WORKING OF THE EMPLOYEES' STATE INSURANCE SCHEME—
A STUDY IN TWO UNITS

A. M. SARMA

This paper traces the background of the Employees' State Insurance Scheme, its administration and various benefits under the Act. It uses published data available from Annual Reports of the E.S.I. Corporation and also Statistical analysis of the opinion of the sampled employees of a textile mill and an Engineering concern. The study mainly reveals the views of employees, regarding the working of the scheme and makes suggestions based on certain findings.

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The Government of India introduced the Workmen's Insurance Bill in the Central Legislature in November 1946, which was passed eighteen months later as the Employees' State Insurance Act, 1948. The Scheme under the Act aims at providing protection to workers by way of payment of benefits in cash and providing medical facilities in kind in case of contingencies of sickness, maternity, employment injury and death. The Act applies to all non-seasonal factories run with power and employing 20 or more employees, excluding mines and railways running sheds. It covers all employees, manual, clerical and supervisory and employees engaged by or through contractors, whose remuneration does not exceed Rs. 1,000 a month. The definition of employee also includes administrative staff and the persons engaged in connection with purchase of raw materials or sale or distribution of products and related functions. State Governments are empowered to extend the Act to cover other establishments or class of establishments, industrial, commercial, agricultural or otherwise. Starting with about 1.20 lakh insured persons in Kanpur and Delhi in 1952, the Scheme has been gradually extended and at the end of December 1976 covered over 53 lakh employees and a total of 2.21 crores beneficiaries for medical care (insured persons and their family members) in 403 centres.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Centres</th>
<th>No. of employees covered</th>
<th>No. of insured persons</th>
<th>No. of family (Insured persons) Units</th>
<th>No. of Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>324</td>
<td>38,39,000</td>
<td>42,18,000</td>
<td>41,97,050</td>
<td>1,63,05,550</td>
</tr>
<tr>
<td>1971-72</td>
<td>318</td>
<td>39,75,000</td>
<td>43,44,000</td>
<td>42,95,350</td>
<td>1,67,14,550</td>
</tr>
<tr>
<td>1972-73</td>
<td>339</td>
<td>41,50,000</td>
<td>45,25,000</td>
<td>45,16,200</td>
<td>1,75,31,700</td>
</tr>
<tr>
<td>1973-74</td>
<td>350</td>
<td>43,03,000</td>
<td>47,50,000</td>
<td>47,41,050</td>
<td>1,84,04,100</td>
</tr>
<tr>
<td>1974-75</td>
<td>365</td>
<td>43,85,000</td>
<td>47,75,000</td>
<td>47,54,150</td>
<td>1,84,69,950</td>
</tr>
<tr>
<td>1975-76</td>
<td>388</td>
<td>51,50,000</td>
<td>56,00,000</td>
<td>55,84,050</td>
<td>2,16,82,050</td>
</tr>
</tbody>
</table>

SOURCE: Annual Reports of the ESIC 1970-76.
The progress of its coverage during the years 1971 to 1976 is given in table 1.

Finance

The Scheme is mainly financed by contributions from employers and employees, with the State Governments sharing one-eighth cost of medical care. The Corporation generates its own resources and does not receive nor does it need any subsidy. The managements are required to maintain registers of all employees, and of each wage period indicating the name, occupation, insurance number, wage group and the contribution of the employee as prescribed under the Act. The responsibility to remit the contributions both of employers and employees to the Corporation within the prescribed time limit is that of the management. The statistical abstract of Employees State Insurance Scheme show that out of 21,856 employers 13,780 were in default in payment of contribution in time during 1970-71 and 15,744 out of 23,496 in 1971-72. The percentage of compliance in payment of contribution in time was 37.0% in 1970-71 and 33.0% in 1971-72. Similarly the number of defaulters in submission of returns in 1970-71 and 71-72 were 13,723 and 14,980 respectively. The percentage of timely compliance in submission of returns was 37.2% in 1970-71 and 36.2% in 1971-72. Thus both in payment of contribution and in submission of returns the employers were greatly at default.

