

# **BSNL NON-EXECUTIVES WAGE REVISION AGREEMENT**

## **A GREAT ACHIEVEMENT DESPITE ADVERSE**

### **CIRCUMSTANCES**

#### **INTRODUCTION:-**

The agreement on the Wage Revision for BSNL non-executives was signed on 15<sup>th</sup> January 2010 by the members of the Wage Revision Committee consisting of the representatives of the Management and BSNL Employees Union (the recognised union in BSNL). The achievements and the significance of this agreement are detailed below:

#### **1. What are the circumstances under which the negotiations on wage revision for non-executives in BSNL took place and what is the final result?**

The circumstances under which the negotiations on wage revision took place for non-executives were totally negative, as detailed below:

- a) The business of the Company was in losses since the financial year 2007-08. In 2007-08 the income earned from services was Rs.32842.30 crores whereas the expenditure was Rs. 33629.86 crores. In 2008-09 the income earned on services was Rs.30268.57 crores whereas the expenditure was Rs.34354.21 crores (But in the accounts profits of Rs.3001 crores and Rs 574 crores were shown for the years 2007-08 and 2008-09 by adding interest earned by the Company on its reserve funds deposited in Banks).
- b) It is to be noted that while the prices of the goods produced by manufacturing PSUs like BHEL, SAIL etc are increasing, the prices of telephone call rates are falling down severely due to predatory competition, even to the extent of half paisa/second for local call and paisa per second for STD call. Due to the negative attitude of the Government, there is enormous delay in procuring equipment for expansion of BSNL. We all know that only after the strike by all employees and Officers in 2007, GSM lines was purchased for extending mobile services to new customers. But it is very meagre. Again now, there is enormous delay in finalizing the tender for the 93 million lines equipment and it is being stopped. We have to go on war path again for procurement of this equipment. Thus the Government is intentionally sabotaging the development of BSNL to help private telecom companies.
- c) A sense of urgency has arisen among the BSNL employees that the wage revision agreement has to be signed urgently before further deterioration of the BSNL's financial condition and this resulted in a lot of pressure on the union for settlement, even if it means partial settlement of some issues related to wage revision.
- d) In the past, when the telecom services were a monopoly under DoT and new technology was not there, our strikes were able to stop the services totally. But now BSNL is one among several companies in the telecom services business and due to the modern technology, the services are fully automatised. Therefore, the strikes by employees in BSNL were unable to have maximum effect. Hence the strike is now having a limited effect on the management.
- e) The BSNL management was adopting a negative attitude since the BSNL Employees Union is fighting against the anti-worker policies of the Government.
- f) The NFTE-FNTO leaders did their level best to sabotage the efforts of BSNL Employees Union for achieving a good wage agreement. They organised a big campaign of lies and slanders against BSNL Employees Union and its leaders, particularly against its General Secretary Com V.A.N.Namboodiri. They fully collaborated with the management and tried to impose a bad deal in the wage revision of non-executives, so that in the next verification they would have a point to campaign against BSNL Employees Union.

The bargaining for wage revision for BSNL non-executives took place in such adverse circumstances. In spite of these adverse circumstances, the BSNL Employees Union and United Forum was able to organise several agitations and a successful two days strike on 19<sup>th</sup> and 20<sup>th</sup> August 2009 and negotiated skillfully with management and achieved an excellent agreement in the given circumstances. *(It is to be noted that in the MTNL which is the only other PSU in telecom services sector, for the executives order was issued granting 5% fitment benefit only (instead of 30%) and after the agitation by the executives, it was kept under abeyance and there is no further improvement. For non-executives, in the negotiation started recently, management offered 15% fitment benefit with 10 year periodicity. Compared with this, ours is an excellent agreement.)*

**2. What is the date of effect of the revised pay scales and what is the reason for it?**

The previous wage revision in Public Sector Undertakings was with effect from 1-1-1997 and in that wage revision it was decided that the next wage revision would be after 10 years. This ten year period was completed by 31-12-2006 and hence the date of effect for the revised pay scales in the present wage revision is 1-1-2007.

**3. What are the existing pay scales and what are the revised pay scales that will come into effect from 1-1-2007 ?**

Sl.No.	Category	Existing IDA Scales (Rs.)	Revised Scales (Rs.) that will come into effect from 1-1-2007
1	NE 1	4000 -120-5800	7760 - 13320
2	NE 2	4060 -125-5935	7840 – 14700
3	NE 3	4100 -125-5975	7900 – 14880
4	NE 4	4250 -130-6200	8150 – 15340
5	NE 5	4550 -140-6650	8700 – 16840
6	NE 6	4720 -150-6970	9020 - 17430
7	NE 7	5700 -160-8100	10900 -20400
8	NE 8	6550 -185-9325	12520 -23440
9	NE 9	7100 -200-10100	13600 - 25420
10	NE 10	7800 -225-11175	14900 - 27850
11	NE 11	8570 -245-12245	16370 - 30630

**4. What about the NE-12 pay scale(9200-250-13200) and E1A pay scale(9850-250-13200) agreed by the management in the promotion policy agreement?**

The NE-1 to NE-11 pay scales in the table above were the pay scales that came into effect from 1-10-2000(date of formation of BSNL) after approval of DoT and DPE. But in the Promotion Policy Agreement signed on 30-10-2008 between BSNL management and BSNL Employees Union, the above said NE-12 and E-1A pay scales are newly created in order to grant promotion to those who are in NE-11 pay scale. Since these scales are newly created, DoT/DPE approval is necessary before their implementation and the case was sent to DPE for its approval. Promotions to these two new scales can be implemented only after this approval, with date of effect for the promotion as per the Promotion Policy. Since these two new pay scales can not be implemented pending this approval, it was mentioned in the wage revision agreement that these two pay scales (pre-revised as well as revised) will be notified after approval by DoT.

**5. How the pay of the officials joined in service before 1-1-2007 will be fixed in the revised pay scale? How much benefit will get in the fixation of pay in the revised pay scale?**

They will get 30% fitment benefit on their pay+68.8% DA on 1-1-2007, while fixing their basic pay in the revised pay scales.

