

Role of ESIC as a Social Security Measure: A Study

Bidyut Bikash Baishya¹ and Dipanjan Chakraborty²

¹*Assistant Professor, Dept. of Economics, Pragjyotish College, Guwahati, Assam.*

²*Associate Professor, Dept of Commerce, Darrang College, Tezpur, Assam*

ABSTRACT

Social security is the security, which the society especially the state and the employers furnish through appropriate organizations to the individual members of the society who are exposed to certain risk. Among this risk the most important is the risk of medical emergencies. But the social security for medical emergencies is not so prominent to the Indian ethos till date. The 11th Five Year Plan document presents a well thought out and comprehensive structure for health care in rural areas. The Indian health insurance scenario is a mix of mandatory Social health Insurance (SHI), Voluntary Private Health Insurance and Community-Based Health Insurance (CBHI). The Social Health Insurance (SHI) is based on income-determined contributions from mandatory memberships. The existing mandatory health insurance scheme in India is – Employees’ State insurance Scheme (ESIS) and Central Government Health Scheme (CGHS). The execution and administration of ESI schemes is vested with ESI Corporation which was set up by the Government of India on 24th February 1952. Despite all the endeavours made by the Corporation for the effective functioning of the ESI Scheme in the country, public discernment of the Corporation has not been very positive regarding the quality of services and benefits provided to the insured persons and their dependents. It is assumed that no adequate steps are being taken to improve the effective of the Scheme among the insured persons and employers. Therefore, this paper examines the effectiveness of the working of various mechanisms of the Corporation for the administration of the ESI schemes in both factory and establishments registered under the ESI scheme.

Key Words: *Health Insurance, social security, Factory & Establishments, insured persons*

INTRODUCTION

Every human being of a society needs some sort of protection against providential mishaps over which common masses has no control. Social security is the security, which the society especially the state and the employers furnish

through appropriate organizations to the individual members of the society who are exposed to certain risk. Among this risk the most important is the risk of medical emergencies. But the social security for medical emergencies is not so

**Corresponding author's Email: dipjan_2005@rediffmail.com*

prominent to the Indian ethos till date. The International Labour Organization (ILO, 1942) defines social security as “the security that the society furnishes, through appropriate organizations, against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means and meager resources cannot effectively provide by his own ability or foresight alone, or even in private combination with his fellows these risks being sickness, maternity, invalidity, old age and death. It is the characteristics of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency.” India’s rural population, mainly consisting of middle and low-income groups, necessitate the provision of social security, although their capacities to pay insurance premiums are very low.

EMPLOYEES’ STATE INSURANCE (ESI) SCHEME AND EMPLOYEES’ STATE INSURANCE (ESI) CORPORATION

This was the first social insurance measures to be introduced in India. The ESI Act encompasses certain health related eventualities that the workers are generally exposed to, such as sickness, maternity, temporary or permanent disablement, occupational disease or death due to employment injury, resulting in loss of wages or earning capacity- total or partial. Social security provisions made in the Act to counterbalance or negate the resulting physical or financial distress in such contingencies are, thus, aimed at upholding human dignity in times of crisis through protection from deprivation, destitution and social degradation while enabling the society the retention and continuity of a socially useful and productive manpower. The administration of the ESI Scheme as per the ESI Act

has been entrusted to the Employees’ State Insurance (ESI) Corporation. At the national level, The ESI Corporation administers the ESI Scheme.

REVIEW OF LITERATURE

According to Haber and Cohen (1948), social security is a controversial and dynamic topic with many aspects: Philosophical, Theoretical and Humanitarian, Financial, Administrative, Social, economic and Political, Statistical, Medical and Legal.

International Labour Organization (ILO, 1957) monograph concerned primarily with the five principles of social security schemes, now in force in Great Britain, these consist of National Insurance, Industrial Insurance, Family Allowances, National Assistance and the National Health Service.

