CHAPTER - IX

SUMMARY OF FINDINGS
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The trend of individualism in the social life has led to the conscious thinking in the sphere of social security legislation all over the world. The initial effort in this direction was confined among the employers' and the employees' Unions. However, the State power soon emerged as a powerful force behind institutionalisation of social security measures with various permutation and combination of employers and employees. To-day, almost all the countries of the world having minimum dignity for basic human values have put in attention towards this essential virtue of civilised society. However, the degree of consciousness varies from country to country depending upon the economic well being of the people and the financial ability of the society.

A lot of dynamism is involved in the implementation of the social security measures. Any policy planning of social security, however, cannot avoid certain basic issues, the first being within the perspective of larger social gains, coupled with it is the means of attaining such objectives viz., resource availability. Other important issues involved in the study are the method of public choice in the field, the relationship of public and private priorities, and also the relationship between the planning issues and the technical aspects of the problem.
Apart from these, the issues of population and income also deserve similar significance in the field of study of social security.

In India, the organised sector employment is the hub of the economic activity and so tends to loom large in the public imagination. Nevertheless it occupies only 10% of the total Indian Labour Force. The entire unorganised sector falls in the private sector. While the workers of the organised sector are protected by numerous labour legislations, the workers in the unorganised sector are left with little or no protection. The conditions of workers in un-organised and semi-organised sectors of employment in India are far worse than the conditions of their counterpart in the organised sector. A conscious thought has therefore, gained popular recognition in public mind that any future legislation in the sphere of labour welfare should invariably aim at improving the lot of unorganised workers only. Thus the correct option in labour welfare in India lies not in increasing the number of legislation but in revamping the existing arrangements towards attaining more successful goals. The concept of social security is inherent in the traditional joint family system which has been prevalent in India since ages. Nevertheless, the modern concept of social security came to attract the attention of authorities in India only in the early twenties of the present century. The Employees State Insurance
Act is a glaring example of attempts made and goals achieved during the post independence period for providing a great deal of social security to the labour population. However, the fundamental pre-requisite for the establishment of a scheme of social security is that those responsible for framing its policy and directing its operation should be aware about the cost benefit considerations involved in it. At the same time there should be adequate control to make such a scheme free from the vagaries of wrong users. It is in this context that the need for such a study of operational viability of the scheme has been felt useful in order to make it more purposeful and self sustaining.

The first chapter deals with the objectives of the study and the problems with which the scheme is being confronted in its onerous role of achieving larger social gains. It is undoubtedly true that such a comprehensive programme of minimum benefit is of immense service to people particularly in a developing country like India where resource crunch is a serious hurdle against any sincere will of the Government. Thus the basic objectives of the E.S.I. Scheme is appreciated by all including its cost payers viz., the employers and the employees. However, the scheme has not been able to make its desired progress both in terms of coverage and in ameliorating the conditions of toiling masses. Although there is good reason to believe that the unequal
operational standards of the scheme have been one of the reasons of its slow growth yet, the policy rules are also sometimes found to be unfulfilling to the aspiration of the working people. Both these together have acted as deterrent factors towards steady and unhindered growth of the scheme. While the principal aim of the scheme has been one of fulfilling the obligation of the employees covered, equally important is the goal of extending its coverage to the hitherto uncovered workers of the unorganised and the semi-organised employments. And this must be achieved more by way of voluntary participation rather than by way of any statutory imposition.

Any scheme of social security in its bid to attain steady growth must take into consideration the competing forces available as its substitutes. Such a scheme is, therefore, unlikely to be responded favourably in employments where ordinary arrangements are more generative of higher benefits than the one provided by the scheme. Again the employers benevolence in providing voluntary benefits is largely dependent upon the competitive forces of the labour market. Therefore, such issues should not be left altogether to utter chance more particularly in a socialist country where the common perception of duty for a vast majority of people is law oriented.

On the other hand, the issues relating to productivity and labour welfare are subjects of extremely controversial zone and
any sincere effort for their determination may invite wild contentions from different quarters. Notwithstandingly, such an effort should not fall short of its natural endeavour even at the cost of doubtful conclusion. The tests adopted for the study have been devised after careful observation of the different operative impacts upon the two most powerful groups viz., employers and the employees. The methodology of the study has been adopted thorough a course of personal interview on the sample groups of employers and employees at places of their convenience. The data collected by way of interview have been put to statistical test viz., chi-square test in order to establish the significant trend of opinion. One fact, emerging from the interview conducted is that the private sector employers are more averse to any kind of public investigation of labour matters than their counterparts in public sector. This may be due to the fact that either the private sector is perpetuating lapses in observance of statutory labour welfare or their experience with personnel of Labour Department is not happy. This also affirms the view that there should be increasing Governmental control in the affairs of labour so long the country remains a labour surplus economy.