For example an official in NE-9 pay scale (7100-10100) with basic pay of Rs 8100/- will be fixed as below in the revised pay scale:

- a) Basic Pay on 1-1-2007= Rs 8100-00
- b) DA@ 68.8% on Rs8100= Rs 5573-00
- c) Total[(a)+(b)]=Rs 13673
- d) 30% fitment benefit on this total(c)=Rs 4102
- e) Revised Basic Pay [(c) +( d)]= Rs 17775/- rounded to next ten rupees=Rs 17780/-

Therefore the pay of this official in the revised pay scale will be fixed at Rs 17780/- with effect from 1-1-2007.

On 1-1-2007 the official has actually drawn the following amount as pay+DP+DA:

Pay=Rs 8100; DP(50% DA merger)=Rs 4050/- ; DA 18.8% on pay+DP=18% on 8100+4050=Rs Rs 2284; Total(Pay+DP+DA)=8100+4050+2284=Rs 14434/-;

His revised pay on 1-1-2007=Rs 17780/-; Pay+DP+DA drawn in January 2007=Rs 14434/-.

Therefore benefit in the revised pay=Rs 17780-Rs 14434=Rs 3346/-.

It is to be noted that the same 30% fitment benefit was given to executives and thus we got on par with executives.

## **6. How this 30% fitment benefit on par with executives was achieved?**

In the previous wage revision that took place in the Public Sector Undertakings with effect from 1-1-1997, the pay and DA were merged, but increase was given as percentage of the basic pay only, instead of as percentage of basic pay+DA. But there was a serious discrimination. While the executives were given 60% to 80% increase in their basic pay, the non-executives were given only 20% to 40% increase.

Therefore the Unions in various Public Sector Undertakings have come together this time under the banner of "Committee of Public Sector Undertakings" (CPSTU) and decided to organise struggles so that in the fitment benefit there should be no discrimination between executives and non-executives. It also decided that the wage negotiation for non-executives should not be started before the issue of orders on the wage revision for executives, so that the increase given in case of executives can be demanded for non-executives, and the discrimination can be avoided. The BSNL Employees Union was a partner in the CPSTU and participated in all the struggles and waited for starting negotiation on wage revision until the orders for wage revision of executives were released.

In BSNL, the BSNL Employees Union was the only Union that participated in all the struggles as per the calls given by the CPSTU for achieving parity in the wage increase with the executives. The other Unions(NFTE alliance) wanted immediate settlement, even before the release of orders for executives on wage revision, and without any struggles. In such case we would have got very less in wage increase compared to executives. But BSNL Employees Union prevented such loss to non-executives by participating in all these struggles and by waiting for the negotiation until order for wage revision of executives is released.

In the orders issued in March 2009 for wage revision of BSNL executives, the management granted 30% increase (fitment benefit) in the emoluments (Pay+68.8%DA) on 1-1-2007. After this, the BSNL Employees Union started wage negotiation, and in the first meeting it self the management offered 30% increase on par with the executives. Thus the struggles and strategy of BSNL Employees Union became successful in achieving parity in fitment benefit (wage increase) with executives.

As a result of this 30% fitment benefit on pay+68.8% DA, we could achieve a considerable increase in the wage revision. The benefit due to this fitment benefit is from Rs 1652/- at lowest level(for those at the minimum basic pay of Rs 4000/-in Group D pay scale on 1-1-2007) to Rs 5059/(those in BCR 10% Grade-4 pay scale in Sr TOA/TTA cadre with basic pay Rs 11175/- on 1-1-2007)- at the highest level for the non-executives. But almost all the juniors in the Group D appointed before 1-1-2007 in BSNL are mostly (except a few cases) appointed on 1-10-2000 or in 2001 and thus

they have drawn 5 or 6 increments as on 1-1-2007 and will have atleast an increase of Rs 2000/-. Therefore the increase in basic pay on 1-1-2007 in the revised pay scale compared to Pay+DP+DA drawn on 1-1-2007 will be from Rs 2000/- to Rs 5000/-.

**7. Why a clause “as and when BSNL management decides for 78.2% DA merger for executives, the same benefit may be extended to non-executives also” is added in the agreement?**

As per the DPE orders dated 26-11-2008, the fitment benefit of 30% on pay+68.8% DA was granted for the wage revision of executives in all PSUs. As on 1-1-2007, the DA was 68.8%. Hence it was agreed to give 30% fitment on pay+68.8%DA. But if the merger of 50%DA with basic pay on 1-1-2007 is taken into consideration, the DA on 1-1-2007 will be 78.2% instead of 68.8%. Accordingly the DPE issued orders on 2-4-2009 for implementing 30% fitment benefit for executives on pay+78.2%DA instead of on Pay+68.8% DA. Hence in several other PSUs the 30% fitment benefit was given on pay+78.2%DA, both for executives and non-executives. Due to the present financial situation, the BSNL management restricted this fitment benefit to 30% on Pay+68.8% DA. But due to our struggles and pressure, the management agreed to consider the issue of granting 30% fitment benefit on pay+78.2% DA after some time, for executives and non-executives together. Hence this clause is added in the agreement. In case the management agrees for this, our revised pay will further increase.

**8. How the pay of the official joined newly in BSNL on or after 1-1-2007 will be fixed in the revised pay scales and why?**

These officials will be fixed directly at the minimum of the revised pay scale on the date of their joining in BSNL. This is because it is not pay revision for them. Pay revision is with effect from 1-1-2007. Pay can be revised on 1-1-2007 only for those who have drawn pay before 1-1-2007. Since new pay scale comes into effect from 1-1-2007, and since the new recruits are to be appointed at the minimum of the pay scale, those who are appointed in BSNL on or after 1-1-2007 will be treated as appointed at the minimum of the revised pay scale on the date of their appointment.

**9. In the agreement there is a clause that the non-executives can opt for the revision of pay on 1-1-2007 or from the date of promotion after 1-1-2007, or from the date of next increment in the existing scale. What is the benefit of this?**

This can be understood by an example. A Telecom Mechanic was promoted as TTA after 1-1-2007, say on 1-2-2007. His basic pay in the existing pay scale in TM cadre was Rs 5920/- on 1-1-2007. On 1-2-2007 he was promoted and fixed in TTA existing pay scale at Rs 7100/-. In case the official comes into revised pay scale on 1-1-2007, his pay will be revised in the TM pay scale from the pre-revised basic pay Rs 5920/- to the revised basic pay Rs 13000/-. But in case he opts to continue in the pre-revised pay scale until his date of promotion to TTA cadre (1-2-2007), then he will continue in the pre-revised TM pay scale until 31-1-2007 and will get fixed in the revised pay scale of TTA on 1-2-2007. He was in TTA pay scale on 1-2-2007 with basic pay Rs 7100(pre-revised). This basic pay of Rs 7100/- in the pre-revised pay scale will be revised as Rs 15580/- with effect from 1-2-2007. Since it is beneficial for him, he will opt for revised pay on the date of promotion.

