

WAGE REVISION

Defeat the conspiracy of BSNL
Management and its agents

Unite & Fight for Better Wages

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DEFEAT THE CONSPIRACY OF THE MANAGEMENT AND ITS AGENTS

Unite and fight for achieving wage Agreement with five year periodicity and
Fitment benefit not less than 30% on Pay+78.2%da

- **Wage negotiation going slow in BSNL and several other PSUs due to the negative attitude of the managements**

All the BSNL Employees (non-executives) are anxiously waiting for early conclusion of the wage revision negotiations and they are expecting a better wage revision agreement. As the recognized union, BSNL Employees Union has been trying its level best for achieving this. But it is a matter of concern that the wage negotiations in BSNL as well as in several other PSUs are going at a very slow pace owing to the negative approach of the managements.

- **Achievements of the struggles under the banner of CPSTU**

The BSNL Employees Union and Unions in other PSUs fought united under the banner of CPSTU (Committee of Public Sector Trade Unions) and compelled the Government to agree for 50% DA merger and five year periodicity for wage revision. DPE (Department of Public Sector Enterprises) issued orders accordingly for 50% DA merger as well as for allowing five year periodicity for wage revision.

- **The achievements after starting the wage negotiation**

In the last wage revision (sixth wage revision in CPSUs) which came into effect from 1-1-1997, executives were given more fitment benefit and non-executives were given less fitment benefit. To avoid this discrimination against non-executives, the CPSTU decided that no union of non-executives in any PSU should sign wage revision agreement before the wage revision of executives. The BSNL Employees Union followed this joint decision of the CPSTU. Because of the firm stand taken by BSNL Employees Union to wait until the wage revision of the executives, the management was compelled to come forward in the first meeting of the Wage Revision Committee with the proposal to grant 30% fitment benefit on pay+68.8% DA on par with executives of BSNL. This itself was a great success for the stand taken by the BSNL Employees Union and CPSTU. Besides, due to the struggles organized by BSNLEU and United Forum, the management was compelled to issue orders granting six months basic pay as advance (interim relief) pending wage revision.

- **Conspiracy of the BSNL management**

But the BSNL management is conspiring to exploit the non-executives in the matter of quantum of fitment benefit and tenure of wage agreement. In spite of the favorable orders of DPE allowing five year periodicity, it has put the condition that 30% fitment benefit on pay+68.8%DA can be given on par with executives, provided 10 year periodicity is agreed by the Union. Management is saying that for executives, the wage revision periodicity is fixed as 10 years and hence the same is applicable for non-executives. The management is further saying that in case the periodicity is reduced less than 10 years for the executives, the same will be applicable for non-executives also. Management is saying that for 5 year period wage agreement the fitment benefit will be less than 30%. This is nothing but an effort to deceive the non-executives. In fact no periodicity was fixed for executives wage revision and it was left open ended. When the management was able to grant 30% fitment benefit to executives without fixing any periodicity, why it should prescribe ten year periodicity for granting 30% fitment benefit to non-executives? Ten year periodicity was not fixed even for the Central Government employees in the wage revision based on sixth pay commission report. When there is no 10 year periodicity for Government employees and for executives in PSUs, why the BSNL management is insisting for 10 year periodicity for its non-executives? This reveals the anti-worker nature of the BSNL management.

- **Imposition of 10 year periodicity in the last wage revision.**

It is to be noted that in PSUs, wage revision took place once in five years until the last wage revision (sixth wage revision). Since 10 year periodicity was decided for the executives in the sixth wage revision which came into effect from 1-1-1997, the same was imposed on non-executives in that wage revision. At the same time the fitment benefit granted to the executives was denied for the non-executives in that wage revision.

- **Coal Sector workers defeated 10 year periodicity**

But the Coal Workers have not accepted this ten year periodicity in the sixth wage revision. They fought against this condition and continued to have five year period wage revision.

