



SAFE-IN-INDIA



Dear Sir

31March2017

Subject: Make-in-India safely; Recommendations for ESIC Act and Regulations from Safe-in-India ("SII")

Further to our discussions of 10th March 2017, as we are now submitting the following documents for your consideration and request a meeting to discuss these as soon as possible and agree specific changes/actions needed:

1. Management Information (MI) of cases currently with SII.
2. Specific recommendations for improvements in the ESIC Act, Regulations and Processes with data/rationale as requested
3. Two typical case-studies on the last page of "Call to Action"

Management Information: As we discussed, SII has now been active in this space for almost a year and we have collected data from 450+ injured workers, and are actively supporting 105 workers with their ESIC claims. In the last 3 months, we have finally started seeing some progress in our cases. However, as you would notice, a large number of cases are still unduly pending (Note **the 35 red and amber coloured cases**). We believe that workers have done all they could in most of these cases and have been to ESIC offices 10-20 times, including many visits with us. Many workers having lost hope in obtaining their fair compensation and/or jobs, and have returned to their villages. **We would be grateful for your urgent action to provide due claims to all the red and amber cases. We would be happy work with your teams to ensure this.**

ESIC Act/Regulations: Although our work is currently focused in Gurgaon-Manesar, we understand that similar problems exist in most of the country, and our recommendations are therefore valid for the national ESIC infrastructure. We have attached a detailed set of recommendations but we would like to highlight a few key themes:

1. The ESIC Act needs to not only address delivery of health and insurance services, but **the quality of such services**. This needs to be a driver of culture and professionalism in a Corporation which is collecting revenues far in excess of its expenditure from its customers and must focus on delivering high quality service for what it charges
2. The Act, regulations and its constituent bodies do not appear to recognize the fact that at least 25% of labour in India is now contractual and this number is growing. In fact, in our database of injured workers, almost 90%+ are contract workers working in smaller Tier 2/3 factories. This deficiency needs to be addressed urgently through inclusion of their representatives in these bodies.
3. Although the Act and the Regulations have very good intentions, the same is not reflected in day-to-day experiences in procedures actually followed in Gurgaon-Manesar, which we believe is also the case in many other parts of the country. We have suggested a number of procedural improvements.

The recommendations we have made are therefore based on our desire to achieve sustainable improvements, with following benefits to ESIC:

1. The sick and injured workers need these improvements not only on humanitarian grounds but **they are 'paying customers' of ESIC**, which has huge profits and reserves, and should be treated as such.
2. We strongly believe that our recommendations, if fairly considered and implemented, will not only help sick and/or injured workers, but also take some work-pressure off some or all of the ESIC staff, reduce potential corruption by some, and **reduce ESIC cost per case**.
3. An improved ESIC process should ultimately also increase pressure on principle employer. This would mean **increased ESIC premium income for the Corporation** and an increased 'cost of accident' to the principle employer. Our country needs a **safer "Make in India"**, that customers and investors, domestic and international I will increasingly demand.
4. Healthy, Secure and rehabilitated workers are more productive and our country and PM's Make-In-India initiative needs that.

As next steps, we propose the following:

1. Please provide us any feedback and we request an urgent meeting to discuss these and agree specific actions – both short term and long term.
2. Please instruct your teams to progress the Red and Amber files in the MI here asap. We will continue to provide you monthly updates.
3. We would continue to follow up on this issue with relevant internal and external stakeholders in ESIC, the state and central governments, industry, worker bodies and the media at appropriate times.
4. We would also continue to refine these recommendations and where possible, update these with more specific addendums/wordings and send you the same.

We will continue on our journey to help injured workers and trying to improve industrial safety in our current area of focus i.e. automobile manufacturing sector in Gurgaon-Manesar, and hope to have ESIC support in the above.

Yours truly,

Sandeep Sachdeva

CEO Safe-in-India