

**CHARTER OF DEMANDS.**

1. Urgent measures for containing price-rise through universalisation of public distribution system and banning speculative trade in commodity market.
2. **Containing unemployment through concrete measures for employment generation.**
  - (iii) **No ban on creation of new posts. Fill up all vacant posts.**
3. **Strict enforcement of all basic labour laws without any exception or exemption and stringent punitive measure for violation for labour laws. Against Labour Law Amendments**
  - (viii) **No labour reforms which are inimical to the interest of the workers.**
4. **Universal social security cover for all workers**
  - (v) **Scrap PFRDA Act and re-introduce the defined benefit statutory pension scheme.**
  - (6) **Assured enhanced pension not less than Rs. 3000/- P.M. for the entire working population.**
5. **Fix minimum wage with provisions of indexation.**
  - (i) **Effect wage revision of the Central Government Employees from 01.01.2014 accepting memorandum of the staff side JCM; ensure 5-year wage revision in future; grant interim relief and merger of 100% of DA; Include Gramin Dak Sevaks within the ambit of 7<sup>th</sup> CPC. Settle all anomalies of 6<sup>th</sup> CPC.**
6. **Stoppage of disinvestment in Central/State PSUs. . Stoppage of contractorisation in permanent perennial work and payment of same wage and benefits for contract workers as regular workers for same and similar work.**
  - (v) **No outsourcing, contractorisation, privatization of governmental functions; withdraw the proposed move to close down the printing presses, the publications, form stores and stationery departments and medical stores Depots; regularize the existing daily-rated/casual and contract workers and absorption of trained apprentices.**
7. **Removal of all ceilings on payment and eligibility of bonus, provident fund; increase the quantum of gratuity.**
  - (ix) **Remove the ceiling on payment on bonus**
8. **Compulsory registration of trade unions within a period of 45 days from the date of submitting applications; and immediate ratification of ILO Convention C 87 and C 98.**
  - (vi) **Revive the JCM functioning at all level as an effective negotiating forum for settlement of the demands of the Central Government Employees.**
9. **Against FDI in Railways, Insurance and Defence.**
  - (ii) **No Privatisation, PPP or FDI in Railways, Defence Establishment and no corporatization of Postal services.**
10. **Remove arbitrary ceiling on compassionate appointment.**
11. **Ensure five promotions in the service career.**

**Item No.1.****Stop price rise ; strengthen the PDS and ban speculative trade in commodity market.**

The Economic crisis in nineties caused by the indiscriminate borrowings indulged in by the then Government of India from the world bodies like IMF, World Bank etc. and the adherence to their conditionalities created a conducive climate for the proponents and champions of market economy to advocate the globalization path of economic development. The State began to withdraw itself from various sectors and the least governance was considered as the virtue and synonym for good Government. In other words, the Government withdrew itself from the concept of welfare State and opted for faster economic development through privatization, liberalization and globalization. The agony and misery of common multitude, the consequence of adoption of market economy was considered by the rulers as the price to be paid in the process. The various subsidies provided to ensure that the essential commodities needed for human existence is made available to the common people was treated as profligacy and concerted efforts were made to cut them drastically through budgetary proposals. The media, both print and electronic, which had gone into the hands of large corporate houses, propagated the liberalization and globalization policies to the hilt and inside the Parliament various legislations were moved and enacted by the ruling class ably supported by almost all opposition parties, barring of course the Left parties.

The Working class organizations except those affiliated to INTUC and BMS realizing the dangerous impact of the neo-liberal economic policies organized resistance through strike and other demonstrative actions. Between the period 1991 and 2010, the sponsoring committee of Central Trade Unions along with the different Federations of employees organized strike actions on 13 occasions which indeed made deleterious impact over the pace with which the Indian ruling class wanted to usher in these policies. Not only the common people, but also the intellectual and the middle classes had to admit, albeit reluctantly, that but for the consistent opposition of the left parties and the working class organizations, the global financial crisis that engulfed the American and European Continents and many other parts of the world would have destroyed the Indian economy. To tide over the disastrous ripples it created in the Indian Economy, the Government had to make outflow of crores of rupees in the name of bail-out packages to Indian Industry and corporate entities. Once the crisis blew over, the Government went back to its good old ways of implementing these discredited policies with a vengeance.

The unbridled accumulation of wealth in a few hands, the cardinal consequence of the capitalist economic development, bring about a pyramidal society giving no room for the poor people at the base even to eke out an existence. This aspect became more and more pronounced over the years and reached a stage that it became impossible for anybody who is supposed to be representing the workers to continue to ignore this phenomenon. Those organizations which had taken a contradictory stand against the sponsoring committee had to come together to voice their concern against the marginalization of the working people. Both BMS and INTUC had to join in the concerted efforts of the workers to oppose, if not the policies, at least the manifestation of it, i.e. the escalation of prices of essential commodities. The inflationary impact in the economy created by the pursuance of the neo-liberal economic policies was conceived to effect transfer of wealth from the poor to the rich. It reached an intolerable stage in as much as its incremental rate of inflation from quarter to quarter was in two digits .Never in the past has it assumed the dimension of today.

In the immediate years after independence, in order to ensure food security to the people of India, the Indian ruling class under pressure created the universal public distribution system for food articles. It became an effective instrument in the years to contain the artificial rise of market prices of essential commodities especially in the face of hoarding and black market operations of unscrupulous traders. The sweep and range of commodities made available through these outlets, known as ration shops in the common parlance even though beset with innumerable problems connected with leakages and corruption, was the most effective welfare measure of the Government, which in no small degree arrested and stopped the starvation death in rural India. The advent of neo liberal economic policies ensured that this singular welfare measure of universal public distribution system was discarded.