- **The wage revisions in Coal Sector took place as below:**

NCWA (National Coal Wage Agreement)	PERIOD	SIGNED ON	TENURE
NCWA-I	01-01-1975 to 31-12-1978	11-12-1974	4 years
NCWA-II	01-01-1979 to 31-12-1982	11-08-1979	4 years
NCWA-III	01-01-1983 to 31-12-1986	11-11-1983	4 years
NCWA-IV	01-01-1987 to 30-06-1991	27-07-1989	4 1/2 years
NCWA-V	01-07-1991 to 30-06-1996	19-01-1996	5 years
NCWA-VI	01-07-1996 to 30-06-2001	23-12-2000	5 years
NCWA-VII	01-07-2001 to 30-06-2006	15-07-2005	5 years
NCWA-VIII	01-07-2006 to 30-06-2011	24-01-2009	5 years

- **Benefit got by Coal Sector workers due to five year periodicity for wage revision**

After 1-1-1997, the non-executives in Coal Sector got two wage revisions, one with effect from 1-7-2001 and another with effect from 1-7-2006 whereas for the executives in the same coal sector for whom 10 year periodicity was implemented, got only one wage revision with effect from 1-1-2007. As a result the non-executives got more fitment benefit than executives in this 10 year period. The non-executives got fitment benefit of 52.52 % in total due to wage revisions from 1-7-2001 and from 1-7-2006. But the executives got only 30% fitment benefit in the wage revision on 1-1-2007. Therefore the executives in Coal Sector have submitted a memorandum to their management on 10-02-2009 demanding parity with non-executives in the matter of fitment benefit and periodicity! As per the calculations of the executive associations in coal sector submitted to the management in this memorandum, the non-executive in A-1 grade will get more wage than the executive in E-1 grade, as detailed below:

- **NCWA (National Coal Wage Agreement)**

(Amount in Rupees)

AS ON 01.01.1997				AS ON 01.07.2001		
Particulars	A-1(Under Sixth Wage Revision W.E.F 01.07.1996)	E-1(Under Sixth Wage Revision W.E.F 01.01.1997)	% of diff. of E-1 over A-1	A-1(Under Sixth Wage Revision W.E.F 01.07.2001)	E-1	% of diff. of E-1 over A-1
WAGE	7181	8600	(+) 19.8	11281	11120	(-) 1.43

(Amount in Rupees)

AS ON 01.01.2007				AS ON 01.07.2011(Projected)		
Particulars	A-1(Under Sixth Wage Revision W.E.F 01.07.2006)	E-1(Under Sixth Wage Revision W.E.F 01.01.2007)	% of diff. of E-1 over A-1	A-1(Under Sixth Wage Revision W.E.F 01.07.2011)	E-1 (As sumed)	% of diff. of E-1 over A-1
WAGE	17677	16400	(-)7.2	26954	21146	(-) 21.55

From the above details, it is clear that a two five year agreement is always better than one ten year agreement. It is to be noted that even though the Coal Sector agreement with effect from 1-7-2006 was for 5 years with 24% fitment benefit, the minimum basic pay as per this agreement was Rs 93467- w.e.f 1-7-2006. With DA due 1-1-2007, this becomes Rs 9721/-. It is to be noted that the minimum basic pay for group D in BSNL at present is Rs 4000/-and it will be Rs 9270/- on 1-1-2007 if fitment benefit of 30% on pay+78.2% DA is granted in wage revision. This is less than the minimum wage in the coal sector as detailed above. This will further increase in the next wage revision in Coal Sector. Further, as per the Coal Sector agreement, besides the fitment benefit of 24%, those retiring before 1-7-2011 (Date of next wage revision) will be granted one additional increment.

- **Decision of all unions in PSUs for restoring five year periodicity in wage revision**

Except Coal Sector, in all other PSUs 10 year wage agreement was implemented in the sixth wage revision with effect from 1-1-1997. Hence all PSU unions have decided to achieve five year agreement in the seventh wage revision and fought under the banner of CPSTU and compelled the Government to issue an order (DPE OM No. 2(7)/06-DPE (WC) - GL VI dated 1st May 2008) enabling PSUs to agree for five year periodicity for wage revision, with the approval from concerned ministry. Based on this order, the unions in all major PSUs are now fighting with their managements for achieving five year period wage agreements with fitment benefit on par with executives. In BSNL, the recognized union BSNLEU along with United Forum is trying to achieve this.