**10. What about those retired in BSNL before 1-1-2007?**

Wage revision is not applicable for them since they have retired before 1-1-2007. But their pension has to be revised. For pension revision, there is no provision in Rule 37(A) of CCS(Pension)Rules. The three federations who welcomed formation of BSNL and signed agreement at that time have failed to raise this issue with the Government. This issue has come into focus because of wage revision now. But who has to make the amendment in the Rule 37-A? Only Cabinet can do it. DoT has to send the proposal and it is preparing a Cabinet Note on this issue for the approval of the Cabinet. But it is proposing pension revision on the basis of equivalent CDA pay, instead of on IDA pay. The reason is that there is an order dated 19-9-2003 issued by the Department of Pension instructing pension revision of those PSU employees absorbed from Government Department and taking pension on combined service(Government service and PSU service), on the basis of equivalent CDA pay, instead of IDA pay. BSNL Employees Union met the DoT authorities and also

the Minister for Communications and demanded for pension revision on IDA pay. The BSNL Employees Union and All India BSNL-DoT Pensioners Association are seriously and continuously trying to achieve pension revision on IDA pay. *(In the wage revision agreement the following is mentioned:*

*“The issue of revision of IDA pension in respect of employees absorbed in BSNL and retired before 1-1-2007 and pension anomaly in respect of BSNL absorbed employees retired prior to 31-7-2001 already stand referred to DoT and may be pursued by BSNL.”)*

#### **11. What about those retired after 1-1-2007?**

Wage revision from 1-1-2007 is applicable for them. There is a positive change in the pension rules. As per the recent orders issued by Department of Pension and endorsed by DoT, the pension will be calculated on last ten months average pay or last month pay, whichever ever is advantageous to the retiree. This provision is applicable w.e.f 1-1-2006. Therefore even if an official retired on 31-1-2007, he will get his pay revised on 1-1-2007 and he will be paid pension on the basis of his revised pay.

#### **12. How the minimum pay is decided in the revised pay scale and why?**

The BSNL management proposed to fix minimum pay in the revised pay scales by multiplying the minimum pay in the existing pay scale with 1.91. The existing NE-9 pay scale minimum is Rs 7100/- in the existing 7100-10100 pay scale. This 7100 will be multiplied with 1.91 and it will be Rs 13561/- (say Rs 13570). This was rounded to Rs 13600/- and fixed as the minimum pay in the revised NE-9 pay scale. Therefore the officials newly appointed in BSNL on or after 1-1-2007 in this pay scale will be fixed at the minimum of the revised pay scale (Rs 13600/-) on the date of their appointment.

The reason for having 1.91 as the multiplication factor is that in case of Executives also the same multiplication factor of 1.91 was used to decide the minimum in the revised pay scale. For example, the JTO(E1A) pay scale was 9850-250-14600 before pay revision. It was proposed to be revised to Rs 18850-40500 by the management, after approval from DPE. The minimum Rs 18850/- of the revised scale was 1.91 times of 9850/- ( $9850 \times 1.91 = 18820$  and it was adjusted to 18850/-). Similarly, the E3 pay scale of executives was Rs 13000-350-18250 and it was revised to Rs 24900-50500. The minimum Rs 24900/- is arrived by multiplying the minimum of the pre-revised scale i.e Rs 13000/- with 1.91 and it will be Rs 24830/- and it was adjusted to Rs 24900/- to make it the minimum in the revised pay.

In other PSUs also (like Food Corporation, Container Corporation, ECIL etc) where wage revision has taken place so far, the minimum of the existing pay scale was multiplied with 1.91 to make it the minimum of the revised pay scale.

In Central Government also almost the same multiplication factor was applied in deciding the minimum of the revised pay scale. For example the pre-revised pay scale S-7 (Postal Clerk) was 4000-100-6000 as per 5<sup>th</sup> CPC scales. As per 6<sup>th</sup> CPC report the Government revised it to Pay Band 5200-20200 with Grade Pay 2400. The Postal Clerk recruited newly on or 1-1-2006 (date of effect of new pay scales in Central Government) will be appointed at the minimum of the revised pay scale which will be  $5200 + 2400 = 7600$ . Rs 4000 multiplied with 1.91 will be Rs 7640/-. Thus same multiplication factor of 1.91 was applied for deciding the minimum in the revised pay scale.

Although the BSNL Employees Union tried for a minimum in the revised pay scale equal to minimum in the pre-revised pay scale multiplied by 2.195 so that it will be equal to the 30% increase on the pre-revised minimum pay + 68.8% DA, it was not agreed by the management. We requested at least for applying the multiplication factor of 2 instead of 1.91. But this was also not agreed. Since the multiplication factor for deciding the minimum of the revised pay scale was 1.91 everywhere as detailed above, we were compelled to accept it. Moreover in case the multiplication factor for deciding the minimum of the non-executive pay scale is 2.195 to make the revised minimum equal to 30% fitment benefit formula, the minimum of NE-12 pay scale proposed for non-executives in the

promotion policy(9200-250-13200) will be revised as 9200x2.195=20200, which will be more than the minimum of the revised JTO pay scale(E1A)Rs 18850/-. Such a system of lower level pay scale with a minimum more than the minimum of the higher pay scale is not possible. Therefore we were compelled to accept the 1.91 multiplication factor.

**13. What is the effect of the maximum of the pay scale on the salary of the employees? How the maximum of the pay scale was decided in the existing pay scales?**

If an official reaches the maximum of the pay scale and continues in that pay scale, he can not draw increment every year since he had already reached the maximum. However, he will be given stagnation increment once in two years, after reaching the maximum. Maximum three such stagnation increments will be given.

Maximum pay of the pay scale is decided by the span of the pay scale. Span of the pay scale means the number of years for which increments are to be given starting from the minimum of the pay scale, to reach the maximum of the pay scale. For example, the present NE-1 pay scale (Group D Pay Scale) is Rs 4000-120-5800. In this, the minimum of the pay scale is Rs 4000. Maximum of the pay scale is Rs 5800. With Rs 120/- increment, 15 years span (15 annual increments) is required from Rs 4000/- minimum to reach the maximum 5800/-. Therefore the span of the pay scale is 15 years. All the existing non-executive pay scales (NE-1 to NE-11) are having 15 years span.

