



International
Labour
Organization

Report Launch

Extending Social Health Protection to Informal Sector Workers in India: A Survey Report

23 November 2022

Event Summary

Venue : Magnolia Hall, India Habitat Centre, New Delhi

The International Labour Organization (ILO) adopts a right-based approach on social health protection as part of its larger goal of developing strong social protection systems to increase resilience, contribute to preventing poverty, unemployment, and informality. The ILO lays special emphasis on the financial protection of vulnerable working populations accessing health services. ILO has been working with governments in combining health interventions with social protection measures, so they can respond effectively to crisis such as COVID-19.

The ILO in India, through the [ILO-ESIS project](#), has been contributing to this goal by providing technical support to the Employees' State Insurance Corporation (ESIC) to strengthen its health services while increasing coverage and financial protection of working people in India. The report '**Extending Social Health Protection to Informal Sector Workers in India**' is an outcome of the project. It has been developed in partnership with Institute for Human Development, New Delhi. The broad objective of this study is to analyse the potential of upscaling the Employees' State Insurance Scheme (ESIS) services for the inclusion of economic units and workers from the informal sector to mitigate the health-related financial burden on households.

The report launch event, organised in the hybrid mode, was attended by more than fifty (50) participants. The stakeholders – ESIC officials, employers associations, workers associations, academia, and experts applauded the report and engaged actively in discussions.

Ms. Dagmar Walter, Director, ILO – New Delhi, welcomed everyone at the report launch. Congratulating the authors, she highlighted that the report presents with opportunities for all the stakeholders to take note of the current situation, formulate strategies to address the challenges of extending social health protection to the informal sector and mount a united front to create an ecosystem for social health protection for all.

We are grateful to Prof Ravi Srivastava, Prof Alakh Sharma, Ms Priyanka Tyagi, and all involved team members of Institute for Human Development, New Delhi for their significant contribution to

the study. We also extend our gratitude towards the ILO team – Yogendra Uniyal, Hemamalini K, Akriti Paracer, and Insaf Nizam for supporting the report launch.

Keynote Address



Dr Rajendra Kumar, Director General, ESIC delivered the keynote address. He informed the audience that the ESI scheme is the oldest and the largest social protection scheme in the country, providing coverage to more than 130 million beneficiaries in the country. Over the years, the scheme’s mandate has expanded and now its coverage spans 640 districts in the country. The Social Security Code 2020 legally mandates the social protection coverage to all informal sector workers and if implemented, the scope of ESI scheme will expand to all the workers (without any limitation of enterprise size). The ESI scheme provides a multitude of benefits other than health and medical benefit – sickness benefit, maternity benefit, unemployment benefit, disablement benefit, and dependants benefit.

During the pandemic, ESI made special provisions to its enrolled workers to receive unemployment benefits during the country-wide lockdown. Our goal is to provide better service to our beneficiaries and we are constantly striving to ensure that. We are leveraging technology to improve our services – launched online maternity benefit program, mobile apps for securing benefits etc. and we are running mass campaigns to educate the workers and the beneficiaries to use these digital and online interfaces. We are adopting all possible efforts to ensure adequate awareness among the beneficiaries, especially in the rural areas.

After the Social Security Code is notified by the states, ESI mandate will expand to more than 350 million workers across the country and ESIC is geared up to take on this challenge. ESIC is looking up to ILO, the employers and the workers to support them in this endeavour. The health system in India has multiple players functioning at various levels, leading to overlap in coverage and lack of awareness. This calls for a model of convergence where resources can be utilized optimally. This model of convergence may be our chance at universal health

coverage. We should all work towards the goal of Universal Health Care and Universal Social Protection, also notified in Sustainable Development Goals.

Special Address



Prof Alakh N Sharma, Institute for Human Development, applauded the ESIC DG's profound words and welcomed the government's new mandate of ESI coverage to all informal sector workers. He informed that out-of-pocket expenditure on healthcare is very high (~50% of the total health expenditure) and is often catastrophic and impoverishing for informal sector workers. Hence, ESI coverage to the informal sector workers would ensure the country's resolve towards Universal Health Coverage. However, he cautioned ESIC to adopt the gradual approach to extension for better implementation.