- **BSNLEU demands five year agreement with fitment benefit not less than 30% on pay+78.2% DA**

The BSNL management is saying that incase of five year agreement the fitment benefit will be necessarily less than 30%. In Coal Sector the Unions accepted 24% fitment benefit for five year periodicity since it is the second wage revision after 1-1-1997, one on 1-7-2001 and another on 1-7-2006. In these two agreements, a total fitment benefit of 52.52% was achieved in Coal Sector. Since we have only one wage revision on 1-1-2007 ten years after 1-1-1997, we should achieve fitment benefit not less than 30%. Since the top level executives in BSNL, like GIW CGM/Director etc got in effect a fitment benefit of 50 to 62% on Pay+78.2% DA, the BSNLEU is demanding the same fitment benefit for non-executives.

- ***In case five year period wage revision is achieved, the benefit of two wage revisions on 1-1-2007 and on 1-1-2012 shall be available to all including those retiring before 1-1-2012***

Assuming that we achieve five year wage agreement with fitment benefit of 30% on Pay+78.2% in this wage revision from 1-1-2007 and assuming that we will achieve another 30% fitment benefit in the wage revision due on 1-1-2012, the total fitment on 1-1-2012, will be 60%. This total fitment benefit of 60% will be available for all the employees, including those who retire before 1-1-2012. This is because those who retire before wage revision can not be discriminated compared to those who retire after wage revision, in the matter of pension. For example the Government has issued orders vide Department of Pension & Pensioners' Welfare F.No.38/37/08-P&PW(A) dated 1-9-2008 to revise the pension of those retired before 1-1-2006 on par with those retired after 1-1-2006 by granting 40% fitment benefit to those retired before 1-1-2006, on par with the fitment benefit granted to the serving employees on 1-1-2006 as per sixth pay commission report with effect from 1-1-2006. On the same line, the additional fitment benefit of 30% as assumed to be granted as above to those who will be in service on or after 1-1-2012 has to be granted for those retiring before 1-1-2012 also to upgrade their pension on par with those retiring after 1-1-2012. Thus there will be no discrimination between those retiring before and after 1-1-2012. On 1-1-2012, the non-executives, both retired and serving by that date, will enjoy the benefit of the two wage revisions on 1-1-2007 and on 1-1-2012, in case we achieve five year wage revision agreement.

- ***Five year wage agreement will not create any problem regarding pension***

The management is saying that there may be difficulty in revising the pension in case wages are revised every five years, since pension for the DoT employees absorbed in BSNL is paid by the Government and since there is no five year wage revision for Government employees. This is not correct. The periodicity of wage revision implemented for Central Government employees with effect from 1-1-2006 on the basis of sixth pay commission recommendations is not decided anywhere and there is no basis for assuming it as 10 years. As per Rule-37A of pension rules, the pension for absorbed BSNL employees is to be calculated in the same manner as in the case of Government employee, it is not in any way linked with the periodicity for wage revision. Only thing is that what ever may be the periodicity of wage revision, an order has to be issued by the Government upgrading the pension of those retiring before wage revision on par with those retiring after wage revision. Who has to issue such an order? Whether DoT can issue on its own or whether it is to be done by the Department of Pension? This is not yet decided. That is why the order for implementing the 50% DA merger with effect from 1-1-2007 for those retired before 1-1-2007 still remains unissued. Once this question is decided, there is no problem regarding periodicity of wage revision, in the matter of pension.

- ***Even though all other PSUs implemented it, the BSNL management is still trying to deny fitment benefit on pay+78.2%DA***

It is to be noted that some PSUs have informally agreed for 30% fitment benefit with five year periodicity. ECIL had agreed for 30% fitment benefit in principle, without any reference to periodicity and granted interim relief to its non-executives on that basis. Moreover, while all other PSUs have granted 30% fitment benefit to executives on pay+78.2% DA (including 50%DA merger benefit), the BSNL management granted its executives 30% fitment benefit on pay+68.8% DA only (excluding DA merger benefit) and wants to impose the same (i.e. fitment benefit on pay+68.8%DA instead of on pay+78.2%DA) on non-executives. Even though DPE issued orders on 2-4-2009 allowing 30% fitment benefit on Pay+78.2%DA for the executives in all PSUs, the BSNL management has not accepted it so far for the executives and is trying to deny this benefit to both the executives and non-executives.

