

BSNL EMPLOYEES UNION

EXPLANATORY MEMORANDUM ON STRIKE DEMANDS

1) Immediate settlement of Wage Revision for non-executives

The wage revision for BSNL non-executives is due from 1-1-2007. Management held an exploratory meeting with the representative union on 11-1-2008 and thereafter held another such meeting on 15-12-2008. But the wage negotiation actually started only on 3-3-2009 followed by 6 more meetings, but without any result, due to the unwillingness of the management to concede the justified demands of the employees. The Union demands that the management concede the justified demands of the employees and finalise the wage revision without any further delay.

2) Five year periodicity for wage revision

In PSUs, wages were revised every five years for five times from 1971 to 1996, through negotiated settlement with the representative union of non-executives. In the sixth wage revision which was implemented with effect from 1-1-1997, under the influence of World Bank-IMF dictated anti-worker economic policies, Government imposed 10 year periodicity for wage revision. Hence the seventh wage revision is taking place after 10 years, with effect from 1-1-2007, instead of after 5 years with effect from 1-1-2002. Again the same anti worker condition of 10 year periodicity was imposed by the Government for the seventh wage revision with effect from 1-1-2007. The unions of non-executives of various PSUs have united together under the banner of CPSTU(Committee of Public Sector Trade Unions) and decided to fight unitedly for restoring five year periodicity. Accordingly, notice was issued for strike on 7-5-2008 by unions in various PSUs including BSNL. The Prime Minister held a meeting with the CPSTU delegation to avert this strike and as per the assurance given by him in this meeting, the Department of Public Enterprises(DPE) issued orders on 1-5-2008 allowing wage agreements with five year periodicity. BSNL management is agreeing in principle for the five year periodicity. But at the same time it is threatening that for five year wage agreement, instead of 30% fitment benefit, only 10% fitment benefit can be given. It is trying to deny the right of 5 year wage agreement won by non-executives through several struggles. It is an undisputed fact that wages are revised for compensating the fall in real wages for the past period, and not for future period. When the periodicity for wage revision after past wage revision is the same both for executives (i.e 10 years since 1-1-1997), the fitment benefit for both should be the same, irrespective of the periodicity for the present wage revision. Therefore, there is no force in the Management's offer of 10% fitment benefit for 5 year periodicity, after granting 30% fitment benefit to executives at lower level and 50% to 62% fitment benefit to executives at higher level. Periodicity for wage revision has no bearing on the benefit in the wage revision.

3) Fitment benefit on par with top executives on Pay+78.2% of pay

The relativity existing between the minimum pay of Rs 4000(of Group D) and maximum pay of Rs 31500(of CMD) was 1:7.875. In the wage revision of executives, the maximum pay of CMD scale was revised from Rs 31500/- to Rs 1,25,000/-. Therefore to maintain the existing relativity of 1:7.875, the minimum pay of Group D has to be revised as 7.875 part of Rs 1,25,000 and it becomes Rs 15,873/-. Therefore it is necessary to revise the minimum pay in BSNL from Rs 4000/- to Rs 15873/- to maintain the existing relativity with the maximum pay of CMD pay scale. If the basic pay of Rs 4000/- is to be increased to Rs 15873, a fitment benefit of 122% has to be granted on Pay+78.2% of pay(including the benefit of DA merger in pay revision). Although a uniform fitment benefit of 30% on pay+68.8% of pay was prescribed for all executives vide DPE order dated 26-11-2009, in effect a fitment benefit of 62% was allowed on Pay+78.2% of pay in an indirect way in the case of CMD revised pay scale. The minimum pay of CMD scale was revised from Rs 27750 to Rs 80000/-. Even if 30% fitment benefit is added to pay+78.2% of pay on the minimum pay of Rs 27750/- in CMD scale, it will be Rs 64290/- only and the minimum pay in the revised scale of CMD has to be Rs 64290/- accordingly. But it was revised to Rs 80,000/- in the revised scale. Rs 80,000/- is 62% more on the pre-revised minimum pay of Rs 27750+78.2% of Rs 27750/-. Thus in practice, at minimum level, a fitment benefit of 62% was given for CMD. Similarly, a fitment benefit of 63% was given on pay+78.2% of pay in the case of Board Director, at minimum level. In the same way, 50% fitment benefit on Pay+78.2% of pay was given in the case of General Manager, at minimum level. Further the DPE has issued orders on 2-4-2009 prescribing that the fitment benefit should be granted on Pay+78.2% of pay. In several PSUs like ONGC,GAIL, ECIL, IOCL, BHEL,NTPC, BEL etc., orders were issued granting 30% fitment benefit on pay+78.2% of pay to the executives. In BSNL, the executives were at first granted 30% fitment benefit on Pay+68.8% of pay. But now the BSNL management is on the job of revising it to 30% on Pay+78.2% of pay for the executives. At the same time, BSNL management is refusing fitment benefit on Pay+ 78.2% of pay for non-executives, and making a big propaganda as if its proposal for 30% fitment benefit on pay+68.8% of pay for 10 year period wage agreement is a big boon to non-executives. Management should not deceive and discriminate the non-executives and it should agree for conceding fitment benefit on par with top executives, on Pay+78.2% of pay along with 5 year periodicity for wage revision.

