Golden Research Thoughts
Volume : 1 Issue : 2, August - 2011
ISSN:- 2231-5063
Available online at www.lbp.world

ORIGINAL ARTICLE

EMPLOYERS AND SOCIAL SECURITY IN MADRAS PRESIDENCY

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ABSTRACT

At the turn of the twentieth century there was a turnaround in the public opinion about the condition of the workers employed in the European and Indian owned factories. Factory legislations from 1880's onwards, to some extent, mitigated the harsh conditions of the factory labour. But there was a persistence of the stereotype about the Indian worker as indolent and mischievous at workplace. The result was the reluctance of the Federal and Provincial governments to introduce certain welfare measures for the workers as these might strengthen rather than weaken the indolent worker. But the Government of India was faced with the frequency of accidents at the workplace and under the pressure from the League of Nations brought in the Workmen's Compensation Act in 1923.

Key words: Factory legislations , Indian owned factories.

INTRODUCTION :

In fact there was a general agreement on the need for compensation to the injured workmen. Sir Alexander Murray of the Bengal Chamber of Commerce stated: "We accept responsibility for all accidents of specific description with the exception of those particular accidents, namely injury to a workman resulting from an accident which is directly attributable to the influence of drink or drugs, willful devises" **(The Council of State Debates (CSD),** (**Vol. III**, Part II, p.841).

The Madras Chamber of Commerce accepted the idea of payment of compensation in the form of recurring payments, at least in part whenever possible, but opposed enhancement of the scale of compensation. It also opposed the suggestion that the amount of compensation should vary with the number of dependents and the extent of their dependents on the deceased workmen **(G.O. 1515, L, 19 July 1932, Public Works & Labour, Tamil Nadu State Archives).**

The ultimate disability for compensation should lie with the person controlling the workmen and not with the principal unless he was in charge of the labour.

The Employer Federation of Southern India argued that the ultimate liability for compensation should lie with the Principal and it was to him to pass on the liability if desirable or possible in his agreement with his contractor and further to see that the liability was in turn again passed on to the sub-contractor by suitable agreement between the contractor and those to whom they sub-let their contract **(Ibid).**

The Board of Revenue in its response said that it saw no reason why the provisions of the Act should not be extended to the planting industry. The Board also recommended for the consideration of the Government the proposal of the collector of East Godawari and Madras to extend the Act to persons

employed on board motor and steam launches that plied for hire on rivers and canals and to labourers in factories as defined in section 2, clause 3(a) and (b) of the Indian Factories Act, 1911, without any provision as to the number of persons employed in such factory **(Ibid).**

S.H. Slater, the Commissioner for Workmen Compensation agreed that the only limiting factor to the inclusion of all classes of workmen within the scope of the Act should be the possibility of fixing responsibility for payment of compensation. On that criterion workmen employed in factories which could be notified under section 2 (3) (b) of the Factories Act should be brought within the benefit of the Act, i.e. all the employees in plantations whether employed in the factory or outside, because deaths due to snake bite of the plantation workers occurred **(Ibid).**

In 1932 the Government of India brought in an amendment to fix liability on the employers even if the accident was caused by the deceased's misconduct. Quite often in case of death of a workman it was extremely difficult for dependents to rebut evidence that the accident was caused by the deceased in misconduct. The employers always argued that the workmen disobeyed a safety rule, e.g. a rule against cleaning the machinery in motion. Moreover the withholding of compensation for fatal accidents, which were covered by the exceptions, gave rise to great hardship to dependents and had not had any appreciable educative effects on other workmen.

The amendment therefore sought to make the exceptions inapplicable in the case of fatal accidents. Other provisions of the amendment were (a) reduction of waiting period from 10 days to 7 days and applicability of the Act to plantation labourers who were not less than 50 in number. Amendment gave compensation to illegitimate children. As illegitimate unions were rather common among the working classes owing to the somewhat free association of families especially on estates, it was found desirable to give the offspring of such unions the right to compensation by being included in the definition of "dependents" **(Ibid).**

An amendment gave effect to an increase in the amount of compensation. Under the revised Schedule, the amount of compensation was raised, in the case of half monthly payments for temporary disablement, from 150% in the case of a workman earning less than Rs.10 month graded downwards to 1% increase in the case of a wage of Rs.70% a month, and an increase of 20% in the case of a workman earning Rs.80% a month. The new schedule also provided for compensation up to Rs.200% a month, as against a limit of Rs.80 under the old schedule, with a consequent extension of the scale of compensation in the case of death or total disablement. The major increases were applicable to the worst paid work people.

