

THE PROBLEM OF
SOCIAL SECURITY
IN INDIA

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THE PROBLEM OF SOCIAL SECURITY IN INDIA

GOVERNMENT SPOKESMEN hail the Employees' State Insurance Scheme as a "gigantic scheme of Social Insurance", and a "great step towards the achievement of a welfare state" (Abid Ali Jaffarbhaj, Deputy Minister for Labour). "Of all the Labour Laws enacted for improving the conditions of industrial workers in this country during this century, the Employees' State Insurance Act passed in 1948 stands as the most outstanding piece of legislation" said C. L. Katial, former Director General of the Employees' State Insurance Corporation.

How far are these claims justified? Does the Scheme really give working people sufficient protection against natural contingencies and enable them to maintain a reasonable standard of life? What are the main objectives of Social Security and how far does this scheme realise these objectives?

OBJECTIVES OF SOCIAL SECURITY

Man is, primarily, a social being. His method of producing the necessities of life has acquired a highly developed social character. Under capitalism, though the method of production is highly social, the appropriation of the products of labour is not organised for the benefit of the whole of society. By virtue of their ownership of the means of production, a small section of the society—the capitalists, landlords, etc.—appropriate the fruits of social production. The wages given to the actual labourers hardly suffice to maintain a decent standard of life. In the majority of cases, wages are far below what is necessary for the normal day-to-day requirements of a wage earner. He is without any support or reserve. There is practically nothing on which he can fall back to protect himself. The employer just squeezes the best out of him, only to throw him on the streets whenever he has no more use for him. Hence he, on his own, is unable to provide against contingencies such

as sickness, disability, unemployment, old age, etc. Hence the working class began to demand that the employers and the Government make adequate provision for such contingencies.

The progressive expansion of the system of social security and its democratic management in the Soviet Union and People's Democracies, covering all aspects of the lives of the working people began to attract the attention of the working people in the capitalist, colonial and semi-colonial countries. The demand for the introduction and expansion of social security measures in these countries acquired a powerful sweep in recent years.

In these countries, till the end of the Second World War, different branches of social security were treated and dealt with separately. However, due to the advance of the world working-class movement and the shining example of the social security system in the Soviet Union, the conception of social security acquired a broader range. Today, it embraces guarantees against social risks, invalidity, old age, death of the breadwinner, unemployment, injury, family responsibility, medical care. As a report to the thirty-fourth Session of the International Labour Conference stated:

"A survey of post-war trends in social security shows that a new conception is transforming the pre-war system of social insurance. There is a movement everywhere towards including additional classes of population, covering a wider range of contingencies, providing benefits more nearly adequate to needs and removing anomalies among them, loosening the tie between benefit right and contribution payment, and in general unifying the finance and administration of branches hitherto separate. The transformation of social insurance is accompanied by the absorption or co-ordination of social assistance, and there begins to emerge a new organisation for social security, which we can describe only as a public service for the citizenry at large. This new organisation now concerns society as a whole, though it is primarily directed to the welfare of the workers and their families. It tends, therefore, to become part of national Government, and social security policy accordingly becomes co-ordinated closely with national policy for raising the standard of welfare and, in particular, for promoting the vitality of the population. The pre-war Conventions and Recommendations on the several branches of social insurance could not

foresee this development." ("Objectives of Minimum Standards of Social Security", Report IV (I) to the International Labour Conference, Thirty-fourth Session, 1951, pp. 3-4.)

Thus the conception of social security as it has emerged today, embracing guarantees against social risks such as sickness, maternity, invalidity, old age, death of breadwinner, unemployment, employment injury, family responsibility, together with medical care on all occasions when it is required, is the acceptance of the principle that every working man, every citizen, has a right to claim these benefits from the social fund he has been instrumental in creating. The acceptance of this principle by such bodies as the ILO shows that at least formally even the ruling classes have been forced to accept the responsibility and pay lip-service to it.

Though the principle is today accepted by all, practical measures for its implementation are being delayed or restricted. The division of security benefits into 'minimum standard' and 'advanced standard' by the ILO, the possibility of ratification of Conventions by accepting them in part, leaving vital benefits outside the scheme, etc., are the methods by which efforts are made to make the scheme ineffective in its main essentials.

Moreover in many countries the Government and the employers began to attack even some of the existing benefits won through persistent struggles. As the Appeal of the International Conference for the Defence, Improvement and Extension of Social Insurance and Social Security states:

"Social Security, which should ensure to all men security for the morrow is in danger.

"In some capitalist countries which have social insurance and social security legislation, the already inadequate benefits provided by law are being threatened with serious reductions.

"In the colonial and semi-colonial countries where no such legislation exists, its introduction is constantly refused.

"Intolerable living conditions are inflicted on hundreds of millions of human beings.

"The burden of rearmament, absorbing an ever-increasing proportion of the budget of capitalist States, deprives the social security budgets of their necessary resources, leads to reductions in benefits and the abandonment of any further progress in these countries, although

social security expenditure is productive expenditure which helps to develop the economy and wealth of each country.

"The great monopolies are threatening social security with their ceaseless drive for higher profits, and are trying to rob the workers of the fruits of their struggles."

With a view to mobilising the working class and other sections of the people throughout the world for the improvement and extension of social security, an international conference was convened by the World Federation of Trade Unions at Vienna in March, 1953. The fact that in spite of numerous obstructions placed in their way by various Governments, 207 delegates, fifteen guests and forty-four observers, representing fifty-nine countries, attended the Conference and decided to intensify their struggle for defending social security shows the great importance and urgency of the problem before the working class and the people throughout the world.

PRINCIPLES AND STANDARDS OF SOCIAL SECURITY

A real system of social security with regard to the principles and standards has been accepted by the Vienna conference as under:

I. Principles of Social Security

1. Real social security must be accepted as a fundamental social right, guaranteed by law to all human beings who work for their living, to their families, and to those who are temporarily or permanently unable to work. The right to social security must apply to all without any discrimination on grounds of race, nationality, religion, sex, age or profession.

2. Social security must provide for all contingencies including: sickness; maternity; disability; old age; accidents at work and industrial diseases; complete or partial unemployment; death.

It must provide for assistance to all children in order to ensure their education and maintenance.

It must also provide for paid holidays for workers and for family allowances.

Social security must provide cash benefits guaranteeing a proper standard of living for the whole population.

3. Social security should extend to all workers and salaried employees (including agricultural, domestic, sea-

sonal, temporary and home workers and apprentices, and to small peasants, sharecroppers, tenant farmers, artisans, professional workers, students and self-employed persons). It should also cover those who are unable to work.

4. Social security must also ensure completely free medical care and drugs, without any limitation to all those mentioned above.

Free medical care should be extended to the whole population through the establishment of a free comprehensive National Health Service.

5. Social security must apply the principles of prevention, both social and medical, especially at the place of work.

6. For sick and disabled persons, social security must ensure re-education and rehabilitation and help to guarantee employment and re-employment.

7. Any social security scheme must be unified, taking into account special conditions and advantages already gained.

8. In general, social security should be financed by the State or the employers, or both, without any contribution from the insured persons.

Where the workers at present pay contributions, there must not be any increase and every effort should be made to reduce them and to abolish them where the workers demand it.

9. Representatives of the insured should be responsible for the administration of social security at all levels. This necessitates the election of members of the administrative bodies; participation of the trade unions is also necessary. This form of administration should prevent bureaucracy and guarantee a just and rapid settlement of claims.

10. Cash benefits should guarantee a proper standard of living and must be automatically adjusted to increases in the cost of living or in wages. They should provide complete compensation for the damage suffered through industrial diseases and accidents.

11. There should be no interruption in the right to social security for workers who move from one country to another, or their families, irrespective of their length of stay in the various countries.

II. Standards of Social Security

The Vienna Conference also adopted the following standards of Social Security:

1. *Sickness:*

a) All medical services, including drugs, appliances, hospitals, clinic and home consultations and treatment for the insured and their dependants in all cases of sickness without any limitation.

b) Cash benefits guaranteeing a proper standard of living payable from the first day and for the whole period of sickness and incapacity for work, including convalescence and rehabilitation.

c) Cash benefits under the same conditions for any member of the family who is obliged to stay away from work to take care of a sick child.

d) Re-education and rehabilitation with a guarantee of re-employment.

2. *Accidents at work and occupational diseases:*

a) All medical services including drugs, appliances, hospital, clinic and home consultations and treatment for the insured and their dependants in all cases of sickness without any limitation.

b) Re-education and rehabilitation with a guarantee of re-employment.

c) For the temporarily-disabled, cash benefits during the period of medical treatment, and rehabilitation, paid from the first day and guaranteeing to the victims of industrial accidents or occupational disease their previous standard of living.

d) For the permanently-disabled, a pension calculated on the basis of earnings, according to the degree of physical and industrial incapacity.