Both inside and outside Parliament our present day rulers advocated that the higher prices are inevitable given the shortfall in domestic production and due to prevailing higher prices of rice, wheat, pulses and edible oil in international market. Far from truth the statement of under production was, as the production of food-grains in 2006-07 in our country was 9.3 cr. tonnes, 9.6 crores in 2007-08 and 9.9 crores in 2008-09 despite the fact that our investment in agricultural sector in the last ten years was less than 2% of the GDP and constantly year after year the Government had been withdrawing subsidy to the farm sector.

To ensure that the universal PDS is in operation, and the peasants do get remunerative price for their produce, the Government had created a buffer stock of food-grains through the FCI. The statutory norm fixed was to have 200 lakh tonnes of wheat and rice as buffer stock. Presently the FCI godowns carry more than 500 lakhs of food-grains. Of it 3 million tonnes are reported to be rotting for want of space in the warehouses and rats are the beneficiaries. This made the honourable Supreme Court to ask the Government as to why that which cannot be stored properly be distributed to the poor.

While dismantling of the PDS destroyed the food security of the poor, the permission granted to speculators to indulge in forward trading in food articles with intent to artificially boost the statistical growth of economy resulted in the soaring of prices in the market. The fervent appeals made by the informed public, intelligentsia in the society and the Parliamentarians belonging to the left parties to ban forward trading fell in the deaf ears for that would have entailed in the slowing down the reforms, which course the BJP Government had vowed to intensify. Despite the reportedly enviable growth rate of 8 to 9% over the past few years and the consequent rise in the per capita income of our country, vast majority of our countrymen have become poorer while the number of dollar billionaires were doubled. According to Shri Arjun Sengupta report, 77% of Indian population have a daily income of less than Rs. 20. And the Tax concessions, deduction and exemptions given away to those who can afford to pay the levies and taxes were of the order of Rs. 6 lakh crores. The Budget presented by the BJP Government in Feb. last reduced the corporate tax by 5% and widened the scope and ambit of the Service Tax. In other words, unashamedly, they taxed the poor and gave concessions to the rich and corporate entities.

On top of all these and despite the huge reduction in the international crude oil price, we found the constant and continuous rise of retail prices of the petroleum products for which strange phenomenon, no explanation was offered by the Modi Government. In the context of Petroleum companies making huge profit (IOL making a profit of 10998 Crores in 2009-10 and the respective figure for HPCL and BPL being Rs. 544 Cr and 874 crores) and the Govt. of India making a neat additional tax over and above the Rs. . 110000 Crores every time it increases the oil prices.

This being the general scenario which must be of concern to us rather of grave concern, it would be pertinent to note the erosion in our real wages brought about by the unprecedented escalation of retail

prices of commodities of daily consumption. The 6<sup>th</sup> CPC determined the minimum wage on the basis of the retail prices of various commodities as existed on 1.01.2006. (Please see page 53 of the 6<sup>th</sup> CPC report). We are, unlike those in the unorganized sectors, in the company of that segment of the working class, who get their wages cost indexed, howsoever, defective, trivial and insufficient it is. In January, 2001 we were compensated for the rise in prices to the extent of 51% of our Pay as DA whereas the rise in the prices of the commodities that go into the reckoning for the computation of minimum wage was of the order of 160%.

**Item No. 2.**

**Containing unemployment through concrete measures for employment generation.**

**No ban on creation of new posts. Fill up all vacant posts.**

The rate of unemployment in the country has been on the increase ever since the new economic policies were sought to be implemented. Not only no new industry could be established, the maximization of profit mantra sapped all regular employment opportunities in organized sector. A sizeable segment of the jobs in the organized sector was informalised. The regular workers were replaced by contract labour. In some of the industries, the entire enterprise was contracted out, the management retaining a very few supervisory or managerial positions. Presently in all big industrial undertakings in the country, majority of the workforce are either contract workers or workers engaged on daily rated basis. The Government not only encouraged the anti-labour practices but also adopted the same policy in the fully owned public Sector undertakings as also in the Government Departments. There had been very little job opportunities created during the last two and half decade except in the Service Sector. Whatever job opportunities were created in the so called special economic zones, the denial of trade union rights to the workers ensured that they were no better than contract workers. What have we seen in the Governmental Sector is the return of casual and daily rated workers, a system which was in vogue in the early 50s but was forced out through constant trade union struggles. We give hereunder the details of various methods adopted by the Government of India to reduce its own workforce thereby rendering itself as a model for the others to follow.

The VI-CPC had recommended the abolition of Gr. D. posts numbering about 9.4 lakhs. The CPC raised all the Gr. D employees existing in the Govt. sector to the status of a skilled worker and placed them in Gr. C pay scale. The suggested pay scale of the up-graded personnel is analogous to the pre-revised pay of Rs 2750-70-3800-75-4400. In fact they said pay scale was the fourth grade of pay suggested by the V-CPC for the unskilled workers. In para 3.7.7 of the Pay commission recommendations the commission has observed that:

"Increasingly basic work relating to cleaning, sweeping, maintenance etc. is being outsourced. This is a welcome trend that needs to be encouraged by bringing about systematic changing in the existing scheme so that the employees in Govt. are only utilized for requiring a certain levels of skills".

It is a fact that majority of the functions presently carried out by the Gr. D. employees across the Board is unskilled. What had actually been done by the Commission is to abolish the unskilled functions in the Governmental sector to pave way for more and more contractorisation of these jobs while the existing employees (whose working strength has become less than 50% of the sanctioned strength) might be classified as Gr.'C. and assigned to do functions which are of skilled nature with lesser emoluments than what it could have been even as per the V-CPC recommendations. It is therefore, a pernicious recommendation. In the days to come the unskilled nature of jobs would be either outsourced or would be contractorised. This recommendation therefore, is not for the benefit of the existing employees who

are recruited as unskilled workers. Recruitment will hereafter become unavailable in the Governmental sector for those who are in the lower strata of the society who could not afford or who are not provided even the primary education even though the universal primary education is stated to be the objective and goal of a welfare Government. In fact they are being punished for the Government abdicated its responsibility to provide them with a decent standard of living or the nascent requirement of primary education. The recommendation is therefore, a by-product of the neo-liberal economic policies which we have been fighting against all these years. As has been feared, the Government has now decided to ensure that all unskilled jobs are to be contractorised. The guidelines issued by the Department of Personnel for the Multi-tasking staff makes it mandatory that the future recruits in government service must have a minimum educational qualification of matriculation. The recruitment will be done through the Staff Selection Commission. These personnel may not be deployed for the unskilled jobs like sweeper, farash, mali, watchmen etc. The Department of Personnel has already advised all concerned to go in for contractorisation of these functions. The workers so recruited by the contractors are not to have any job security as they will be liable for termination without assigning any reason whatsoever. As per the information now made available in the floor of the Parliament, the number of contract workers engaged by various public sector undertaking and Governmental organisations is more than 21,12 715.