The Madras Chamber of Commerce did not consider the revised scale to be not unduly onerous. The Employers Federation of Southern India accepted the revised scale of compensation. United Planters Association of Southern India qualified its support to the extension of the Act to plantations labourers provided the Act covered the plantations employing less than 50 workers every day **(Ibid).**

The Government proposed to include the following categories for compensation. Any building which was designed to be or was or had been more than one story in height above the ground or twenty feet or more from the ground level to the apex of the roof, or any dam or embankment which was twenty feet or more in height from its lowest to its highest point. The amendment sought to include the workshops, which employed 50 or more persons and ships employing 50 or more persons. The amount of compensation for temporary or permanent disablement or even death varied from year to year and there was no reason or rhyme followed for this.

Thus from the Report of the Workmen Compensation Act for 1930 there were twenty three cases of death, 63 cases of permanent disablement and 710 cases of temporary disablement as against 23 cases of death, 35 cases of permanent disablement and 594 cases of temporary disablement reported in 1929. The average amount of compensation paid in case of the death was Rs.472 in cases of Permanent disablement, Rs.192 in cases of temporary disablement. On comparison with the average

amounts of compensation paid in the previous year, there was a decrease of Rs.4 in cases of death, an increase of about Rs.13 in cases of permanent disablement and a decrease of about Rs.2-8-0 in case of temporary disablement (**File No. 1288, L, 1936).**

The amount of compensation for the same category varied from firm to firm. While the Choolai mills paid Rs.457 as compensation to the dependents of a deceased worker, the Binny & Company paid a compensation of Rs.1, 650 to the dependants of a deceased worker. While variation in the amount of compensation was due to status of the deceased worker, his age and income, the prosperity of the firm was no less important in the payment of compensation. Deaths due to natural causes were not covered under the Act, but would fetch only a paltry amount as ex gratis. Peon employed in printing press died due to natural causes, but he left behind two dependent families, they were paid Rs.25 each. But it suggested that the work of toddy, tapping, coconut and pepper collecting was hazardous, but the Act was silent on the employment of the workers in these works.

The Corporation of Madras suggested inclusion of salt renewal and well construction in the Act. Some judges accepted the Act prima facie on the ground that the bill was based on the recommendations of the Whitely Commission. South Indian Chamber of Commerce noted that maximal of 3,500 rupees to 4,500 rupees as against the proposed rate of 3,500 to 6,300 were desirable. Board of Revenue considered the amendment too generous and hence unnecessary. Chief Conservator of Forests suggested only a provision of medical treatment to injured workmen in timber falling, but not monetary compensation (**G.O. 1515, L, 19 July 1932, P.W & L.)**

The initiative and logic behind this Act, which proved to be more disadvantageous to the workers, was stated by one of the Government of India's members. C.A. Innes noted in his speech: "They [the Indian employers] see that it is very much better than that legislation should come by consent on the part of employers, by agreement between the employers, the workmen and the Government, rather than that this legislation should be forced upon employers by a long course of industrial. That was the way in which the legislation of this kind was brought about in England; it was the fruit of a long period of strife and stress, struggle between capital and labour, we in India are more fortunate" (**CSD, Vol. III**, **Part II, p.841**).

Other serious difficulties were encountered in the administration of the Act. The Act entailed the payment of process-fees and batta for claiming compensation. The workers, being poor, were unable to meet the charges of the compensation proceedings. This often led to an inordinate delay in the disposal of the claims for compensation and to the accumulation of arrears.[34] The solution lay in the appointment of more local officials. But that was not done due to stringent economic conditions in the depression years.

This was evident in the field of safety and health of the workers covered by the Factory Act of 1922. From 1907 to 1930 the average rate of fatal accidents was 9.6 per cent; serious 16.54 per cent; and minor 65 per cent. Most of the serious accidents took place in ill - organized factories where workers were exposed to serious hazards and where factory rules were flouted. Though carelessness of industrial workers contributed to 'minor' accidents such as loss of fingers, or partial loss of fingers, serious accidents were not due to the lack of "machine sense", nor the" religious outlook" of the workers. The causes of the serious and fatal accidents were due to the absence of proper safety provisions in the factory premises. The large number of minor and fatal accidents occurred in the Railway workshops owned and managed by the Europeans **(G.O. 2741, 14 December 1934, PW & L, TNA).**

Moreover, if we analyze the nature of the fatal accidents they were related to the unskilled nature of the employment: the majority of the accidents occurred to workmen earning wages between Rs. 15 and Rs. 25 per month. In cases of fatal accidents the deceased left on an average not less than four dependents. It means the low paid workmen took up the highly risky jobs. The amount of

compensation was decided on the basis of his health at the time of his death and on that of his monthly wages; not more than three years were taken into account for fixing the amount of compensation. Other factors such as number of dependents were not considered. It was strictly maintained that the relation of the worker to his employer was characterized by the 'market wage', not extra - economic considerations. In fact, if the price of labour - power was cheap, the cost of life of the deceased worker was much cheaper. The amount of compensation paid to the workmen injured or members of the deceased was so insignificant as to maintain the defendants for only a short period.

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