Sharing the findings of the report, he informed that awareness about the ESI scheme is low among the workers but willingness to join ESI scheme is high. This creates a conducive ecosystem for ESI to gradually expand its coverage. He believes that the findings of the study would be helpful in supporting ESIC in their endeavour for Universal Health Care.

Study Findings Presentation

Prof Ravi Srivastava, IHD and Ms. Mariko Ouchi, ILO presented the findings and recommendations of the study. The key highlights of the study are:

- The study highlights that the employers' knowledge and understanding on ESIS and other social health protection schemes were very limited. And this limited knowledge is reflected in their willingness to join ESIS.
- Trade unions' roles and actions are rather limited. Only 3 per cent of the establishments experienced trade unions negotiating for employees' health.
- Regarding working conditions of the employees, working hours were more, paid leaves and sick leaves were infrequent, health risks were high, health protection low, the awareness about ESI scheme low but the willingness and the need to join ESI scheme was high.



Key Recommendations:

- Necessity of strategized awareness raising to both employers and workers
- Efficient implementation of the Social Security Code 2020
- Promotion and facilitation of employment formalization (including registration system) and proper contractual arrangements
- Improvement of medical services to cater to the population needs

The presentation was followed by a round of questions and answers which led to engaging discussions with the audience.

Panel Discussion



To discuss the findings of the study and its implications on the larger ecosystem, ILO invited a panel of experts from ESIC, employers association, workers association, and academia.

The moderator, Ms. Mariko Ouchi initiated the panel discussion by inviting **Mr Ravindra Kumar Katariya, Medical Commissioner, ESIC** to share his thoughts on strategies adopted by ESIC to expand its coverage. Mr Katariya informed that ESIC is working on adding infrastructure, increasing manpower, supporting state governments, improving quality of care, and bolstering awareness.

ESIC is focussed on enhancing its medical infrastructure. Currently, they have 160 hospitals, more than 1500 dispensaries and 8 medical colleges. 50 hospitals are currently under construction and 76 more have been sanctioned by the ESIC board. They are expanding their coverage by forging partnerships with Pradhan Mantri Jan Arogya Yojana (PMJAY) and empanelling private hospitals. ESIC strategizes provision of quality primary care through its DCBOs. It empanels private healthcare providers (IMPs) on capitation basis to cover a certain population in the area. It is also employing mobile vans to provide primary care in remote areas. Regarding manpower, ESIC has currently recruited 300 doctors and 500 specialists. They also rely on the doctors and MDs coming out of their 8 medical colleges. For remote rural areas, they are recruiting doctors and specialists on contracts and using telemedicine in a hub-and-spoke model. ESIC is also providing financial support to states to provide health care to ESI card holders. ESIC realises that quality of care is an issue of concern and they are working towards that goal. They are standardising norms for staff and equipment at hospitals and dispensaries, issuing rate contracts for drug purchases and training human resource to address occupational health issues. ESIC is also designing mass campaigns to improve awareness and have a deeper penetration in the populations.

Next, Ms Mariko invited **Mr Vijay Padate, Advisor, The Employers Federation of India** to discuss the role and expectations of employer associations in the light of recent developments. Mr Padate informed the audience that the pandemic had an adverse effect on the economy but the employers and ESIC have supported the employees to provide medical and financial support. He further adds that if Social Security Code 2020 gets notified by the states, ESIC will not be fully geared to expand coverage to the entire informal sector workers. ESIC would require efficiently implement in addition to excellent strategy. They would also need to be cognizant of the population needs and develop infrastructure as per standards of bed-population and doctor-population ratios. He also expressed the need to develop sub-regional offices according to population norms.

From the workers association, **Mr. Amitava Guha, National Secretary, Centre for Indian Trade Unions** was invited to share his insights. Addressing the questions of the role of workers association in the larger picture, Mr Guha started his argument by applauding the efforts of ESI scheme in providing tertiary care and avoiding catastrophic expenditures on chronic diseases. He underscores the fact that due to recent economic growth, there is a significant middle class that earns more than Rs. 21,000 per month and does not fall under the purview of any social health protection scheme. This middle class is swelling and the government needs to devise strategies to extend coverage to them. He calls for significant increase in public health expenditure on public health facilities and ESI scheme so that they can comfortably cover all the informal sector workers.