In the background of the continuing ban on recruitment, many of the Government organizations has resorted to outsourcing of their functions which are of permanent and perennial nature to agencies on fixed rates. The very fact that the Government has made available funds for the Departmental heads to resort to outsourcing establishes the intention of the Government. The functions being carried out by the Group C employees and the Group B Non gazetted officials are liable to be outsourced. Once the outsourcing becomes hassle free, there will be no likelihood of any fresh creation of posts in these cadres. The large scale computerization has helped the outsourcing as a feasible proposition.

### **Item No.3**

#### **Strict enforcement of all basic labour laws without any exception or exemption and stringent punitive measure for violation for labour laws. Against Labour Law Amendments** **(viii) No labour reforms which are inimical to the interest of the workers**

The present NDA Government completed one year in office in May, 2015.. The widening gap between the precept and practice and the unkept promises made during electioneering are looming large. The working class in the country, especially in the organised sector did not have any illusion either at the time of the general election or thereafter of the direction in which the economy of the country would be driven by the BJP led Government, given its ideological and political right wing attitude.

Almost every decision this Government has taken after its assumption of office was to facilitate the pursuance of the neo-liberal policies; to ensure that a corporate friendly climate pervades in the country so as to attract the foreign investment. The Corporates wanted maximisation of profit; to ensure that the labour welfare legislations in the country are either taken out of the statute book or not enforced; they must not be accountable for disaster of the environment or even for the loss of life due to callous managerial attitude.

One must look at the two enactments proposed by the Government in the Parliament from the above perspective. The Land acquisition Act of 1894 was no doubt draconian. It had empowered the Federal and provincial Governments to forcefully acquire land in (an undefined) public interest. There were sensible up-surgence in the country whenever or wherever the Government attempts to acquire land from the kisans, as such acts, howsoever justifiable it may be, often divested the farmer of his livelihood

and driven him and his family to penury. Taking note of this genuine concern and the growing discontent over an unjustifiable enactment made by the colonial rulers, the UPA Government was compelled to bring in a legislation primarily meant to protect the interest of the farmers, called the right to fair compensation, transparency in land acquisition, rehabilitation and resettlement Act, 2013. It is not anybody's contention that the said enactment of 2013 was flawless but certainly was a significant step in the direction of protecting the interest of farmers. Various provisions of the said enactment came in for severe criticism in the corporate controlled media, by the so called right wing intellectuals, who were the loudest proponents of the economic reforms. BJP was in opposition and had a sizeable presence both in the Lok Sabha and Rajya Sabha then. It is with their open support, the enactment could be made by the UPA Government. Being now in the Government, they want the very provisions of those enactments, which they have voted to make it a law, to go, not to ensure the interest of the common people or farmers, but the Corporate houses. Had they enjoyed majority in Rajya Sabha, the enactment would have entered our statute book today. The united opposition in Rajya Sabha ensured the defeat of their first attempt in the matter paving way for promulgation of an ordinance. The ordinance could not be validated in the floor of the Parliament and got ultimately lapsed. The consent of the land owner, which has been made a pre-requisite in the 2013 Act is sought to be removed, if such acquisition is for industrial corridor or infra structure projects in PPP. This apart, the protection enunciated in 2013 Act, against acquisition of multi-cropped irrigated land and the provisions of return of unused land within 5 years are done away with or weakened in the proposal mooted by the Modi Government. The proposed amendment also empowers the government to acquire land one kilometre on both sides of a designated highway or Railway line.

Both inside and outside the Parliament, the voice of people who resented the anti-farmer attitude of the BJP Government resonated and the Govt. was forced to refer its proposal to a Parliamentary Committee. We know in the days to come, it will become a law as has happened in the case of many such bills introduced by the former UPA and NDA Governments.

Many of the labour welfare legislations that exist in our Statute book were the product of bitter and militant struggles waged by the Indian working Class both in the pre and post independent days. Innumerable articles had appeared in Indian Press in the post 1991 period to exaggerate its negative impact on the industrialization and growth of economy. The Corporates which have now become the surrogate Governments throughout the world had been successful in dismantling these enactments in very many countries. They are aware that maximization of profit is possible only through exploitation of workers. No other ingredient in the cost of production is capable of giving the impetus to reduce the price of the product in the market. They have therefore, made it clear to the present Government in power that the location of the establishment of TNCs and their production centres would largely depend upon this single significant factor. The BJP Government in Rajasthan, which enjoys a brute majority in the State Assembly, was the pioneers in 'reforming' the labour laws. The Rajasthan Government made drastic amendments to Factories Act, Industrial disputes Act, Contract Labour Act, and the States of A.P and Madhya Pradesh followed. Maharashtra and Haryana have declared that they intend to do so very soon. These amendments provide the unfettered right to the employers to hire and fire and will take away almost 70% of the workers in the country out of the purview of many labour welfare Acts. The "Small Industries bill" introduced, purportedly to help the small entrepreneurs (who employ less than 40 workers) will take these establishments out of the ambit of 14 Labour laws. Besides, all social security benefits, which are presently mandatory, viz. Employees' Provident Fund, Employee Pension Scheme, Employees State Insurance etc. will be denied to the workers of these so called "small establishments." The advisory issued by the Government of India to the State Governments may not be mandatory but

we are witness to the demeaning situation of these elected Governments kneeling before the giant corporations offering them various concessions.

