

## **Beneficiaries' protection in ESI scheme - A study in Assam**

**Bidyut Bikash Baishya<sup>1\*</sup> and Dipanjan Chakraborty<sup>2</sup>**

<sup>1</sup>*Department of Economics, Pragjyotish College, Guwahati-781009, Assam, India*

<sup>2</sup>*Department of Commerce, Darrang College, Tezpur -784001, Assam, India*

### **ABSTRACT**

Every human being of a society needs some sort of protection against providential mishaps over which common masses has no control. Among this risk the most important is the risk of medical emergencies. In India, only 3% of population is covered by some form of health insurance, either social or private (Visaria and Gumber 2008). These groups of people necessitate the provision of health insurance, although their capacities to pay insurance premiums are very low. One of the existing mandatory health insurance schemes in India for Organized Sector is – Employees' State insurance Scheme (ESIS) and it is more relevant because this was the first social insurance measures introduced in India and is executed and administered through Employees State Insurance Corporation (ESIC) way back in the year 1948 & 1958 in India and Assam respectively. But, after it's more than 59 years of implementation in the state like Assam and 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. Therefore, this paper will attempt to assess the working of various mechanisms, specially the EI Court & Grievances Redressal Cell of the Corporation for the administration of the ESI schemes as well as to assess the perceptions or awareness of the beneficiaries both working in factory and establishments to safeguard their rights.

**Key words:** *Health Insurance, 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. ILO (1984) defines Social Security as - "the security furnished through appropriate organisation against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual of small means cannot effectively provide for by his own ability or

foresight alone or even in private combination with fellows." Today India has the largest demographic dividend. For such a large number of the working force (63% in between the age group of 35 years to 65 Years) a comprehensive measure that provides social security is utmost necessary. This protection is provided through proper organizations to the individual members of the society who are exposed to certain risk. The existing mandatory health insurance scheme in India for Organized Sector is – Employees' State in-

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\*Corresponding author's Email: bidyut78@gmail.com

insurance Scheme (**ESIS**) and Central Government Health Scheme (**CGHS**). The **Employees' State Insurance (ESI)** Scheme is more relevant because this was the first social insurance measures introduced in India and is executed and administered through **Employees State Insurance Corporation (ESIC)** way back in the year 1948 in India and in Assam Region of India in the year 1958.

### **THE EMPLOYEES'STATE INSURANCE (ESI) SCHEME AND THE EMPLOYEES'STATE INSURANCE CORPORATION [ESIC]:**

The ESI Act of 1948 was the first social insurance measures introduced in India 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. The ESI Act applies to Non-seasonal factories using power and employing ten or more persons and Non-seasonal and non-power using factories and establishments employing twenty or more persons.

The administration of the ESI Scheme as per the ESI Act has been entrusted to the Employees' State Insurance (ESI) Corporation. The ESI Act provides various powers to the Corporation for its proper functioning. The ESI Corporation provides benefits to the insured persons and their dependents under the ESI Scheme in three categories- a) Medical Benefits, b) Cash Benefits and c) Other Benefits. Further, the two most prominent working mechanism of the corporation are - Employees' Insurance (EI) Court and Grievances Redress Cell.

### **EMPLOYEES' INSURANCE (EI) COURT**

Where a dispute arises under the provision of the ESI Act as amended from time to time, the matter in the dispute is decided by the

EI Court constituted under Section 74 of the Act and not by a civil court. An appeal shall lie to the High Court from an order of an EI Court if it involves a substantial question of law. The State Government shall, by notification in the Official Gazette, constitute an EI Court for such local area as may be specified in the notification. The Court shall consist of such number of Judges as the State Government may think fit. (Sec.74). The State Government may appoint the same Court for two or more local areas or two or more Courts for the same local area (**ESI ACT, 2010**). Where more than one Court has been appointed for the same local area, the State Government may by general or special order regulate the distribution of business between them.

### **GRIEVANCES REDRESS CELL**

The ESI Corporation is making the redress of the grievances and complaints of the insured person and employers covered under the ESI Scheme through the Grievances Redress Cell. The Corporation has also set up an elaborate system at various levels for speedy redress of grievances and complaints. Managers in charge of branch offices, insurance medical officers in charge of dispensaries and medical superintendents in charge of hospitals are responsible for the redress of grievances and complaints at the grassroots level. At the regional level, Regional Director and Public Grievance Officer are responsible for the redress of grievances and complaints. At the Corporate level, a Director is appointed for the purpose (**Vasanthagopal & Mathew 2009**).

