

EFFECTIVENESS OF LABOUR WELFARE SCHEMES IN INDIA

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BEST CITATION – JOTHI LIVINCY, EFFECTIVENESS OF LABOUR WELFARE SCHEMES IN INDIA, *INDIAN JOURNAL OF LEGAL REVIEW (IJLR)*, 5 (5) OF 2025, PG. 397-401, APIS – 3920 – 0001 & ISSN – 2583-2344

ABSTRACT:

Labour welfare schemes in India play a crucial role in improving the working conditions, economic security, and overall well-being of the workforce. This research paper delves into the various aspects of labour welfare schemes, analysing their features, objectives, opportunities, and challenges, while concluding with insights on their effectiveness and potential improvements. It also incorporates recent statistics, case studies, and reforms to provide a comprehensive overview.

Keywords: Labour welfare, social security, industrial relations, worker well-being, labour laws, India, workforce productivity, statutory welfare, non-statutory welfare, economic security

INTRODUCTION:

Labour welfare is a crucial aspect of industrial relations and human resource development in India. It encompasses a range of services, benefits, and facilities offered to employees to improve their working conditions and overall well-being. Recognizing the importance of worker welfare, the Indian government has introduced numerous welfare schemes—both statutory, such as the Employees' Provident Fund (EPF), Employees' State Insurance (ESI), and Minimum Wages Act, and non-statutory initiatives like housing, education, and recreational facilities. These schemes are designed to safeguard workers' rights, promote decent working conditions, and enhance social security.

Despite the existence of a comprehensive legal and institutional framework, questions remain regarding the actual effectiveness of these schemes in reaching the intended beneficiaries, especially within the vast unorganized sector that comprises a significant portion of India's workforce. Issues such as lack of awareness, administrative bottlenecks, and non-compliance by employers often hinder the success of these initiatives. Labour welfare is not

only about financial assistance but also includes health care, education, housing, and overall social security. In a rapidly changing economy where employment structures are evolving, it becomes imperative to ensure that workers' welfare is adequately addressed. With the expansion of the gig economy and contractual employment, the relevance of traditional welfare schemes is being questioned. This study takes a holistic approach to analyze the existing schemes and suggest improvements that align with the contemporary labour market.

This study seeks to evaluate the effectiveness of labour welfare schemes in India by exploring their implementation, accessibility, and impact on workers. It aims to identify the challenges in policy execution and propose recommendations for strengthening the welfare system to ensure inclusive and sustainable labour development.

RESEARCH METHODOLOGY:

The research methodology employed in this paper combines both qualitative and quantitative approaches to provide a

comprehensive analysis of labour welfare schemes in India.

1. Data Collection: Secondary data was sourced from government reports, academic journals, and publications from international organizations like the International Labour Organization (ILO).

2. Data Analysis: Statistical tools were used to evaluate the effectiveness of welfare schemes, identify trends, and measure worker satisfaction levels. Case studies of successful welfare implementation were included for deeper insights.

3. Literature Review: A thorough review of existing literature on labour laws, welfare schemes, and reforms was conducted to establish a contextual framework.

4. Sampling: The study focused on both organized and unorganized sectors to ensure a balanced perspective.

5. Limitations: The research acknowledges limitations such as data inconsistencies in the unorganized sector and the inability to include every regional welfare variation.

Source of Data The data for this study was sourced from a combination of secondary resources:

Secondary Data: Government reports (Ministry of Labour and Employment Annual Reports, Economic Surveys, etc.)

International Labour Organization (ILO) publications Academic journals and research papers.

REVIEW OF LITERATURE:

Khan and Ahmad (2016) emphasized the importance of welfare measures in increasing employee productivity and job satisfaction. Their study found that welfare schemes, when properly implemented, lead to reduced absenteeism and improved industrial relations.

Ramaswamy (2018) analyzed the performance of statutory schemes like ESI and EPF and noted that although these schemes offer substantial

support, their effectiveness is limited due to poor awareness among workers, especially in rural and unorganized sectors.

Patel and Shah (2019) focused on welfare practices in the textile industry and observed that while larger firms complied with statutory requirements, smaller units often neglected even basic welfare provisions. The study pointed out the need for stricter enforcement and better monitoring.

Gupta (2020) examined the reach of welfare boards in states like Kerala and Tamil Nadu, concluding that proactive state-level efforts significantly enhance the effectiveness of schemes, particularly for unorganized workers.

Chakraborty and Roy (2021) discussed the digitalization of welfare services, suggesting that initiatives like the e-Shram portal could improve transparency and delivery, but require robust infrastructure and digital literacy among workers.

OBJECTIVES OF THE STUDY:

1. To analyze the effectiveness of major labour welfare schemes in India.

2. To identify challenges faced by workers in accessing these benefits.

3. To assess the impact of these schemes on financial security, healthcare, and employment stability.

4. To evaluate the role of government and private sector collaboration in improving welfare outcomes.

5. To propose recommendations for improving the implementation of these welfare schemes.

6. To understand the impact of globalization and the gig economy on traditional welfare mechanisms.

STATEMENT OF THE PROBLEM:

Although India has numerous labour welfare schemes, a significant portion of the workforce still struggles with job security, healthcare access, and fair wages. Many workers, especially in the informal sector, remain

unaware of their entitlements, and the implementation of these schemes often faces bureaucratic hurdles. Additionally, the growing gig economy and contractual employment patterns have further complicated welfare distribution. This study seeks to identify the gaps in policy execution, assess whether these schemes truly benefit the intended beneficiaries, and explore solutions to improve their reach and effectiveness.