Administration

The administration of the Scheme is entrusted to an autonomous Corporation, consisting of the Minister of Labour at the Centre as its Chairman, the Union Health Minister as its vice-chairman and representatives of State Governments employers and the medical profession nominated by the Central Government. The affairs of the Corporation are directly administered by a Standing Committee constituted from amongst its members and a Medical Benefit Council. The Chief Executive Officer of the Corporation is its Director General. He is mainly concerned with the formulation of policy, over-all supervision, co-ordination and liaison with central and state Governments. The ESIC has set up Regional, Local and Inspection Offices in various States for implementation of the Scheme. Regional offices maintain all records in respect of insured persons and administer local and inspection offices. Regional Boards and Local Committees are also constituted to make necessary recommendations for implementation of the Scheme. As on 31st March 1976 there were 15 Regional Offices, 2 Sub-Regional Offices, 287 Local Offices, 94 Miniature Local Offices, 3 Sub-Local Offices, 269 Pay-offices and 114 Inspection Offices in all the States. During the same period, one Regional Office, 2 Sub-Regional Offices, 93 Local Offices, 4 Miniature Local Offices, 25 Pay-Offices and 36 Inspection Offices were in existence in Maharashtra.

Relative Cost of Administration

The comparative cost of administration during the past five years is reported in table-2

It shows that the amount of revenues collected improved progressively from 1971-72 to 1975-76. But there was a decline during the year 1974-75. The amount collected was the highest (Rs. 95,872) in the year 1975-76. The ratio of administrative expenditure to total cost of benefits was comparatively highest (14.22 per cent) during the year 1974-75. However, the number of E.S.I.C. staff per
lakh insured employees had decreased from 192 to 154 during 1971-72 to 1975-76.

**Benefits**

The benefits provided under the Scheme are: (1) Sickness and Extended Sickness Benefit (2) Maternity (3) Disablement Benefit (4) Dependants' Benefit (5) Funeral Benefit and (6) Medical Benefit.

For sickness occurring during any benefit period, an insured person is entitled subject to contributory conditions, to receive sickness cash benefit at the standard benefit rate for a period of 91 days in any two consecutive benefit periods. An insured person suffering from any specific long term ailments like tuberculosis, leprosy, mental diseases etc., is eligible for extended sickness benefit at a rate 25% more than the sickness benefit rate rounded to the next higher multiple of 5 paise, for a period of 124/309 days. Thus together with the standard sickness benefit for 91 days, it puts a claimant on benefit for an aggregate period up to 215 days for all specified twenty-one categories of diseases and 400 days in chronic cases. An insured person is paid cash assistance at practically full wage rates for 7 days for vasectomy and 14 days for tubectomy operations. This is paid in addition to the usual sickness benefit.

An insured woman is entitled to maternity benefit at double the standard benefit rate. This is practically equal to full wages for a period of 12 weeks of which not more than 6 weeks shall precede the expected date of confinement. Additional maternity benefit is given in case of miscarriage for a period of 6 weeks immediately following the date of miscarriage. In case of sickness arising out of pregnancy, confinement, premature birth of child or miscarriage, an additional benefit is given for a period not exceeding one month.

If a member suffers an injury in course of his employment, he will receive free medical treatment and temporary disablement benefit in cash which is about 62.5% of the wages as long as the temporary disablement lasts, provided that the temporary disablement has lasted for not less than 3 days, excluding the day of accident. In case of permanent total disablement, the insured person will be given life pension at full rate i.e. about 62.5% of his wages, while in

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**TABLE 2**

RELATIVE COST OF ADMINISTRATION 1971-72 TO 1975-76

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of Cash Benefit Payments per ESIC Employee</td>
<td>780</td>
<td>629</td>
<td>701</td>
<td>633</td>
<td>635</td>
</tr>
<tr>
<td>2. Contributions collected per ESIC Employee</td>
<td>Rs. 68,192</td>
<td>79,334</td>
<td>86,154</td>
<td>81,944</td>
<td>95,872</td>
</tr>
<tr>
<td>3. Ratio of Administrative Expenditure to total benefits</td>
<td>12.51%</td>
<td>11.86%</td>
<td>11.04%</td>
<td>14.22%</td>
<td>13.59%</td>
</tr>
<tr>
<td>4. Ratio of Administrative Expenditure to total contribution</td>
<td>9.35%</td>
<td>7.50%</td>
<td>7.72%</td>
<td>10.40%</td>
<td>10.24%</td>
</tr>
<tr>
<td>5. Ratio of ESIC staff per one lakh insured employees</td>
<td>192</td>
<td>182</td>
<td>177</td>
<td>171</td>
<td>154</td>
</tr>
</tbody>
</table>

SOURCE: Annual Reports of the ESIC for the respective years.
cases of partial permanent disablement he will receive a portion of it as life pension. The benefit is paid for Sundays as well. At the option of the beneficiary the permanent disablement pension can be commuted to a lump sum payment.