It is worth noting some of the significant factors that arose as an off shoot of the pursuance of the liberalization policies and the adverse impact on the livelihood of the workers as a sequel to the changes sought to be made to the existing labour statute.

- (a) As per the official report, more than 19% of the 13.70 lakh registered companies in the country have closed down by the end of December, 2014. 56008 of the 2.79 lakhs registered companies in Maharashtra, 41629 out of 1.78 lakh in West Bengal and 41458 out of 2.57 lakh in Delhi downed their shutters. Most of the closure had been illegal. These include TNCs like Maruti Suzuki, Nokia, Foxconn, Jessop, Hind Motors, several jute mills and tea gardens.
- (b) The share of wages in industrial sector have been continuously declining from around 30% in 1982-83 to 12.9% in 2012-13 while the share of profits increased from 20% to 50% during the same period.
- (c) Labour productivity in India measured in terms of GDP per person employed is around Rs. 2000 per day. Compare this with the average minimum wage per day to know the extent of exploitation.
- (d) 90% of disputes between the employers and workers relate to only implementation of labour laws,
- (e) As per the amended provisions of the Industrial Disputes Act in Rajasthan, the employers have the power to retrench the worker without prior permission from the Government in all establishments employing upto 300 workers.
- (f) The amendment to Factories Act has increased the threshold limit of employment for the factories operating without power from 20 to 40; those operating with power from 10 to 20
- (g) All contractors employing less than 50 workers have been removed from the purview of the Contract Labour Regulation and Abolition Act.

As a result of these amendments, 7252 factories employing less than 300 workers out of total 7622 factories in Rajasthan come under the hire and fire regime. Two lakh contract workers have been taken out of the ambit of the coverage of labour laws.

- (h) As per the annual survey of industries 2011-12 (published in 2014) 125301 factories or 71.31% of the total 175710 factories in the country employ less than 50 workers. All these factories would go out of the coverage of Factories Act.
- (i) Govt. of India has proposed to bundle up 44 labour laws into 5 labour codes under the pretext of rationalization and simplification.
- (j) The draconian provision in the Labour code stipulates deduction of 8 days salary for the one day strike, if the strike is illegal and no strike can ever be legal.
- (k) The Unions are prohibited in scrutinizing the Balance sheet of the company as the employers now need not disclose the requisite information.
- (l) As per the existing laws one third of the leaders of a Union can be outsiders. This is being changed to stipulate that no outsider will be the leader of the Union.
- (m) Six weeks' notice is now needed to go on strike. Conciliation is deemed to have started from the date of serving of notice. Till a final decision is given by the Chief Labour commissioner, no strike can be organized.
- (n) Fine ranging from 20,000 to 50,000 can be imposed on those who go one strike.

It is a two pronged attack to subjugate the peasants and the workers; we must know that history is beset with many such attempts in the past, the perpetrators meeting their waterloo at the end of the battle. A resurgent working class is emerging and will register their ultimate victory in the company of the peasants.

#### **4. Universal social security cover for all workers**

**(v) Scrap PFRDA Act an re-introduce the defined benefit statutory pension scheme.**

**(6) Assured enhanced pension not less than Rs. 3000/- P.M. for the entire working population.**

In the unorganized sector, there is no system of providing social security once the worker reached his advanced age and become unable to put in physical labour. In most of the developed nations, the provision for social security coverage was negotiated and obtained for the workers as a social obligation of the Government. Various schemes have been introduced by the State Government to address this issue due to the pressure exerted by the working class. But it varies in content and benefit. The need for a universal social security system was raised by the Trade Unions long time back. The advent of the new economic policies witnessed the erosion of even those system which were available in a few States. The pension is considered a deferred wage and rightly so. A worker is entitled to the said benefit for he has provided to the society and added to the Nation's wealth when he was physically young and fit. The Government employees had all along enjoyed the benefit of pension and the said statutory pension was considered as deferred wage by the highest court of the country. There had been substantial improvement over the years, especially after the 5<sup>th</sup> CPC's recommendations were accepted and implemented. The introduction of the New contributory pension scheme has precluded the employees who were recruited after 1.1.2004 from the defined benefit statutory scheme of pension. It has been our consistent and united demand that the Government must retrace and abolish the new pension scheme and bring back the defined benefit pension scheme for all employees. Not only the demand was not considered, but it got a legislation passed in the Parliament with the support of the present ruling party. We give hereunder a brief resume of the New Contributory Pension scheme and its adverse impact and the need to resort to an incessant struggle to bring back the old defined benefit pension scheme.

#### **The New Contributory pension scheme**

The defined benefit scheme of pension was introduced replacing the then existing contributory system decades back. . The Government decided to reconvert the same into a contributory scheme on the specious plea that the outflow on pension had been increasing year by year and is likely to cross the wage bill. By making it contributory, the Government expenditure on this score is not likely to get reduced for the next four decades because of the reason that as per the announced scheme, the Government is to contribute the same amount to the fund as the employees make. Coupled with this stipulation the Government is also duty bound to make payment for the existing pensioners and for all Central Government employees who were in service prior to 1.1.2004. The contribution collected from the employees who are recruited after 1.1.2004 is to be managed by a mutual fund operator for investment in the stock market. It is the vagaries of the stock market which will then determine the quantum of pension or in other words annuity, which would not be cost indexed. Before the introduction of the new scheme and the PFRDA bill, the Government had set up a committee under the chairmanship of



Shri Bhattacharya, the then Chief Secretary of the State of Karnataka. The bill was unfortunately drafted and presented to the Parliament disregarding even the recommendation of the said committee to the effect that the Govt. should consider introducing a hybrid system by which the employees will have either a defined benefit pension or opt for a higher return through stock exchange investments. Despite the non-passage of the bill and the consequent absence of a valid law to support the Pension Regulatory authority, the Govt. converted the existing pension scheme into a contributory one through executive fiat and invested a percentage of the fund so generated from the employees' contribution in the Stock market. India is a young country and the expenditure on statutory pension has remained over a long period not more than 5% of GDP which the country/Government can afford to spend. The Government must rescind the PFRDA specifically for the following reasons.