3. *Maternity:*

a) Examinations, complete pre- and post-natal medical care and confinement, free of charge.

b) Maternity leave of fourteen weeks partly before and partly after confinement, with payment of an allowance which guarantees the same standard of living as before.

c) The dismissal of pregnant women and mothers of infants less than one year old to be prohibited.

Social and health protection at work: pregnant women should be relieved from work which is unsuitable for them, without loss of earnings.

d) Supply of layette and nursing allowances to all mothers.

4. *Old Age and Disability:*

- a) The pensionable age should be 50-60 years for men and 45-55 for women, according to the nature of their work.
- b) Disability and old-age pensions should be paid regardless of other sources of income.
- c) The minimum rate of old-age pensions should guarantee a proper standard of living. Disability pensions should be increased beyond this minimum, taking into account the degree of functional and occupational incapacity.
- d) Those receiving old-age and disability pensions to enjoy the right to free medical care and to home help where they are unable to take care of themselves.
- e) War invalids to enjoy the same rights to social security.

5. *Total and Partial Unemployment:*

- a) Unemployment benefit to be paid to all unemployed from the first day and for the entire period of unemployment, guaranteeing a proper standard of living.
- b) Unemployment benefit should not be made conditional upon the acceptance of a job which does not correspond to the qualifications of the person concerned.
- c) In the case of partial unemployment, benefit should be paid for hours worked below the legal working time and should ensure a proper standard of living.
- d) Unemployment benefit should be paid to young people who have reached the working age and have not been able to find work.

6. *Family allowances:*

- a) Family allowances should be the same for all children and so adjusted that, taken together with earnings and available social services, they provide for the normal upbringing of children and give them an equal start in life, enabling the family to maintain a proper standard of living whatever the number of children.

7. *Survivors and Death Benefit:*

- a) Sufficient funeral benefit should be paid to cover costs.
- b) Widows and other dependants should receive pensions assuring them a proper standard of living.

III. **Social Security for Agriculture and Forestry Workers**

Even before the complete achievement of this programme, there is an urgent need to improve the social pro-

visions for agricultural wage-earners by the extension to them of the same provisions as for industrial workers and their integration into the same scheme.

Small farmers, tenant farmers and share-croppers who work their own land with wage labour should enjoy the same benefits as wage-earners.

IV. Social Security in the Colonial Countries

The principles and the standards of social insurance and social security defined in the present programme are valid for all the peoples of the colonial, semi-colonial and dependent countries, irrespective of race, colour, sex, nationality, religion, caste, sect, profession or age.

For the complete achievement of this programme, the Vienna International Conference on Social Insurance and Social Security considers that the following urgent demands of the populations of the colonial, dependent and semi-colonial countries are measures which must immediately be achieved in these countries.

1. Payment of family allowances for children, without any discrimination.

2. An increase in the number of free State dispensaries, hospitals and mobile health and medical services. An increase in the number of doctors and nurses. The introduction of health protection and preventive measures against industrial injuries and diseases as well as free medical treatment for workers at the place of work. This treatment shall not be under the control of the employers.

3. Organised protection of mother and child, including free medical care during pregnancy and after confinement, welfare clinics, payment of adequate nursing allowances and childbirth grants, paid maternity leave for women workers, the supply of layettes etc.

4. Guarantee in all circumstances of a proper standard of living for all the working population.

5. Payment of cash benefits to all workers for sickness, accidents, disability and old age.

Registration of unemployed persons and payment of unemployment benefits.

6. Full compensation in the event of industrial injury or occupational diseases, including free medical treatment and social care for rehabilitation and re-employment. Payment of cash benefits during the period of medical treatment and payment of pension in the event of permanent disability.

These are the principles and standards of social security adopted by the international conference. In this background

let us examine the existing Social Security measures in our country.

SOCIAL SECURITY MEASURES IN INDIA

The demand for effective legislation and its implementation for full social security measures has featured prominently among the demands of the Indian working class since a long time. Thus we see that as early as 1927 the All-India Trade Union Congress adopted in the following resolution in its seventh annual session held at Delhi on 12-13th March:

“This congress is of opinion that legislation should immediately be passed providing for all workers working in factories, mines, tea and coffee and rubber plantations and in all other organised trades and industries:—

(a) Adult Franchise, (b) An eight hour day, (c) Machinery for fixing up minimum wages, (d) Sickness and unemployment benefit, (e) Old-age pensions and pensions for widows and orphans, (f) Maternity benefits, (g) Weekly payment.”

The absence of effective provisions regarding Social Security had moved the workers throughout the country into strong agitation and actions. The extremely unsatisfactory position regarding social security provision could be seen from the fact that prior to the introduction of the Employees' State Insurance Act, 1948, the only Central Legislation on any branch of Social Security in our country was the Workmen's Compensation Act, 1923. This Act provides compensatory benefit to certain section of workers with a salary not exceeding Rs. 300 per month for injury, total or partial disablement or death during working hours and for certain occupational diseases. The compensation which is on a graded scale linked up with monthly wages varies from a lump sum of Rs. 500 to Rs. 4,000 in case of death of an adult and Rs. 700 to Rs. 5,600 in case of permanent total disablement. For partial disablement, percentages of the compensation for total disablement are provided.

The second group of legislative measures is the Maternity Benefit Acts. There is no central act on this. The first measure in this connection was the Bombay Maternity Act of 1929. This was followed by similar enactments in many other States. Now most of the major States have such an act. But there are variations in the cash benefit, qualifying period, contingencies etc. from State to State. Generally, the benefit is provided to factory employees only. In Bom-

bay the qualifying period is nine months' employment whereas in Uttar Pradesh, it is only six months and in Madras 240 days. The rate of benefit is almost uniform at eight annas per day, though Uttar Pradesh pays Rs. 5 extra as bonus if the worker avails herself of the services of a qualified midwife. Perhaps no State other than Uttar Pradesh pays benefit for miscarriage. The period of benefit also is not uniform. Madras pays for seven weeks whereas Bombay and many other states pay for eight weeks.

The Mines (Maternity Benefit) Act of 1941, which is a Central Act provides maternity benefits, with a qualifying period of six months employment, to women working in mines.

Thanks to the many loopholes in the Maternity Benefit Acts the employers constantly make the Acts ineffective.

The continuous pressure by the organised working class, especially of the All-India Trade Union Congress, and also the influence of the international working-class movement and the ILO, compelled the Government of India to consider the widening of Social Security measures.

The AITUC submitted its draft resolution for adoption at the meeting of the plenary Labour Conference at New Delhi in September 1943, urging "the necessity and urgency of appointing a representative committee" to suggest schemes for the establishment of a system of Social Security. In response to this demand, the Government appointed in 1943 a Special Officer, Shri V. P. Adarkar, to report on a scheme of Health Insurance. Though the report was submitted in August 1944, the Employees' State Insurance Act was passed only in 1948. Even after passing the Act in 1948, the scheme was introduced partially from 1952 only.

PROVISIONS OF THE EMPLOYEES' STATE INSURANCE SCHEME

Some of the important provisions of the Employees' State Insurance Act are described below.

The administration of the Employees' State Insurance Scheme will vest in a corporation known as the Employees' State Insurance Corporation which shall consist of (a) the Minister of Labour in the Central Government, *ex-officio*, as Chairman, (b) The Minister for Health in the Central Government, *ex-officio*, as Vice-Chairman, (c) not more than five persons to be nominated by the Central Government of whom at least three shall be officials of the Central Government, (d) one person each representing each of the Part 'A', States and Part 'B' States in which this Act is in

force to be nominated by the State Government concerned, (e) one person to be nominated by the Central Government to represent the Part 'C' States, (f) five persons representing employers to be nominated by the Central Government in consultation with such organisations of employers as may be recognised for the purpose by the Central Government, (g) five persons representing employees to be nominated by the Central Government in consultation with such organisations of the employees as may be recognised for the purpose by the Central Government, (h) two persons representing the medical profession to be nominated by the Central Government in consultation with such organisations of medical practitioners as may be recognised for the purpose by the Central Government and, (i) two persons to be elected by Parliament.

Thus, when the Scheme is extended throughout the country, the Corporation will consist of thirty-eight members. Of these, twenty-four will be officials of the Central and State Governments. Even in the case of non-official members, the choice, except in the case of the two members elected by Parliament, is left to the Central Government though the organisation recognised for the purpose will be consulted. *Thus the main authority managing the Social Security Scheme applicable to the employees for their benefit is constituted without any effective voice for their representatives.*

The term of office of members of the Corporation is to be four years except in the case of ex-officio and other members representing the Central and State Governments who will hold office during the pleasure of the Government nominating them.