The dependants' benefit consists of timely help to the eligible dependants of an insured person who dies as the result of an accident or an occupational disease arising out of and in the course of employment. Pension at the rate of 25% more than the standard benefit rate will be paid periodically to widow(s) and children in accordance with the prescribed share. In their absence, a pension may be paid to other dependants. It will be available to the widow for life time or until she marries, to sons and unmarried daughters up to the age of 18 without any proof of education and to infirm or wholly dependent offspring as long as the infirmity lasts. The benefit also accrues to parents and grandparents and any other dependant up to the age of 18 where the deceased has no surviving widow or child.

An amount not exceeding one hundred rupees is payable as funeral benefit to the eldest surviving member of the family of the deceased insured person. When, however, the insured person did not have a family or was not living with his family at the time of his death, it is payable to the person who actually incurs the expenditure on the funeral of the deceased insured person. Claims for funeral expenses can be preferred within two years from death.

The kingpin of the Scheme is medical benefit which consists of medical attendance and treatment of insured persons and their families whenever covered. This benefit has been divided into three parts. (a) Restricted Medical Care: It consists of outpatient medical care at dispensaries or panel clinics. In these institutions, facilities of consultation with medical officers, supply of drugs, pre-natal and post-natal-care, family planning and immunization services are available. The beneficiaries are also entitled to call a doctor to their house to see a serious case. (b) Expanded Medical Care: This consists of consultation with specialists and supply of special medicines and drugs as may be prescribed by them. This also includes facilities for special laboratory tests and X-Ray examinations. (c) Full Medical Care: It consists of hospitalisation facilities, services of specialists and drugs and diet as are required for inpatients. An insured person is entitled to medical care of all the above three varieties immediately on becoming insured under the Scheme and members of his family from 13 weeks thereafter. Medical care continues to be available for a period of about 9 months, if at least 13 contributions have been paid during the contribution period. Insured person suffering from chronic ailments of long duration like T.B., Leprosy etc., are eligible for medical treatment for a further period of one year. Insured persons are also provided artificial limbs. All services forming part of medical benefit are provided free of any extra charge. It is administered by the respective State Governments except in Delhi where the ESIC Corporation has its own network of hospitals and dispensaries. Seven eighths of the expenditure on medical benefit is borne by the corporation and 1/8th by the State Governments. Outdoor treatment is provided by wholertime service dispensaries except in Calcutta and Bombay where the facility is taken care of by panel clinics.

Over the years medical care is claiming an increasingly large share of the total funds of the ESIC. In 1976, the expenditure on medical care is estimated at around Rs. 40 crores out of the total budget of Rs. 130 crores. The approved expenditure
on medical care per family has been raised from Rs. 50 in 1970 to Rs. 95 at present. There were altogether 57 full fledged E.S.I. Hospitals as on 31st March 1976. These hospitals taken together provided 10,631 beds (9236 general and 1395 for T.B. patients). In the State of Maharashtra as on 31st March 1976 there were 52 service dispensaries, 2372 Insurance Medical Practitioners, 515 doctors in dispensaries, 3560 beds in ESI Hospitals and 865 reserved beds in private Hospitals.

**Cash Benefits**

Cash benefits are paid at the Local/Miniature/Sub-Local/Pay offices set up by the Corporation in different areas. The amount paid for various benefits under the ESIS is presented in table 3.

