachment towards all the policies that were coming in that line. And there was also issues of non-utilization of allocated funds and even the non-availability of developed land in urban areas. So even development of land was also an extra cost. So the high cost of building material, the lack of capacity on the part of workers to pay even the subsidized rents, accounted for the general poor progress of the entire scheme.

So employers specifically also who otherwise should be the major stakeholders because everything the government cannot do the employers also were not very keen. They also did not take any particular interest since they were governed by certain rules with regard to rents to be collected. the municipal taxes, size of houses, etc. So they found it too great a financial burden to actually jump into it. So when you look into the statistics at the end

of 1967, what I understand is that of the 159,871 houses that were built under the scheme, only 19%

were actually built by the employer. So this shows the actual utilization or maybe the actual involvement of the employer in the entire housing of industrial workers. We look into the second important aspect, which is education for workers. We see that there are three important aspects. One is worker education, children's education and a collaborative approach.

You look into the night schools, the incentives and trade union led initiatives to reduce illiteracy. All will come under the worker education specifically. So education, where for the citizen or the industrial worker, it should be treated with equal importance. That was the underlying philosophy since the latter, even if he works in a factory, has to cope with the change, which is most often most often technological change. So the literate worker is naturally more receptive.

He can be or she can be a person who can, you know, change according or adapt according to the change in technology, which is going every now and then. So educating the workers, family, especially especially his children. If you look into the children's education, schools, scholarships and transportation provided in industrial townships that were very critical. So when you look into the entire education aspect, we have to understand that, you know, there are parties like the Central Workers Education Board, which conducts class for industrial workers. So that is one of the clear agencies which are actually involved in the workers education employers.

And workers organizations have suggested that personnel trained by the board should subsequently take up the work of educating the industrial workers with the government financing the project. So state governments specifically are of the opinion that the central board is already overburdened and not capable of taking on added burden. So when we look into the entire education, state employers and social welfare agencies should jointly fund education programs. There should be a a collaborative approach, otherwise the blame game will start and the blame game will go on.

The provision of educational facilities, be it either by the state or employer or jointly, will help a great deal in improving the worker's commitment and even the sense of belongingness towards the entire organization and give him this certain feel as a spirit of achievement. So when you look into the children's education generally per se, It is an expensive scheme, no doubt about it. And hence, it needs to be provided for by the state employers and social welfare agencies. So these are some of the critical aspects when it comes to the education.

We have seen the housing and the education mainly as the critical aspects. So when you are looking into the labor welfare per se, we'll understand and appreciate the fact that when it comes to extramural, something which pops into our mind is housing. When it comes to we add another level of thought process into the entire scheme of things, we need an educated worker, as I've already mentioned, who is more receptive towards every change. So it could be technological change. It could be change in terms of the work philosophy.

It could be change in terms of the work output or the objectives of the entire organization. So we need an educated worker for that. But when we also look into or we add more of thought into it or we look more deeper into it, we'll see that it does not end with housing or education. It has another added dimension, which is recreation and sports facilities. We look into that when you look into recreation and sports facilities.

workplace facilities are critical community facilities are critical and as in case of education we need to have a collaborative effect because it cannot be you know given into one simple category that okay the state government is going to do you know the employers are going to set idle no this will actually trigger the blame game that has been happening in otherwise the previous scenario of education as well as housing so when you look into the recreation specifically workplace facilities employers provide sports cultural and recreational activities on site specifically. So this is something which we have to understand on a on-site basis. Though these are extramural, the recreation facilities happens to be aspect which actually has more of extramural arrangement.

So though there are specifically no statutory provisions in this sphere, a good example has been set by many progressive employers, both in public and private sector. Be it Tata, Hindustan Liver, Telco. The Mill Owners Association, Bombay, the Hindustan Steel, BHEL, LIC, etc. So in contrast to the situation, let's say, if you look into 25 years ago, when the provision of facilities for recreation, sports and culture facilities was generally made reluctantly. Today, employers take pride in actually giving the extracurricular achievements of the workers and actually publicizing those things.