4) Interim Relief @ 50% of basic pay or Rs 3000 whichever is more, be paid every month with effect from 1-1-2007, pending finalization of wage revision agreement and its approval.

Interim Relief is usually granted when the due wage revision is delayed. For Central Public Sector employees, wage revision is due w.e.f. 01-01-2007. Already, more than 28 months have elapsed. Management should have offered IR when there has been such long delay. Most of the other PSUs have granted either interim relief or pay advance much earlier. In ONGC, advance of Rs 30,000 to Rs Rs 60,000/- was paid for the year 2007 and thereafter from January 2008 onwards, every month Rs 2500 to Rs 4500 is being paid as Interim Relief. In BHEL, adhoc payment was made twice, with the total coming to Rs 40000 to Rs 1,50,000. In several other PSUs, considerable amount of interim relief was paid. We have demanded that Interim Relief of 50% of pay or Rs. 3000/- whichever is more be paid. If it is pay advance, Rs. 50,000/- to Rs.80,000/- be paid. This is similar to what is paid in the other PSUs.

The management first offered two months basic pay as advance. This will come to Rs.8,000/- at the lowest level. After much discussion in the meeting on 29-04-09, CMD

offered 4 months basic pay ie. Rs. 16,000/- at the lowest level. We could not accept such very meagre advance. The workers are eligible for increase for the last 28 months since 01-01-07. Even if an advance of Rs. 1000/- p.m. is calculated, then it will come to Rs. 28,000/. It is pertinent to note here that in the conversion from CDA to IDA in 2000, all officials got more than Rs.1500/- p.m. But the management is not prepared to see reason and comparison with other PSUs and concede our demands. When the CMD, Directors and GMs and all executives have got their wage revision on par with the executives in ONGC, there is no reason to deny interim relief to the non-executives in BSNL on par with the non-executives in ONGC. When even the lowest executive is being paid Rs. one lakh as arrears (40% already paid and 60% being paid in 2008-09), leave alone the top executives who are being paid arrears of about 6 lakhs or so, why the non-executives can not be paid even half of it? The unilateral order of BSNL management announcing a meager 4 months basic pay as advance reflects its mindset of attaching all importance to top executives and no importance to non-executives, a feudal outlook, not to be tolerated in a modern, democratic society, that too in the Public Sector. It is necessary to concede our above said demand on interim relief, after taking all these factors into consideration.

5) HRA at par with the rates implemented for Central Government Employees w.e.f 1-9-2008.

As per the recommendations of the Sixth Central Pay Commission, the Government has issued orders granting HRA at the revised rates of 30%(A-1 cities), 20%(A,B-1,B-2 cities) and 10%(C and unclassified stations), with effect from 1-9-2008. These rates were implemented for DoT officers working in BSNL, with effect from 1-9-2008. As per the orders issued by DPE for the executives in PSUs, these revised rates are to be implemented from 26-11-2008. The orders issued vide BSNL/26/SR/2002 dated 7-8-2002 based on the wage agreement signed on 26-4-2002 at the time of conversion from CDA to IDA scales for absorbed DoT employees, the annexure para 1 stipulates as follows:

“BSNL employees will be paid HRA on the basis of revised pay w.e.f 1-10-2000 at the rates and terms applicable to Central Government employees based on the classification of the cities as notified by the Government of India”.

Therefore, the revised HRA rates effected for Central Government employees with effect from 1-9-2008 should be automatically implemented for BSNL employees from 1-9-2008.

