

CHAPTER 4

INTRODUCTION

The ESI, Corporation with its Headquarters located at New Delhi, has a large number of field offices throughout the country. These include 23 Regional Offices, 26 Sub-Regional offices, 2 Divisional Offices, 2 camp offices, 2 Liaison Offices, 610 Branch Offices, 187 Pay Offices and 360 Inspection Offices.

Further, The ESI Act envisages the setting up of various types of machinery for the effective administration of the ESI scheme. Accordingly Inspectorates, Revenue Recovery Machinery, Employees' Insurance Court and Grievances Redress Cell have been set up. The Act also envisages the setting up of bodies such as Medical Benefit Council (at the apex level), Regional Boards (at the regional level) and Local Committees (at the grass root level) to advise the Corporation on matters related to the administration of the Scheme. In order to achieve the mission and goal of ESIC, effective and efficient functioning of various machineries of the corporation is desirable. Therefore, an attempt has been made to examine the working of machineries of ESIC with reference to Inspectorate, Revenue Recovery, EI Court, Grievances Redressal and functioning of various boards/councils/committees in achieving goals.

This chapter is divided into two parts- **PART-A** consists of the working of the administrative machinery and **PART-B** consists the advisory bodies of the Corporation are analyzed.

PART A

ADMINISTRATIVE MACHINERY OF THE ESL CORPORATION

INSPECTORATES

In order to ensure compliance of the provision of the ESI Act, as amended from time to time, inspection of factories and establishments is one of the most important responsibilities of the Corporation. Section 45(1) empowers the Corporation to appoint such persons as inspectors to discharge responsibilities as per section 45(2) of the ESI Act (**ESIC's Employer's Guide**) ¹. Accordingly, an inspector may, for the purpose of ascertaining whether any provision of the ESI Act has been complied with-

- a) Require any principal or immediate employer to furnish to him such information as he may consider necessary for the purpose of the ESI Act, or
- b) At any reasonable time enter any office, establishment, factory or other premises occupied by such principal or immediate employer and require any person found in charge thereof to produce to him and allow him to examine such accounts, books and other documents relating to the employment of persons and payment of wages or to furnish to him such information as he may consider necessary, or
- c) Examine, with respect to any matter relevant to the purposes aforesaid, the principal or immediate employer, his agent or servant, or any person found in such factory, establishment, office or other premises, or any person whom the said inspector or other official has reasonable cause to believe to be or to have been an employee; or

- d) Make copies of ,or take extract from any register, account book or other documents maintained in such factory, establishment, office or other premises;
or
- e) Exercise such powers as may be prescribed.

PERFORMANCE OF INSPECTORATES

The following **Table 4.1** reveals that the Inspectorate in Assam could not achieve the target number of inspection during the period under study. The average achievement was found to be 51%. However, the all India average during the period was 49%.

Table 4.1: Performance of Inspectorates

Year	Assam			India		
	Inspections Target (in No.)	Actual Inspections (in No.)	% of actual target	Inspections Target (in No.)	Actual Inspections (in No.)	% of actual target
2001-2002	4230	1616	38	80456	29769	37
2002-2003	5985	3875	65	91864	44095	48
2003-2004	7134	4305	60	75380	42967	57
2004-2005	6297	3210	51	72344	26010	36
2005-2006	5230	1983	38	69212	31145	45
2006-2007	5617	2556	46	78567	38497	49
2007-2008	5718	3215	56	82329	43634	53
2008-2009	6087	2914	48	102721	52388	51
2009-2010	6403	2823	44	123539	65476	53
2010-2011	7010	4663	67	131963	72580	55
AVERAGE	5971	3116	51	90838	46656	49

Source: Records from Regional Office of ESIC, Guwahati

From the above table it is seen that in most of the cases both in case of Assam and all India level, the percentage of actual target inspection was near about 50%. However in some cases and in some years the actual target of inspection was found to be lower than average in both the cases.

ATTITUDE OF INSPECTORATE PERSONNEL (EMPLOYERS)

Most often it is observed that the attitude and encouragement of the inspectors helps in growing up of an establishment or factory. A cohesive attitude results in better performing of a particular unit. Therefore to know about the attitude of the inspectors in delivering their services a study has been attempted from the employer's point of view. The attitude of the inspectorate personnel is shown below in **Table 4.2-**

Table 4.2: Attitude of Inspectorate Personnel (Employers)

Perception of the Employers as to the attitude of Inspectorate Personnel	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Co-operative	12	20	12	30	24	24
Indifferent	36	60	18	45	54	54
Hostile	06	10	03	08	09	09
No Opinion	06	10	07	17	13	13
Total	60	100	40	100	100	100

Source: Field Study

The table reveals that, 24% of the employers reported that the attitude of the Inspectorate personnel was co-operative. But 54% were of the opinion that the inspectorate personnel were indifferent to their views. Again, 9% of the employers opine that the inspectorate personnel were hostile in their approach. However, 13% of the employers put no opinion regarding the attitude of the inspectorate personnel. Thus it can be observed that most of the inspectorate personnel were not approachable in their nature to the employers.