The span of the pre-revised executive pay scales is 19 years (E1A), 18 years(E2A), 15 years(E3), 12 years (E4, E5,E6), 8 years(E9, E9A).

**14. Is it necessary to have a maximum for the pay scale? Why it can not be open ended with out any maximum?**

Open ended pay scale will have a minimum and increment rate. But it will have no maximum. Since maximum is not there, increments can be given continuously without stagnation. Such open ended pay scales were implemented in ONGC already, since 1997. We also demanded BSNL management to agree for such open ended pay scales. But management told a special problem in this regard. The pension contribution for all the BSNL employees absorbed from DoT is being paid by BSNL to DoT based on the maximum of the pay scale of the employee. As long as this system of Government pension is there, this is the requirement. Therefore it is necessary to have maximum for the pay scale.(Although the Government issued orders after implementation of sixth pay commission pay scales for Central Government Employees stating that the pension contribution can be paid on basic pay instead of maximum of the pay scale, DoT told that it is applicable only for the Central Government Employees on deputation in BSNL and not for the absorbed employees).

**15. What was the proposal of the management on the span for deciding the maximum of the revised pay scales? What problems arose with that proposal and how it is solved?**

Management proposed 12 years span where as all the existing pay scales are having 15 years span. The argument of the management is that since the pension contribution for all employees absorbed from DoT is to be paid by BSNL to the Government as per the maximum of the pay scale and in case the maximum of the pay scale is more, the expenditure on pension contribution will be more, and with a serious fall down in the profits, BSNL will not be in a position to bear a big increase in pension contribution. Management further argued that with new promotion scheme providing promotion to next higher pay scale after every 4/7/8 years, the span of the pay scale can be reduced. Further, it is to be noted that the NFTE-FNTO alliance wrote a letter on to the management suggesting such reduction in the span of the pay scale, although it was harmful for the employees.

With this 12 years span it was found that for several employees, the revised basic pay with 30% fitment benefit will be more than the maximum of the revised pay scale and they will have no scale to get the full benefit of 30% fitment. Hence we refused to accept such a short span for the revised

pay scale. We told the management that in any case the maximum of the pay scale can not be decided by the management to refuse full benefit of pay revision (30% fitment benefit), full benefit of promotion policy (the maximum of the higher pay scale to which the promotion is given should not be less than the basic pay at which the official will be fixed in promoted pay scale) and also the official should face no problem of stagnation. We have collected several cases from all over the country and made an exhaustive study on the issue and wrote several letters to the management explaining why it was necessary to increase the span of the pay scale to 26 years. Due to our detailed discussion in several meetings and continuous pursual, finally management agreed to increase the span of the pay scale from the 12 years proposed by them to 18 years for NE-1,21 years for NE-2,3,4, 7,8,9,10,11 pay scales and 22 years for NE-5 and 6 pay scales. This is a great achievement. It is to be noted that the existing pay scales for Non-Executives are having 15 years span only. While the span of the JTO pay scale was increased from 19 years to 26 years (7 years increase), we got the span of our pay scales increased from 15 years to 21/22 years (6/7 years increase). Thus we achieved almost equal increase in span compared with executives. The wage negotiation is delayed due to this single issue for more than two months. But finally we were able to pressurise the management and agree for increasing the span by 6/7 years (from 15 years in existing scales to 21/22 years in revised scales). This will help in avoiding problem of stagnation to a greater extent. Had we signed the agreement coming under the pressure of the malicious propaganda of anti-worker leaders of NFTE-FNTO alliance, all the employees would have faced a serious problem of stagnation and every employee would have reached the maximum in the revised scales by now and would have been getting increment once in two years only instead of increment every year. Because of the consistent stand taken by us, we achieved increase in pay scale span on par with executives and avoided stagnation mostly. It is not possible to avoid stagnation fully as long as there is a maximum for the pay scale. Hence even in case of executives also the stagnation problem is there in the revised scales to a certain extent and hence for executives, after reaching the maximum of the pay scale, stagnation increment is provided every two years. We achieved this for non-executives also. Hence the few officials who reach maximum of the pay scale and continue in the same scale, stagnation increment will be given every two years on par with executives. (The improvement on the issue of the maximum of the pay scales achieved through protracted negotiation is illustrated in the table below:

SCALE	<i>Maximum of the revised pay scale proposed by the management along with span given in bracket</i>			<i>Maximum of revised pay scale finally agreed by the management in the Agreement signed on 15-01-2010</i>
	<i>Proposed on 17-11-2009</i>	<i>Proposed on 18-12-2009</i>	<i>Proposed on 24-12-2009</i>	
NE-1	11100(12years)	13320(18 years)	13320(18 years)	13320(18 years)
NE-2	11250(12 years)	13440(18 years)	13850(19 years)	14700(21 years)
NE-3	11350(12 years)	13600(18 years)	14010(19 years)	14880(21 years)
NE-4	11800(12 years)	13940(18 years)	14450(19 years)	15340(21 years)
NE-5	12600(12 years)	14940(18 years)	15390(19 years)	16840(22 years)
NE-6	13100(12 years)	15470(18 years)	15470(18 years)	17430(22 years)
NE-7	15800(12 years)	18650(18 years)	18650(18 years)	20400(21 years)
NE-8	18150(12 years)	21430(18 years)	21430(18 years)	23440(21 years)
NE-9	19700(12 years)	23200(18 years)	23200(18 years)	25420(21 years)
NE-10	21650(12 years)	25470(18 years)	25470(18 years)	27850(21 years)
NE-11	23750(12 years)	28010(18 years)	28010(18 years)	30630(21 years)

**16. What is the increment rate in the revised pay scales? How it is different from the existing system of increment rate?**

Management agreed to grant increment at the rate of 3% on revised basic pay. This percentage system of increment is more beneficial to the existing system of fixed increment. In the existing pay

scales, the increment amount will remain the same as long as the official remains in the same pay scale. For example in the Group D Pay scale 4000-120-5800, as long as the official continues in the same pay scale, the increment will be Rs 120/- only and it will not increase. But with increment given as percentage on basic pay, the amount of increment will go on increasing every year. For example, in case an official in NE-10(7800-225-11175) pay scale drawing basic pay of Rs 9600/- on 1-1-2007 is fixed in the revised pay scale at the basic pay Rs 21070/- on 1-1-2007 and in case his increment is due on 1-5-2007, he will draw the following increments:-

1-1-2007=21070

1-5-2007=Increment of 3% on 21070=640/- and his basic pay on 1-5-2007 will be Rs 21070+640=21710

1-5-2008=Increment of 3% on Rs 21710=660/- and his basic pay on 1-5-2009 will be Rs 21710+660=Rs Rs 22370/- and so on.