It is evident from the table below that during the year 1975-76 an amount of Rs. 1,281.80 lakhs was paid as sickness cash benefit as against Rs. 1,135.37 lakhs in 1974-75. A trend which is causing some concern is the wide variation among the States in respect of the incidence and duration of sickness benefit claims. Some States exceed the national average of sickness benefit claims, and they have to share a part of the excess. No major problem has, however, so far arisen in sorting out the State share in such cases. For the year 1975-76 a sum of Rs. 140.18 lakhs was paid as an extended sickness benefit to insured persons as against Rs. 114.56 lakhs in 1974-75. The total amount paid towards maternity claims was Rs. 102.65 lakhs in 1975-76 as against 86.03 lakhs in 1974-75. The sum paid as temporary disablement benefit during 1975-76 was Rs. 248.55 lakhs as against Rs. 207.66 lakhs in 1974-75. During the year 1975-76 the number of employees exposed to employment injury was 46.89 lakhs as against 43.36 lakhs during 1974-75. The incidence of accidents was high in 'Textiles' and 'Metallic Minerals' and low in 'Food Beverages' and 'Tobacco'. The largest number of accidents occurred between the daily wages of Rs. 8/- and Rs. 15/-. The number of permanent disablement cases that arose among women employees was only 278. The incidence was low presumably because women are not generally employed on hazardous occupation, duties etc. During 1975-76 a sum of

<table>
<thead>
<tr>
<th>Year</th>
<th>Sickness Benefit (In lakhs)</th>
<th>Extended Sickness Benefit (In lakhs)</th>
<th>Maternity Benefit (In lakhs)</th>
<th>Temporary Disablement Benefit (In lakhs)</th>
<th>Permanent Disablement Benefit (In lakhs)</th>
<th>Dependants Benefit (In lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>1,371.01</td>
<td>100.87</td>
<td>60.23</td>
<td>289.90</td>
<td>199.88</td>
<td>25.54</td>
</tr>
<tr>
<td>1971-72</td>
<td>1,369.64</td>
<td>104.55</td>
<td>64.54</td>
<td>302.27</td>
<td>205.60</td>
<td>30.59</td>
</tr>
<tr>
<td>1972-73</td>
<td>963.81</td>
<td>10.41</td>
<td>71.02</td>
<td>201.84</td>
<td>218.54</td>
<td>36.51</td>
</tr>
<tr>
<td>1973-74</td>
<td>1,187.85</td>
<td>111.36</td>
<td>80.52</td>
<td>229.48</td>
<td>240.34</td>
<td>42.46</td>
</tr>
<tr>
<td>1974-75</td>
<td>1,135.37</td>
<td>114.56</td>
<td>86.03</td>
<td>207.66</td>
<td>260.02</td>
<td>51.13</td>
</tr>
<tr>
<td>1975-76</td>
<td>1,281.80</td>
<td>140.18</td>
<td>102.65</td>
<td>248.55</td>
<td>296.43</td>
<td>57.97</td>
</tr>
</tbody>
</table>

SOURCE: Annual Reports of the E.S.I. Corporation for the respective years.
Rs. 296.43 lakhs was paid as permanent disablement benefit as against Rs. 260.02 lakhs in 1974-75. The number of fresh claims admitted for dependants benefit during the year 1975-76 increased to 534 from 429 in 1974-75. Compared to the year 1975, the incidence was higher in 1976. The total number of dependants admitted during 1975-76 was 1337. The amount paid as dependants benefit had increased from Rs. 51.13 lakhs in 1974-75 to Rs. 57.97 lakhs in 1975-76.

METHODOLOGY

The objective of this study is to explore the awareness of various E.S.I. benefits among the employees and their views pertaining to the working of certain aspects of the Scheme. For this purpose two organisations were selected at random—one textile mill (Unit—A) and another engineering concern (Unit—B). In Unit—A, the total number of employees consisted of 3445 out of which 3374 was covered under E.S.I. Scheme; of these 5 per cent were selected by a method of simple random sample without replacement. Thus, 172 employees who formed the sample size in Unit—A were interviewed personally. In Unit—B, the total number of employees was 684 and out of these 441 are under the E.S.I. Scheme. By following the same method, a 10 per cent sample was selected and the sampled employees size came to 68. These 68 employees from Unit—B, were also interviewed. So the total sample consisted of 240 employees.