Choudhuri, Sunil Rai (1962), examined a comparative study of the social security schemes in two countries, i.e., India and Britain. He studied the two Indian Schemes, i.e. Workmen’s Compensation Act and Employees’ State Insurance Act regarding industrial injuries and of their achievements and failures and also studied the present British Industrial Injuries Scheme and its working since 1948 and further attempted to show which of the principles underlying the British Scheme would be adopted in India.

Sarma, A. M. (1981) studied the social security scheme in detail and different social security legislations in India including comprehensive selection of recent cases law bearing on the subject. His study stated that the ESI Scheme neither covered all risks nor was it applicable to all the working population.

Speaking on the occasion of the golden jubilee celebration of the Employees’ State Insurance Scheme, Atal Bihari Vajpai (2002), the

then Prime Minister emphasized the need to increase the reach of social security to the large number of workers in the unorganized sector. He stated that the Employees' State Insurance Scheme should endeavor for providing social security umbrella to the poorest of the poor workers and people in the unorganized sector for achievement of national goals set by Mahatma Gandhi.

THE OBJECTIVES

The main objective of this paper is-

- a. To study the effectiveness of the benefits provided to the Insured Persons (IPs) registered under the ESI scheme.
- b. To offer some suggestions for the proper and suitable implementation of the scheme.

METHODOLOGY:

For the purpose of the study, Primary data are collected from the enterprises registered in the **Guwahati Branch Office** by field survey through questionnaire. Discussions with the officials of ESI Corporation as well as discussion with the leaders of various trade unions and office bearers are also done. Again related secondary data are collected from Library work, Visiting dispensaries and offices, collecting information from internet sources, consulting persons of related matters etc.

To examine the effectiveness of benefits provided to the insured persons under the ESI Scheme, the following *variables* were taken into consideration –

1. Awareness of the ESI benefits
2. Knowledge about the formalities of claiming the ESI benefits
3. Level of satisfaction in the Services of the Doctors in ESI Dispensaries

SAMPLE SIZE

The sample for the study consists of 50 enterprises covered under the ESI Scheme and 150 insured persons selected from the respective enterprises.

FINDINGS & ANALYSIS

In the study an enquiry was made among the insured persons to know about their awareness and knowledge about the ESI Scheme and also to assess their level of satisfaction in the services of the doctors they get from the ESI dispensaries. Their responses are discussed below:

AWARENESS OF THE ESI BENEFITS

The ESI benefits to be effective, first of all, there should have awareness among the insured persons about the various benefits provided by the Corporation under the ESI Scheme. The level of their awareness is shown in the following **Table1-**

Table1. Awareness of the ESI Benefits as perceived by the Insured Persons

Responses	Factory		Establishment		Total	
	No.	%	No.	%	No.	%
Fully Aware	26	29	20	34	46	31
Partially Aware	65	71	39	66	104	69
Total	91	100	59	100	150	100

Source: Field Study

The above **table 1** reveals that only 31% of the insured persons were fully aware of the ESI benefits and most of them, i.e. 69% IPs were partially aware of the ESI benefits. Enquiry was also made through the questionnaire about their non-awareness of the ESI benefits, but the results shows that somehow they were aware of the ESI benefits.

KNOWLEDGE ABOUT THE FORMALITIES OF CLAMMING THE ESI BENEFITS:

From the study it was found that most of the insured persons were not well equipped with the knowledge about the formalities of clamming the ESI benefits. **Table 2** below shows the results-

Table2. Knowledge about the formalities for claiming the ESI Benefits by the Insured Persons

Responses	Factory		Establishment		Total	
	No.	%	No.	%	No.	%
Fully Aware	07	10	15	19	22	15
Partially Aware	51	72	43	54	94	63
Not Aware	13	18	21	27	34	22
Total	71	100	79	100	150	100

Source: Field Study

From the table above it is seen that most of the IPs were only partially aware about the formalities for clamming the ESI benefits. It stood for 63%, followed by 22% totally not aware about the knowledge for clamming the benefits and 15% were fully aware about the knowledge for clamming the ESI benefits as perceived by the IPs.