Thus the increment will go on increasing every year.

Because the increment thus goes on increasing every year, there will be no fixed stage in the pay scale as at present. Every body will have his own track in the pay scale, based on his basic pay on 1-1-2007 in the revised pay scale, by getting 3% annual increment on basic pay. Hence it is very essential for each employee to maintain his own salary record.

**17. How this beneficial system of increment as percentage on basic pay was achieved?**

This system of increment as percentage of basic pay was implemented in some PSUs in the previous wage revision that came into effect from 1-1-1997. The CPSTU (Committee of Public Sector Trade Unions) decided to demand and fight for achieving this system in all PSUs and organised struggles on this demand. The BSNL Employees Union participated in all these struggles. As a result of these struggles and as a result of similar demand by the Central Government employees, this system of increment as percentage of basic pay was accepted by 6<sup>th</sup> CPC for Central Government employees and also by the PSUs for the wage revision from 1-1-2007 and accordingly the BSNL management also accepted this system.

**18. How long these revised pay scales coming into effect from 1-1-2007 will continue and when will be the next wage revision?**

As per the guidelines issued by the DPE on 9-11-2006, the periodicity for wage revision for non-executives was ten years. Therefore the revised pay scales that come into effect from 1-1-2007 have to be in force for ten years from 1-1-2007 and next wage revision has to come into effect from 1-1-2017. But in the PSUs, until 1996, five wage revisions were implemented with five year periodicity and thus every five years the wages were revised. But in the sixth wage revision that was effected from 1-1-1997, ten year periodicity was imposed by the Government as per the instructions of World Bank. The unions of various PSUs have come together under the banner of CPSTU and opposed this condition of ten year periodicity and demanded for five year periodicity. Several struggles were organised and notice for strike was also given in several PSUs. BSNL Employees Union participated in all these struggles. A delegation of the CPSTU met the Prime Minister Manmohan Singh along with Com Sitaram Yechury CPI(M) Politbeureau member on 27-4-2008 and as per the assurance given by the Prime Minister, DPE issued orders on 1-5-2008 stating that the periodicity can be any where between 10 to 5 years depending on the agreement reached on the basis of bargain between management and Union.

In several PSUs the Unions agreed for 5 year periodicity with fitment benefit of 24% or 23% (less than 30%) on the ground that after achieving this 24% fitment benefit in the present wage revision with effect from 1-1-2007, in the next wage revision after five years w.e.f 1-1-2012 another 24% fitment benefit can be achieved so that by 1-1-2012 total fitment benefit will be 48% instead of 30%. In BSNL we fought for 5 year period agreement with fitment benefit not less than 30%. We could not go down below 30% fitment benefit because the retiring officials will get more pension with 30% fitment, and also the pension is being revised every ten years by the Government, not five years. Juniors also wanted immediate settlement with 30% fitment benefit since they felt that it is doubtful whether another wage revision in 2012 is possible since the the profits of BSNL are coming down

and the financial condition of BSNL is going down. Due to this problem, BSNL employees can not accept fitment benefit less than 30%. But because of this, whether 10 year periodicity should be accepted? In such case, when wage revision takes place in other PSUs again after 5 years, BSNL employees will have no such wage revision w.e.f 1-1-2012 and they can have next wage revision after ten years, w.e.f 1-1-2017 only. Therefore BSNL Employees Union tried its level best and organised two days strike on the issue of five year periodicity with 30% fitment benefit.

Finally a compromise was reached with the management regarding periodicity. Ten year periodicity will not be mentioned in the agreement. A clause was added in the agreement that the periodicity will be reduced for non-executives if reduced for executives. Thus a possibility of achieving next wage revision along with executives, with less than ten year periodicity is secured, along with achievement of 30% fitment benefit.

**19. Wage Revision was due with effect from 1-1-2007. But the agreement was signed in January 2010 only. Why so much delay?**

As explained above, to prevent the danger of non-executives getting less fitment benefit than executives as happened in the last wage revision in PSUs, we were compelled to wait until the issue of orders on wage revision of executives. In the Executives wage revision order 30% fitment benefit was given without mentioning periodicity. But management tried to impose a condition on non-executives that 30% fitment benefit can be given only when 10 year periodicity is accepted. In the letter written by the Director (HRD), BSNL to Com Namboodiri GS BSNLEU on 22-4-2009, which was circulated to all employees by the management, it was stated that the periodicity of 10 years applicable for executives as recommended by 2<sup>nd</sup> Pay Revision Committee would be applicable for non-executives and the same fitment benefit of 30% granted to executives would be granted for non-executives. This statement of Director (HRD) was false and misleading. No such ten year periodicity was recommended for the executives by the Second Pay Revision Committee and no such ten year periodicity was mentioned in the wage revision order issued by BSNL management for the executives. It was stated in this order that the periodicity would be as per the decision of DPE. The question that came before us was in case we signed for 10 year periodicity for non-executives, and thereafter the DPE decides periodicity less than ten years for executives, then next wage revision will be earlier for executives than non-executives. We had to fight against this discrimination. Although there was delay due to the attitude of the management, finally we were successful in achieving wage agreement without mentioning 10 year periodicity and with the clause that if periodicity is reduced for executives, the same will be applicable for non-executives. Thereafter to solve the problem of span of the pay scale, it took atleast two months time. Therefore the delay was due to these reasons.

**20. How the DA will be paid after implementation of revised pay scales w.e.f 1-1-2007?**

As per the existing system, DA will be granted to fully neutralise the price rise. Since the entire DA 68.8% will be merged with pay on 1-1-2007 in the pay revision, there will be no DA on 1-1-2007 on revised pay. Hence on 1-1-2007, DA on revised pay will be 0 and thereafter it will increase as below, to compensate the price rise fully:

Date of DA	1-1-07	1-4-07	1-7-07	1-10-07	1-1-08	1-4-08	1-7-08	1-10-08	1-1-09	1-4-09	1-7-09	1-10-09
Rate of DA in percent on revised basic pay	0.0	0.8	1.3	4.2	5.8	6.3	9.2	12.9	16.6	16.9	18.5	25.3

Thus based on the increase in the price rise, the DA will increase once in every three months on 1<sup>st</sup> January, 1<sup>st</sup> April, 1<sup>st</sup> July and 1<sup>st</sup> October every year as per the orders issued by DPE.