### **REVIEWS OF LITERATURE**

Pachman, J.A. et.al, studied the major aspects of the social security system in the US, its benefits, structure, and its relationship to the retirement decision, methods of determining costs and its financing. They also presented ex-

<sup>1</sup>Pachman, J. A. and others, Social Security Perspective for Reform, The Brookings Institutions, Washington, D.C. 1968

explicit or implicit recommendations for changing the system. These recommendations comprise an agenda for reform. The proposal was presented in three dimensions. The first dimension regards the historical development and the present institutional setting of social security. The second dimension was the modest proposal to improve social security within the present framework. Finally, a list of immediate and urgently needed changes that could be consistent with the longer terms goals was presented for consideration in the next round of social security legislation, more modest changes should be enacted to move the system in the desired direction. Such changes would stress adjustments in the minimum benefits and in the benefits paid to widows and survivors.<sup>1</sup>

International Labour Organization 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.

Speaking on the occasion of the golden jubilee celebration of the Employees' State Insurance Scheme, AtalBihariVajpai, 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.

Dr C.S. Kedar, IAS, Director General, ESIC said that the improvements in the performance of ESIC are attributable to the valuable cooperation and active participation received from its various stakeholders i.e. IPs, Employers, State Governments, Corporation members and the employees of the Corporation. The Corporation has made several provisions like Self-certification, Amnesty Scheme for settlement of Legal Disputes, relaxation in inspections policy to meet the needs of the Employers. The burden

on State Govt. has also been eased out in certain cases like in Super Specialty treatment. He further said that, ESI Corporation during this Diamond Jubilee Year would like to extend coverage to other States of the North Eastern Region namely Sikkim, Manipur, Mizoram and Arunachal Pradesh.

## THE PROBLEM STATEMENT

Despite all the endeavours made by the ESI Corporation for the effective functioning of the ESI Scheme in the country, public discernment of the Corporation has not been very positive. The Corporation provided machinery like **EI Court** and **Grievances Redress Cell**, whereby consumers can file their complaints which will be heard by the forums so that action can be taken against those who violets the rules. But, the beneficiaries felt that the working mechanism of the corporation specially the **EI Court** and **Grievances Redress Cell** is always questioned regarding their promotion and protects the interest of consumers against deficiencies and defects in services. Therefore, a study on the perception of insured persons as to delivery of services by ESIC is vital for success of ESI schemes and to cure the various maladies that afflicted.

## THE OBJECTIVES

In the light of above statement of problems and review, this paper tries to examine the perception of Insured Persons (**IPs**) in Assam Region regarding efficiency of the working mechanism of ESIC in delivering various services as mandated by ESI Act. More specifically, the objective of this paper is-

- a. To study the level of awareness of the IPs about EI Court and Grievances Redress Cell.
- b. To examine the numbers of cases registered by the IPs in EI Court and Grievances Redress Cell.

- c. To study the level of satisfaction of IPs in the Working of EI Courts and Grievances Redress Cell.
- d. To study the reasons for dissatisfaction of IPs in the working of EI Courts and Grievances Redress Cell.

### HYPOTHESIS (H01)

There is no difference in the level of satisfaction in the working of the machinery (EI Court & Grievances Redress Cell) for the administration of the ESI Scheme among the beneficiaries, i.e. the insured persons (IPs).

### METHODOLOGY

The study is primarily a descriptive and analytical. The study is undertaken on the functioning of ESIC in Assam Region.

Sample Size:

In Assam there are altogether **85102** insured, a sample of **382** has been selected by applying the formula for selecting the sample size is one by Krejcie & Morgan (1970); which are selected randomly consist of factory organisation and other establishments.

Source of Data:

Primary data are collected from the sample insured persons working in different es-

tablishment/factories and registered under the Branch Offices of ESIC on 31-03-2016 through questionnaire. Discussions with the officials of ESI Corporation, leaders of various trade unions and office bearers are also done.

Secondary data are collected from Library work, Visiting dispensaries and offices, collecting information from internet sources, consulting persons of related matters etc.