LEVEL OF SATISFACTION IN THE WORKING OF INSPECTORATES (EMPLOYERS)

The satisfaction in the Working of Inspectorates among the employers is essential to develop a positive attitude towards ESIC as Inspectors are an important linkage between employer and ESIC. The table 4.3 exhibits the employers' level of satisfaction in the workings of inspectors in discharging their duties.

Table 4.3: Level of Satisfaction in the Working of the Inspectorates

Level of Satisfaction among the Employers in the Working of the Inspectorates	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Strongly Satisfied	5	9	6	18	11	12
Satisfied	11	20	5	15	16	18
Neither satisfied nor dissatisfied	8	15	5	15	13	15
Dis-Satisfied	25	45	10	31	35	40
Strongly Dis-Satisfied	6	11	7	21	13	15
Total	55	100	33	100	88	100

Source: Field Study

Calculated Value of χ^2 (Chi-square) at 4 df is: 4.308
Table value at 0.05 level: 9.4888
Result/Conclusion: Not Significant

Table 4.3 shows that, 40% of the employers in factories and establishments were dissatisfied in the working of the inspectorates, and 15 % is strongly dis-satisfied. Another 15% is also neither satisfied nor Dis-satisfied, followed by 18% and 12%, satisfied and strongly satisfied respectively. Thus, it is observed that the most of the employers are dis-satisfied with the inspectorate personnel visiting for inspections in their factories or establishments. However, there was no significant difference of opinion among the employers in factories and establishments in this regard as shown by the chi-square test.

REASONS FOR DISSATISFACTION IN THE WORKING OF INSPECTORATES (EMPLOYERS)

Since it was revealed that most the employers were not satisfied [table 4.3], therefore, attempt has been made to understand the reasons for their dissatisfaction, which is shown in Table 4.4

Table4.4: Reasons for Dis-satisfaction in the Working of the Inspectorates

Reasons for Dis-satisfaction among Employers in the Working of the Inspectorates	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Frequent Visit	05	13	03	12	08	12
Hostile Attitude	05	13	03	12	08	12
Non- Co-operative	18	46	09	34	27	42
Indifferent	11	28	08	30	19	29
Others*	-	-	03	12	03	05
Total	39	100	26	100	65	100

Source: Field Study

Others*: inspection without advance intimation, taking too much time to complete the inspection

The table shows that, a majority of the employers who were not satisfied in the working of inspectorate (42%) reported that non-cooperation of the inspectors was the main reason for their dissatisfaction. 29% were indifferent about the inspectorate is also one of the main reasons for their dis-satisfaction. Some of the employers found that frequent visit of the inspectorate personnel was another cause of their dissatisfaction and it stood 12%, followed by 12% opined that the inspectorate personnel were hostile in their attitudes. Others include 5%.

REVENUE RECOVERY MACHINERY

The ESI Scheme is mainly financed by the ESI contribution from the employers and the employees covered under the Act. The principal employer is responsible for depositing the employees' and employers' contribution at the rate of 1.75% and 4.75% of the wages respectively in respect of employees drawing wages upto the prescribed limit (Sec.39) (**ESIC Rules, 1995**) ². Even though the employer is under statutory obligation to deposit the contribution within the due date, some of the employers are committing default. Such dues are recoverable as arrears of land revenue through the district collectors.

Earlier the ESI dues were being recovered by the State revenue authorities on the basis of the recovery certificates issued by the Corporation. In order to accelerate the pace of recovery, new provisions under section 45-C to 45-I were added in the ESI Act in 1989, enabling the Corporation to set up its own Revenue Recovery Machinery. Accordingly, the Corporation's Recovery Machinery came into existence in phases from January 1992 onwards in all regions. A Recovery Cell was also set up at the headquarters office to monitor the recovery of ESI dues. At the regional level, the Revenue Recovery Machinery consists of the Recovery Officer and the Revenue Recovery (**ESIC's Employer's Guide**) ³

PERFORMANCE OF THE REVENUE RECOVERY MACHINERY

The following **Table 4.5** reveals that the amount of contribution arrears recovered by the Revenue Recovery Machinery in Assam has increased. The average percentage of arrears recovered during the period was 34.8. Further, the machinery in India and Assam could not recover even half of the total arrears in all the years under the study. The details are shown in the following table –

Table 4.5: Performance of the Revenue Recovery Machinery

Year	Assam			India		
	Arrears Recoverable (in Rs Crores)	Arrears Recovered (in Rs Crores)	% of Arrears Recovered	Arrears Recoverable (in Rs Crores)	Arrears Recovered (in Rs Crores)	% of Arrears Recovered
2001-2002	2.83	0.53	19	354.23	74.38	21
2002-2003	2.14	0.53	25	392.45	66.64	17
2003-2004	3.13	0.84	27	425.12	106.28	25
2004-2005	3.56	0.85	24	545.89	147.39	27
2005-2006	3.15	1.10	35	636.21	197.22	31
2006-2007	4.12	1.35	33	687.39	199.34	29
2007-2008	4.89	2.20	45	801.57	296.58	37
2008-2009	5.36	2.25	42	821.31	336.73	41
2009-2010	6.31	2.96	47	863.06	379.74	44
2010-2011	8.23	4.19	51	917.98	440.63	48
AVERAGE	4.37	1.70	34.8	644.52	224.49	32

Source: Records from Regional Office of ESIC, Guwahati

It is seen from the above that the arrears recovered was very low and the entire process was very slow. The average arrears recovered was only 34.8% in Assam during the period 2001- 2010. While, the average percentage was only 32% in all India level. This signifies that the performance of Revenue Recovery Machinery is found to be not satisfactory and perhaps this may be a factor for poor delivery of services by ESIC.