**21. Some officials newly recruited after 1-1-2007 will get Pay+DA on revised pay less than what they have already drawn in the existing pay scales, on the date of their joining. What provision is there for protecting these officials from such reduction?**

This problem is illustrated by the following example:

- a) A direct recruitee TTA was appointed on 1-10-2009. Therefore on 1-10-2009 his basic pay was the minimum of the existing pay scale i.e., Rs 7100. On 1-10-2009 the following is pay+DP+DA on existing pay scale: Pay=7100; DP=3550/-; DA=6560; Total=Rs 17210;
- b) On 1-10-2009, he will be fixed at the minimum of the revised pay scale, Rs 13600/-. The DA on revised pay in October 2009 is 25.3%. Therefore the DA on 13600/- pay is Rs 3441/-. His pay+DA as per revised pay will be 13600+3441=Rs 17041; Therefore the official will be drawing 17210-17041=Rs 169/- less in Pay+DA on his date of joining, after wage revision.
- c) We discussed this issue with the management and it was agreed not to implement this recovery, by granting this difference as personal pay to be adjusted in future increase in pay+DA. For executives also, the newly recruited JTOs got the same problem in their wage revision and it was agreed to protect it as personal pay.
- d) But this provision is applicable only in case this difference arises on the date of joining in BSNL and not subsequently. This is because wage revision is concerned with revision of existing wage for those joined in BSNL prior to 1-1-2007 or with fixing the minimum wage in the revised pay scale for those joined on or after 1-1-2007. This could not be solved because for the present there is no procedure available for solving it.

**22. What will happen to the extra increment granted for the officials in BCR grade one year before their retirement since they did not get Grade-IV promotion?**

- a) Those who got this extra increment and retired between 1-1-2007 to 31-3-2008—for them the new promotion policy is not applicable. Hence there is no chance for them to get any promotion retrospectively after their retirement. Therefore their extra increment has to be protected, in terms of the revised pay scales. For those among them who got this extra increment before 1-1-2007, it will be added to the basic pay for calculating the 30% fitment benefit while fixing their revised pay. Thus their extra increment will be merged and increased in the revised pay. For those among them who got this extra increment after 1-1-2007, it will be given as an extra increment of 3% on their revised pay and it will be included for calculating pension.
- b) Those retired after 31-3-2008—if they get promotion as per new promotion policy retrospectively, with date of effect for such promotion before 1-1-2007, they will get next higher scale and hence the extra increment will not be there since it was given in lieu of such promotion and their pay on 1-1-2007 will be revised in such promoted pay scale. In case of those among them who will get promotion as per the new promotion policy after 1-1-2007, they can either have their extra increment in their revised pay scale without taking such promotion or they can forgo the extra increment and take the promotion as per the new promotion policy, whichever is beneficial for them.

**23. What are the problems created by the management on the issue of increase in HRA and how those problems were solved?**

HRA rates were revised by DPE (Department of Public Enterprises) to 30% on basic pay for stations with 50 lakhs or more population, 20% of basic pay for stations with 5 to 50 lakh population and 10% for stations with less than 5 lakh population. The same was decided by Central Government for its employees as per the recommendations of the Sixth Pay Commission. These rates were applicable on revised pay scales for the executives of PSUs from the date of approval of the revised pay scales by their concerned Department, but the date has to be on or after 26-11-2008.

Since the revised pay scales for BSNL executives were approved by DoT on 27-2-2007, these HRA rates on revised pay were applicable for them with effect from 27-2-2009. Therefore for the BSNL

non-executives also, these HRA rates are to be applied on revised pay with effect from 27-2-2009 since there can not be different types of HRA system for employees in the same company.

Due to our notice for two days strike on 19<sup>th</sup> and 20<sup>th</sup> May 2009, management agreed this in principle and also issued orders for paying these rates to non-executives on pay+DP in the existing pay scales with effect from 27-2-2009 pending revision of pay scales. Therefore the management had no other alternative except to agree for implementing these HRA rates on revised pay with effect from 27-2-2009.

But the management did not do so and created problem and resisted to include this in the wage agreement. The management was encouraged to do so because of the support given by NFTE-FNTO alliance which made a big propaganda that the revised HRA rates would not be given on revised pay with effect from 27-2-2009, but only from the date of signing the agreement.

We have written a detailed letter to the management regarding the justification for the HRA revised rates on revised pay with effect from 27-2-2009 on par with the executives. We discussed the issue with the management several times. Finally even on the date(15-1-2010) of signing the agreement also the management side did not agree for a long time to accept it. After our declaring that it would not be possible to sign the agreement without the payment of HRA on par with executives and further declaring that such discrimination would not be tolerated by the employees, the management side accepted our demand and agreed for payment of HRA on par with executives with effect from 27-2-2009.

#### **24. What about increase in perks and other allowances?**

Due to the severe fall in revenue and profits and due to the fact that BSNL is already in loss operationally, management did not increase perks and allowances considerably for executives and overall the same procedure is followed for non-executives.

The transport allowance is not increased in case of executives and for us also it is not increased for the same reason. However a clause was put in the agreement to review the transport allowance on 1-1-2012 or along with executives if it is earlier to 1-1-2012.

Food allowance was abolished for executives. But in our case the food allowance was replaced by Skill Upgradation Allowance @ 2% on basic pay every month and it will be paid from the date of signing the agreement. The RMs who were regularised from casual mazdoor on 1-10-2000 on the formation of BSNL will now have basic pay of Rs 5080/- as on 1-10-2009 in the existing pay scale. On 1-1-2007 his basic pay will be Rs 4720/- and he will be fixed at revised pay Rs 10360/- on that date and by 1-10-2009 he will reach revised basic pay of Rs 11350/- after drawing three increments in the revised scale. The skill upgradation will be 2% on 11350/- i.e Rs 227/-, which is more than the existing Rs 225/- food allowance and it will go on increasing along with increase in basic pay and hence beneficial than the existing fixed amount of Rs 225/-. (Till the date of signing the agreement, the food allowance will continue as it is.). In case of those in higher scales, the skill upgradation allowance will go upto Rs 600/- per month (The maximum pay in revised NE-11 pay scale is Rs 30,630/- and for those who reached this pay the skill upgradation allowance will be Rs 613/-.