Analysis of Data

The collected data has been analyzed with the help of five point scale from strongly satisfied to strongly dis-satisfy and hypotheses are tested by applying chi-square test. The Study Period is from 2005- 2015, i.e. of 10 years period.

### RESULTS AND DISCUSSION:

#### AWARENESS ABOUT EI COURTS (IPs)

EI Courts is one such medium through which the insured persons can avail justice, if any wrong or discrimination is done to them. Therefore, the insured persons should be well aware about the EI Court. However, during the study the awareness level regarding the EI Court was not found so encouraging. The awareness regarding the EI Court as perceived by IPs is shown in the following **Table 1-**

**Table 1.** Awareness about EI Courts (Insured Persons)

Awareness of EI Courts as Perceived by the IPs	Enterprises where the IPs work				Total	
	Factory		Establishment		No.	Percent
	No.	Percent	No.	Percent		
Aware	51	22	63	41	114	30
Not Aware	178	78	90	59	268	70
Total	229	100	153	100	382	100

<sup>2</sup>International Labour Organization of Social Security-Great Britain, ILO, Geneva, 1957.

<sup>3</sup>Employees' State Insurance Scheme Golden Jubilee Celebration, 2002, New Delhi.

<sup>4</sup>Addressing the National Conclave at Guwahati on 23-06-2011, on the occasion of celebrating The Diamond Jubilee of the ESI Corporation.

**Table 1.** reveals that most of the insured persons both in factory and establishment (70%) were not aware of the EI Courts. Those who were aware came to only 30%. This indicates a poor level of awareness among the IPs regarding the awareness of the EI Court.

### CASES FILED IN EI COURTS (IPs)

Majority of the insured persons did not filed cases in the EI Court. Again, those who have filed cases in the EI Court, they replied that, it took a long official formalities in filing the case. The following **Table 2** shows the numbers of cases filed in EI Court by the IPs

<sup>5</sup>Krejcie, R.V., &Morgan, D.W. (1970), "Determining Sample Size for Research Activities", *Educational and Psychological Measurement*, Vol.30, pp. 607-610.

**2** reveals that a large majority of the insured persons (84%) have not filed any case in EI Courts. Only 16% of the insured persons had filed cases in the EI Court. It seems that due to the poor awareness of the insured persons regarding the operations of the EI Court, most of them could not file any cases in the EI Court.

### LEVEL OF SATISFACTION IN THE WORKING OF EI COURTS (IPs)

It was observed that out of the total sample IPs (382), only 63 no. of IPs have field cases in the EI Court, which is very less. So, among these insured persons only an attempt was made to know about their satisfaction level regarding the EI Courts. The Level of Satisfaction in the Working of EI Court as perceived by the IPs is shown below in **Table 3- Source:** Field Study

**Table 2.** Responses of the Insured Persons as to the Cases Filed in EI Courts

Responses of the IPs as to the Cases Filed in Employees' Insurance (EI) Courts	Enterprises where the IPs work					
	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Cases filed	36	16	27	18	63	16
Cases Not filed	193	84	126	82	319	84
Total	229	100	153	100	382	100

**Table 3.** Level of Satisfaction in the Working of EI Courts

Level of Satisfaction in the Working of the EI Courts (IPs)	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
	Strongly Satisfied	05	13	03	13	08
Satisfied	06	15	03	13	09	14
Neither satisfied nor dissatisfied	03	07	02	09	05	08
Dis-Satisfied	21	52	10	43	31	49
Strongly Dis-Satisfied	05	13	05	22	10	16
Total	40	100	23	100	63	100

**Source:** Field Study

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Calculated Value of  $\chi^2$  (Chi-square) at 4 df is: **1.096**

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Table value at 0.05 level: **9.488**

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Result/Conclusion: **Not Significant**

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A large majority of the insured persons (49%) reported that they were dis-satisfied with the working of the EI Courts and another 16% were strongly dis-satisfied. The insured person who was satisfied came to 14% and strongly satisfied 13% only. Again there is no significant difference in the level of satisfaction among the insured persons of the factories and the establishments in the working of the EI Courts as shown by the Chi-square test in **Table 3**.