From the members of the Corporation a Standing Committee is constituted with (a) a Chairman nominated by the Central Government, (b) three members of the Corporation, being officials of the Central Government nominated by that Government, (c) three members of the Corporation representing such three State Governments thereon as the Central Government may by notification nominate from time to time and (d) six members elected by the Corporation from among its members, two each representing the employees and the employers and one each representing the medical profession and Parliament. The term of office of the Standing Committee is two years. Subject to the general superintendence and control of the Corporation, the Standing Committee administers the affairs of the Corporation and may exercise any of the provisions and perform any of the functions of the Corporation.

The Central Government shall constitute a Medical Benefit Council with (a) the Director General, Health Services, ex-officio, as Chairman; (b) a Deputy Director General, Health Services, nominated by the Central Government, (c) the Medical Commissioner of the Corporation, ex-officio, (d) one member each of the Part 'A' and Part 'B' States in which the Act is in force to be nominated respectively by each State Government concerned, (e) three members each representing the employers and employees to be nominated by the Central Government in consultation with the organisations concerned and, (f) three members, including at least one woman, representing the medical profession to be nominated by the Central Government in consultation with the organisations of medical practitioners concerned. The Medical Council shall advise the Corporation and the Standing Committee on matters relating to the administration of medical benefits and the certification for purposes of the grant of benefits. It shall also have powers and duties of investigation in relation to complaints against medical practitioners in connection with medical treatment and attendance. The members of the Medical Benefit Council will hold office for four years.

Any person nominated or elected to represent employers, employees or the medical profession on the Corporation, the Standing Committee or the Medical Benefit Council shall cease to be a member if the Central Government is of the opinion that the member has ceased to represent the employers, employees or medical profession as the case may be and so notify in the official Gazette.

The Corporation will have five principal officers. The first appointments of these officers shall be made by the Central Government and subsequent ones in consultation with the Corporation. The officers are (a) an Insurance Commissioner, (b) a Director General of Employees' State Insurance, (c) a Medical Commissioner, (d) a Chief Accounts Officer and, (e) an Actuary. The Director General shall be the Chief Executive Officer of the Corporation.

In addition to the Scheme and the benefits provided in the Act, the Corporation may promote measures for the improvement of the health and welfare of insured persons and for the rehabilitation and re-employment of insured persons who have been disabled or injured. The Corporation may appoint Regional Boards, Local Committees and Regional and Local Medical Benefit Councils. All contributions and moneys received on behalf of the Corporation shall be paid into a Fund called the Employees' State Insurance Fund which shall be held and administered by the

Corporation. During the first five years the Central Government shall make a grant to the Corporation of a sum equivalent to two-thirds of the administrative expenses of the Corporation.

Scope of the Act

In areas where the Act is put into operation, in factories or establishments to which the Act applies, all employees, manual or clerical, getting a salary not exceeding Rs. 400 per month, shall be insured. Contract Labour is covered if the worker is working either on the premises of the principal employer or under his supervision. The Act is applicable to all factories where twenty or more persons are working. The Central and Provincial Governments, in consultation with the Corporation, may extend the provisions of this Act to other establishments, industrial, commercial, agricultural or otherwise, after giving six months' notice.

Contributions

The Scheme is a contributory one. All employees who come under the Scheme have to contribute to the fund, weekly from their wages. The employer also has to pay his contribution in respect of each employee. The rates of contributions to be made weekly are given below:

Table 1

Group of employees whose average daily wages are	Employee's Contribution Rs.	Employer's contribution Rs.
Below Re. 1	NIL	0- 7-0
Above Re. 1 but below Rs. 1-8-0	0- 2-0	0- 7-0
Above Rs. 1-8-0 but below Rs. 2	0- 4-0	0- 8-0
Above Rs. 2 but below Rs. 3	0- 6-0	0-12-0
Above Rs. 3 but below Rs. 4	0- 8-0	1- 0-0
Above Rs. 4 but below Rs. 6	0-11-0	1- 6-0
Above Rs. 6 but below Rs. 8	0-15-0	1-14-0
Rs. 8. and above	1- 4-0	2- 8-0

The employer is made responsible for paying the contributions of the employees and recovering the same from the wages. 'Wages' under the Act means all remuneration paid or payable in cash to an employee except contributions to pension fund or provident fund and travelling allowance.

For the purpose of the Act, wages include payment to an employee in respect of authorised leave, lock-out or legal strike.

Contribution period and Benefit period:

Under the scheme, the periods of benefit are related to periods of contribution. Thus, for each contribution period there is a corresponding benefit period. The contribution periods under the Scheme are divided into three sets called Set A, Set B, and Set C. The duration of a contribution period is twenty-six weeks. The benefit period corresponding to any contribution period shall be the period of twenty-six consecutive weeks following the close of the preceding contribution period exactly after an interval of thirteen weeks.

BENEFITS

Under the Act, an insured person may claim the following benefits: (1) sickness benefit, (2) maternity benefit, (3) disablement benefit, (4) dependants' benefit and (5) medical benefit.

Sickness Benefit

A person is qualified to claim sickness benefit during any benefit period if during the corresponding contribution period weekly contribution in respect of him were payable for not less than two-thirds of the number of weeks during which he shall be deemed to have been available for employment, subject to a minimum of twelve contributions. (A person shall always be deemed to have been available for employment in any week except when, during the whole of such a week, he was unable to work on account of certified sickness, temporary disablement or, in case of women, maternity leave.) Sickness benefit shall not be paid for an initial period of two days. The maximum sickness benefit that may be paid to a person shall not be over a total of fifty-six days (eight weeks) during any continuous period of 365 days. The daily rate of sickness benefit during any benefit period shall be an amount equivalent to one-half of the sum of assumed average daily wages for each of the weeks for which contributions were paid in respect of the person during the corresponding period, divided by the number of weeks in that contribution period, in which he was deemed to have been available for employment. (The average assumed daily wages for the purpose of calculating sickness benefit and disablement and dependants' benefit will be as follows: For the group of employees

whose average daily wages are: below Re. 1, the assumed average daily wages will be 14 as.; Re. 1 and above but below Rs. 1-8-0, Rs. 1-4; Rs. 1-8-0 and above but below Rs. 2, Rs. 1-12; Rs. 2 and above but below Rs. 3, Rs. 2-3; Rs. 3 and above but below Rs. 4, Rs. 3-3; Rs. 4 and above but below Rs. 6, Rs. 5; Rs. 6 and above but below Rs. 8, Rs. 7-0; and Rs. 8 and above, Rs. 10.) Thus, fulfilling all other conditions and requirements such as full contributions in the contribution period, no absence or unemployment etc. (except on certified medical grounds), the maximum sickness benefit granted under the Scheme is one half of the average assumed daily wages, i.e. from 7 as. to Rs. 5 for a maximum period of eight weeks in a year.

Maternity Benefit

An insured woman is qualified to claim maternity benefit in a benefit period if during the corresponding contribution period, weekly contributions in respect of her were payable for not less than two-thirds of the number of weeks during which she shall be deemed to have been available for employment, subject to a minimum of twelve contributions, provided that at least one contribution has been paid between thirty-five and forty weeks before the week in which confinement takes place or in which notice of pregnancy is given before confinement takes place. The total period of benefit shall be twelve weeks of which not more than six shall precede the expected date of confinement. The daily rate of benefit shall be the rate at which the insured woman could have claimed sickness benefit for any period of sickness during the benefit period in which the confinement occurs or is expected to occur if she had been qualified to claim sickness benefit during that period or twelve annas, whichever is greater.

Disablement Benefit

The insured person can claim disablement benefit if the injury is caused by accident arising out of and in the course of his employment in the factory or establishment. The daily rate of disablement benefit shall be an amount equivalent to one-half of the sum of assumed average daily wages for each of the weeks for which contributions were made in respect of the employee during the period of fifty-two weeks immediately preceding the week in which the employment injury occurs, divided by the number of weeks for which contributions were so paid. If no contribution was paid during the aforesaid period of fifty-two weeks, the disablement benefit shall be an amount equivalent to

the fifty-second part of the monthly wages calculated in accordance with Section 5 of the Workmen's Compensation Act, 1923. The disablement benefit will be as follows:

(a) For temporary disablement if the incapacity lasts for more than seven days, during the period of such disablement at the full rate; (b) for permanent partial disablement at the percentage of the full rate as provided in Section 4 of the Workmen's Compensation Act, 1923, for life and (c) for permanent total disablement at the full rate for life. As per the Workmen's Compensation Act, the list of injuries deemed to result in permanent partial disablement and the percentage of loss of earning capacity is as follows:—

Loss of right arm above or at the elbow 70%; loss of left arm above or at elbow 60%; loss of right arm below the elbow 60%; loss of leg at or above knee 60%; loss of left arm below the elbow 50%; loss of leg below knee 50%; permanent total loss of hearing 50%; loss of one eye 30%; loss of thumb 25%; loss of all toes of one foot 20%; loss of one phalanx of thumb 10%; loss of index finger 10%; loss of great toe 10% and loss of any finger other than index finger 5%.