Rural allowance remained Rs 100/- as it is, and Cycle maintenance allowance, cash handling allowance, fixed conveyance are increased by 50%.

Regarding Special Compensatory Allowances and Other Special Allowances available to North East/Sikkim/Ladakh/A&N islands etc, the allowances being given as percentage will be continued with the same percentage, but on revised pay with effect from the date of signing the agreement. The allowances with fixed rate depending on the pay slabs are increased by 75% with effect from the date of signing the agreement. Till the date of signing the agreement, the existing system will continue. While the executives were given the revised rates of these allowances from 27-2-2009, management discriminated against non-executives by agreeing to give these revised rates from the

date of signing the agreement only. Keeping in view of the anxiety of the employees for an agreement without any further delay, the Union was compelled to agree for this.

Management has not agreed to increase OTA rate inspite of a lot of pressure from us. The Sixth Pay Commission in fact recommended for abolition of OTA. However the Government has not taken any decision so far and therefore there was no revision in OTA rate for Central Government employees. Under these circumstances, we could make the management to agree for reviewing OTA rates on 1-1-2012.

**25. What about Uniform and washing allowance?**

Management demanded the Union to agree for abolition of Uniform on the ground that most of the employees are not wearing the uniform given to them. We told that this can not be the reason for abolition of uniform. If proper suitable uniform is given along with suitable washing allowance, employees will wear uniform. We also told that from CMD to Group.D all employees of BSNL should wear uniform. Management told that uniform is to be abolished to minimise the expenditure in view of the financial condition of BSNL and proposed that instead of uniform, some other compensation can be given. But we have not agreed for abolition of uniform and demanded its continuation. Finally a compromise was reached that the uniform and washing allowance will continue without change until an alternate policy is decided after negotiation with the representative union. The alternate policy can be uniform for all or some compensation in place of uniform. Any how it will be decided only by negotiated settlement with union.

**26. How the increase in maternity leave was got accepted by the management?**

The Central Government had increased the maternity leave from 135 days to 180 days. But BSNL management did not increase it and continued with 135 days limit on the plea that it was a Company and Government rules were not applicable. BSNL Employees Union several times discussed this issue with the management. BSNL Employees Union had requested the Women M.Ps to raise this issue in the Parliament. CPI(M) Polit Bureau member and M.P Comrade Brinda Karat had raised this issue in the Parliament through a question to the Minister. Under these circumstances, the management came forward and accepted the demand and issued orders for executives to increase the maternity leave to 180 days and also agreed with BSNL Employees Union in the wage revision agreement to extend the same for the non-executives.

**27. What about Bonus/PLI?**

Till now, both the executives and non-executives in BSNL are being paid Productivity Linked Incentive(Bonus) based on the rating of the performance of BSNL as a whole. For excellent grading 1.4 times of basic pay, for very good grading 1.1 times of basic pay, for good rating 0.85 times basic pay and for fair rating 0.75 times basic pay is being paid to all employees subject to minimum and maximum limits. But the Department of Public Undertakings(DPE) issued guidelines recently to introduce a new system of Performance Related Incentive for the executives in all PSUs . The BSNL management wanted to introduce the same system for non-executives also, on the plea that there can not be separate schemes for payment of Incentive(Bonus) to the executives and non-executives. The idea behind this new scheme is that the incentive is to be based on the performance of the Circle/District. This means it will differ from Circle to Circle depending on the performance. But the details of the scheme are not yet evolved. In principle we are not for such difference in payment of incentive from circle to circle. We want that all BSNL employees throughout the country should be paid the same incentive as is done till now. Therefore in the wage revision agreement we did not commit to accept what ever the management decides. It was agreed that the new scheme will be evolved through negotiated settlement with the recognised union.

**28. What is the effect of implementation of promotion policy on wage revision?**

In case the promotion policy is implemented before implementation of the wage revision, the officials getting promotion as per the promotion policy before 1-1-2007 will be placed in their promoted pay scale before 1-1-2007 and on 1-1-2007 they will have their pay revised in their

promoted pay scale. Thus they will have more benefit in wage revision. The BSNLEU has requested the management to implement the promotion policy immediately, leaving the NE-12 scale which requires approval of DoT/DPE. (The NE-12 pay scale is required only for granting the promotion as per the policy to those who are in NE-11(Grade-4 of Sr.TOA/TTA).After approval of NE-12 scale they can be promoted to that scale as per their date of eligibility). Management is processing the case for early issue of orders.

## **29. What about the Casual/Contract labor?**

Due to the persistent efforts of BSNLEU and BSNL Casual & Contract Workers Federation, BSNL management issued orders vide No. 269-11/2009-Pers-IV/LE dated 1-1-2010 for payment of wages to Casual labor on par with the Group D pay scale in Central Government based on 6<sup>th</sup> CPC recommendations. This order came into effect from 1-1-2010. The TSM will get wage based on the following calculation, with effect from 1-1-2010:

- a) *Minimum basic pay in Group D -1S revised pay scale in Central Government =Rs 5740*
- b) *Add the number of increments drawn so far, @ 3% on minimum pay*  
*eg: in case the TSM drawn 8 increments and was at 3020 in pre-revised pay scale, then the basic pay after adding these 8 increments will be  $5740 \times (1.03)^8 = 7271$*
- c) *Add HRA @30%(Delhi is taken as example, but in other stations it will be 30%/20%/10%)= $7271 \times 30\% = 2181$*
- d) *Add CDA on 1-1-2010= $7271 \times 27\% = 1963$*
- e) *Total per month= $7271(\text{Basic Pay}) + 2181(\text{HRA}) + 1963(\text{CDA}) = \text{Rs } 11415$*
- f) *Daily wage= $11415/30 = \text{Rs } 381$*   
*In case of Casual Mazdoor the revised daily wage is based on revised minimum basic pay+CDA, calculated as below, as on 1-1-2010:*
  - a) *Minimum revised basic pay= $5740$*
  - b) *CDA @ 27% on 1-1-2010= $1550$*
  - c) *Salary per month= $5740 + 1550 = 7290$*
  - d) *Daily wage= $\text{Rs } 243$*

This is a good achievement. But we have to continue the efforts for payment of wages to casual labor based on IDA pay scale instead of CDA pay scale and also for achieving the goal of regularising the Casual mazdoors/TSMs.