- (a) The new pension scheme is going to make social security in old age uncertain and dependent on market forces.
- (b) The scheme has been compulsorily imposed on a section of employees and hence it is discriminatory.
- (c) Such scheme had been a failure in many countries including Chile, UK and even USA. In USA entire pension wealth has been wiped out leaving pensioners with no pension. In Argentina the contributory scheme which was introduced at the instance of IMF was replaced with the defined benefit pension scheme.
- (d) The PFRDA Bill has provisions empowering the Govt. and the Authority to cover employees now left out and to amend the existing entitlements of pension benefits.
- (e) In majority of the countries, "pay as you go" is the system of pension.
- (f) The contributory scheme does not give any guarantee for a minimum pension of 50% of the pay drawn at the time of retirement of the employee. Nor does it provide for the protection of his family members in the form of family pension in the event of death

The Supreme Court had declared pension as one of the fundamental rights. The government should therefore not replace it with annuity, which is detrimental to the interest of the employees and ensure that the employees recruited after 1.1.2004 is covered by the existing statutory defined benefit scheme and annul the PFRDA

The recent decision of the Cabinet to allow FDI in pension fund operations has made the real intent of the PFRDA unambiguously clear. The FDI will facilitate the mutual fund operators to invest the funds outside India thereby making Indian Savings available for development of a foreign country. It is now clear that the decision behind the contributory pension scheme was the pressure imposed by imperialist powers and more specifically IMF. It has, therefore, to be opposed at all cost. The Govt. must not be allowed to go ahead with its intention of induction of FDI in pension fund companies.

#### **Item No.5.**

#### **Fix minimum wage with provisions of indexation.**

**(i) Effect wage revision of the Central Government Employees from 01.01.2014 accepting memorandum of the staff side JCM; ensure 5-year wage revision in future; grant interim relief and merger of 100% of DA; Include Gramin Dak Sevaks within the ambit of 7<sup>th</sup> CPC. Settle all anomalies of 6<sup>th</sup> CPC.**

The 7<sup>th</sup> CPC was set up in 2013 by the then Government consequent upon the continuous struggles undertaken by the Central Government under the leadership of the Confederation of Central Government employees and workers. Under its banner various struggles were carried out from

December, 2010 till the announcement of the setting up of the 7<sup>th</sup> CPC. During this period, the Confederation organized one day strike on 12<sup>th</sup> December, 2012 and again two day strike action on 12<sup>th</sup> and 13<sup>th</sup> February, 2014. As per the terms of reference, the Commission is to submit its report within 18 months. If they abide by the stipulated time frame, its report must be available by the end of August, 2015. In this context, the formulation made before the Commission untidily by all organizations of the Central Government, especially those participating in the National negotiating forum of JCM is worth reproducing.

All previous Pay Commissions were of the opinion that wages cannot be determined on any single principle but has to be based upon a combination of all the enunciated principles or those principles are to be factored into the process of quantification. Since the Government as an employer had not been able to grant the need based minimum wage to its own employees till date we are of the opinion that the 7<sup>th</sup> CPC must endeavour to compute the wage structure on 15<sup>th</sup> ILC norms. We suggested two other principles to be factored in to the quantification of pay beyond the minimum level. We enumerate hereunder the factors to be taken into account:

- 1) The Need-Based Minimum Wage concept to compute pay at the minimum level.
- 2) The intrinsic value of the job content of each grade and post at the intermediary level to be assessed by an expert committee. Pending finalization of such a study, the Commission may maintain the presently existing vertical and horizontal relativities.
- 3) To take into account the outside rates to determine the pay package at senior levels of bureaucracy but maintain the ratio between the minimum and maximum at 1 : 8 (MTS: Secretary to Govt. of India).

We make the above suggestion, being just and reasonable on the following grounds:

1. The Fair Wage Committee has held that an industry which is incapable of paying minimum wage has no right to exist.
2. 86% of Central Government Employees are industrial or operational workers.
3. The need based minimum wage concept formulated by Dr. Aykhroyd and approved by 15 ILC was considered the most important principle in computing salary of Government employment especially of those lower level functionaries, by the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 6<sup>th</sup> CPC.
4. It is only the fear of a heavy financial implication and the incapacity of the Indian economy at the relevant point of time, to meet the extra expenses the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> CPCs were constrained to alter the formula itself with the opinion of certain nutritional experts. The legitimacy provided to Dr. Aykhroyd formula by the 15<sup>th</sup> ILC (in which the representative of Labour, Employers and Government participated) was not available for any other conceptual frame work proposed by any other "experts". The 4<sup>th</sup> Pay Commission cited the per capita net national product increase over the years to justify lower minimum wage than what could have been as per the ILC norms. It could be seen that the earlier Pay Commissions had adopted a different principle other than the Dr. Aykhroyd formula due to financial constraints.
5. Despite elaborately detailing the concept of living wage and the amendment to the preamble of the Indian Constitution, the 4<sup>th</sup> CPC stated that the per capita net national

income increase if factored would not allow them to fix the minimum wage at a higher level than Rs.750/-.