ATTITUDE OF THE REVENUE RECOVERY MACHINERY (EMPLOYERS)

Attitude also plays an important role in case of Revenue Recovery. Positive attitude of the machinery may bring change in recovery position, which, in turn, may help in improving fund position of the corporation. Attempt has been made to examine attitude of the Revenue Recovery Machinery in terms of co-operative, hostile etc. which is shown below in **Table 4.6-**

Table 4.6: Attitude of Revenue Recovery Personnel

Perception of the Employers as to the attitude of Revenue Recovery Personnel	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Co-operative	5	8	6	15	11	11
Indifferent	7	12	9	22	16	16
Hostile	14	23	5	13	19	19
No Opinion	34	57	20	50	54	54
Total	60	100	40	100	100	100

Source: Field Study

It is seen that 57% of the employers in factories and 50% in establishment perceived no opinion regarding the attitude of revenue recovery personnel (total of 54%). 19% opined that they were hostile in their attitude, followed by 16% indifferent. However 11% of the employers also opined that the revenue recovery personnel or the machinery were also co-operative.

LEVEL OF SATISFACTION IN THE WORKING OF REVENUE RECOVERY MACHINERY (EMPLOYERS)

The employers must be satisfied with the services provided by the Revenue Recovery Machinery due to the smooth operation of the Scheme by these respective employers. The Level of Satisfaction in the Working of Revenue Recovery Machinery was assessed among the employers and this is shown below in **Table 4.7-**

Table 4.7: Level of Satisfaction in the Working of Revenue Recovery Machinery

Level of Satisfaction among the Employers in the Working of the Revenue Recovery Machinery	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Strongly Satisfied	6	14	5	15	11	11
Satisfied	6	10	5	12	11	11
Neither satisfied nor dissatisfied	6	10	8	12	14	14
Dis-Satisfied	29	50	11	28	40	41
Strongly Dis-Satisfied	9	16	13	33	22	23
Total	58	100	40	100	98	100

Source: Field Study

Calculated Value of χ^2 (Chi-square) at 4 df is : 5.445
Table value at 0.05 level: 9.4888
Result/Conclusion: Not Significant

Table 4.7 reveals that most of the employers (41%) were dis-satisfied as well as 23% were strongly dis-satisfied regarding the working of the Revenue Recovery Machinery. Strongly satisfied came to a few in number (11%) and satisfied also 11%. However, 14% of the employers are also neither satisfied nor dis-satisfied. Thus, as similar with the inspectorate, it is revealed from the study that most of the employers are dis-satisfied with the revenue recovery personnel also. Further, the chi-square result shows that there is no significance difference in the level of satisfaction among the employers in factories and establishments as to the working of the Revenue Recovery Machinery.

REASONS FOR DISSATISFACTION IN THE WORKING OF REVENUE RECOVERY MACHINERY (EMPLOYERS)

An increasing gap has been observed among the employers and the Revenue Recovery Machinery due to the dissatisfaction level of the employers. The study tries to find out the causes of the dissatisfaction of the employers regarding the working of the Revenue Recovery Machinery. The Reasons for Dissatisfaction in the Working of Inspectorates is shown below in **Table 4.8-**

Table 4.8: Reasons for Dis-satisfaction in the Working of Revenue Recovery Machinery

Reasons for Dis-satisfaction among Employers in the Working of the Revenue Recovery Machinery	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Frequent Visit	13	43	15	47	28	45
Hostile Attitude	05	17	06	19	11	18
Non- Co-operative	07	23	08	25	15	24
Indifferent	05	17	03	09	08	13
Others*	-	-	-	-	-	-
Total	30	100	32	100	62	100

Source: Field Study

Others*: inspection without advance intimation, taking too much time to complete the inspection

Most of the employers, 45% were not satisfied in the working of Revenue Recovery Machinery due to the frequent visit of the recovery personnel as shown in **Table 4.8**. Hostile attitude and non-co-operative of the revenue recovery personnel came to be 18% and 24% respectively as the reasons of dis-satisfaction. It is to be noted that their view as to the reasons for dissatisfaction in the working of the inspectorates was also the same.

From the analysis on the *level of satisfaction* in the working of the machinery (Inspectorate & Revenue Recovery Machinery), it is deduced that most of the employers are not satisfied. Thus, **Ho1.1** stating that there is no difference in the level of satisfaction in the working of the machinery (Inspectorate & Revenue Recovery) for the administration of the ESI Scheme among the employers' in factories and establishments stand accepted.

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**)⁴. 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.

The EI Court shall decide any question or dispute such as the following-

- a) Whether any person is an employee within the meaning of the ESI Act or whether he is liable to pay the employees' contribution.
- b) The rate of wages or average daily wages of an employee for the purpose of the ESI Act.
- c) The rate of contribution payable by a principal employer in respect of any employee.