<table>
<thead>
<tr>
<th>Type of Benefit</th>
<th>Unit A</th>
<th></th>
<th>Unit B</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Known</td>
<td>Some what known</td>
<td>Not</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>known</td>
<td></td>
</tr>
<tr>
<td>Sickness Benefit</td>
<td>138</td>
<td>34</td>
<td>0</td>
<td>172</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>80.23</td>
<td>19.77</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extended Sickness</td>
<td>17</td>
<td>92</td>
<td>63</td>
<td>172</td>
</tr>
<tr>
<td>Benefit</td>
<td>9.88</td>
<td>53.49</td>
<td>36.63</td>
<td>100.00</td>
</tr>
<tr>
<td>Maternity Benefit</td>
<td>39</td>
<td>70</td>
<td>63</td>
<td>172</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>22.69</td>
<td>40.70</td>
<td>36.63</td>
<td>100.00</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disablement Benefit</td>
<td>17</td>
<td>113</td>
<td>42</td>
<td>172</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>9.88</td>
<td>65.70</td>
<td>24.42</td>
<td>100.00</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependant’s Benefit</td>
<td>43</td>
<td>105</td>
<td>24</td>
<td>172</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>25.00</td>
<td>61.05</td>
<td>13.95</td>
<td>100.00</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral Benefit</td>
<td>17</td>
<td>85</td>
<td>70</td>
<td>172</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>9.88</td>
<td>49.42</td>
<td>40.70</td>
<td>100.00</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Benefit</td>
<td>140</td>
<td>32</td>
<td>0</td>
<td>172</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>81.40</td>
<td>18.60</td>
<td>0.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

TABLE 4

DISTRIBUTION OF EMPLOYEES ACCORDING TO THEIR KNOWLEDGE OF BENEFITS
RESULTS AND DISCUSSION

The data collected from the questionnaire were subjected to statistical analysis. The chi-square test of independence was used for a comparative analysis of the views of both group of employees. The tables were drawn for all the five questions on the basis of percentages and chi-square values were computed and results interpreted.

The data regarding the knowledge of various benefits under the scheme is analysed in table 4.

Table 4 shows that majority of employees of Unit—A (80.23%) and Unit—B (82.35%) are well aware of sickness and medical benefits provided under the Scheme. But 36%, of employees of both the Units are not aware of extended sickness benefit. The number of employees who are not aware of maternity benefit is 36.63% in Unit—A and 27.94% in Unit—B. The above data also reveal that 24.42%, of Unit—A and 5.88%, of Unit—B are not aware of the disablement benefit. Those who have no knowledge of dependants benefit is 13.95% in Unit—A and 4.41% in Unit—B. It is significant to note that relatively larger number of employees of Unit—A (40.70%) have no knowledge of funeral benefit as compared to their counterparts in Unit—B (22.06%). From the foregoing analysis it can be concluded that the employees engaged in Unit—B are more knowledgeable about various benefits under the E.S.I. Scheme as compared to their counterparts in Unit—A.

Table 5 shows that there is no perceptible difference in the views of employees of both the organizations pertaining to claim of benefits. Maximum employees of Unit—A (80.23%) and Unit—B (73.53%) share the view that it is easy to claim the benefits. As compared to this 19.77% of Unit—A and 26.47% of Unit—B find it difficult or very difficult to claim benefits. Altogether 78.33% employees of both the Units find it easy while 21.66% difficult/very difficult. It is also proved by the chi-square test that there is no significant variation in the views of employees of both the Units.

The data presented in table 6 indicate workers' satisfaction from the medicines and medical treatment.

<table>
<thead>
<tr>
<th>Unit</th>
<th>EASY</th>
<th>Difficult</th>
<th>Very Difficult</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit—A</td>
<td>138</td>
<td>(80.23%)</td>
<td>26</td>
<td>(15.12%)</td>
</tr>
<tr>
<td>Unit—B</td>
<td>50</td>
<td>(73.53%)</td>
<td>15</td>
<td>(22.06%)</td>
</tr>
<tr>
<td>Both Units</td>
<td>188</td>
<td>(78.33%)</td>
<td>41</td>
<td>(17.08%)</td>
</tr>
</tbody>
</table>

Ho = There is no significant difference in the views of employees regarding claim of benefits. chi-square (cal. value) = 1.65; df = 2; chi-square (Table value at 5% level of significance) = 5.991. As the calculated value of chi-square (1.65) is less than table value (5.99) the hypothesis Ho is accepted.
It is observed from the chi-square test (table 6) that satisfaction of both group of employees from the medicines and medical treatment is almost similar. The above responses indicate that 22.67% employees of Unit—A and 20.59% of Unit—B are satisfied, 25% of Unit—A and 26.47%, of Unit—B are partially satisfied and 52.33%, of Unit—A and 52.94%, of Unit—B are dissatisfied. It also shows that comparatively more employees of both the Units (52.50%) are dissatisfied than those of satisfied (22.08%) and partially satisfied (25.42%) put together. The high percentage of dissatisfied employees reveal their lack of faith in E.S.I. Doctors, prescription of medicines and medical treatment in dispensaries.