Dependants' Benefit

Where an insured person dies as a result of an employment injury sustained as an employee, dependants' benefit shall be payable to his dependants as follows:

(a) To the widow during life or until remarriage, an amount equivalent to three-fifths of the full rate (rate payable for total disablement) and if there are two or more widows this amount shall be divided equally between them; (b) to each legitimate or adopted son, an amount equivalent to two-fifths of the full rate until he attains 15 years of age; (c) to each legitimate unmarried daughter an amount equivalent to two-fifths until she attains 15 years of age or until marriage whichever is earlier. The Corporation may continue the benefits to the sons and daughters until 18 if they continue education to the satisfaction of the Corporation. If the total of the dependants' benefits to be distributed exceeds the full rate then the share of each of the dependents shall be proportionately altered so that the total amount payable to them does not exceed the amount of disablement benefit at the full rate. If the deceased person does not leave a widow or legitimate child, dependants' benefit shall be payable to a parent or grand parent for life, any other male dependant until he attains 15 years of age or any other female dependant until she attains 15 years of age or until marriage.

Medical Benefit

An insured person and (where medical benefit is extended to his family) his family whose conditions require medical treatment and attendance shall be entitled to receive medical benefit. Such medical benefit may be given either in the form of out-patient treatment and attendance in a hospital or dispensary, clinic or other institution or by visits to the home of the insured person or treatment as in-patient in a hospital or other institution. A person shall be entitled to medical benefit during any week for which contributions are payable in respect of him or in which he is qualified to claim sickness benefit or maternity benefit. An insured person or his family (if extended) shall be entitled to receive medical benefit of such kind and on such scale as provided. The Act stipulates that the right to receive any payment of any benefit shall not be transferable or assignable. No cash benefit payable under this Act shall be liable to attachment. An insured person shall not be entitled to combine both sickness benefit and maternity benefit or both sickness benefit and disablement benefit for temporary disablement or both maternity benefit and disablement benefit for temporary disablement. When a person is entitled to more than one benefit he shall be required to choose which benefit he shall receive.

The Act lays down that the Employees' Insurance Court will be the sole authority to entertain disputes in regard to matters provided in the Act. No appeal at all will lie from an order of the Employees' Insurance Court. The decision of this Court shall be final. A legal practitioner, or an officer of a registered trade union or any other person authorised by the Court can appear before an Insurance Court.

SCHEME INADEQUATE AND TAXING

As can be seen from the provisions of the Act, the Scheme is financed from the contributions of the workers and the employers. The very principle of employees contributing to the Scheme under the present conditions of extremely low wages goes against the spirit of Social Security. The exemption provided under the Act, that no worker need contribute whose wages are below Rs. 30 is meaningless today because, under the definition of wages in the Act, no worker is entitled to get exemption. Thus the Scheme does not provide the benefit of exemption to even the lowest-paid category of workers.

Even when the workers are forced to contribute to the

Scheme, only very limited benefits are provided. In all, the Scheme provides five benefits, viz. sickness benefit, maternity benefit, disablement benefit, dependants' benefit. Out of these, three are benefits covered by the Workmen's Compensation Act and the Maternity Benefit Acts. Regarding benefit under Workmen's Compensation, the scheme makes periodical payments instead of lump-sum payment. Considering that a good number of workers come to the industry from rural areas and that in the event of total or partial disablement they might like to return to the countryside or engage in some petty business, investing the lump-sum they are entitled to under the Act, the Scheme should have given the worker the option to choose lump-sum compensation. The same applies to dependents' benefit also.

Regarding disablement benefit, the Employees' State Insurance Act lays down that the benefit shall be payable "to a person who sustains temporary disablement, during the period of such disablement". But the definition of "temporary disablement" being linked with "employment injury" under the Workmen's Compensation Act, a worker is deprived of any benefit if the total or partial disablement does not exceed a period of seven days. This is one of the absurd conditions laid down by the Act.

All cash benefits under the Scheme are very low. The maximum benefit provided comes to less than 50% of the wages. In cases of maternity benefit, the 12 as. provided by the Scheme is totally inadequate. From 1929 onwards the benefit provided has amounted to 8 as. Today, when the cost of working-class living index has increased three to four times, the fact that the benefit has been raised by only 4 as. demonstrates how blind the authors of the Scheme are to existing realities. Though the period of benefit has been increased to twelve weeks, it falls short of the required fourteen weeks. The Scheme does not provide benefit for miscarriages. In fact maternity benefit should provide benefit for miscarriages for a period of at least two weeks to a month. Apart from providing maternity benefit to working women, it is very necessary that the wives of the workers are also given medical and cash maternity benefits. But the scheme provides neither.

As regards sickness benefit the maximum of fifty-six days in a year is also very inadequate. The insured worker should get the benefit during the whole period of illness. The initial waiting-period of two days, for which no payment is made, is a means to deprive the workers of effectively taking advantage of even the present benefit. In fact, though there is no legislation on the subject some em-

ployers already provide sickness benefit on full and half pay. In fact, the Scheme will, in many cases, lead to a lowering of the standards of certain benefits already enjoyed by some sections of workers.

Medical benefits envisaged under the Scheme depend upon various factors such as facilities provided locally by the State Government etc. The benefits are limited to insured workers only. Families being excluded, the scheme will not have the desired result of being helpful to the worker. In fact medical benefits are obligations to be fulfilled by the State to every citizen. In an address to the officers and staff of the Employees' State Insurance Corporation on February 17, 1953, Mr. Aneurin Bevan, the former Minister of Health in England, said:

"There is of course a profound incompatibility between insurance and a national health service and obviously if all the members of the community are eligible for health service, it is no longer appropriate to talk of insurance; *the contribution becomes a poll tax. It is merely a device for providing revenue for the Health Service.* . . . one of the reasons why we found in Great Britain that it was not possible to marry the principle of insurance with the principle of a National Health Service is perfectly obvious because if a man is run over on the street, you cannot very well demand his contribution card before you attend to him. You cannot give him a second-class operation because he is short of contribution."

But under the scheme of our 'welfare state' the contribution card is demanded.

Relieves the Employer but Gives Little to the Worker

The Corporation, while relieving the employers of all existing responsibilities, gives very few new benefits to the workers and yet the workers are forced to pay heavy contributions. Important benefits such as unemployment, old age, funeral and family benefits are left out of the Scheme.

Besides, different branches of Social Security are divided into separate Schemes and for each scheme a fresh contribution is demanded from the workers. Thus though old age or retirement benefit is a part of Social Security our 'Welfare Government' has enacted a separate Act, the Employees' Provident Fund Act, 1952, applicable to factories employing fifty or more persons in the Cement, Cigarette, Electrical, Mechanical or General Engineering Products, Iron and Steel, Paper and Textile industries. The contribu-

tion from the worker to this Scheme is 6½% of his wages. Thus the monthly contribution of an ordinary worker in Bombay towards these limited social security benefits (with the inclusion of Provident Fund benefit) will come to about Rs. 7-8, or roughly 9% of his wages. And in our country, with the existing low level of wages, this contribution is considered by our ruling class as a "low rate of contribution". And even with such a heavy contribution, the worker is not given such essential benefits as unemployment benefit, family benefit etc.

Scheme — Bureaucratic and Top-Heavy

An inquiry into the set-up of the Corporation and its working will reveal that the scheme is bureaucratic and top-heavy. The Corporation is completely dominated by Government officials. *The active role of the trade unions in the management of social security is the vital and necessary condition for the success of the scheme. But here, trade unions are out of the picture.*

As to the expenditure of the Corporation, with a Director General on a monthly salary of Rs. 3,000, the total administrative charges for the financial year ended on March 31, 1953 came to over 21 lacs, whereas, during the same period, the total benefits to the workers came to less than 7½ lacs, since the Scheme was applied only to Delhi and Kanpur. But according to the estimates, even in 1954-55, when the Scheme will be extended on a wider scale, the administrative charges will be near about 40% of the benefits paid to the workers by the Corporation. It is true that when the scheme is extended throughout the country, the incidence of administration charges will go down. But even then, the administrative machinery as per the provisions of the scheme will be extremely top-heavy.

IMPLEMENTATION OF THE SCHEME

Though the Act was passed in 1948, the actual implementation of the Scheme was started only in Delhi and Kanpur from February 24, 1952. Before the implementation of the Scheme, on account of certain objections from the employers at Kanpur, the Government passed an amending Act by which the incidence of the employers' contribution was spread over the employers all over the country. The Act lays down a special contribution instead of employer's contribution under the original Act to be paid only by employers to whose factories or establishments all the provisions of the Act applied. The maximum rate of the

special contribution has been so fixed as not to exceed 5% of the wage bill. Under this provision, the Government issued a notification fixing the rate of special contribution with effect from February 24, 1952, at 1¼% of the total wage bill of the factories and establishments situated in areas where the scheme is fully implemented and at 3¼% in other areas.