- ***Financial health of BSNL and wage revision***

Some forces including management are making a propaganda that the revenue and profits of BSNL are continuously declining, the profit of BSNL came down drastically, the net profit of BSNL may be around Rs 100 crores only for the year 2008-09 and in such circumstances it is better to compromise regarding the issue of wage revision and accept whatever the management offers. But it is to be noted that in spite of the drastic decline in the profits of BSNL, the top level executives of BSNL like CMD, Director, CGM and GM were awarded with pay revision on par with the top level executives in highly profitable PSUs like ONGC etc. When these top level executives are rewarded thus for making BSNL profits decline, how can they preach non-executives to accept the negative conditions of 10 year periodicity and 30% fitment benefit on pay+68.8%DA and compromise with their demand for

five year periodicity and not less than 30% fitment benefit on pay+78.2% DA? The profits are declining due to the wrong policies of the Government and management and without correcting these wrong policies, the profits will not increase even if we accept whatever is offered by the management in the wage revision. Moreover 5 year period wage revision with fitment benefit not less than 30% on pay+78.2%DA will enthuse the employees for working with more dedication since they will be more interested in the financial health of the company as they have to get another wage revision after five years.

To get their assistance in increasing exploitation and privatization, the Government is giving more in wages to top executives, in the name of retaining them in PSUs without migrating to private sector where the wages of top level executives are very high.

Public Sector should have a different philosophy, different culture, different mindset, different dedication, and different commitment to the nation. Only money mindset will not solve this problem but will aggravate it. Top level executives should be a leader towards that goal of protecting and developing Public Sector for the benefit of the nation.

But neither the Government nor the top level executives are interested in protecting and developing the public sector. The Government wants to disinvest and privatize the public sector and allow the Indian and foreign big capitalists to purchase public sector undertakings at dead cheap rates and thus gain windfall profits without doing any thing. The mindset of the top level executives is being molded for this purpose. Therefore the task of protecting and developing BSNL has to be taken up by the non-executives and lower level executives for the sake of their future as well as for protecting the interest of the people of India. Compromising on the issue of wage revision is not a solution. The task is to unite and fight against the wrong policies of the Government and management and thus protect the BSNL. Besides it is necessary to improve the work culture and work with more dedication so that the existing customers are retained and more and more customers are attracted.

- ***NFTE-FNTO leaders acting as agents of BSNL management to impose adverse conditions in the wage revision of BSNL employees***

Unfortunately the so called BSNL Workers Alliance lead by the NFTE and FNTO leaders is colluding with the management to impose 10 year periodicity and fitment benefit on pay+68.8%DA only, on the non-executives and trying to sabotage the efforts of the recognized union (BSNL Employees Union) for achieving five year period wage agreement with fitment benefit not less than 30% on pay+78.2% DA. In its website, the FNTO has instructed its leaders to obtain the following letter signed by the employees for submission to the management:

To achieve wage revision at par with executive, members may send the following format duly signed to CMD BSNL direct.

FORMAT

Sir,

Subject: Wage revision of BSNL non-executives - Regarding

Ref: GM (SR), BSNL Letter No. BSNU38-1/SR/2009 dated 22-4-01

I agree for the fitment benefit and other conditions at par with executive pay revision. Kindly award pay scales as recommended by second pay review committee and finalize the wage revision expeditiously.