The figures in the following table 7 indicate the frequency of employees visits to the E.S.I. dispensaries in case of illness.

### TABLE 7

**DISTRIBUTION OF EMPLOYEES ACCORDING TO THEIR VISITS TO THE E.S.I. DISPENSARIES**

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Sometimes</th>
<th>Never</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit—A</strong></td>
<td>No. of employees</td>
<td>112 (65.12%)</td>
<td>54 (31.40%)</td>
<td>6 (3.49%)</td>
</tr>
<tr>
<td><strong>Unit—B</strong></td>
<td>No. of employees</td>
<td>44 (64.71%)</td>
<td>22 (32.35%)</td>
<td>2 (2.94%)</td>
</tr>
<tr>
<td><strong>Both Units</strong></td>
<td>No. of employees</td>
<td>156 (65.00%)</td>
<td>76 (31.67%)</td>
<td>8 (3.33%)</td>
</tr>
</tbody>
</table>

Ho: There is no significant difference in the visits of employees to the E.S.I. dispensaries.
Chi-square (calculated value) = 0.06; df = 2;
Chi-square (Table value at 5% level of Significance) = 5.991.
As the calculated value of chi-square (0.06) is less than the table value (5.991), the hypothesis Ho is accepted.
It is evident from the majority responses of Unit—A (65.12%) and Unit—B (64.71%) that they prefer to visit E.S.I. dispensaries in case of illness. On the other hand, a negligible percentage (3.49) of employees of Unit—A and Unit—B (2.94) said that they never visited the E.S.I. dispensaries. However, 31.40% of Unit—A and 32.35% of Unit—B replied that they visited occasionally. It is obvious from their replies that despite their dissatisfaction with the medicines and medical treatment, they continue to visit the E.S.I. dispensaries.

The table below indicates the opinion of the employees regarding getting of medical certificates from the E.S.I. Doctors:

<table>
<thead>
<tr>
<th></th>
<th>Easy</th>
<th>Difficult</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit—A</td>
<td>146</td>
<td>26</td>
<td>172</td>
</tr>
<tr>
<td>Employees</td>
<td>(84.88%)</td>
<td>(15.12%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Unit—B</td>
<td>57</td>
<td>11</td>
<td>68</td>
</tr>
<tr>
<td>Employees</td>
<td>(83.82%)</td>
<td>(16.18%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>Both Units</td>
<td>203</td>
<td>37</td>
<td>240</td>
</tr>
<tr>
<td>Employees</td>
<td>(84.58%)</td>
<td>(15.42%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>

Ho: There is no significant difference in the opinion of employees regarding getting of medical certificates.

Chi-square (cal. value) = 0.17; d.f. = 1; Chi-square (Table value at 5% level of significance) = 3.841.

As the calculated value of chi-square (0.17) is less than the table value (3.841) the hypothesis Ho is accepted.

It is observed from the above replies (table 8) that most of the employees of Unit—A (84.88%) and Unit—B (83.82%) find it easy to obtain a medical certificate from the E.S.I. doctor. On the contrary, 15.12% of Unit—A and 16.18% of Unit—B consider it difficult. Thus majority of employees of both the Units (84.58%) find it easy to obtain medical certificate.