According to the earlier proposal, the Scheme was to be implemented all over the country by July 1954. But actually the scheme was implemented in Delhi and Kanpur from February 2, 1954 and in seven industrial areas of the Punjab, viz. Amritsar, Jullundur, Ludhiana, Ambala, Bhiwani, Batala, and Andullapur-Jagadhri from May 17, 1953. Now, according to the latest proposal, even in Calcutta City and Howrah District, the Scheme will not be implemented before the middle of the year. With regard to Greater Calcutta, not before October 1954, and in the whole of West Bengal by October 1955. In Bombay, if the State Government agree to pay their one-third contribution towards medical care, in Greater Bombay the Scheme may be implemented from May 1954, at Ahmedabad from October 1954, at Sholapur from April 1955, and at other places from October 1955. In Madras State it is proposed to implement the Scheme in Coimbatore from April 1954 and at other places by July 1955. In Uttar Pradesh the Scheme will be extended by April 1955; in Madhya Bharat by January 1955; in Bihar by July 1955; in Orissa by October 1955; in Assam by July 1955; in Andhra by July 1955; in Hyderabad by January 1955; in Mysore by January 1955; in Travancore-Cochin by January 1955; in Madhya Bharat by May 1954; in Saurashtra by October 1955; in PEPSU by October 1954; in Rajasthan by April 1955 and in Ajmer by January 1955.

From the above it can be seen that even five years after the passing of the Act, the Scheme has been implemented only in Delhi, Kanpur and some centres in Punjab. If the present programme is adhered to then only by the end of 1955 will it be implemented at centres with a concentration of 2,000 workers or more. But there is very little prospect of the programme of implementation of the Scheme being adhered to.

One of the reasons for the delay in the implementation of the Scheme is the refusal by the State Governments to bear their share (one-third) of the cost of medical care. Thus the quarrels between the bureaucracy at the Centre and in the States has led to almost a deadlock in the implementation of the Scheme. Bombay is a classical example of this. Even the Union Minister for Labour, Mr. V. V. Giri, had

to admit this, though indirectly, in Parliament. In a reply to a question on September 8, 1953, he stated that "in view of the administration and medical arrangements to be made, extension of the scheme to new areas has to be gradual. Before the scheme can be extended to any place, the State Government concerned has to make arrangements for a medical, surgical and obstetric treatment and has to enter into an agreement with the Corporation regarding the nature and scale of medical treatment and for the sharing of the cost thereof. State Governments, with their financial difficulties, do not find these responsibilities easy to discharge but they have all done their best to co-operate with the Corporation. It is these difficulties that have proved a stumbling block in the execution of the provisional schedule."

Another reason for the delay is the controversy about the capitalation fee between the Corporation and the medical profession. The point of view of the Corporation is that the daily incidence of illness and need for medical advice will be 2 per cent of the total number insured and that with 2,000 insured workers, with a capitalation fee of Rs. 5 per head (Rs. 3 towards salary, Re. 1 for ordinary drugs and Re. 1 for overhead charges, including conveyance and domiciliary visits), a panel doctor will be well off. Against this view of the Corporation, the medical profession maintains that in our country the incidence of illness and need for medical advice will be 5 to 10 per cent and in some places even more. Hence, they say, according to their calculation, on the basis that every doctor willing to serve on the panel and fulfilling the necessary conditions will be allowed to do so, very few, if any, doctors will have more than 1000 insured persons on his list (Dr. S. C. Sen, Honorary General Secretary, Indian Medical Association). Even this calculation is, according to them, based on a sickness incidence of 3 per cent, as accepted by the Government. Hence, on this basis, they work out a figure of Rs. 8-8 capitalation fee per capita. "These figures may be higher for places like Calcutta and Bombay where rents and salaries are higher. In spite of this calculation the Indian Medical Association has decided that a capitalation fee of Rs. 7-8 (exclusive of costly drugs) may be an acceptable figure to start with except in places like Bombay or Calcutta on the definite understanding that proper statistics will be kept and that the situation will be reviewed at the end of a year and the end of the third year and, if necessary, a higher rate of payment made with retrospective effect" (Dr. S. C. Sen). Examining this controversy, one feels that while

there is still room for a more sympathetic attitude on the part of the medical profession, the unrealistic and bureaucratic attitude of the Corporation has aggravated the deadlock. This may be seen from the statements of Dr. Susila Nayyar, Health Minister of Delhi, in which she admitted that the emoluments of the insurance doctor were inadequate. Meanwhile, the Scheme remains unimplemented and the workers suffer.

WORKING OF THE SCHEME

From the working of the Scheme at Delhi, Kanpur and Punjab, the following figures reveal the position regarding the progress of registration of insured persons, payment of cash benefits and the working of dispensaries.

Table 2
PROGRESS OF REGISTRATION OF INSURED PERSONS

Place	Period	No. of Registrations	No. of Reg. cancelled	No. of Reg. in vogue	Insurance Nos. allotted	No. of records set up
Delhi	24-2-52 to	69,238	2,328	66,910	67,638	64,825
State	30-9-53					
Punjab	17-5-52 to	40,999	139	40,860	40,817	37,532
States	30-9-53					
Kanpur	24-2-52 to					
Area	30-9-53	1,32,689	2,927	1,29,762	1,32,408	1,30,560
		2,42,926	5,394	2,37,532	2,40,863	2,32,917

Table 3
PAYMENT OF CASH BENEFITS (Employment Injury)

	No. of claims admitted	No. of days for which temp. disablement benefit raised	Amt. paid for temp. disablement	Amt. paid for permanent disablement	No. of insured persons whose claims admitted	Amt. paid to dependants
DELHI:			Rs.	Rs.		Rs.
24-2-52 to						
30-3-53	2,948	35,945	63,894	2,365	7	1,954
KANPUR:						
24-2-52 to						
30-9-53	2,951	55,226	1,00,935	5,972	2	2,001

Table 4
PAYMENT OF CASH BENEFITS
(Sickness and Maternity)

	No. of pay- ments made	No. of per- sons to whom pay- ments made	No. of days for which benefits made	Amount paid	No. of ma- ternity cases ad- mitted	Amount paid
DELHI:				Rs.		Rs.
23-11-52 to						
30-9-53	22,452	18,251	1,55,844	3,01,882	12	1,014
KANPUR:						
23-11-52 to						
30-9-53	83,750	58,037	4,50,756	8,24,105	18	1,062

Table 5.
WORKING OF DISPENSARIES

	Attend- ance at Dis- pensaries	No. of Cer- tificates is- sued	No. of do- miliary visits	No. of cases referred to hospital	No. of cases referred to special in- vestigation
DELHI:					
24-2-52 to					
30-9-53	5,39,097	99,498	3,561	444	8,623
KANPUR:					
24-2-52 to					
30-9-53	10,70,931	3,02,857	13,390	1,951	5,840

Thus the working of the Scheme shows that in Delhi, on an average, out of every 3.5 persons whose records have been sent up one person has demanded sickness benefit for 8½ days in a period of ten months; whereas in Kanpur, out of every 2.25 persons, one has claimed for eight days on an average. The attendance at the dispensaries shows that, on an average, each insured worker has to his credit just over eight attendances at both Delhi and Kanpur.

MEDICAL SERVICE

Medical benefits constitute an important item of the Scheme. The working of the scheme in Kanpur, Delhi and

Punjab clearly shows the inadequate provisions with regard to medical care. For instance, the daily attendance at a dispensary in very thickly populated areas like Gwaltali, Juhi and Darshanpurua at Kanpur, with about 18,000 workers attached to each dispensary, is about 400 to 600 per day. Patients, especially in those dispensaries where daily attendance is high, have to stand in long queues and wait for one and a half to two hours before they are attended to. The dispensaries open at 7 a.m. and some work shifts start at the same time. The employers refuse to give workers any leave to enable them to get their medicines. If, on the other hand, a worker is detained in the dispensary and is not able to report within two hours he is marked absent. The process of entries and certification in the case of every worker is a long one. And the doctors whose work, in the main, is the examination and treatment of patients, are made to do all the clerical jobs, leaving very little time to attend to the patients. There are no special hospitals for the workers. Cases are referred to general hospitals in Kanpur. There are no places where pathological and X-Ray examination etc. can be done, except the two general hospitals. There are no ENT or eye specialists or dental surgeons attached to the Scheme for giving expert advice. When cases are referred to hospitals, the workers have to wait for their turn as beds are not immediately available. Also, it often happens that the doctor prescribes medicines which have to be bought from the market. No spectacles, dentures or artificial limbs are provided for those who need them.