#### **REASONS FOR DISSATISFACTION IN THE WORKING OF EI COURTS (IPs):**

The researcher also tried to find the causes of dissatisfaction regarding the operation of the EI Courts among the insured persons. The reasons for dissatisfaction in the working of EI Courts as told by the IPs is shown below in **Table 4**-

**Table 4** reveals that the insured persons opined that 'high delay' in getting responses from the EI Court end was the prime reason for dissatisfaction. It stood for 71%. Lengthy official formalities, which were 29%, were one another reasons for the insured persons for their dissatisfaction in the workings of the EI Court.

#### **AWARENESS OF THE GRIEVANCES REDRESS CELL (IPs)**

The enquiry made among the insured persons to find out their awareness of the Grievances Redress Cell reveals the poor picture of awareness. The awareness of the Grievances Redress Cell as told by the IPs shown below in **Table 5**-

**4 Table.** Reasons for Dis-satisfaction in the Working of EI Courts

Reasons for Dis-satisfaction among IPs in the Working of the EI Courts	Enterprises where the IPs work					
	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Lengthy Official Formalities	7	30	5	28	12	29
Delay in getting response	16	70	13	72	29	71
Others*	-	-	-	-	-	-
Total	23	100	18	100	41	100

**Source:** Field Study others\* - lack of proper documentation, inconveniences etc.

**Table 5.** Awareness of Grievances Redress Cell as Perceived by the Insured Persons

Awareness of EI Courts as Perceived by the IPs	Enterprises where the IPs work					
	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Aware	56	24	68	44	124	32
Not Aware	173	76	85	56	258	68
Total	229	100	153	100	382	100

**Source:** Field Study

The table reveals that 32% of the insured persons were aware of the Grievances Redress Cell. However, most of the insured persons were not aware about the Grievances Redress Cell and it came to 68%. Therefore it can be conclude that most of the insured persons were not aware about their rights which can be a great help to them in their working environment.

#### **GRIEVANCES LODGED IN THE GRIEVANCES REDRESS CELL (IPs)**

From the study it was found that most of the insured persons did not lodged grievances or most often they are reluctant to lodge any grievances. It was also observed that most of them were not fully aware about the Grievances Redress Cell. The following **Table 6** below shows the details-

**Table 6** reveals that a large majority of the insured person (89%) were not lodged any complain or grievances in the Grievances Redress Cell. Those who have lodged grievances came only to 11%. Again, most of them have lodged grievances regarding their salary matters, non-payments of arrears, bonus etc.

#### **LEVEL OF SATISFACTION IN THE WORKING OF GRIEVANCES REDRESS CELL**

Observation was also made regarding the satisfaction level of the insured persons on the functioning of the Grievances Redress Cell. Regarding the level of satisfaction in the working of Grievances Redress Cell it was observed that most of them were not satisfied. It is explain below with the help of **Table 7-**

**Table 6.** Responses of the Insured Persons as to the Grievances Lodged

Responses of the Insured Persons as to the Grievances Lodged	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Grievances Lodged	26	10	19	15	45	11
Grievances not lodged	233	90	104	85	337	89
Total	259	100	123	100	382	100

**Source:** Field Study

**Table 7.** Level of satisfaction in the Working of Grievances Redress Cell (Insured Persons)

Level of Satisfaction among the Insured Persons in the Working of Grievances Redress Cell	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Strongly Satisfied	05	19	01	05	06	13
Satisfied	04	16	03	16	07	16
Neither satisfied nor dissatisfied	05	19	02	10	07	16
Dis-Satisfied	10	38	10	53	20	44
Strongly Dis-Satisfied	02	08	03	16	05	11
Total	26	100	19	100	45	100

**Source:** Field Study

Calculated Value of  $\chi^2$  (Chi-square) at 4 df is :3.286

Table value at 0.05 level: 9.4888

Result/Conclusion: Not Significant

**Table 7-** reveals that a majority of insured persons, 44%, reported that they were dis-satisfied in the working of the Grievances Redress Cell and another 11% were strongly dis-satisfied. 16% were neither satisfied nor dis-satisfied. The satisfaction level came to 16% and strongly satisfied came to 13% only. Lengthy Official Formalities Delay, non-response etc. is some of the important reasons for their dissatisfaction. However, the Chi-square test shows that there is no significant difference in the level of satisfaction among the insured persons in the working of Grievances Redress Cell.