The main crux of discussion in the second chapter centres round the historical origin and development of social security measures in the country. The chapter highlights the distinction of various terms used in the field of social security. Although
there had been lack of standardisation in the policies and programmes of social security in the past, the same has now been removed owing to specifications fixed by the I.L.O. In order to correctly determine the activities falling within the ambit of social security, it is necessary that certain Government activities bearing somewhat similar identity should be excluded from it.

The pre-independance rulers in India did not have comprehensive policy on labour welfare and they were only busy with appropriating wealth and exploiting the poor, illiterate and the ignorant workers. However, it is true that there were efforts even during the pre-independance era to provide major support to the workers against serious infringement, like the payment of wage compensation against employment injury and Trade Unionism. These provisions, however, lacked seriousness in implementation and were solacious in nature. The idea of social security as enshrined in our constitution calls for effective statutory measures. However, the prevailing labour market conditions, the extent of Government's ability to afford finance for welfare measures, resistance from private employers are some of the limiting factors in the direction of achieving expected standards. The I.L.O. has set several guidelines to its member countries in the form of conventions and recommendations. All of them have, however, not been followed in India owing to economic
reasons. Thus India has followed only 34 out of 162 conventions so far adopted by the I.L.O.

Social security, is indeed a complementary term in the concept of Labour Welfare. However, the term labour welfare has assumed different dimension because of increased interference by the Government more particularly in socialist countries. In fact, there has been a total divorce of these two terms in many countries including India where legislative encroachment has set many items in the list of statutory welfare from the list of voluntary welfare. Today, welfare is a term more closely related with optional and non statutory duties like free transportation, subsidised food or library facilities etc. Nonetheless, the term labour welfare is sometimes used in a generic sense which includes all the activities for the physical, moral, economic and intellectual betterment of workers.

The third chapter throws light on the twilight zone of continuing controversy relating to issues of labour productivity. It details out the standardised views expressed by many scholars and institutions in the determination of the concept of labour productivity. It also spells out the limitation of applying labour productivity as a tool to judge total productivity. The chapter also crystalises the various inter-relationship of social security with the issues of labour
productivity and labour welfare. Apart from fulfilling security needs of the workers an effective system of social security also contributes in increasing labour productivity and labour welfare. These measures have resulted in various economies either by checking wastage or by increasing the morale of the employees which in ultimate analysis aids productivity. Health is one of the commonest factor which causes frequent interruption in work process. Therefore, a properly chalked out programme for health care with preventive devices may profoundly contribute to work efficiency. The same is the effect upon productivity when the litigating motives of parties are controlled within statutory observance. Again the compensation liability for employment injury under E.S.I. can easily be devolved upon the corporation against payment of small premium. Here, the principle of insurance holds good to the advantage of the employer by making him free from serious contingencies. Besides the specific advantage which an employer can gain from the operationality of the scheme, there is also witnessed a productivity stimulus due to general improvement of morale among employees.

Similarly, an effective system of social security also brings qualitative improvement in the life of working community. The type of service provided by the E.S.I. covers almost all essential areas of service needed to guard against hazards of
industrial life. These are namely, unemployment, death, widowhood, orphanhood, disablement and invalidism. In respect of fulfilling the welfare needs, there is bound to be variation in the quality of medical aid, since rules for such services are framed by the respective State Government. With regard to the various cash benefits, the standard of payment is uniformly determined by the central authority for its application all over the country.

The fourth chapter discusses in detail the employees' State Insurance Scheme with its objects, administrative structure, organisational set up and the different benefits provided under the Act. The various pros and cons of the idea of extending such benefits to the rural areas have also been discussed in the chapter. The position of important functionaries of the E.S.I. Corporation with their respective duties have also been discussed in detail. The financial aspect of the scheme has also been discussed together with the rates of contribution made by various groups towards its fund.