Delhi fares no better than Kanpur. A Special Correspondent of the *Statesman*, commenting on the experience of the working of the scheme in Delhi has the following to say:

“... The number of claims for the benefits steadily grows not because more workers are falling ill or being disabled but because they are becoming increasingly aware of their rights and the facilities they can lay claim to.

“... The number receiving maternity benefits in Delhi is as yet very small, none in July, one in August and three in September, reflecting perhaps both the small number of women workers and an ignorance of their rights.

“Among them [workers] are critics, they think the rates of contribution are too high and treatment inadequate and they lack confidence in the doctors. They resent the waiting at the Dispensary, and at the same time are annoyed at the hurried way they are examined. They

are sceptical of the quick prescription and complain that anything at all needing attention is referred to Irwin Hospital where they must take their turn with everyone else. Benefit payments, they say, are not always promptly paid and repeated calls at the Officers are necessary. Other criticisms are more radical—the scheme does not apply to the families of workers and does not provide for hospitalisation. These criticisms cannot all be dismissed as untrue; they are sincerely held and expressed.” (*Statesman*, January 26, 1954.)

In Punjab, medical facilities are provided under the scheme on the panel system. If the condition of the dispensaries is as stated above, the panel system arranged by the Corporation has also been very unsatisfactory. In his reply to a question in the Assembly in March 1954, Sardar Ujjal Singh, Finance Minister of East Punjab, stated that each panel doctor was paid a capitalation fee of Rs. 5 per annum per worker registered with him under the State Insurance Scheme. This included Re. 1 *per capita* per year as the cost of ordinary medicine to be provided by the panel doctor from his own dispensary. He also added that the expense for special medicines had been estimated at Re. 1 *per capita* per year and the panel doctors were required to confine their expenditure on this item to this limit, although they had been told that instructions issued in this regard should not stand in the way of legitimate use of special medicines when the clinical condition of a patient warranted it and the actual expenditure incurred was approximately Rs. 2-6 *per capita* per year.

With all these reservations and instructions, one can well imagine the plight of the insured worker. Hence, in a memorandum submitted to the Minister for Labour, Government of India, by the industrial workers of Ludhiana where the panel system has been introduced, the following demand was raised:

“The present panel system has showed itself to be a failure in practice and there is considerable unrest among employees against it. Therefore, the present panel system should be abolished and instead of it, in various industrial centres where 500 or more employees may be working, special dispensaries providing all medical facilities should be opened under the State Insurance Scheme.”

The total income of the Corporation for the year ending March 31, 1953 was Rs. 1,71,34,589-11-8 out of which Rs.

8,56,313 was grant-in-aid from the Central Government towards administration charges. The special contribution collected from the employers and the usual contribution from the workers of Delhi and Kanpur where the Scheme was implemented shows the following picture.

Table 6

EMPLOYERS' SPECIAL CONTRIBUTION
(From April 1952 to March, 1953)

Region	Amount Collected
Delhi	Rs. 6,72,067-10-3
Kanpur	10,99,905- 6-7
Bombay	57,60,649- 6-2
Calcutta	40,16,742-11-0
Madras	15,91,312- 6-6
TOTAL	1,31,40,677- 8-6

Table 7

EMPLOYEES' CONTRIBUTION
(From April 1952 to March 1953)

Region	Amount Collected
Delhi State	Rs. 9,79,014- 6-0
Kanpur area	20,94,628- 8-0
TOTAL	30,73,642-14-0

From the above details of collections, it will be seen that incidence of employers' contribution has been considerably lowered as against the employees' contribution on account of the provision of special contribution.

PROVIDENT FUND SCHEME

The Employees' Provident Fund Act enacted in 1952 seeks to introduce a compulsory provident fund scheme in six industries, viz. cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles (cotton, wool, silk and jute). The Act applies only to factories employing not less than 50 workers in the above industries. It is not applicable to factories of less than three years' standing or to workers whose wages ex-

ceed Rs. 300 per month or to those who have not completed one year of continuous service i.e. 240 days in a period of twelve months. It is not applicable to workers employed by a contractor or to an apprentice.

The Act was passed by Parliament on March 4, 1952. The Scheme under the Act (Employees' Provident Fund Scheme) was notified on July 2, 1952. The first three chapters of the Scheme, dealing with the setting up of the machinery to administer the Scheme and also dealing with the powers and functions of various authorities set up under it became operative from the date of publication. The Scheme as a whole became operative from November 1, 1952.

The Scheme is a contributory one. All eligible employees in the factories to which the Scheme is applicable are required to join the Fund. The rate of monthly contribution by the employees to the fund is 6¼% of the wages and dearness allowance. The employers' contribution is equal to that of the employees. In addition to this, the employer has to pay an amount equivalent to 3% of the total of the contributions of employees and employers as administration charges. The inspection charges payable by the exempted factories have been fixed by the Government at 3¼% of the total of the employees' and employers' contributions.

The administration of the Scheme is vested in a Central Board of Trustees which comprises of four nominees of the Central Government, including the chairman, nominees of such State Governments as the Central Government, having regard to the jurisdiction of the scheme, may specify, six persons representing employers in the industries to which the scheme applies as are nominated by the Central Government in consultation with the employers' organisations, and six persons representing employees nominated by the Central Government in consultation with the employees' organisations.

The Scheme provides that the amount accumulated in the name of a member may be withdrawn in full on retirement from service at any time after attaining the age of 55. But if, by that time, he has not completed five years as a member of the fund, the employers' contribution and the interest thereon standing to his credit will be forfeited to the fund. The full amount to the credit of a member may also be withdrawn in the case of retirement on account of permanent or total incapacity for work due to physical or mental infirmity. The amount to the credit of a member shall be paid to him before complete retirement on migra-

tion from India for permanent settlement abroad and if he has not been employed in any factory to which the scheme applies for a continuous period of one year or more. In such cases, the full amount of the employers' contribution and interest thereon will be forfeited to the fund if the members' period of membership of the fund is less than five years; half of it if the period of membership is five years or more but less than ten years; 40% of it if the period of membership is ten years or more but less than fifteen years and 25% if it is more than fifteen years but less than twenty years.

Thus, according to the provisions of the Scheme, an employee can get the full amount only after twenty years of membership of the fund. This forfeiture has been strongly opposed by all workers. In our country, where stability of employment is not at all to be assumed such provisions only deny the workers their legitimate dues for no fault of their own, and thus defeat the very purpose of the scheme. Similarly, the period for the right of withdrawal on account of unemployment is long and meaningless. Hence it should be reduced and the maximum waiting period should not be more than a month.

Another provision which the workers equally oppose is the one regarding deduction due to "dismissal for serious and wilful misconduct". According to the Scheme, if a member is dismissed by the employer for "serious and wilful misconduct" the employer's contribution up to a maximum of the previous two years and that of the current year may be forfeited. It is the experience of the trade union movement that the "right" of dismissal for "serious and wilful misconduct" has always been abused by the employers to crush the organised strength of the workers and this provision only puts an additional weapon in the hands of the employers.

Strong opposition from the workers all over the country was voiced to the denial of the right to withdraw small loans from the Fund. The only withdrawal the Scheme originally permitted was for paying insurance premiums. After a good deal of agitation the Government have now permitted withdrawal of advances, repayable in monthly instalments, for the purchase of a house or a site for a house. But the bulk of the workers will not be benefited by this concession as only very few workers could even dream of owning a house at the present level of wages. The facility for withdrawal of small loans is demanded by the workers in order to free themselves from the clutches of moneylenders who fleece them by charging exorbitant rate

of interest. Denial of this facility which most of the workers in private as well as Government employment used previously to enjoy hits the workers very hard.

There has also been strong criticism from the side of the workers regarding exemptions. Section 17 of the Act provides for exemption from the operation of the Act of any factory where the employees enjoy provident fund benefits which are not less favourable than those provided by the Employees' Provident Fund Scheme. Any class of employees in any factory could also be exempted if such employees were entitled to benefits like old-age pensions or gratuity or both, which, on the whole, were not less favourable than those under the Scheme and if the workers opt for remaining out of the Scheme.

The opposition of the workers is not to the principle of giving exemption from the operation of the Act when more satisfactory provident funds and other benefits already exist but to the extremely unsatisfactory way in which these funds are run at present by the employers. What the workers actually wanted was an improvement of the management of the funds. The Government has now laid down certain conditions about the management of the funds in exempted factories, according to which the rules regarding the rates of contribution, deduction on account of dismissal for "serious or wilful misconduct" etc. have to be framed in conformity with the Central Scheme or should be an improvement on the same.