- d) The person who is or was the principal employer in respect of any employee.
- e) The right of any person to any benefit and as to the amount and duration thereof.
- f) Any direction issued by the Corporation on a review of any payment of dependents' benefits.
- g) Claim for the recovery of contributions from the principal employer.
- h) Claim by a principal employer to recover contributions from any immediate employer and
- i) Any other matter which is in dispute between a principal employer and the Corporation, or between a principal employer and an immediate employer or between a person and the Corporation or between an employee and a principal or immediate employer, in respect of any contribution or benefit or other dues payable or recoverable under the ESI Act or any other matter required to be or which may be decided by the EI Court under the ESI Act (Sec75).

PERFORMANCE OF EI COURTS

It was observed that in a particular year a lot of cases were registered in the EI Court. However the disposals of the cases or the attitude for the disposals of the cases are not so very encouraging. The performance of EI Court is shown below with the help of following **Table 4.9-**

Table 4.9: Performance of Employees' Insurance Courts

Year	No. of Cases filed	No. of Cases disposed	% of cases disposed to the cases filed
2001-2002	76	48	63
2002-2003	81	61	75
2003-2004	103	43	42
2004-2005	64	36	56
2005-2006	86	36	42
2006-2007	112	50	45
2007-2008	97	48	49
2008-2009	73	49	67
2009-2010	89	75	84
2010-2011	96	72	75
AVERAGE	87	52	60

As shown in the **Table 4.9**, a large number of cases were pending in EI Courts in all the years except 2002-2003, 2009-2010 and 2010-2011. 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.

AWARENESS OF 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 4.10-**

Table 4.10: Awareness about EI Courts (Insured Persons)

Enterprises where the IPs work

Awareness of EI Courts as Perceived by the IPs	Factory		Establishment		Total	
	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

Source: Field Study

Table 4.10 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.

AWARENESS OF EI COURTS (EMPLOYERS)

Awareness regarding the EI Court among the employers was found to be quite good. When enquired, the employers also replied that they too know about the procedures of registering a case in EI Court. The awareness regarding the EI Court as Perceived by Employers is shown in the following **Table 4.11-**

Table 4.11: Awareness about EI Courts (Employers)

Enterprises where the IPs work						
Awareness of EI Courts as Perceived by the IPs	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Aware	41	68	34	85	75	75
Not Aware	19	32	6	15	25	25
Total	60	100	40	100	100	100

Source: Field Study

Table 4.11 reveals that among the employers 75% were aware of the EI Courts. The rest 25% were not aware about the EI Court. It seems that in case of the employers, the awareness regarding the EI Court is good, but in case of the insured persons the awareness is very poor. It is also observe that there is a gap between the insured

persons and the employers in sharing and making aware of the information regarding the EI Court

CASES FILED IN EI COURTS (IPs)

Majority of the insured persons did not file 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 4.12** shows the numbers of cases filed in EI Court by the IPs

Table 4.12: Responses of the Insured Persons as to the Cases Filed in EI Courts

Enterprises where the IPs work						
Responses of the IPs as to the Cases Filed in Employees' Insurance (EI) Courts	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

Source: Field Study

Table 4.12 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.

CASES FILED IN EI COURTS (EMPLOYERS)

Although the awareness level of the employers were better than the insured persons, but regarding the filing of a case in EI Court their responses were poor. The employers revealed that most often they did not feel the requirement or necessity to file a case in the EI Court. The following **Table 4.13** shows the numbers of cases filed in EI Court by the Employers

Table 4.13: Responses of the Employers as to the Cases Filed in EI Courts

Responses of the Employers as to	Factory	Establishment	Total
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the Cases Filed in Employees' Insurance (EI) Courts						
	No.	Percent	No.	Percent	No.	Percent
Cases filed	11	18	14	35	25	25
Cases Not filed	49	82	26	65	75	75
Total	60	100	40	100	100	100

Source: Field Study

Table 4.13 reveals that a large majority of the Employers (75%) have not filed any case in EI Courts .Only 25% of the employers had filed any cases in the EI Court as found in the study. Although the filing of cases is less in the EI Court by the employers but it is somewhat more than that of the insured persons. It implies a better awareness of the employers than the insured persons regarding the awareness of the EI Court.

RESPONSES FOR DELAY IN DISPOSING OF CASES IN EI COURTS (IPs)

An attempt was also made to know about the time period required to get responses from the Court end. The responses for the delay of the cases in EI Courts according to the IPs is given below in **Table 4.14**

Table 4.14: Responses for Delay in Settling Cases in EI Courts

Enterprises where the IPs work						
Responses of the IPs as to the delay in settling Cases in EI Courts	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Very High Delay	22	63	14	50	36	57
High Delay	10	29	10	36	20	32
Moderate Delay	3	8	4	14	7	11
No Delay	-	-	-	-	-	-
No opinion	-	-	-	-	-	-
Total	35	100	28	100	63	100

Source: Field Study

A large majority of the insured persons (89%) together, who filed cases in the EI Courts, opined that there was 'high delay' or 'very high delay' in disposing of the

cases in factories and establishments as shown in the **Table 4.14**. However, 11% of the insured persons were reported that the delay in settling cases in EI Courts was “moderate”.