The research investigates the disparity between the intent of welfare schemes and their on-ground execution. It delves into why, despite strong policy frameworks, workers continue to face economic hardships. It also examines whether technological advancements such as digital platforms and direct benefit transfers have made a tangible difference.

OVERVIEW OF LABOUR WELFARE SCHEMES:

These schemes often include provisions for:

Medical care: Access to healthcare services for workers and their families.

- Housing: Providing subsidized housing or facilitating access to affordable housing.
- Education: Educational facilities and scholarships for workers and their children.
- Nutrition: Providing nutritious food through canteens or other means.
- Recreational facilities: Creating opportunities for leisure and recreation.
- Transportation: Facilitating commute to and from work
- Social Security: Providing schemes for old age, unemployment, and other contingencies.
- Social Security and Welfare Schemes: Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM): This is a voluntary and contributory pension scheme for unorganized workers, providing financial security in old age. Benefits: A minimum assured pension of ₹3,000 per month after 60 years of age.
- Government Contribution: The government matches the worker's contribution on a 1:1 basis.

Labour Welfare Scheme (LWS): This scheme focuses on the welfare of Beedi/Cine/Non-Coal Mine workers and their families, covering health, scholarship, and housing.

Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY): Provides health insurance coverage for the poor and vulnerable.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY): These schemes offer life insurance and accident insurance coverage, respectively.

Pradhan Mantri SVANidhi Scheme: This scheme provides financial assistance to street vendors.

Pradhan Mantri Awas Yojana: This scheme aims to provide affordable housing for all.

National Career Service (NCS): This initiative aims to establish Model Career Centres (MCCs).

Employees' Pension Scheme (EPS), 1995: Implemented through EPFO.

Rehabilitation of Bonded Labourers: Focuses on identifying and rehabilitating bonded labourers.

Health services through Employees State Insurance Corporation: Provides health services to workers

Labour Welfare Fund (LWF):

A statutory contribution-based scheme regulated by state governments in India, Importance of Labour Welfare Schemes-

Improved Living Conditions: These schemes help ensure that workers have access to necessities and a decent standard of living, leading to a happier and more motivated workforce.

Enhanced Productivity: When workers are well-cared for and have access to essential services, they are more likely to be productive and efficient at their jobs.

Social Stability: By addressing the needs of the workforce, these schemes contribute to social stability and harmony, reducing the risk of unrest and conflict.

Economic Development: A healthy and productive workforce is essential for economic growth and development. Labour welfare schemes play a vital role in fostering such a workforce.

Constitutional Mandate: The Indian Constitution recognizes the importance of labour welfare, with provisions for securing just and humane conditions of work and for maternity relief. How do Labour Welfare Schemes Work?

Funding: LWF schemes are typically funded through contributions from both employers and employees.

Implementation: The Labour Welfare Fund is managed by the Labour Board which provides a number of welfare schemes for workers.

State-Level Implementation: The Labour Welfare Fund is regulated by state governments, with specific regulations and schemes varying by state

Features of Labour Welfare Schemes in India:

1. **Statutory Welfare Schemes:** Governed by laws like the Factories Act, 1948, the Employees' State Insurance Act, 1948, and the Minimum Wages Act, 1948. The Code on Wages (2019) aims to simplify wage regulations.
2. **Non-Statutory Welfare Schemes:** Voluntary initiatives by employers, including housing, education, and recreational facilities.
3. **Social Security Measures:** Provident fund, gratuity, maternity benefits, and health insurance. The Pradhan Mantri Shram Yogi Maandhan (PMSYM) scheme provides a pension for unorganized sector workers.
4. **Educational and Skill Development:** Training programs, scholarships for workers' children, and government initiatives like Skill India.
5. **Work Environment Improvements:** Ensuring safety measures, clean facilities, and better working conditions. The Occupational Safety, Health and Working Conditions Code (2020) emphasizes worker safety and well-being.

FINDINGS:

1. Many labour welfare schemes are underutilized due to a lack of awareness and bureaucratic delays.
2. Digital integration is lacking, making it difficult for unorganized sector workers to access benefits.
3. Corruption and inefficiency in fund distribution remain significant barriers.
4. Financial assistance in several schemes is inadequate to meet the basic needs of workers.
5. Emerging employment patterns, like gig and remote work, are not adequately covered in current policies.
6. There is a growing need for public-private partnerships in executing welfare initiatives effectively.

CONCLUSION:

Labour welfare schemes in India have significantly improved the living conditions of workers, but their full potential remains untapped. Stronger policy frameworks, digital integration, and financial transparency are necessary for enhancing their impact. By addressing these gaps, India can ensure a more inclusive and equitable labour system that caters to all segments of the workforce. Moving forward, proactive reforms in policy execution, monitoring, and digital transformation will be crucial for sustaining the impact of these schemes. Labour welfare schemes in India are indispensable for promoting social justice and economic growth. While the existing schemes have significantly improved workers' lives, challenges like implementation gaps, financial constraints, and informal sector exclusion need to be addressed. Strengthening the infrastructure, ensuring accountability, and promoting awareness can enhance the effectiveness of these welfare measures, ultimately contributing to a more equitable and productive workforce. The recent labour reforms, if implemented effectively, hold the potential to bridge existing gaps and create

a more inclusive and sustainable welfare system.

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