The fifth chapter discusses in detail the composition of work force in Assam and the special welfare arrangements available to the dominant working group viz., the tea workers of Assam. The chapter is based on factual figures collected from various employments in the State. It gives a total picture of the
occupational and sectoral classification of workers in Assam. Thus it can be deduced that the percentage of participation in work force in Assam is less than the all India average. Even among the States of North East India, the percentage of workers in total population is lowest in Assam. The available census figures also indicate that there has been an increase in participation of work force in agricultural and allied activities, whereas dwindling trend of the same has been observed in the secondary sector viz., industrial activities. Another noteworthy feature in the employment scenario of Assam is the shrinkage of private sector employment volume which has shown a negative growth rate since 1985. However, the situation has improved a little in 1988. The reasons of such fall in the growth of private sector employment may be mainly attributed to the cause of disturbing atmosphere prevailing in the State. The organised sector employment of women in Assam is higher in private sector than public sector. Such numbers being 52.9 lakhs (in public sector) and 279.3 lakhs (in private sector). However, the private sector employment of women will become insignificant if the female tea workers are excluded from it. The female tea workers constitute half of the 5 lakhs tea workers in Assam. The factory establishments in Assam depict a picture of dismal growth in the Hill Districts of the State. On the other hand, the growth of large number of factories around the important Cities and Towns have created problems of housing and sanitation
in those areas. The Labour Department, Government of Assam does not maintain any separate records of male and female workers in the Shops and Establishment of the State. The plight of this group of workers are not being properly looked after since the legislative provision for the same is half hearted. Of course, there is obvious reason for such limited arrangement offered by the Government and steps should be initiated to ensure tight implementation of the existing provisions. Besides the above, the organised sector employment in Assam also consists of Government and Semi Government employees viz., Railways, Post & Telecommunications, Coal Mines and Petroleum Industries. Their number is not very significant to the total employment of the State since these industries are mostly capital based. However, the number of employees in the N.F. Railway which includes 4 divisions viz., Tinsukia, Lumding, Alipurduar & Katihar is of some significance.

The tea workers in Assam are provided with special statutory benefits at the initiative of the State Government. The Assam Tea Plantation Employees' Welfare Fund and the Assam Tea Plantation Provident Fund and Pension Fund and Deposit Linked Insurance Fund Act are the two important milestones in this respect. However, the tea workers in Assam are yet to be provided with gratuity benefit and the current deliberation between the Government and various groups concerning it is expected to generate shortly fruitful results in this behalf.
The next chapter discusses the implementation of Employee's State Insurance Scheme in Assam. The growth of the scheme in the N.E. Region has been indeed very slow particularly due to slow growth of industrialisation. This in turn, has also made the growth of commercial activities slow in the region. Therefore, the lack of insurable employment is the stumbling block in way of higher growth of the scheme. The operational coverage of the scheme reveals that the number of employees covered by each centre is less than the average number of employees covered by each centre in India. One of the discrediting aspect for the scheme in Assam is that it has not been extended to the tea gardens in Assam. The conditions of tea workers in Assam necessitates proper medical facilities which are at present not equally satisfactory in all gardens. The workers of small gardens having proprietorial and firm ownership often lack medical facilities to the standards prescribed by the plantation labour laws. The quality of service in some of these gardens do not even fulfill the minimum requirement needed in this behalf.

One of the reasons of poor coverage of the scheme in the State of Assam is due to lack of effective inspecting machineries in the State. Even in the implemented areas, the volume of coverage is expected to increase significantly if the conditions of new registration are enforced in letter and spirit. It is need-less to speak that many a delinquent employers often take resort to
doubtful practices in order to keep the number of employees below statutory requirement and thereby avoid legal liability under the scheme. The financial liability of the scheme, however, does not show an encouraging trend till 1985-86. In that year, for the first time, the accounts had shown an excess of income over expenditure.

As regards to cash benefit the significant observation in the region is that more than 60% of this benefit is paid only on account of sickness benefit. Next to it, temporary disablement benefit claims the second largest part of the cash benefit. One noticeable aspect of cash benefit in Assam is that the incidence of sickness and temporary disablement benefit in the two centres of Charduar and Dhubri is higher than the national average. Here the authorities do not rule out the possibility of misuse of these two benefits by the users. The services of dispensaries in some places were also found to be disappointing due to non-availability of doctors. A few of the dispensaries also remained closed for long years causing extreme inconvenience to the insured persons. The lack of co-ordination between the State Government and the Corporation in matters of appointment of medical staff is responsible for the irregular medical service rendered under the scheme.

The seventh chapter deals with the study of critical evaluation
of the E.S.I. Scheme in Assam. A close look at the working population and the total coverage under the scheme makes one conclude easily that the growth of the scheme in Assam is very poor. Unlike in Assam, the scheme has covered large population particularly in States which are industrially developed. The small number of employees per individual employer in some States under the scheme indicates the presence of small scale industries in those States in large number. The scheme is extremely popular in certain industrially advanced States like Gujarat, Maharashtra and Tamil Nadu. It has also been found that the number of employees left over is not small in the non-implemented areas of Assam. The employees of these areas have been suffering heavily owing to non-extension of the scheme to their establishments. However, the employees in the non-implemented areas too receive different types of benefits provided by their employers.

