

March 14, 2013

It is with a sense of pride that I seek to underline that about 3.2 million Central Government Employee and an equal number of pensioners inducting service personnel, hold you in high esteem and think of you as one amongst them. They look up to you as a leader who would not only empathize with their concerns but ensure deliverance as well. It was you who had constituted the Sixth Central Pay Commission (CPC) in 2005 which should have been set up in 2003 by the NDA Government.

2) Central Government Employee who are inducted in Government through a process of rigorous screening and testing as also stringent evaluation of a job performance are supposed to be the brightest. With globalisation and multi-national corporation coming into the country, we have at hand a two fold challenge;

(a) do have a personnel pool with high acumen to deal with these MNCs,

(b) simultaneously address the challenge of high attrition on which in itself is a result of MNCs having come in. In order to attract as also retain the brightest minds in Government employment it is but necessary that Central Pay Commission are set up regularly to look into and evaluate their pay structures and submit recommendations.

3) Ever since the setting up of the second Central Pay Commission all pay commissions have been set up in the 3<sup>rd</sup> year of every decade barring the one time when the NDA Government did not do so in the year 2003. The pay commissions are then required to submit their recommendations / reports in three years time. However, you had set up the sixth pay commission in 2005 and submitted its report in an year and half, much to the relief and succor of Government employees. We are again in the third year of the on-going decade and Central Government Employees are justifiably looking forward to the Seventh Pay Commission that would look into their needs.

The present wage structure of the Central Govt. Employees has been made on the basis of the Sixth Central Pay Commission's recommendations, which were implemented with effect from 1.1.2006 in the case of Pay and in the case of allowances with effect from 1.9.2008. The erosion of real wages owing to the degree of inflation in the economy is hurting these employees very badly. The retail prices of those commodities, which go into the making of minimum wage, have risen by about 160% between 1.1.2006 to 1.1.2011, in comparison to D.A. compensation, which on that date had been just 51%. It is also an acknowledged fact that the 6<sup>th</sup> CPC had computed the minimum wage by suppressing the retail price of these commodities in the market on the specious plea that official statistics of the retail prices of these commodities were not available. They therefore, computed the retail price by increasing the wholesale price by 20% for each of the commodity whereas the actual retail price in the market was 60% more than the wholesale price.

4) Broadly, one's emoluments should be adequate enough to commensurate with boundless and limitless assignments and to his duties and responsibilities in a better, effective and honest manner. The same has also to place, an employee to be in a position to fulfil his social and family obligations, such as education of children, their marriage, maintenance of a reasonable living standard for himself and his family members expected of Government servants and also to take care of his post retirement life.

5) The basis of fixing wages in the past was largely a consumer need related, which was considered at a bare minimum like the minimum nutritional level, minimum clothing, housing etc. But today life is more complex and living standards are not based on simple living and the same cannot be restricted to only for the working class. The producer of wealth being the consumer oriented also requires consumers, including the Central Government employees.

6) These employees are also placed in a disadvantageous situation vis-à-vis their counterparts in Central Public Sector undertakings, in whose case, the wage revisions normally takes place after every five years through Collective bargaining. The wage revision of the Central Government employees if not after five years it must be after every ten years and the Government needs to consider setting up of the Seventh Central Pay Commission immediately. While conceding the fact that the Central Pay Commission is formed only in every 10 years, however, with the coming of the year 2011, prices of most of the products needed in day to day life is increasing.

7) In brief the following decision need to be taken on Priority so that a positive message goes among serving Central Government Employees, Pensioners and Service and Para Military Personnels, the decision will also have bearing upon State Governments Employees:-

- A notification for constitution of 7<sup>th</sup> Central Pay Commission is the need of the hour, which is bound to have bearing upon about 20 million employees, which are opinion makers. Therefore the issues may please be considered by the concerned Ministries on Priority and appropriate decision is taken.

Sir, I will be extremely obliged if the above submission is considered favourably in larger interest of government employees as well as the party.