Since the conditions specified meet most of the important modifications demanded by the workers, the representative of the AITUC on the Board of Trustees favoured exemption because, while protecting many of the essential rights, this decentralisation would enable the workers, to some extent, directly to participate in the management of the fund. Hence, in the first meeting of the Board of Trustees in February 1953, a policy of liberal exemption was adopted and the Government further liberalised the terms of exemption by which not only the factories which had already introduced provident funds when the scheme came into operation but even those factories which later instituted their own provident funds were to be exempted.

WORKING OF THE SCHEME

The number of factories brought under the scheme upto August 31, 1953 is 1,643. Of these, exemption was granted to 473 factories with a complement of 8,15,898 workers, thus leaving 5,46,806 workers in unexempted factories. The total

number of factories brought under the Act till the end of December 1953, was 1,772 out of which 518 with a complement of 8.65 lakhs of workers were given exemption, thus leaving 5.25 lakhs of workers in 1,204 factories directly under the Scheme. The contribution from the workers in unexempted factories for 1952-53 and 1953-54 (actuals for 1952-53 and revised estimates for 1953-54) came to Rs. 7,75,43,599, whereas in the exempted factories it was Rs. 11,22,80,200. The administration and inspection charges collected by the Board for 1952-53 and 1953-54 come to Rs. 31,49,795.

In this connection it must also be noted that the interest on contributions to the fund has been fixed at the low rate of 2¼% whereas interest chargeable on loans advanced to workers has been fixed at 4½%.

For the management of the fund, the Act provides for the constitution of Regional Committees. Hence, on June 20, 1953, the Government constituted the Regional Committee for Bombay with twelve members, for Bengal with fourteen and for Madras and Madhya Bharat with nine each. On July 6, 1953, Regional Committee for Bihar was also constituted with nine members. While constituting these Regional Committees, in most cases Government have deliberately ignored the claims of the AITUC and shown undignified partiality for the INTUC. For example, in Bombay, besides giving two of the three seats allotted for employees' representatives to the INTUC (the third was given to the HMS), out of the three seats allotted to non-official members ordinarily resident in the State, one seat was again given to the INTUC.

COAL MINE LABOUR WELFARE FUND SCHEME

On January 31, 1954, the Government of India promulgated an Ordinance constituting the Coal Mines Welfare Fund. The Ordinance was later replaced by the Coal Mines Labour Welfare Fund Act, 1947. The Act imposes an excise duty as a cess for "financing measures for promoting welfare of labour employed in the coal mining industry" on all coal and coke despatched from collieries. This duty been fixed at 6 as. per ton. Among the facilities to be provided, the Act lays down "the improvement of public health and sanitation, the prevention of disease, the provision of medical facilities and the improvement of existing medical facilities, including the provision and maintenance of dispensary services in collieries" and also give grants-in-aid to colliery owners who maintain dispensary services.

The accounts of the Fund are divided into two main heads, viz., (a) General Welfare Fund and (b) Housing. The total receipts and expenditure of the two accounts for the period 1944-45 to 1952-53, both inclusive, are as follows:

Year	Receipts <i>General Welfare Account</i>	Expenditure
1944-45 to 1952-53	5,09,23,641	3,20,01,341
	<i>Housing Account</i>	
1944-45 to 1952-53	2,64,69,562	91,06,959

Out of the General Welfare Fund account, certain amounts are utilised for medical facilities. For instance, the cess collected for 1952-53 amounted to Rs. 1,26,49,098 out of which Rs. 10,17,818 were spent on medical facilities.

The overall picture of medical facilities provided from the fund is contained in the following passage from the Report of the Minister of Labour for 1953-54:

“In addition to maintaining the Central Hospital, Dhanbad, four Regional Hospitals and Maternity and Child Welfare Centre, two T.B. Clinics, two dispensaries and a Blood Bank at Asansol, already functioning, the Fund also subsidised various other medical institutions and organisations by way of grants, supply of X-Ray plants, ambulance vans etc. The construction of the Fund’s Central Hospital at Asansol with 165 beds also made progress and was nearing completion. A sum of Rs. 7,16,000 was sanctioned for the purchase of equipment, furniture, etc., for this hospital. Construction of a maternity and child welfare centre in the Pench Valley Coalfields at a cost of Rs. 48,000 was sanctioned. The fund maintained a number of beds in the Leper Hospital at Tetulmari and it was proposed to construct one more 10-bed ward. Installation of an X-Ray plant at the Kothagudium Colliery Hospital in Hyderabad was sanctioned. Proposals for the construction of maternity wards at Kothagudium and Tendur at Hyderabad coalfields costing Rs. 90,000 and Rs. 45,000 respectively were under consideration. Reservation of five beds at Nowagaon Sanatorium, ten beds at Barkui Hospital, four beds in Pendra Road Sanatorium, and two beds at the Christian Mission Hospital, Jorhat, was sanctioned. Grants-in-aid to the extent of Rs. 50,000 each to the Jharia and Asansol Mines Boards of Health for maintaining their maternity and child welfare centres during 1953-54 continued to be paid. A sum of Rs. 6,000 was sanctioned for eye relief work in the coal-mining

areas of Bihar. Grants were also sanctioned for dispensary services of the prescribed standard for dispensaries maintained by colliery owners."

While the Government claim that good medical facilities are being provided to the miners by utilising the Fund, it will not be out of place to have a glimpse at the shocking conditions prevailing at one of the much-boasted Central Hospitals at Jagjivan Nagar at Dhanbad.

A press report appeared in the *Amrita Bazar Patrika* dated September 28, 1952 giving a sample of the treatment given in the hospital:

"The tragic story of how a miner's wife was prevented from getting the much-needed medical help or even first aid from the much-boasted Central Hospital under the Coal Mines Welfare Organisation at Dhanbad was related here by the friends and relatives of the victim. The gorgeous and picturesque building worth Rs. 50,00,000 had no space for the agonised soul for whose benefit alone the hospital was started.

"On September 23 last, at about 5 p. m., a patient from the colliery of Katras area was brought to the Central Hospital. The patient was groaning under labour pain with a prolapse and baby inside. The child died and on its quick extraction rested the life of the patient. When she reached the Central Hospital, the person in charge refused admission on grounds that she had no papers on her to prove her *bona fides*. No amount of persuasion and assurances from her men could soften the person in charge and the patient fainted. She was then carried to Dhanbad Civil Hospital after two hours but by then her condition had deteriorated. Continuous medical care for the whole night at the Civil Hospital improved the patient's condition to a certain extent and the delivery was effected in the morning (Sept. 24). But by that time she was so exhausted that she succumbed after an hour.

"The Surgeon Superintendent of the Central Hospital (C.M.W.F.) when contacted said that it was unfortunate that she was refused admission. Although the rules were rigid and restricted to medical help available to miners only, there was no bar to an emergent case being taken in for at least first aid. The sister on duty, the Superintendent Surgeon further said, has been taken to task and assured that such incident would never recur. The most unfortunate part of the matter was that almost all the medical officers were present at the hospital premises during these

two hours, but neither the Superintendent Surgeon nor the Resident Medical Officer were informed of the matter."

The following passages from a report to the General Secretary of the AITUC from Dhanbad is also very revealing:

"A Dhanbad weekly has characterised the Central Hospital at Dhanbad as a death-trap, and if one takes into account the goings-on in the Central Hospital, which has been advertised with so much fanfare time and again, one is likely to consider the epithet 'death-trap' to be the most fitting name for this Central Hospital.

"Gora Leh, aged 20 years, a leader in the Central Sondha Colliery was admitted into the hospital on January 27, 1954. He had intestinal obstruction and he immediately needed a surgical operation. But the doctors did not have the time to perform the operation. The patient died on January 30, 1954.

"Shiv Muni, aged 28, of Moira Colliery was admitted to the hospital on January 7, 1954 also with intestinal obstruction. He too died on January 15, 1954 eight days after admission, without being operated upon. That he survived eight days after admission is inestimable proof of the fact that he was fit for operation, but the doctors of the Central Hospital did not have any intention of performing the operation.

"Hamata, a baby of ten months, was admitted with diphtheria on August 20, 1953. A pathological report on a throat swab showed diphtheria bacillus immediately after admission. The baby was immediately given diphtheria serum. But after that, the diphtheria serum was not continued and the baby died after four days, on August 24. Who has ever heard of a diphtheria patient being given serum only once!

"Babulal Bhuiya of Kendwadhi Colliery, Dhansar, had an injury of the spine leading to paralysis of his legs which, the doctors said, could be corrected by an operation. Accordingly he took admission in the Central Hospital on July 2, 1953 in the hope of being operated on by a specialist. But for full six months he lay in the hospital and he was not operated upon and ultimately he left the hospital in disgust.