LEVEL OF SATISFACTION IN THE SERVICES OF THE DOCTORS IN ESI DISPENSARIES:

The responses of the insured persons regarding the level of satisfaction in the services of the doctors provided under the ESI Dispensaries are not satisfactory as revealed by the study. Most of the insured persons (both from factory and establishments) opined that they were dissatisfied with the ESI Dispensaries regarding the various services, among which, the services of doctors are the prime ones. The responses of the insured persons regarding the level of satisfaction are given below in **Table 3**

Table3. Level of satisfaction in the Services of the Doctors in ESI Dispensaries as perceived by IPs

Responses	Factory		Establishment		Total	
	No.	%	No.	%	No.	%
Extremely Satisfied	-	-	04	08	04	05
Satisfied	02	05	05	10	07	08
Neither Satisfied Nor Dissatisfied	06	17	08	16	14	16
Dissatisfied	22	61	29	56	51	59
Extremely Dissatisfied	06	17	05	10	11	12
Total	36	100	51	100	87	100

Source: Field Study

Table 3 reveals that most of the IPs, 59% combined from the factories and establishments were dissatisfied with the services of the doctors in the ESI Dispensaries, followed by 12% extremely dissatisfied. A sizeable number, i.e. 16% of the respondent were also neither satisfied nor dissatisfied. Satisfied and extremely satisfied came only 8% and 5% respectively.

SUGGESTIONS:

From the above analysis it is found that the insured persons in factories and establishments are not properly aware and their level of satisfaction is also poor. Therefore, the following suggestions are advanced so as to make the Employees' State Insurance Scheme as well as the Corporation more effective -

- Efforts are to be made on the part of the Corporation to enhance the level of awareness among the insured persons and the employers about the ESI Scheme and the Corporation as well.
- The Corporation has to relax the eligibility conditions and simplify the formalities to enable the benefits under the ESI Scheme.
- The Corporation can also consider extending IT facilities like computerization of different sectors.
- Constant education and community involvement – in both implementing and monitoring – are key to ensuring that benefits actually reach the poor.
- The Corporation should also make sure that all the insured persons and the employers covered under the ESI Scheme are getting the printed educational material about the Scheme in a language Known to them. Besides the print me-

dia, the Corporation can also consider press publicity, electronic media, seminars and workshops in this regard.

- Improve health service delivery quality in terms of services of Doctors, availability of quality medicines, adequate laboratory testing facilities. At least in some cases, specialist care should be provided with reimbursement facilities regarding some diseases, where the insured persons seek treatment of their choice hospitals.

CONCLUSION

“Health for All” in India with 1.26 billion people is indeed a tall order. But it also presents a great opportunity, as India is telling the world. Health Insurance programmes have the potential of transforming poor households' health and financial security and thereby can provide full range of social security measures. However the success of a health insurance programme depends on how effectively the benefits reach the poor. Constant education and community involvement – in both implementing and monitoring – are key to ensuring that benefits actually reach the poor. The same is also equally applicable to Employees' State Insurance Act, 1948, which is engaging in providing health protection to employees in the organized sector and their dependents in contingencies.

REFERENCES

- Choudhuri, Sunil Rai, Social Security in India and Britain, World Press Pvt. Ltd. Calcutta 1962
- Employees' State Insurance Scheme Golden Jubilee Celebration, 2002, New Delhi.

Haber, W and Cohen, W.J., Readings in Social Security, Prentice Hall Inc., New York, 1948.

International Labour Organization of Social Security-Great Britain, ILO, Geneva, 1957.

Sarma, A. M. Aspects of Labour Welfare & Social Security, Himalaya Publishing House, Bombay, 1981

The International Labour Organization, Approaches to Social Security, 1942, pg 1.