Dr. Ruma Ghosh, Senior Fellow, V.V. Giri National Labour Institute spoke on the questions of improve the formality of employment in India and the role of various stakeholders in

creating a conducive ecosystem for ensuring social health protection for all. She spotlights the fact that number of informal sector enterprises and workers have increased over the years and since most of them are small enterprises, the workers are often devoid of social security benefits. To facilitate their formalisation, the government has taken many initiatives – enrolment of informal workers in 'Shram Suvidha' portal, flagging of EPFO data, and digitization of financial transactions. The academia even worked out a model for promoting formalization during the drafting of Social Security Code 2018 wherein contribution for BPL workers was paid by the government and APL workers would make a meagre contribution. To further her arguments, she recommends gradual lowering of threshold for social security benefits. She also envisions the role of trade unions in convincing the employers to opt in for ESI scheme.

Concluding the session, **Dr Vivek Panwar, Asia Community Manager, P4H Coordination Desk, WHO Geneva** highlighted the fact that ESI would have a mammoth task of extending coverage to the informal sector workers after the Social Security Code 2020 gets notified by the states. ESIC would need to cautiously devise strategies to extend the coverage and ensure that the implementation is as good as the policy. It is advised to adopt a policy of gradual extension of coverage with involvement of all stakeholders for efficient implementation.

In his concluding remarks, **Mr Insaf Nizam, ILO New Delhi** emphasised that social health protection is central to the goal of universal health coverage. The SDG targets on universal health coverage (SDG 3.8) and universal social protection systems are complementary and closely linked priority measures aimed at achieving a healthy and dignified life for all.



During the pandemic, countries who invested in social health protection systems suffered less casualties and economically, bounced back quicker after the initial waves of the pandemic. In India, around 90 per cent workers are informal workers who work without some or all social security benefits, disproportionately affecting the most vulnerable. This mandates a high-level commitment by India to assume primary responsibility for the design,

implementation, and financing of social health protection to address these issues, prevent impoverishment due to sickness and care-seeking and promote positive health outcomes.

NITI Aayog has made some suggestions on extending coverage to the informal sector workers in their report, Health Insurance for India's Missing Middle. And the Social Security Code 2020 mandates a significant role to be played by ESIC in extending coverage to the informal sector workers. Considering these developments, this report - Extending Social Health Protection to Informal Sector Workers in India serves as a guiding document for all the stakeholders involved.

And on that note, I would like to congratulate the authors and people involved in this project for the successful completion and its timely dissemination. I would like to thank the panel experts and the audience for participating in this event to make it a success.

Agenda:

23 November 2022 (Wednesday)

▶ Timing	▶ Agenda
9.30-10.00 AM	Registration
10.00-10.10 AM	Welcome notes Ms. Dagmar Walter, Director, ILO-New Delhi
10.10-10.20 AM	A special address by the Employees' State Insurance Corporation (ESIC) Dr. Rajendra Kumar, Director General, ESIC
10.20-10.30 AM	A special address by Institute for Human Development (IHD) Professor Alakh Sharma, Director, IHD
10.30-11.20 AM	Presentation of the report Presenters: Professor Ravi Srivastava, Director of Employment Studies, IHD and Ms. Mariko Ouchi, Senior Social Protection Specialist, ILO-New Delhi
11.20-11.30 AM	Questions and answers
11.30-11.50 AM	Tea break
11.50 AM - 12.50 PM	Panel Discussion: Extension of social health protection in India: possibilities and challenges Panellists: <ol style="list-style-type: none">1. Mr Ravindra Kumar Katariya, Medical Commissioner, ESIC2. Mr. Vijay Padate, Advisor, The Employers Federation of India3. Mr. Amitava Guha, National Secretary, Centre for Indian Trade Unions4. Dr. Ruma Ghosh, Senior Fellow, V.V. Giri National Labour Institute Moderator: Ms. Mariko Ouchi, ILO-New Delhi Rapporteur: Dr. Vivek Panwar, ILO/WHO consultant
12.50-1.10 PM	Open Floor for Questions
1.10-1.20 PM	Concluding Remarks Mr. Insaf Nizam, ILO-New Delhi
1.20 PM	Lunch

List of Participants (Hema to provide)

S. No.	Name	Organization