Views of Administrators

The officials of ESIS were by and large critical about workers attitude towards the insurance Scheme. Some of them are of the opinion that certain workers misuse sickness benefit to a great extent and utilize the same as an unemployment assistance. Therefore they suggested a reduction in the number of days of sickness benefit. On the contrary they felt that persons suffering from certain long term diseases should get higher rate of extended sickness benefit for a longer duration than that prescribed in the Act. In their opinion, shops and establishments employing 10 or more employees and using power should also be brought under the purview of ESIS in Bombay. They suggested that the bifurcation of local offices, attachment of less number of factories and reduction in number of payments will contribute to their efficient functioning. Some of them were of the opinion that the panel system should be gradually replaced by service system in Bombay and elsewhere, in view of the fact that ESIC has now a sound financial base and administrative expertise unlike in its initial stage. Further, they held that 1/8th grant of the State Governments towards medical expenses could very well be dispensed with in order to facilitate the Corporation's total take over of medical administration. Such a step, according to them, would go a long way in effective implementation of medical benefits provided under the Scheme. A few doctors interviewed complained of undue pressure and intimidation by the insured employees and even in some cases by trade union leaders on their behalf for issue of false certificates. According to the officials, better implementation of the scheme can be ensured by increasing the number of medi-
cial referees, strict vigilance by the administra-
tion and deterrent penalties to guilty
employees and doctors.

Views of Managements

The common complaint of the manage-
ment of sample units was that the intro-
duction of the Scheme had resulted in an
increased rate of absenteeism. Some of
them apprehended that the recent increase
of sickness benefit from 56 to 91 days may
further aggravate the problem of absentee-
ism in their organization. They suggested
that the Insurance Medical Practitioners
should not be liberal in granting sickness
certificates as some workers resorted to
malpractices to avail sickness benefit. Some
of them even observed that the whole con-
cept of sickness benefit is a misused one
and so it should be scrapped. On the other
hand, they recommended its merger with
the extended sickness benefit. Further they
felt that the trade unions should play an
active role in educating the workers about
the spirit behind E.S.I. Scheme and its rules
and regulations.

Views of Employees

The insured persons pointed out the
following main difficulties in claiming bene-
fits from the local offices:

1. Harassment due to certain clerical
ersors and negligence of local office
staff.
2. Problems associated with non-pay-
ment of contribution by the employer.
3. Non-acceptance of outstation certifi-
cates in certain cases (alternative
evidence).
4. Non-availability of medicines at the
approved chemist’s shops.
5. Non-inclusion of many modern and
effective medicines in the approved list.
6. Inadequacy of cash benefits as a comp-
pensation for loss in wages due to ab-
sence from work.

FINDINGS

The study of the Scheme in the two sam-
ple units revealed the following:

1. Majority of employees are aware of
various benefits under the Scheme
(Table 4).
2. Claiming of benefits under the Scheme
was easy for 78.33 per cent workers
and difficult or very difficult for
21.66% workers (Table 5).
3. Majority of employees (52.50%) were
dissatisfied with the medicines and
medical treatment received under the
Act while only 20.08% were satisfied
and 25.42% partially satisfied with it
(Table 6).
4. Most of the employees (65%,) always
preferred to visit E.S.I. Dispensaries
in case of illness and for medical help
(Table 7).
5. Nearly 85% of the employees found
it easy to obtain a medical certificate
from the E.S.I. Doctors (Table 8).

SUGGESTIONS

1. The comparative cost of administra-
tion per insured employee shows a
rising trend. This needs to be con-
trolled.
2. The percentage of employers not pay-
ing their contribution and not submit-
ting returns in time is very high. This
may be attributed to organizational
and administrative lapses of the
Scheme. Strict enforcement of the Act is necessary.

3. The number of beds in E.S.I. Hospitals for the insured employees should be increased proportionately.

4. The liberal issue of sickness certificates by Insurance Medical Practitioners had increased absenteeism in the industries. The concerned authorities should exercise strict control in this regard.

5. The coverage of the Act needs to be extended to agricultural workers and self-employed persons.

6. The trade union officials and the workers should be educated about the principles underlying the Insurance Scheme and specific provisions of the Act.

7. The duration and rate of extended sickness benefit should be increased considerably.

8. The Corporation should establish more dispensaries and hospitals of its own for the benefit of the insured employees and their families. More attention should be given for all round improvement of the medical facilities.

9. The following recommendations of the N.C.L. should be implemented: (a) Adequate representation for the employers and employees on the Regional Board (b) A Scheme of 'no-claim bonus' for an insured person who does not claim any benefit during a year, (c) Active association with the National Safety Council in its programmes of integrated preventive and curative services.

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