6. Even though no specific reference on the adoption of the concept of need based minimum wage was made by the Government, the 5<sup>th</sup> CPC did dwell upon it. They advocated that the 25% addition suggested by the Supreme Court to enable the worker to meet the expenses, viz., children education, medical requirements, social obligation connected with festivals, marriages, etc. must be added to arrive at the minimum wage. However, they computed the minimum wage discarding the same principle but made the percentage increase of the per capita net national product over a period of ten years as the base (or the constant relative income criterion as the most equitable norm). In order to arrive at the minimum pay, the Commission added 30.9% over the emoluments of a lowest paid employee as on 1.1.1996.
7. The 6<sup>th</sup> CPC adopted the 15<sup>th</sup> ILC norms to compute the minimum wage but made several changes to the concept Viz., the retail prices of the commodities, which goes into the reckoning was altered; the stipulated 10% for housing and 25% for social obligations, medical, children education, etc. were discarded on the plea that separate allowances had been granted. Dr. Aykhroyd had factored 7.5% as housing component in the computation of minimum wage. The question of incorporating the cost of requirement for medical, education and other social obligation was the subject matter of litigation before the Supreme Court. The Hon'ble Court directed that 25% of the minimum wage so computed must be added as a factor for the above requirement of a worker, which had not been taken into account by the ILC norms.

The contention of the 6<sup>th</sup> CPC that since children education allowance, Medical and house rent allowances are specially granted to the Central Govt. employees, the same must be taken out of the reckoning is not only wrong but also amounts to contradiction of a stand taken by the Highest judiciary of the country- Supreme Court. The 6<sup>th</sup> CPC has failed to take note of the fact that the allowances, be it HRA, Children Education allowance or Medical, granted are awfully insufficient to meet the requisite expenses. Had it not been the case, the 3<sup>rd</sup> CPC also ought to have taken the similar stand adopted by the 6<sup>th</sup> CPC. The computation appearing in page No. 60, Chapter 6 (3<sup>rd</sup> CPC report) establishes our view in the matter.

We have given in Table (.5.1..) the computation of minimum wage as per 15<sup>th</sup> ILC norms. The retail prices of the commodities/articles are the average of the retail prices ruling as on 1.1.2011 at the following cities:

1. New Delhi, 2. Mumbai, 3. Chennai, 4. Kolkata, 5. Hyderabad, 6. Bhubaneswar,
7. Thiruvananthapuram, 8. Bangalore.

The minimum wage as per our computation works out to Rs.20,856/-. This must be the minimum wage for the unskilled worker as per the ILC norms. In Central Government employment presently there is no unskilled labour. The lowest level of employment is multi-skilled worker/employees. The minimum educational qualification prescribed is either ITI or matriculation (10<sup>th</sup> Standard). The percentage increase of the wages of a skilled worker to that

of an unskilled worker on an average had been more than 25% all throughout. We have therefore added 25% to arrive at the minimum pay for the lowest employee in Government service, which comes to Rs. 26,071/- , i.e. Rs. 26,000/- when rounded off.

Incidentally, we may mention that the minimum wages at the level of an unskilled worker as per recent wage agreement in Coal India Ltd. Is Rs.29697/-. The per-capita Net National Product increase at factor cost between - (2004-05 - 2011-12) years as per the Economic Survey for 2012-13 presented to Parliament is 57.55..%. This, if applied to the present wage at the lowest level shall work out to Rs.22857/-.

For the reasons stated in the preceding paragraphs and more specifically for the reason that the Government has presently the capacity to pay as detailed in this memorandum, we request the 7<sup>th</sup> CPC to recommend the minimum pay to be assigned to the lowest level of Group C functionary in Government of India service at Rs. 26,000/-.

Another important issue, we took with the Government was the inclusion of the Grameen Dak Sewaks of the Postal Department within the ambit of the consideration of the 7<sup>th</sup> CPC. The Government did not concede our demand. The Postal Department had been objecting to this demand consistently on the plea that the Grameen Dak Sewaks were not civil servants. They had, therefore, resorted to setting up separate committees to consider the service conditions and wage rise of the Extra Departmental Agents, or Grameen Dak Sewaks. It must be stated with some satisfaction that during the negotiation that took place with the organizations of the Postal employees on the eve of the commencement of the indefinite strike action, the Postal Department had to agree to recommend the acceptance of this demand to the Government, though belatedly. Despite the said belated suggestion made by the Postal authorities, there had been no positive response from the Government of India till date with the result the GDS, a significant segment of the Postal Department will be denied the wage revision along with the other Central Government employees, if immediate steps are not taken by the Government to ask the Commission to consider their case within a stipulated time. We give hereunder the reasons we have advanced for inclusion of GDS within the purview of the 7<sup>th</sup> CPC.

Grameen Dak Sewaks constitutes the single largest chunk of the postal workforce. Without them perhaps the rural postal system in the country will break down. The dedicated service of the Grameen Dak Sewaks keeps the postal department operational throughout the year. The system of Extra Departmental Agency was introduced by the colonial British rulers to reduce the running expenses of the postal system in the country. The exploitative system continued even after independence. By excluding the Gramin Dak Sewaks from the purview of inquiry of the Pay Commission, the Government wanted the system to continue as a means to reduce the running expenses of the Postal Department. The exclusion is sought to be made on the specious plea that the GDS are not Civil Servants. The Government's contention on this score had been the subject matter of judicial scrutiny. The Honourable Supreme Court has held that the Extra Departmental Agents are holders of Civil post. The 4<sup>th</sup> Central Pay Commission also held the same view and asserted that their service conditions must be inquired into by the Pay Commission. However, when the 5<sup>th</sup> CPC is constituted, Government set up a Committee under

Justice Talwar to look into their case. The Government did not implement many of the recommendations of the Talwar Committee. It is in this context we plead that the Gramin Dak Sewaks must be brought within the purview of the 7th Central Pay Commission and justice rendered to them.