**RESPONSES FOR DELAY IN DISPOSING OF CASES IN EI COURTS
(EMPLOYERS)**

The employers view was almost similar to that of the insured persons regarding the delay in disposing of cases in the EI Courts. The responses for the delay of the cases in EI Courts according to the Employers is given below in **Table 4.15**

Table 4.15: Responses of the Employers as to the Delay in Settling Cases in EI Courts

Responses of the Employers as to the delay in settling Cases in EI Courts	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Very High Delay	6	46	4	33	10	40
High Delay	4	31	3	25	8	32
Moderate Delay	3	23	5	42	7	28
No Delay	-	-	-	-	-	-
No opinion	-	-	-	-	-	-
Total	13	100	12	100	25	100

Source: Field Study

A large majority of the Employers (72%) who filed cases in the EI Courts opined that there was ‘high delay’ or ‘very high delay’ in disposing of the cases as shown in the **Table 4.15**. However, 28% of the insured persons were reported that the delay in settling cases in EI Courts was “moderate”.

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 4.16-**

Table 4.16: 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	13
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

Calculated Value of χ^2 (Chi-square) at 4 df is: 1.096
Table value at 0.05 level: 9.488
Result/Conclusion: Not Significant

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 4.16**.

LEVEL OF SATISFACTION IN THE WORKING OF EI COURTS (EMPLOYERS)

It is also important to know about the satisfaction level of the employers in the functioning of the EI Court. It is obvious that most of the employers were not satisfied. It can be assumed from the cases filed in the EI Court. However, the details regarding the Level of Satisfaction in the Working of EI Court as perceived by the Employers is shown below in **Table 4.17-**

Table 4.17: Level of Satisfaction in the Working of EI Courts

Level of Satisfaction among the Employers in the Working of the Working of EI Courts	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Strongly Satisfied	-	-	-	-	-	-
Satisfied	2	13	1	10	3	12
Neither satisfied nor dissatisfied	2	13	1	10	3	12
Dis-Satisfied	9	61	4	40	13	52
Strongly Dis-Satisfied	2	13	4	40	6	24
Total	15	100	10	100	25	100

Source: Field Study

Calculated Value of χ^2 (Chi-square) at 4 df is: 7.906
Table value at 0.05 level: 9.4888
Result/Conclusion: Not Significant

A large majority of the employers (52%) who had filed cases in EI Courts reported that they were Dis-satisfied with the working of the EI Courts and another 24% were strongly Dis-satisfied. The employers who were satisfied came to 12% only. Again there is no significant difference in the level of satisfaction among the employers of the factories and the establishments in the working of the EI Courts as shown by the Chi-square test **Table 4.17.**

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 4.18-**

Table 4.18: Reasons for Dis-satisfaction in the Working of EI Courts

Enterprises where the IPs work						
Reasons for Dis-satisfaction among Employers in the Working of the EI Courts	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 4.18 reveals that the insured persons opined that ‘high delay’ in getting responses from the EI Court end was the prime reason for dis-satisfaction. It stood for 71%. Lengthy official formalities, which were 29%, were one another reasons for the insured persons for their dis-satisfaction in the workings of the EI Court.

REASONS FOR DISSATISFACTION IN THE WORKING OF EI COURTS (EMPLOYERS)

The employers were dissatisfied mostly because they did not get responses at proper time. The reasons for dissatisfaction in the working of EI Courts as told by the employers is shown below in **Table 4.19-**

Table 4.19: Reasons for Dis-satisfaction in the Working of EI Courts (Employers)

Reasons for Dis-satisfaction	Factory	Establishment	Total
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among Employers in the Working of the EI Courts						
	No.	Percent	No.	Percent	No.	Percent
Lengthy Official Formalities	2	15	1	17	3	16
Delay in getting response	11	85	5	83	16	84
Others*	-	-	-	-	-	-
Total	13	100	06	100	19	100

Source: Field Study

Others* include- lack of proper documentation, inconveniences etc

Table 4.19 reveals that the employers opined ‘high delay’ in getting responses from the EI Court end was the prime reason for dis-satisfaction. It stood for 84%. Lengthy official formalities, which were 16%, were one another reasons for the employers for their dis-satisfaction in the workings of the EI Court.

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**)⁵.

PERFORMANCE OF THE GRIEVANCES REDRESS CELL

As shown in the **Table 4.20**, in all the years under study the Grievances Redress Cell could not dispose of all the complaints or grievances related to the ESI Scheme received from the insured persons and employers in the year itself. The period average of grievances disposed of to total grievances received in Assam region shows that 75% grievances were disposed and 25% were pending in each year. The all India average in this regards came to 79% and 21% respectively.

Table 4.20: Performance of the Grievances Redress Cell

Year	No. of cases grievances received	No. of cases grievances disposed	% of grievances disposed of to grievances received in Assam
2001-2002	24	16	67
2002-2003	27	21	78
2003-2004	31	22	71
2004-2005	52	36	69
2005-2006	61	44	72
2006-2007	77	52	68
2007-2008	91	79	87
2008-2002	108	90	83
2001-2009	127	98	77
2009-2010	142	112	79
AVERAGE	-	-	75

Source: Regional Office ESIC, Guwahati

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 4.21-**

Table 4.21: Awareness of Grievances Redress Cell as Perceived by the Insured Persons

Enterprises where the IPs work

Awareness of EI Courts as Perceived by the IPs	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.