"Doman Dusadh of Sripur Colliery had a fracture of his left thigh. There was mal-union, leading to shortening of the leg. He was sent by the Colliery doctor to the Central Hospital for an operation for correcting the deformity so that Doman might be able to work again. But after his

admission on September 4, 1953, for over three months he lay in the hospital without being operated upon. Then he was discharged on December 8 with a high-heel shoe to make up for the shortening. When the heel of his left shoe wears off, Doman will have to keep on limping for the rest of his life and, naturally, without any employment.

"These are only a few illustrations of the nature of medical and surgical treatment which the miners are getting from the hospital. In any civilised country for any one of the cases of criminal negligence referred to above the doctors of the hospital would have been forced to pay heavy compensation if not charged with manslaughter. But the Central Hospital built by the Government of India is getting praises from the Government.

"Understaffed"

"The Central Hospital was supposed to provide 120 beds, but actually there are generally 180 patients. According to the recommendations of the Indian Nursing Council, there should be one trained nurse for every five patients and one doctor for every ten patients in every hospital. According to the prescribed standard, there should be thirty-six trained nurses and eighteen doctors in this hospital. But perhaps people will not believe that in the hospital there are just eighteen trained nurses (one matron, five sisters, nine staff nurses and three midwives). In addition there are a dozen or so probationer nurses. These probationer nurses were given to understand that they would get training, but there is absolutely no arrangement for this. Hence they continuously resign and new probationers are taken on.

"While the hospital should have eighteen doctors, actually there are twelve only. Due to the shortage of doctors, the Central Hospital, which is supposed to give specialist treatment only, has a peculiar division of work. For instance, the specialist in venereal diseases has been put in charge of the surgical ward. The said VD specialist is also supposed to work as a pathologist. The anaesthetist has been put in charge of the maternity ward. The pathologist and radiologist are also put on general duty because there is no General Duty Officer or Emergency Medical Officer. As a result, despite the fact that all the doctors are specialists in some field or other there is always wrong diagnosis of diseases, delay in handling emergency cases, and criminal negligence, often resulting, in death of patients.

"Since there is shortage of doctors, nurses and other staff, everybody is overworked and the patients are put to extreme difficulties. For instance, often a nurse is supposed to look after two wards, temperatures of the patients are often not recorded, many wards remain without any nurse or ward boy or sweeper for hours. If some patient needs the bed pan or urinal he has to wait for hours. Regular sponging and headwash of the patients becomes almost impossible. During the night only one trained nurse and three probationer nurses are supposed to look after all the 180 patients and no doctor remains on duty during the night. No wonder that patients often lie cold dead for several hours before it is known that they are dead.

"Diet

"The Coal Mines Labour Advisory Board has prescribed Rs. 1-6 per day as diet expense for each patient. But actually, only Rs. 1-2-3 is spent per day per patient. Naturally, the quality and quantity of the diet is extremely poor.

"There is provision for only two types of standardised diet; milk diet (or milk and bread diet) and full diet (consisting of rice or roti, dal and vegetables). There is no provision for special diets for special cases. For instance, a convalescing typhoid patient has to go to full diet directly from milk diet though he might not be able to digest the full diet.

"Tuberculosis patients should get diets of four to five thousand calories according to the pharmacopeia of the Medical College Hospital, Calcutta. But the Central Hospital, Dhanbad, which has treated over three hundred pulmonary tuberculosis cases during the last two years, gives a diet of only 2,200 calories.

"As a matter of fact, T. B. patients get the ordinary full diet plus an egg only.

"Linen and Bedsheets

"These are also in short supply. Often clothes are not changed for weeks, beds and bedsheets are not sterilised, hence it is very easy for patients to get infection from the used linen. In the bitter winter of Dhanbad the patients are supplied with only one blanket."

Such is the distressing state of affairs of the administration of the Central Hospital at Dhanbad.

As in the case of coal miners, a welfare fund has also been created for mica miners under the Mica Miners' Labour Welfare Act, 1946, by the levy of an *ad valorem* customs duty on all mica exports. The act authorises

collection of a customs duty not exceeding 6½% *ad valorem*. The present duty has been fixed at 2½% *ad valorem*. The annual budget of the fund for 1952-53 provided for an expenditure of Rs. 13,90,900, Rs. 4,33,000, Rs. 1,26,000 and Rs. 44,000 for Bihar, Andhra, Rajasthan and Ajmer respectively. With these amounts, some medical facilities are provided.

Certain provident fund facilities are provided to coal mine workers earning a basic wage up to Rs. 300 in Bengal, Bihar, M.P., Orissa, Assam, Telcher, Korea and Reva. The monthly contribution of the employees comes to 6½% of basic wages. But the contribution of the employees as well as the employers is linked with the earning of the bonus linked with attendance.

Provident fund benefits also exist in most of the Government services, including railways. The rate of contribution is generally upto 6½% of the wages. The employer's contribution is equal to that of the employees.

RADICAL CHANGES AND IMPROVEMENT NEEDED

In the preceding pages we have tried to give a concise picture of the social security measures existing in our country, with particular reference to the Employees' State Insurance Scheme. An examination of the provisions of these Schemes and a comparison of these with international standard of social security clearly indicate that far-reaching improvements are necessary if adequate protection against various contingencies is to be given to our working people. Quite apart from anything else, even the restricted benefits of the scheme will be enjoyed by a very small percentage of our toiling people. It is not, however, the number of workers covered which is the only restrictive feature of the Scheme. The contingencies covered by the Insurance Scheme are also limited. The Scheme does not provide for benefits for unemployment, family, death of bread winner, funeral, etc. Limited benefits to a restricted number seems to have been the watchword of the framers of the scheme.

Instead of a unified system of social security embodying all reasonable contingencies, which is the only proper system, we have separate schemes, such as State Insurance, different provident fund schemes etc. To these schemes the workers are forced to pay separate contributions which are very high. Even after paying such exorbitant contri-

butions, the cash and other benefits provided by these schemes are very limited and unsatisfactory. Hence the critical apathy of the workers towards the schemes. Besides, a number of conditions are tagged along with the benefits which prevent many workers from getting them.

Again, all the schemes are bureaucratically managed. No social security scheme can achieve success without the enthusiastic co-operation of the workers. In order to evoke such enthusiasam and co-operation, the Social Security Scheme should be run for and by the workers. Thus, democratic implementation of the scheme with the trade unions assigned their proper share in the management at all levels is an indispensable condition for the success of the scheme. The present management of the scheme denies this vital condition.

The actions and the voice of the working class have compelled the Government and employers to accept some of the principles of social security, to make some sort of effort to take up this responsibility. Experience shows that even the implementation of what has been won will require persistent struggle.

Thus, while defending the existing gains and demanding their immediate further extension, it is necessary also to demand a complete overhaul of the present scheme of social security so that all branches of social security are unified under a single scheme, so that the cost of providing the benefits falls solely on the employers and the Government and the benefits are extended to cover all natural contingencies without imposing restricting conditions on the workers, so that the scheme embraces all toiling people and so that the democratic management of the scheme is ensured. This alone will protect the vital interests of our working class.

While demanding these basic changes, it is vitally necessary to concentrate on certain immediate modifications in the scheme in respect of the following:

1. The exemption limit for paying contributions should be raised from Rs. 30 to Rs. 100 in view of the definition of wages which includes all cash emoluments.
2. 75% reduction of contribution from those whose wages are between Rs. 100 and 150, and 50% reduction of others.
3. Medical facilities to be provided for families of the insured workers.

4. Option to the disabled workers to receive disablement benefit or dependants to receive dependants' benefit either in instalments or in a lump sum. Waiting period of seven days to be done away with.
5. Increase of maternity benefit from 12 as. per day to 75% of the average wages.
6. Provision for benefit in cases of miscarriages.
7. Cash medical benefits during the whole period of sickness.
8. Provision for payment of unemployment benefit.
9. Provision for supply of dentures, artificial limbs, specs. etc.
10. Better medical facilities, including supply of costly drugs and specialised treatment and better hospitalisation.
11. Early implementation of the schemes to cover all workers including agricultural workers.
12. Simplified procedure of filling in forms, returns etc.

A powerful demand and actions for the changes in the scheme on the lines indicated above by all unions and workers will alone move the Government.

Social security is a question of concern for the entire people. Since the "defence of Social Security means to work for happiness and to make a powerful contribution to the protection of health and betterment of mankind" the working class can rally the entire people in its struggle for the defence and extension of social security if it carries on sustained activities. And, in this connection, it is well to remember the following passage from the letter of the Secretary of the World Federation of Trade Unions to the General Secretary of the All-India Trade Union Congress, written in December 1952, on the eve of the Social Security Conference in Vienna.

"It appears to us that the AITUC would have to carry on sustained activities to strengthen the gains already won in certain industries with regard to Social Security, to extend these gains to other industries and other areas, and finally, to obtain social security for the millions of people who are without work and without any means of existence."