They feel pride and take it up as a prestige issue. So the facilities provided for recreation, broadly speaking, are determined by the resources available for this purpose. No doubt about it. in the enterprise and the importance accorded to it by the employee. If an employer is thinking that recreation is good, but it's not a vital aspect, it's not an essential thing, then always in those facilities you see that the recreation and sports facilities

take a backseat. The recreation facilities available to industrial workers are much better organized than those at the disposal of, you know, the average citizen. So facilities sometimes provided, you know, at workplace or maybe on a community basis, but In some aspects, they have to be provided. It could be such that, let's say, the state could organize some recreational facilities for its workers in industrial housing colonies, etc.

Nobody is stopping the state from doing that. But employers should actually take the upper hand or the front seat in doing this. Statutory bodies could be constituted by the states to supervise the provision of recreational facilities. But when it comes to handling the finances, the trade unions could also take the initiative and different other agencies who actually represent both the worker and the employer. They should also come into picture and bring out a certain level of plan.

It could be in terms of, let's say, an excursion. which could be organized with expenses shared by the state and employers or maybe youth clubs formed to discourage something like laziness and bad habits. Otherwise, you know, there are there are aspects or there are situations where the workers idle mind of the workers get into different difficult addictions and those may actually create problems. lot of trouble so so the employer and the state could come together here and could give establish a help in establishing some

youth clubs to discourage laziness and bad habits you know even some subsidized holiday homes as a recreation could also be provided as an encouragement given to deserving sportsmen or artists or writers, whatever be the case be.

So again, recreation and sports facility also happens to be one of the critical aspects. Another extramural interesting scheme or service would be transport service for workers. Now public transport to be improved public transport system to serve industrial areas and worker colonies. So we have a better public transport is always the case that the employees generally feel that they are happy to travel. The growth of industrial states and workshops generally if you observe outside the city has made commuting a big problem, a very big problem for workers.

When you look into the Indian scenario, since the public transport is not fully developed and hardly efficient, sorry to say that, but hardly efficient, the fatigue of travel to and from work has a very detrimental effect on the attendance pattern of workers. So mainly we see that any factory you see, which is established in a rural area, you know, one of the biggest what we can see, it would not be fair, but generally we see as an excuse that they didn't get the bus or they did not get the proper transport. That's why they were late. So this is a fact that, you know, our transport system is not up to the mark and that could actually require a revamp.

So conveyance allowances, let's say something like bicycle loans or parking facilities could actually give or improve the entire employer-employee relationship in terms of transport services for workers. And also it could be that There could be adjusted working schedule. You know, it's more easy to talk about adjusted work schedules right now because post-COVID we have seen that the work contracts have changed. Post-COVID we have seen that, you know, the work getting finished is more important than just showing up at work.

Post COVID, we have observed that, you know, people who we thought that are less efficient are more efficient at home or in flexible work contracts or work arrangements. This is the reason because they have their own commitments. They have their own

priorities. But if they are given a flexibility in terms of work hours. Then the productivity is not compromised.

So this is one of the takeaway from this lecture. Also staggered workovers could be one critical aspect whereby you actually bring in an option of flexibility towards a worker that this is a way you can actually think of, you know, with respect to the travel arrangement. I'm talking specifically here. But on a larger platform, if you look into if the employer is flexible enough to make the work contracts in such a way that there is a flexible arrangement, maybe a set of shift type system, maybe some people who are otherwise not capable or able to come at some point in time, they can have a different work scheme. or different work time, or different work pattern altogether, or can work from home.

All these arrangements, all these arrangements without doubt can actually improve the efficiency of the entire workforce. So this, the discussion I just extended or extrapolated based on the transport service for workers. There could be also other extramural arrangements, something like the cooperative stores and credit societies, something like coupons, something like let's say some facilities given to them, maybe in a minimized rate or a subsidized rate. Cooperative stores actually give you high quality goods on a subsidized rate. So that will add a certain level of importance to you.