**Item No. 7.**

**Removal of Bonus ceiling.**

Barring the Railways, Defence production units and Postal Department, Bonus is paid to the Central Government employees on adhoc basis. The 30 days adhoc bonus is the maximum that is provided to them. The 4th and 5th Central Pay Commissions had recommended the introduction of productivity linked bonus scheme to all Departments as is presently the case in the three Departments mentioned above. Even the scheme of PLB is not uniform in as much as the Postal Department introduced an artificial ceiling of 60 days on the entitled number of days of bonus whereas no such ceiling exist either in the Railways or in the Defence Production organizations. The Government is yet to implement the above recommendations of 4th & 5th CPCs even though several rounds of discussions on the subject were held. There is no reason whatsoever, as to why this recommendation could not be implemented. There had been no rise in the adhoc bonus for past a decade even though there had been considerable amount of increase in the case of PLB over the years. The Department of Personnel and Expenditure must finalize the PLB scheme without further delay for those who are in receipt of adhoc bonus. Even though Bonus Act is said to have no application or relevance to the Productivity linked Bonus or adhoc bonus, the provisions of the said Act is employed to deny the entitled bonus to the Government employees on the basis of their emoluments. The bonus entitlement in both the cases is restricted to the computation based on the notional emoluments of Rs. 3500. Presently even a casual worker is entitled to get a monthly wage of more than Rs. 3500. The minimum wage as on 1.1.2006 determined by the 6th CPC in respect of Central Government employees is Rs. 7000. By artificially linking the restriction of emoluments stipulated by the Bonus Act, the employees are denied their legitimate entitlement of Bonus. The Bonus entitlement must be computed on the basis of the actual emoluments of an employee.

**Item No. 8**

**Compulsory registration of trade unions within a period of 45 days from the date of submitting applications; and immediate ratification of ILO Convention C 87 and C 98.**  
**(vi) Revive the JCM functioning at all level as an effective negotiating forum for settlement of the demands of the Central Government Employees.**

It was in the wake of the indefinite strike action of 1960, the JCM was set up as a negotiating forum to expedite settlement of demands and problems of employees. On the pretext of the promulgation of the new CCS(RSA)Rules, most of the departments suspended the operation of the Departmental Councils. Even after complying with the requisite formalities, in many departments, Associations/Federations are yet to be recognized. Wherever the recognition process was completed and orders issued granting recognition, no meetings of the Departmental Councils are held. In spite of raising the issue in the National Council on several occasions by the Staff Side, nothing tangible has been done to ensure that the councils are made functional. The National Council is, as per the scheme, to meet once in four months. It meets after several years, the system of concluding on the agenda in the meeting in which it is raised has been totally abandoned with the result that number of issues have been kept pending for indefinite period of time. The non -functioning of the Council and the consequent non-Redressal of grievances has led to agitations including strike action in many departments. The 6<sup>th</sup> CPC

recommendations were given effect to in September, 2008. The anomalies arising there-from (which is in large numbers) ought to have been settled as per the agreement by Feb., 2010. Barring one or two items, no settlement has been brought about on a large number of anomalies till date. At the time of the General Strike action on 28<sup>th</sup> Feb. 2012, the Joint Secretary (Estt.) in the Department of Personnel wrote in her demi-official communication addressed to all Secretaries of the Government of India as under, which is contrary to facts but also misleading too.

"Joint consultative machinery for Central Government employees is already functioning. This scheme has been introduced with the object t of promoting harmonious relations and of securing the greatest measure of co-operation between the Government, in its capacity as employer and the general body of its employees in matters of common concern, and with the object further of increasing the efficiency of the public service. The JCM at different levels have been discussing issues brought before it for consideration and either reaching amicable settlement or referring the matter to the Board of Arbitration in relation to pay and allowances, weekly hours of work and leave, wherever no amicable settlement could be reached in relation to these items."

The forum of Departmental Councils must be immediately revived in all Departments and made effective as an instrument to settle the demands of the employees. The periodicity in which the meeting of the National Council is to be held must be adhered. The Department of Personnel, which is the nodal department for ensuring the functioning of the negotiating machinery, must monitor the functioning of the Departmental Councils of various Ministries and Departments and a report placed in the National Council. The Cabinet Secretary, who is the Chairman of the National Council, is required to ensure that the Council meetings are convened once in four months and the issues raised therein settled in a reasonable time frame Since the grant of recognition to Service Association is a pre-requisite for the effective functioning of the negotiating machinery, the Ministries must be asked to process the application and take decision in the matter within a fixed time frame as the recognition rules have come into existence in 1993 that is about a decade back.

### **Item No. 9.**

#### **Against FDI in Railways, Insurance and Defence.**

##### **(ii) No Privatisation, PPP or FDI in Railways, Defence Establishment and no corporatization of Postal services.**

The first Industrial Policy resolution of Free India was notified in 1948. The defense production specially arms and ammunition, Atomic Energy and Railway Transport were the three sectors where private entry was barred by the Resolution for the sake of National Security and people's welfare. In 1956, the Government of India revised the resolution to bring in 17 Sectors in the exclusive realm of Government. In 1991, to usher in the LPG policies, Narasimha Rao Government amended the resolution to de-reserve nine of the seventeen. Railways, Defence production, Atomic Energy continued to be barred to private Entrepreneurs. The NDA Government in which BJP was the predominant partner further liberalized the resolution in 1999 but still retained the Defence production, Atomic Energy and Railways within the exclusive Governmental Sector. The Defence production went in for partial privatisation when the Government allowed FDI to the extent of 26% whereby the foreign Arms manufacturers were permitted access to the vital Defence sector, disregarding the national security perspective. In all developed Nations, Arms manufacturing is a business intended to make profit. In other words, war was and is business to them and war related agony to be the market for profit. Defence production for them was

not only for the purpose of defence of the country but for waging offensive wars also. What is now decided by the present Government is to make Indian defence production on line with the international standards; i.e. attune it to make profits through export for which war perception and hysteria has to be created as a marketing technology ..Eventually this will lead to closure of Department controlled Defence production units, unable to face the unscrupulous competition from the Transnational Corporations driving thousands of workers to poverty and penury. The present decision of the Government to increase FDI in defence production to 49% will leave no room for the existing Defence production unit to survive.