Hence, it may be inferred that no significant difference in the *level of satisfaction* to the working of the **EI Courts** and to the working of the **Grievances Redress Cell** as shown by the chi-square test.

Thus, **Ho1**, stating that there is no difference in the *level of satisfaction* in the working of the machinery (EI Court & Grievances Redress Cell) for the administration of the ESI Scheme among the insured persons or the beneficiaries stands accepted.

## RESULTS AND DISCUSSION

The findings of the study are present below:

A large number of cases were pending in EI Courts for most of the years. The average for the period of 10 years shows that in Assam region only 60% of the cases filed were disposed of in EI Courts in the year itself and the remaining 40% were pending.

1. It seems that in case of the insured persons the awareness regarding the EI Court is poor. Most of the insured persons both in factory and establishment (70%) were not aware of the EI Courts. Those who were aware came to only 30%.
2. A large majority of the insured persons (84%) have not filed any case in EI Courts. Only 16% of the insured persons had filed cases in the EI Court. It seems that due to



the poor awareness of the insured persons regarding the operations of the EI Court, most of them could not file any cases in the EI Court. Out of the total sample IPs (382), only 63 no. of IPs have filed cases in the EI Court, which is very less.

3. A large majority of the insured persons (49%) reported that they were Dis-satisfied with the working of the EI Courts and another 16% were strongly Dis-satisfied. The insured persons who were satisfied came to 14% and strongly satisfied 13% only. The insured persons opined that 'high delay' in getting responses from the EI Court end was the prime reason for dis-satisfaction.
4. An enquiry made among the insured persons to find out their awareness of the Grievances Redress Cell revealed that 32% of the insured persons were aware of the Grievances Redress Cell. However, most of the insured persons were not aware of the Grievances Redress Cell and it came to 68%.
5. It was found that most of the insured persons did not lodge grievances or most often they were reluctant to lodge any grievances. A large majority of the insured persons (89%) did not lodge any complainant grievances in the Grievances Redress Cell. Those who have lodged grievances came only to 11%. Again, most of them have lodged grievances regarding their salary matters, non-payments of arrears, bonus etc.
6. Majority of insured persons, 44%, reported that they were dis-satisfied in the working of the Grievances Redress Cell and another 11% were strongly dis-satisfied. 16% were neither satisfied nor dis-satisfied. The satisfaction level came to 16% and strongly satisfied came to 13% only. Lengthy Official Formalities Delay, non-response etc. is some of the important reasons for their dis-satisfaction. Most of the insured persons

opined that there was a 'very high delay' in the disposal of the grievances.

## RECOMMENDATIONS

Since ESI Scheme is a Social Security Scheme whose aim is to create a healthy workforce to augment the Nation Building and to march ahead the whole hearted participation in the Scheme by this region is utmost important. Hence, based on study and findings, the following suggestions are put forwarded:

1. The IPs should avail the facilities of 'Employees Insurance Court' and the 'Grievances Redress Cell' for any kind of disturbance they are getting from the employers as well as from some other sources.
2. The employers should disseminate full information of the scheme and the associated benefits that can be availed by the insured persons (IPs) and their families by taking orientations classes, organizing seminars, workshops etc. within their organizations or establishments. In this case the employers may seek help from the official of the corporation for providing them full and adequate information.
3. Formulation of a registered trade/labour/workers union, under which the interest of the IPs should be to protect and promote. It will lead to enhance their bargaining power, thereby more earnings.
4. Prompt Grievances Redressal machineries should be set up at all levels.
5. Prompt disposal of the claims, reimbursement bills should also be ensured.
6. 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 media, the Corporation can

also consider press publicity, electronic media, seminars and workshops in this regard.

7. Online submission of challans, payment of contribution etc., should also be availed by the employers for a hassle free transaction as well as payment of long-term benefits should be made through Electronic Clearing System.

## CONCLUSION

Tertiary care, especially privately provided care can be extremely expensive and can lead to serious medicalisation of health care leading to unsustainable cost-escalation. For long-term fiscal sustainability, strengthening public health system appears to be the only option for the governments. However, a robust regulatory system for quality and price control, supported by periodic technical and social audits with adequate protection policy for the insured persons (IPs) would be needed to ensure the availability of public health care facilities to the common masses.

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