AWARENESS OF THE GRIEVANCES REDRESS CELL (EMPLOYER)

The study reveals that most of the employers were aware of the Grievances Redress Cell. The awareness of the Grievances Redress Cell as told by the Employers is shown below in **Table 4.22-**

Table 4.22: Awareness of Grievances Redress Cell as Perceived by the Employers

Awareness of EI Courts as Perceived by the IPs	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Aware	34	57	29	73	63	63
Not Aware	26	43	11	27	37	37
Total	60	100	40	100	100	100

Source: Field Study

Table 4.22 reveals that, among the employers, 63% were aware of the Grievances Redress Cell. While 57% of the employers in factories were aware of the Grievances Redress Cell, 73% in establishments were aware of it. The positions in case of the

employers were better than the insured persons regarding the awareness about the Grievances Redress Cell.

GRIEVANCES LODGED IN THE GRIEVANCES REDRESSEL 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 Redressel Cell. The following **Table 4.23** below shows the details-

Table 4.23: 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 4.23 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.

GRIEVANCES LODGED IN THE GRIEVANCES REDRESSEL CELL (EMPLOYERS)

A study was also made on the employers as to know whether they have lodged any grievances in the Grievances Redress Cell. The position is a bit better than the insured

persons in this case. Most of the employers have lodged grievances against the administrative machinery, most often, against the Revenue Recovery Machinery, for their hostile and non-cooperative attitudes while dealing with the employers. The following **Table 4.24** below shows the details-

Tale 4.24: Responses of the Employers 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	10	17	12	30	22	22
Grievances not lodged	50	87	28	70	78	78
Total	60	100	40	100	100	100

Source: Field Study

Table 4.24 reveals that a large majority of the employers (78%) were not lodged any complain or grievances in the Grievances Redress Cell mainly because of lengthy official formalities. Those who have lodged grievances came only to 22% of the sample respondents.

RESPONSES FOR DELAY IN DISPOSING OF GRIEVANCES (IPs) Although a few numbers of insured persons have lodged any types of grievances, but they opined that there was a delay in the disposals of their respective grievances. The reason for the delay of the grievances according to the IPs is given below in **Table 4.25-**

Table 4.25: Delay in Disposal of Grievances Lodged (Insured Persons)

Enterprises where the IPs work						
Responses of the IPs as to the delay in setteling Cases in EI Courts	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Very High Delay	16	64	11	55	27	60

High Delay	-	-	-	-	-	-
Moderate Delay	-	-	-	-	-	-
No Delay	-	-	-	-	-	-
No opinion	9	36	9	45	18	40
Total	25	100	20	100	45	100

Source: Field Study

Most of the respondents opined that there was a ‘very high delay’, i.e. 60%, in the disposal of the grievances as shown by **Table 4.25**. However, 40% also put no opinion in this regard.

RESPONSES FOR DELAY IN DISPOSING OF GRIEVANCES (EMPLOYERS)

The employer’s views were also enquired to know about their responses regarding the delay in the Grievances Redress Cell. The responses for the delay of the grievances according to the Employers is given below in **Table 4.26**

Table 4.26: Delay of Grievances Lodged (Employers)

Enterprises where the IPs work						
Responses of the Employers as to the delay in settling Cases in EI Courts	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Very High Delay	1	8	3	30	4	18
High Delay	11	92	7	70	18	82
Moderate Delay	-	-	-	-	-	-
No Delay	-	-	-	-	-	-
No opinion	-	-	-	-	-	-
Total	12	100	10	100	22	100

Source: Field Study

18% of the employers and another 82% of the employers who had lodged grievances with Grievances Redress Cell opined that there was a ‘very high delay’ and “high delay” respectively in the disposal of the grievances as shown by the **Table 4.26**.

LEVEL OF SATISFACTION IN THE WORKING OF GRIEVANCES

REDRESS CELL (IPs)

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 4.27-**

Table 4.27: 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 χ^2 (Chi-square) at 4 df is :3.286
Table value at 0.05 level: 9.4888
Result/Conclusion: Not Significant

Table 4.27- 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.

**LEVEL OF SATISFACTION IN THE WORKING OF GRIEVANCES
REDRESS CELL (EMPLOYERS)**

The satisfaction level of the employers were also analysed in this study. The level of satisfaction in the working of Grievances Redress Cell, is explain below with the help of **Table 4.28-**

Table 4.28: Level of satisfaction in the Working of Grievances Redress Cell (Employers)

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	-	-	-	-	-	-
Satisfied	2	13	2	29	4	18
Neither satisfied nor dissatisfied	2	13	1	14	3	14
Dis-Satisfied	11	74	3	43	14	64
Strongly Dis-Satisfied	-	-	1	14	1	4
Total	15	100	7	100	22	100

Source: Field Study

Calculated Value of χ^2 (Chi-square) at 4 df is: 3.452
Table value at 0.05 level:9.4888
Result/Conclusion: Not Significant

Table 4.28 reveals that a large majority of employers who have lodged grievances reported that they were dis-satisfied in the working of the Grievances Redress Cell upto 64%. However, the Chi-square test shows that there is no significant difference in the level of satisfaction among the employers 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, **Ho1.2** 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 and employers stands accepted.