One of the glaring defects in the implementation of the scheme in Assam is the non-formulation of exhaustive medical rules by the State Government. Most other State Governments, have, however framed their own medical rules for the benefit of the insured persons. The Employees' State Insurance Act, 1948, under section 96, has authorised the concerned State Governments to frame their own rules suiting the conditions of the State. In absence of exhaustive medical rules, the State Government has been following the E.S.I. Act, the E.S.I. (General) Regulation, 1950
and the E.S.I. medical manual as the basis for disbursing medical benefit. The scheme incurs high operative cost in benefits and revenue expenditure in terms of its total administrative cost. This may be observed from the comparative statements of such costs of N.E. Region with that of India. As regards to per capita medical expenditure, the expenditure in Assam was lower than India in 1984-85. However, such expenditure in Assam has been showing an increase over the all India expenditure since 1985-86. The reason of such sudden spurt of increase in medical expenditure in 1985-86 may be attributed to commissioning of hospital services in the two hospitals situated at Beltola and Tinsukia. In the sphere of total medical expenditure too, such sudden spurt of increase has been noticed since 1985-86. The facilities for medical care in Assam consists of benefits under full medical care. Thus it can be seen that the benefits provided in Assam is not inferior to benefits provided in most other States of India. However in most States both restricted medical care and expanded medical care are together available for the beneficiaries of the scheme. Similarly, the higher rates of confinement has been experienced in Assam in respect of maternity benefit. This indicates that the maternity benefit has also not run in expected line with the all India Indices. This is further corroborated by the increasing birth rates in Assam than Indian average. In the sphere of disablement benefit, the rates of such benefit too is
lower in Assam than the all India average. This is perhaps because of fewer number of manufacturing units rather than trading establishments covered by the scheme in Assam. Again, the percentage of arrear in contribution in Assam is not very significant in comparison to many other States in India. One noteworthy feature of this observation is that the public sector arrear in Assam is nearly equal to the arrears of contribution in private sector. However, in most other States such arrears of contribution in public sector is very low to arrears of contribution in private sector. The position of Assam as regards percentage of arrear is third lowest in the country. Thus it may be concluded that the default in payment of contribution and the rates of recovery of arrear in Assam is by and large satisfactory.

The empirical study proved to be highly revealing in the sense that it gave us useful information relating to the doubts and misgivings so far expressed by the employers over the operationality of the scheme. At the same time, the employers can also be made aware about the positive aspects of the scheme which could be instrumental in fulfilling their urge for higher productivity. Similarly, the employees' attitude towards the provisions of various benefits were also studied with a view to improving them and making them more meaningful. As this has been an empirical study all efforts have been made to conduct
it in the most scientific manner using all possible means and tools at our disposal. The productivity test has been aimed at collecting the views of employers touching the commonly experienced problems which are more or less the offshoots of weak implementation. Along with the problems, the scheme has also generated certain benefits to the employers which could help achieve the target of increased productivity. The effects of the scheme upon various social groups may also vary according to the level of literacy and the standard of living of the employers. A high level of literacy among the employees is expected to generate meaningful use of benefits and thus accomplish the expected goal.

**Empirical Test Result:**

Here we have tried to ascertain the productivity and the welfare relation of the scheme by applying chi-square test so as to find out if the data are indicative of significant trend of opinion. The null hypothesis of equal probability was tested against observed frequencies. The chi-square test was separately applied for productivity and welfare determination. (Details in appendices)

The calculated values of chi-square lead to the rejection of equal probability except in case of maternity, even at 1% level of significance. Therefore, it can be emphatically contended
that the large volume of the chi-square could not have occurred solely due to fluctuations in sampling. The employers have expressed their satisfied opinions in two of the major tests of productivity viz., financial risk and litigation. However, the employers' opinion is highly significant in case of lax certification where the considered views of employers is that it hinders productivity.

The employers' opinion in respect of incidence of maternity has not become significant mainly because of the number of female employees covered by the scheme is very scanty. Therefore, it may be contended that the maternity benefit does not significantly affect productivity. In respect of lax certification, the opinion of employers is highly reacting in so far as it obstructed the growth of higher productivity.

On the test of welfare determination, the respondents (employees) opinion have been found to be satisfactory save the exception of medical facilities and funeral benefits. The opinion also shows that the employees are satisfied with other cash benefits with the exception of maternity benefit. The opinion of respondents as regards maternity benefit may be considered with reduced importance in view of the fact that the percentage of such female in the total volume of employees is very low. The number of female employees in the total coverage
is limited to 2654 against the total employees of 50,000. Thus the female employees form only 5.31% of the total employees covered by the scheme.

The study highlights that a sizeable number of respondents have shown an unconcerned attitude by being opinionless. Such an attitude could be partly owing to certain factors like lack of fuller knowledge of the measures adopted specially about the benefits and partly due to low level of education of the respondents. An inadequate advertisement of the scheme was also responsible for their lack of awareness of the scheme.

During the course of study we also come across many revelations on the basis of which suggestions have been put forward to bring about corrective measures both in formulation and implementation of policies.