Regarding Contract Labor, we are continuing our efforts to pressurise the management for implementing statutory wages and all other provisions like EPF, ESI etc for them.

## **30. What is the role of NFTE-FNTO alliance in wage revision?**

They tried their level best to harm the employees. While BSNLEU was trying to bring maximum benefit for the employees inspite of the falling financial condition of BSNL, they propagated that we should agree what ever is proposed by the management. They made a big propaganda during last verification that BSNLEU is delaying wage agreement. According to them the agreement should be signed in 2007 or 2008 it self, before wage revision order was issued for BSNL executives in 2009 March. If that was done, we would not have got 30% fitment benefit on par with executives. When the order for executives was released and management proposed 30% fitment on par with executives, but with 10 year periodicity, they have made a big propaganda that BSNLEU should agree for 10 year periodicity and sign the agreement immediately. We ignored their malicious and anti-worker propaganda and finally achieved periodicity on par with executives and in case the next wage revision for executives takes place before 10 years, for us also same periodicity will be applied. In case we signed for 10 years as demanded by NFTE-FNTO, we would have lost in periodicity compared to executives. When we asked them to join along with us in the strikes and struggles for achieving a better wage revision for employees, they did not join. Even though we told them that they will be allowed to sign as witness or in any other manner on the wage agreement although they are unrecognised, they refused for participating in the discussion and struggles on

flimsy grounds. They have written a letter to the management for reducing the span of the pay scale so that employees will stagnate immediately after wage revision. Their only intention is to help the management and work against the employees. When we are trying for increase in the span of the pay scales for the benefit of the employees, they made a propaganda among the employees to withdraw membership from BSNLEU. At every step they tried their level best to harm the employees in the wage revision. We could overcome all their conspiracies and achieved the best possible wage agreement despite the deteriorating financial condition of BSNL.

### **31. What are the lessons to be learnt from the experience of wage revision?**

- a) United struggle along with other PSU unions under the banner of CPSTU helped us in achieving 30% fitment benefit, periodicity on par with executives and 3% increment. These are the major achievements. Therefore we have to strengthen this unity of PSU employees under the banner of CPSTU. Our participation in the struggles as per the CPSTU calls strengthened these struggles and have given good results. Therefore we should further strengthen this unity.
- b) The strike in telecom sector in BSNL alone is not fully effective since the services are not effected and there is alternate arrangement for telecom services by other telecom companies. Our strike has some impact in compelling the management to agree for periodicity on par with executives. But to be fully effective in the strikes we should organise the workers in private telecom companies also so that all can strike together and stop the entire telecom system for effective result.
- c) The NFTE-FNTO alliance has become anti-worker alliance and it divided the workers so that a section of the workers did not participate. We should continue to make all efforts to bring them in the struggle programmes and in case they are not willing, such leaders should be isolated from workers in order to strengthen the unity of the BSNL employees.
- d) *(Our wages are due to the earnings of BSNL. But due to the wrong policies implemented intentionally by the Government to destroy BSNL for the benefit of private telecom companies, BSNL is already in operational loss as detailed above. We should realise the gravity of the situation. We have to organise the struggle for protecting and developing BSNL in three fronts:*
  - i) *All employees should work dedicatedly and extend better service to the customers and see that the share of BSNL in the telecom services market increases with a large scale increase in the number of customers. To popularise this requirement, the following is added in the wage revision agreement:*

#### **“WORK CULTURE AND TRAINING**

*The recognised union has agreed to extend full support to all initiatives taken by the management for further improving the work culture.*

*Management and representative union agree to cooperate for creating a harmonious industrial relationship conducive to the growth of BSNL's share in the telecom services market. It has also been agreed that retraining of its employees consistent with skills and technology will be undertaken, wherever necessary, especially in the context of technological changes.”*

*Improvement of work culture and extension of better services to the customers and making all efforts for increasing the number of BSNL subscribers in large scale is a part of our struggle for saving and developing BSNL and along with it for saving our future. Therefore we should take the initiative by tuning ourselves with this requirement and improving the work culture.*

- ii) *The NDA Government and the UPA Governments thereafter have been trying to destroy BSNL in order to help the private telecom companies. Several hurdles were created to scuttle the development of BSNL. Only after the one day strike in 1997 by all the executives and non-executives together, the Government was compelled to allow BSNL to procure GSM equipment to a certain extent in order to meet the demand for providing cell phone connections. Again the Government and other institutions of the State are putting*

several hurdles in procuring the 93 million GSM equipment as per the tender finalized by BSNL. On the one hand the Government is putting brakes in the development of BSNL and on the other hand the Prime Minister is holding meetings with Communications Minister, DoT/BSNL authorities for protecting the financial viability of BSNL! The solution they are trying to impose is to sell 10% of the shares of BSNL through IPO. According to them the only way to save the BSNL is to sell it in phased manner and privatise it finally. The real aim is to hand over the more than 40 lakhs crores worth assets of BSNL spread over through out the country, to the big capitalists-Indian and Foreign. Unless such policies are defeated, we can neither save BSNL nor our future. Therefore we have to fight against these wrong policies of the Government, by uniting all non-executives and executives in the struggle.

- iii) At present the Capitalist-land lord classes are controlling the politics and they are able to see that the political parties representing their interests are able to get majority in the elections and form Governments at Centre and in various states. So far, the parties representing the interest of the working class and the people—the left and democratic parties are able to get majority in three States only—Kerala, Bengal and Tripura. When the Left got 60 M.Ps and the UPA-1 Government depended on their support, the Government at the Centre was not able to go ahead with its plans for privatising PSUs and privatising pension. It was compelled to bring National Rural Employment Guarantee Act for providing 100 days guaranteed work per year in rural areas. The Left Governments in Kerala, Bengal and Tripura implemented land reforms and protected the rights of the working class. Therefore it is necessary to change the balance in politics in favor of the working class and people by sending more representatives of working class to Parliament/assemblies. But this is possible only by the active participation of the working class in the politics. Therefore besides organising the struggle to improve the work culture, the struggle against the wrong policies of the Government, we have to participate in the political struggle for changing the politics of the country in favor of working class and people.”)

By

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