6) Annual Increment at the rate of 5% on Basic Pay be granted cumulatively for non-executives along with the revised pay scales with effect from 1-1-2007

7) Pay fixation on promotion: Fitment benefit of two increments(10% of pay in the existing scale) be granted while fixing pay in the promoted scale, with effect from 1-1-2007.

In PSUs like ONGC etc., the additional increment granted at the time of promotion is more than the normal increment. Therefore we demand that additional increment of 10% on basic pay (equal to two normal increments) be granted while fixing the pay in the promoted scale, at the time of promotion, with effect from 1-1-2007.

8) Pensionary benefits

(a) Pensionary benefits for absorbed employees on par with Central Government Employees

As per sub-rule 8 of Rule 37-A of CCS (Pension) Rules, the DoT employees absorbed in BSNL are eligible for pensionary benefits on the basis of their combined service in DoT and BSNL, as per the CCS(Pension) Rules in force at the time of superannuation. Subsequently an explanation was added to this sub-rule vide DoP&PW No. 4/61/99-P&PW dt 28-12-2002, that **the calculation shall be done in the same way as would be the case with a central Government servant retiring on superannuation on the same day.**

The Government issued orders improving pensionary benefits of Central Government employees based on recommendations of the Sixth Pay Commission. Some of the improvements in the pensionary benefits as per these orders are

- a. Full pension is to be given on completion of minimum 20 years qualifying service and pension shall be paid @ 50% of the emolument or average emoluments received during the last 10 months, whichever is beneficial, for those retired on or after 2-9-08.
- b. DCRG is to be paid subject to maximum ceiling of Rs 10 lakhs for those retired on or after 1-1-2006.
- c. Family pension is to be paid as per enhanced rates for the wards of those who retired or expired on or after 1-1-2006.
- d. Separate orders were issued in the case of those who retired/died before 1-1-2006.

As per the rulings mentioned in para 1 above, the pensionary benefits of DoT employees retired after absorption in BSNL(BSNL absorbed retirees) have to be revised. Further, as per the sub-rule 7 of DoP&PW order No.38/37/08-P&PWA dated 1-9-2008, on revision of pension of pre 2006 pensioners and family pensioners, the pension of Government servants absorbed in PSUs and drawing pension from the Government are to be paid pension as per these revised rules. But so far, this remains un-implemented.

For the DoT officials absorbed in BSNL and retired before completion of 10 months in IDA scales, the pension is reduced on account of wage revision from CDA to IDA scales w.e.f 1-10-2000 (due to reduction in DA rate). But this issue remains unsettled so far. In this connection it is to be noted that such a problem arising out of wage revision based on Sixth CPC recommendations w.e.f 1-1-2006 is settled by the Government vide sub-rule 12 of its order No.38/37/08-P&PW dated 2-9-2008, by taking Pay+DP+DA relevant and drawn on 1-1-2006 as emoluments for the pre-revised period. Similar benefit was extended at the time of wage revisions for Central Government employees based on 5th Pay Commission recommendations, vide DoP&PW No.45/86/97-P&PW(A)-Part-I dated 18-10-1999.

(b) Pension Scheme for BSNL Recruits

As per sub-rule 23 of Rule-37A of CCS(Pension) Rules, the BSNL has to devise its own pension scheme for the employees directly recruited by it and make arrangements for funding and disbursing the pensionary benefits. But so far such a pension scheme is not evolved for BSNL recruits, even though the issue was raised by the Union several times.

It is requested to see that the management immediately prepares a draft of the pension scheme for the BSNL recruits and finalises the same after discussion and agreement with the representative union.

(c) 50% IDA merger for pensioners

50% IDA was merged with pay for BSNL employees with effect from 1-1-2007. But this merger was not implemented for the pensioners who retired from BSNL. This requires urgent settlement.

9) Contract/Casual labour wages on par with minimum pay of the concerned grade of non-executives.

It is an established principle that the wages of Contract/ Casual labour should be equal to the minimum wage of the regular employees of the concerned grade working in the establishment. This requires implementation in a PSU like BSNL, since PSUs have to be model employers.

10) Allowances and perks on par with executives.

There need not be any difference between the executives and non-executives in allowances like transport allowance, supplementary diet allowance etc., since cost of transport, food etc will be the same whether the official is executive or non-executive. Therefore, allowances and perks for non-executives should be on par with the executives.