On 22<sup>nd</sup> August, 2014, the Modi Government amended the 1991 Government of India's Industrial Policy Resolution replacing the words "Railway Transport" as "Railway operations" . Simultaneously, they also announced the induction of 100% FDI in Railways including operation, construction, design and maintenance. Contrary to the general perception, assiduously generated, Railways is not a loss making entity in India. The profit after dividend in FY 2013-14 was Rs. 7942 Cr. And the dividend paid to Government was Rs. 7839 Cr. The social obligation cost was of the order of Rs. 21.391 Cr. which the Government has not paid back to Railways at all. In other words, the Railways in the year 2013-14 have made a clean profit of Rs. 29333 Cr.

British India made the first experimentation of private operations of Railways by offering a guaranteed 5% return on investments. Neither the Railway net work was expanded, nor were the Government or the customers benefitted. British Government had to ultimately rescind its decision and took over the Railway operations in 1924.

Neither FDI nor the PPP will help the Railways. The DMRC had to ultimately take over the Airport Express Line and run it, for the Reliance who undertook the construction on PPP model found it not profitable. The induction of FDI and the consequent privatization of Railways will make Rail journey beyond the reach of the poor people of India. In the bid to maximize profits, Railways will be compelled to charge enormously for its services. The unprofitable lines will be closed down. No social obligation will be undertaken by the Railways. Lakhs of Railway workers will be compelled to seek employment elsewhere.

The Committee set up by the Government to suggest methods of reform in Railways under the Chairmanship of Shri Bibek Debroy submitted its report in March, 2015. The voluminous report has drawn the roadmap for eventual privatization of railway operations. In its core recommendations, it has suggested that there must be a change in the institutional arrangement between the Railways and the Government and introduce competition in the functioning of the Railways. In other words, Railway operations must be open to private enterprises so as to have competition. The Committee also inter alia suggested that the policies (and especially the fare fixation) must be left to a Railway Regulatory Authority and the Government should be divested of its present power to fixing or restricting the railway fare. One of its other bizarre recommendations is to introduce the bullet bond system for payment of retirement benefits to the employees with a lock in period of 20 to 30 years. i.e. the Retired personnel of Railways will provide the funds out of their legitimate dues after serving for 30 to 40 years to enable the Railways to make investment.

Railway will become a loss making enterprise in the days to come as is the case with the Railways in most of the advanced capitalist countries of Europe. The present decision of the Government to have 100% FDI in Railways, to say the least, is an unpatriotic act in search of profit. The Government of the

day has thrown a challenge to working people of the country in general and Railway and Defence workers in particular.

The Task force set up by the Government under the chairmanship of Shri T.S.R.Subramaniam, former Cabinet Secretary to the Government of India, has recommended to convert the postal department into a corporate entity, perhaps on the lines the Telecom was made into BSNL, VSNL and MTNL. The Company so formed will have five subsidiary arms. The Corporatisation route may not bring about an immediate reduction in the manpower, but eventually will. The entire social obligations will be thrust upon the new company while the private players will take the creamy part of the communication business as was done in the case of Telecom. In the longer run, the Public Sector Company so formed would be made to incur losses and public opinion generated for its closure. Let there be no illusion; the Government's decision is to privatize and make available the huge infra structure built over centuries of postal operations to the private enterprises ( As they eye only the prime real estate in the possession of the Postal Department) as also to hand over the lucrative business of Postal Banking and Postal Insurance to Transnational Corporations in the Banking and Insurance sectors.

**Item No. 10.**

**Remove arbitrary ceiling on compassionate appointment.**

On the plea of a Supreme Court directive, Govt. introduced a 5% ceiling on the compassionate appointments. When the matter was taken up by the Staff Side in the National Council the Government was unable to produce any such direction of the Supreme Court. Despite that, the official side refused to withdraw the said instructions limiting the appointments to 5% of the available vacancies. In one of the National Council meetings, presided over by the Cabinet Secretary solemn assurance was given to the Staff Side that the issue will be revisited in the light of the discussion, but nothing happened thereafter. It is pertinent to mention in this connection that the compassionate appointments in the Railways continue to be operated without any such ceiling. In the Department of Posts hundreds of candidates selected by Selection Committee were denied jobs. The list of selected candidates was scrapped. These candidates approached the Court and obtained a favourable order. But the Court directive was made applicable to only those who approached the Court. The standing Committee on Department of Personnel in one of their report has termed the scheme of Compassionate ground appointments as a sacred assurance to a fresh entrant that if he dies in harness, his family shall not be left in lurch. Such an assurance is being breached by the provisions of limiting such appointments to 5% of vacancies. This condition, therefore, must be done away with.

**Item No. 11.**

**Ensure five promotions in the service career.**

For the efficient functioning of an institution, the primary pre-requisite is to have a contended workforce. It is not only the emoluments, perks and privileges that motivate an employee to give his best. They are no doubt important. But what is more important is to provide them a systematic career progression. The present system of career progression available in the All India Services and the organised group A Civil services attracts large number of young, talented and educated persons to compete in the All India Civil Service Examination. No different was the career progression scheme available in the subordinate services in the past. Persons who were recruited to subordinate services



were able to climb to Managerial positions over a period of time. The situation underwent vast changes in the last two decades. In most of the Departments, stagnation has come to stay. It takes decades to be promoted to the next higher grade in the hierarchy. It was the recognition of the lack of promotional avenue in the subordinate services that made the 5th CPC to recommend a time bound two career progression scheme. However, this has not gone to address the inherent problem of de-motivation that has crept in due to the high level of stagnation. In most of the Departments, the exercise of cadre review which was considered important was not carried out. Any attempt in this regard was restricted to Group A services. The discontent amongst the employees in the matter is of high magnitude today. It is, therefore, necessary that every Department is asked to undertake to bring about a cadre composition and recruitment pattern in such a manner that an employee once recruited is to have five hierarchical promotions in his career as is presently the position in the All India Services and in the organised Group A services.

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