Place:

Name:

Date:

Designation:

The GM (SR), BSNL Letter No. BSNL/38-1/SR/2009 dated 22-09 mentioned in this letter drafted by FNTO has endorsed the appeal made by Director (HRD), BSNL in his letter dated 22-2009 to Com. Namboodiri General Secretary of BSNLE requesting for accepting 10 year periodicity with 30% fitment benefit on pay+68.8% DA for non-executives. Com. Namboodiri in his reply dated 23-4-2009 addressed to Director (HRD) rejected this paltry offer and demanded fitment benefit on par with executives, on Pay+78.2%DA, with 5 year periodicity. But FN is asking employees to sign the letter agreeing for 30% fitment benefit on pay+68.8%DA with 10 year periodicity, as per the a worker proposal of the management. In this letter drafted FNTO on which the employees are asked to sign, it was demand to grant non-executives the pay scales recommended by second pay revision committee! The second pay revision committee was appointed for executives wage revision are recommended the pay scales of executives only, and not for non- executives. How the pay scales of executives are applicable non-executives? It is

clear that FNT0 has no view or p regarding wage revision for non-executives except to support the anti-worker stand of the management. NFTE is also sailing in the same boat along with FNT0. While the unions in all major PSUs are fighting for achieving five year periodicity with fitment benefit not less than 30% on Pay+78.2% DA and while in BSNL the recognized union BSNLEU is also fighting for achieving this, the NFTE and FNT0 leaders are trying their level best to defeat this and to impose 10 year periodicity with 30% fitment benefit on pay+68.8% DA only, and they are collaborating with the management for this purpose.

- ***The track record of the pro-management and anti-worker attitude of the leaders of NFTE-FNT0***

It is to be noted that the FNT0 never participated in the struggles organized by CPSTU on wage revision demands. Although NFTE was a partner in the CPSTU, it rarely implemented the calls given by the CPSTU. Thus the leaders of NFTE and FNT0 are against united struggles for achieving a better wage agreement. It is to be noted that the NFTE and FNT0 previously agreed for ban on recruitment, abolition of operative and supervisory posts for OTBP/BCR, agreed for making employees surplus in the name of cadre restructure, agreed to forgo the benefit of FR22(1)(a)(1) for OTBP/BCR in restructured cadre, agreed for the entry of private telecom companies in telecom sector, agreed for Corporatization of services under DoT, agreed in principle for privatization of BSNL at the time of formation of BSNL itself, agreed for continuation of 16/26 years promotion until 31-12-2006 without demanding new promotion scheme, agreed for VRS/CRS etc. Not only this. The NFTE proposed for reduction of pension on IDA scales to CDA scales and FNT0 was a partner in the alliance with NFTE at that time. It is to be noted that NFTE and FNT0 did not participate in any General Strike organized by the working class against privatization policies. Therefore it is natural for them to come together in support of the management and against the employees in the matter of wage revision. The NFTE-FNT0 alliance was named as Workers' Alliance in order to deceive the workers. It is in fact anti-worker alliance.

- ***The call given by the extended session of CPSTU held at Kochi on 27-6-2009***

The extended session of CPSTU held at Kochi (Kerala) on 27th June 2009 gave call to all non-executives in each PSU to unite together and fight for achieving five year period wage agreement with fitment benefit not less than 30%, on pay+78.2% DA. The BSNL Employees Union participated in this meeting and endorsed this call.

- ***The status of wage revision in other PSUs***

No wage agreement for non-executives has taken place in any of the major PSUs like ONGC, NTPC, BHEL, SAIL, BEL, ECIL, HAL, BDL etc so far. Negotiations are going on and all are fighting to achieve five year period wage agreement with fitment benefit not less than 30% on pay+78.2% DA.

- ***Appeal***

The BSNL non-executives wage negotiation committee meeting was held previously on 5-6-2009. Thereafter, the Chairman of the Committee Sri R.K.Batra PGM (IR) retired on 30-6-2009. The Director (HRD) assured BSNLEU that a new chairman will be appointed for the committee and the negotiation will be started again shortly. The BSNLEU is trying its level best along with other United Forum partners to achieve five year period wage agreement with fitment benefit not less than 30% on pay+78.2%DA. Unfortunately the leaders of NFTE and FNT0 are acting as the agents of the management and making all out efforts for imposing 10 year period wage agreement with 30% fitment benefit on pay+68.8%DA. Under these circumstances, the BSNL Employees Union appeals to all non-executives in BSNL to defeat this conspiracy of management and its agents and unite together, irrespective of their affiliations, and join in the struggle for achieving a better wage revision agreement, with five year periodicity with fitment benefit not less than 30% on pay+78.2% DA.

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