When you are mingling within the society, you know, you being part of a particular organization, if you are given these fringe benefits, if I can use the word, then it creates a certain respect within the society. It creates a different outlook towards you when it comes to such schemes. So very quickly, if you look into the cooperative stores and credit societies, the cooperative stores provide essential services. Goods at reasonable prices and as already mentioned, generally they ascribe to a higher quality. There could be credit societies, credit society, which actually help workers access loans and manage their finances during critical emergencies.

So when you look into these facilities, cooperative consumer stores are critical. To industrial workers because they are the only way in which the workers can try and safeguard to some extent the real purchasing power of their money and prevent the erosion of their wages. So when you look into the history, a committee was set up in 1967

by the National Cooperative Development and Warehousing Board. 1961 for the development of the cooperative movement so the committee recommended a pattern of organization and structure and made suggestions with regard to finance techniques and management of cooperatives so it felt that it should be obligatory made obligatory for employers and industrial undertakings to actually introduce consumer cooperative activities in their labor welfare program.

So when you look into the Indian labor conference, ILC 1962, Indian labor conference, 1962 specifically adopted a scheme for setting up consumer cooperative stores in all industrial establishments, including plantations and mines employing around, uh, 300 or more workers. The employer was to give assistance in the form of, let's say, share capital, working capital, free accommodation, other amenities, including loan. So there was also an Industrial Truths Resolution 1962. aiming at keeping prices of essential commodities low by opening a sufficient number of fair price shops and specifically cooperative stores so that the workers were assured of.

So cooperative stores happens to be a very critical aspect when it comes to the extramural welfare. The government support in terms of subsidies, accommodation and other assistance for worker initiatives also adds on to this particular agenda. When you look into distress relief and cash benefits. So this is again another dimension of the extramural benefit. It could be extra payments.

It could be welfare funds. It could be government support. Please understand there are many non-statutory welfare amenities available to industrial workers depending upon the relevance and importance of the employer that he or she or the employer itself, the entity attaches to these benefits. the ex gratia payment if you look into that employers provide financial assistance in case of death or injury or other emergencies so all these would be a one-time payment or something like a pension so it is a gift made by the employer to his worker advances are also given at the time of you know festivals where you know such schemes actually you know bring in a lot of cheerfulness towards the employees and the employers can actually see increased productivity associated to that.

So let's look into a case of Indian tobacco which gives us some dependence in the event of the death of their work. So that is also followed by many other mills and many other plants where some benefit trust fund is there or staff welfare funds are there. You know, the Life Insurance Corporation provides the financial assistance in the event of, let's say, flood, famine or fire, etc. The railways also do have a benefit fund like that. Most mines have a distress relief fund, you know, given the hazardous nature of the of the particular industry.

Even you look into the workers organization, they have constantly stressed the need for distress relief funds in all industries to help workers cope with all such sudden calamities. So we'll see that the government support is critical. State labor welfare boards can help small scale units. Establish distress relief schemes. So when you look into the lecture, we have to understand it is an extension of what we understood in our previous lecture.

In the previous lecture, if the if the topic was intramural, where the entire facilities would have been more of internal or within the premises. This is more of external. This is having more of other dimensions whereby a worker would feel not only safe in the workplace, but also satisfied and more productive and more exuberant and confident in coming to work on a day to day basis. anything from housing, anything with respect to health benefits, all adds to a lot of confidence to the particular employee. And this is where extramural or the benefits of extramural facilities are being underscored.

Please note. Labor welfare is not all about intramural. It is not all about extramural also. It's a combination. It's a combination of both intramural as well as extramural schemes.

And that is the takeaway you should have from this class. We'll see more into labor welfare in the coming lectures. Till then, take care. All the best. Bye-bye.

Amen.