REASONS FOR DISSATISFACTION IN THE WORKING OF GRIEVANCES REDRESS CELL (IPs)

The study also tries to find out the causes of their (IPs) dissatisfaction regarding the Grievances Redress Cell. The reasons for dissatisfaction in the working of Grievances Redress Cell as told by the IPs is shown below in **Table 4.29-**

Table 4.29: Reasons for Dis-satisfaction in the Working of Grievances Redress Cell

Enterprises where the IPs work						
Reasons for Dis-satisfaction among Insured Persons in the Working of the Grievances Redress Cell	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Lengthy Official Formalities	2	13	3	33	5	20
Delay	10	63	6	77	16	64
Others*	4	24	-	-	4	16
Total	16	100	9	100	25	100

Source: Field Study

Others*: non-response etc.

64% of the insured persons under the dissatisfied category opined that ‘delay’ on the part of the authorities was the main reason for their dissatisfaction in the working of the Grievances Redress Cell (**Table 4.29**).

**REASONS FOR DISSATISFACTION IN THE WORKING OF
GRIEVANCES REDRESS CELL (EMPLOYERS)**

The employers too were also not satisfied due to different reasons. The reasons for dissatisfaction in the working of Grievances Redress Cell as told by the Employers is shown below in **Table 4.30-**

Table 30: Reasons for Dis-satisfaction in the Working of Grievances Redress Cell

Reasons for Dis-satisfaction among Employers in the Working of the Grievances Redress Cell	Factory		Establishment		Total	
	No.	Percent	No.	Percent	No.	Percent
Lengthy Official Formalities	-	-	-	-	-	-
Delay	05	56	04	67	09	60
Others	04	44	02	33	06	40
Total	09	100	06	100	15	100

Source: Field Study

Others*: Like non-response etc.

60% of the employers under the dissatisfied category opined that ‘delay’ on the part of the authorities was the main reason for their dissatisfaction in the working of the Grievances Redress Cell (**Table 4.30**).

PART B

ADVISORY BODIES OF THE ESI CORPORATION

As per the ESI Act, various types of machinery are to be constituted to advise/assist the Corporation on matters related to the administration of the ESI Scheme.

Accordingly, the Corporation has set up various advisory boards at different levels- Medical Benefit Council at the apex level, Regional Boards at the regional level and Local Committees at the grass root level. The Corporation formulates rules and regulations from time to time mainly on the suggestions and recommendations of these Boards.

MEDICAL BENEFIT COUNCIL

The Medical Benefit Council is constituted as per Sec.10 of the ESI Act to advise the Corporation and the Standing Committee on matters relating to the administration of medical benefits, the certification for the purpose of the grant of benefits and other connected matters. It also makes recommendations to the Corporation in regard to the measures undertaken for the improvement of the health and welfare of insured persons, and the rehabilitation and re-employment of insured persons, disabled or injured (**ESI Reg, 1950**) ⁶. The Medical Benefit Council consists of-

- a) The Director General, Health Services, ex-officio, as Chairman;
- b) A Deputy Director General, Health Services, to be appointed by the Central Government;
- c) The Medical Commissioner of the Corporation, ex-officio;
- d) One member each representing each of the States in which the ESI Act is in force to be appointed by the State Government concerned;
- e) Three members representing employers to be appointed by the Central Government ;
- f) Three members representing employees to be appointed by the Central Government and

- g) Three members, of whom not less than one shall be a woman, representing the medical profession, to be appointed by the Central Government (Sec.10)

4.6.1 NUMBERS OF MEETINGS CONDUCTED

As per Sec.6 of the **ESI (Central) Rules, 1950** ⁷, the Medical Benefit Council shall meet at least twice in a year. An analysis of the number of meetings conducted by the Medical Benefit Council during 2001-2002 to 2010-2011, given in **Table 4.31** below, revealed that the Medical Benefit Council had conducted the statutory minimum meetings in all the years except in some years the ratio of conducting the meeting was uneven.

Table 4.31: Meetings Conducted by the Medical Benefit Council during 2001to 2010

Year	Minimum number of meetings to be conducted	Actual Number of meetings conducted	Percentage (minimum meetings to meetings conducted)
2001-2002	02	01	50%
2002-2003	02	02	100%
2003-2004	02	01	50%
2004-2005	02	01	50%
2005-2006	02	01	50%
2006-2007	02	02	100%
2007-2008	02	02	100%
2008-2009	02	02	100%
2009-2010	02	02	100%
2010-2011	02	02	100%

Source: Records from Regional Office of ESIC, Guwahati

The above **table 4.31** reveals that the percentage of conducting the meeting was almost even and the council has conducted the meeting fully except in some years.

REGIONAL BOARDS

Sec. 25 of the **ESI Act** ⁸ empowers the Corporation to set up the Regional Boards in the Regions/States where the ESI Scheme is implemented. According to Sec.14 of the ESI (General) Regulations, 1950, a Regional Board shall perform the following functions-

- a) To make recommendations from time to time with regard to changes, which may in its opinion be advisable in the ESI act, Rules and Regulations and forms and procedure to be followed in the running of the ESI Scheme?
- b) To review from time to time the working of the ESI Scheme in the State both on medical side as well as cash benefit side and to advise the Corporation and the State Government on measures to improve the working of the ESI Scheme both in regard to payment of cash benefits and administration of medical benefit in particular to promote preventive health measures, safety and personal hygiene and to review and check lax certification and other abuses of the ESI Scheme;
- c) To look into general grievances, complaints and difficulties of insured persons and employers as it may consider necessary and
- d) To advise the Corporation on such matters as may be referred to it for advice by the Standing Committee or the Director-General.

As per Sec. 10 of the **ESI Reg** ⁹, a Regional Board set up by the Chairman of the Corporation shall consist of the following members-

- a) A Chairman to be nominated by the Corporation;
- b) A Vice-Chairman to be nominated by the Corporation;
- c) One representative of the State to be nominated by the State Government;
- d) The administrative medical officer of the ESI Scheme in the State;
- e) The Regional Deputy Medical Commissioner of the Corporation, ex-officio;

- f) One to three representatives each of the employers from the State to be nominated by the Chairman of the Corporation;
- g) One to three representatives each of the employees from the State to be nominated by the Chairman of the Corporation;
- h) Members of the Corporation other than Chairman and Vice-Chairman reside in the State, ex-officio and members of the Medical Benefit Council residing in the State, ex-officio.

An analysis of the total members of the Regional Boards reveals that 56% of the members are the officials of the Government or the Corporation and 22% each represents the employees and employers.

LOCAL COMMITTEES

As per Section 10A of the **ESI Reg** ¹⁰, Local Committees may be set up for such area as may be considered appropriate by the Regional Board. According to Sec 10A (9), a Local Committee shall perform the following functions in respect of the area for which it is set up-

- a) To discuss local problems in regard to the ESI Scheme so as to secure its efficient working with the full co-operation of all parties concerned and to make recommendations;
- b) To refer such complaints as it may consider necessary to the regional director concerned, or in the case of complaint concerning medical benefit, to the State Government;
- c) To advise the Corporation or the Regional Board concerned on such matters as may be referred to it for advice.

According to Sec 10A, Local Committees shall consist of the following members-

- a) A Chairman to be nominated by the Chairman of the Regional Board;
- b) An official of the State to be nominated by the State Government;
- c) The Administrative Medical Officer of the ESI Scheme in the area concerned, ex-officio;
- d) 2 to 4 representatives each of the employers and employees to be nominated by the Chairman of the Regional Board;
- e) An official of the Corporation to be nominated by the Director-General who shall act as Secretary to the Committee.

An analysis of the total numbers of the Local Committees reveals that 50% of the members are the official of either the Government or the Corporation and 50% of the members are the representatives of the employees and employers.

OBSERVATION (REGARDING REGIONAL BOARDS & LOCAL COMMITTEES)

Sec. 25 of the ESI Act empowers the Corporation to set up the Regional Boards in the Regions/States where the ESI Scheme is implemented. According to Sec.14 of the ESI (General) Regulations, 1950, a Regional Board shall perform the functions, such as, to make recommendations from time to time with regard to changes, which may in its opinion be advisable in the ESI act, to review from time to time the working of the ESI Scheme in the State both on medical side as well as cash benefit side and to advise the Corporation and the State Government on measures to improve the working of the ESI Scheme both in regard to payment of cash benefits and administration of medical benefit in particular to promote preventive health measures, safety and personal hygiene and to review and check lax certification and other abuses of the ESI Scheme.

As per Section 10A of the ESI (General) Regulations, Local Committees may be set up for such area as may be considered appropriate by the Regional Board. According

to Sec 10A (9), a Local Committee shall perform the following functions in respect of the area for which it is set up- to discuss local problems in regard to the ESI Scheme so as to secure its efficient working with the full co-operation of all parties concerned and to make recommendations, to refer such complaints as it may consider necessary to the regional director concerned, or in the case of complaint concerning medical benefit, to the State Government, to advise the Corporation or the Regional Board concerned on such matters as may be referred to it for advice etc.

During the study, it was observed that, the Regional Board of Assam was last constituted on 21-01-2000 under regulation 10(1) of the ESI (General) Regulation 1950. Thereafter, the Regional Board was not re-constructed although the term of office Members of the Regional Board is only 03 years (**ESIC Souvenir, NER**) ¹¹. The Govt. of Assam its letter dated 21-11-2007 and 10-12-2007 recommended and forwarded its proposal for re-constitution of the Regional Board to the Central Govt. However, even after repeated reminders, the last one being issued on 10-02-2011, the reconstitution has not been done by the Central Govt. However, presently there is only one surviving non-official member in the erstwhile Regional Board, all the other members have either left the organization or expired during the intervening period. Thereafter, holding of Regional Board meeting in this region is becoming impossible due to lack of members/ quorum.

CONCLUSION

From the analyses made on the level of satisfaction in the working of the machinery of the ESI Corporation for the administration of the ESI Scheme, it is found that most of the employers are not satisfied in the working of the Inspectorate, Revenue

Recovery Machinery, Employees' Insurance Courts and Grievances Redress Cell.

Moreover, there is no significant difference in the level of satisfaction among the insured persons and the employers in factories and establishments with regard to the working of these machinery. Thus, the null hypothesis **Ho1.1** and **Ho1.2** stands accepted.