



## Expectations from the Seventh Pay Commission

**T**he recent recommendations of around 24 per cent salary raise from the 7<sup>th</sup> Pay Commission could not elicit cheers from the behemoth Indian bureaucracy as it had been expecting a much liberal and larger pay bonanza. The recommendations are likely to impact the lives of some 47 lakh central government employees and 53 lakh pensioners. It has been suggested that the 7<sup>th</sup> Pay Panel has recommended the lowest ever pay raise in 70 years even though the Government has termed it as 'historic'. Not only the bureaucracy, even our armed forces have not been very happy about the recommended salary hikes. Many State Governments, which are still reeling under the financially ruinous impact of the 6<sup>th</sup> Pay Commission Report, would have found it real difficult to face up to their rebellious employees union demanding commensurate pay hikes had the 7<sup>th</sup> Pay Panel recommendations been along the expected lines.

Despondency of the stakeholders notwithstanding, the fact remains that the global economy as a whole has not been doing very well and is actually passing through a slump phase due to recessionary forces casting a pall of gloom and doom all over. While it's true that the Indian economy as such has been a reasonably bright spot amidst an ambience of negativity and has seen some multi-sectoral growths in the recent past, still the situation has not improved enough for the country to offer the kind of bonanza that Indian salariat has been expecting. The announced package itself shall impose an additional cost of around Rs. 10,2000 crore annually, which is about 0.7 per cent of our GDP.

Against the threatened strike by 33 lakh central government employees, the Government is already said to be ruminating over some revisions and modifications in the announced package. Yielding to the pressure from the agitating and disgruntled employees, the Union Cabinet has decided to constitute three separate committees, including one to look into the anomalies likely to arise out of enforcement of the Pay Commission's recommendations.

It has been argued that the fixation of the minimum wage at a meagre Rs. 18,000 in the 7<sup>th</sup> Pay Commission does not do justice to the huge inflationary pressure created over the last ten years. As the minimum basic pay announced by the last Pay Panel was Rs. 7000 which

has been multiplied by the extant Pay Panel by 2.57 (fitment formula), thereby arriving at Rs. 18,000. However, the employees have been demanding 3.68 fitment formula to take the minimum wage to, at least, Rs. 26,000 in consonance with the huge spikes in the consumer and wholesale price indices. The employees also point to the colossal gap created between the minimum and the maximum wage as a result of acceptance of the 7<sup>th</sup> Pay Commission recommendations.

One striking feature of the 7<sup>th</sup> Pay Commission Report, as accepted by the Government, is its rejection of a controversial demand for pay parity between officers of the elite Indian Administrative Service (IAS) and other services such as Indian Police Service (IPS) and Indian Forest Service (IFoS). The Government has accepted the contention that the IAS officers be allowed to retain the financial and career-related edge they have over other civil services, which demanded parity in the run up to the release of the recommendations.

Two members in the Commission were of the view that all AIS (All India Service) and Central Services Group-A officers, who have completed 17 years of service, should be eligible for empanelment under the Central Staffing Scheme (CSS) at the same seniority as allowed for IAS officers and the 'two-year edge' presently enjoyed by the IAS should be withdrawn. A Confederation representing thousands of officers of 20 civil services including IPS recently requested the Government to give equal pay and job-related opportunities to them as enjoyed by those in the IAS. As the Government has accepted the Panel's recommendation on pay and allowances in toto, the same has given a very strong hope to all other services that they will get parity in service as recommended by these two members of the Commission.

Justice A K Mathur, a member of the 7<sup>th</sup> Pay Commission, felt, "It is time that government take a call that subject domain should be the criteria to man the posts and not a generalist" (sic). This is a good proposal which can be considered in keeping with the lateral entry plan as has been mooted by many observers. It has been suggested by many that after a certain threshold level, all posts and positions be made open to anyone and everyone. Merit and competence ought to be the only criterion for selection to the posts, rather than time-scale automatic promotion where the length of service served by an officer makes him/her eligible for promotion to the higher rank.

The non-IAS officers have been demanding the career-related parity with the IAS while empanelling them to various positions in the Government of India including Joint Secretary, Additional Secretary or Secretary, the same could be given a thought, at least for IPS and IFoS given the similarity in service conditions. However, many in the IAS feel that in the condition of the same being allowed, the senior prestigious positions of other services in IPS, IFS, IFOS, IAS, IRS and others also need to be pried open for lateral entry, e.g., positions as Director, Central Bureau of Investigation or Director, Central Board of Direct Taxes, induction into the Railway Board or Comptroller and Auditor General of India, etc.

If IAS officers have been resisting encroachment of their financial and career related edge over others, they are very much justified. After all, when all the Central Service Officers have their initial postings in major towns and cities with much better service conditions, the IAS officers usually slug it out in the small and obscure places with hardly any proper

infrastructure or services worth its while. However, one does feel as these service conditions are similar for the IPS and IFoS officers, they should definitely be granted the said parity with the IAS, at least, selectively in some departments. However, the rich experiences an IAS officer gains through his career owing to exposure to a wide gamut of societal problems and complexities, the same are unmatched for any other service.

The specialists because of their blinkered vision and niche expertise generally are not equipped to see the larger picture to appreciate the practical complexities in a situation as can a generalist IAS officer. The forces of change and conservatism need to be evenly placed so as to maintain the requisite balance in the system. All said and done, the government does need to keep the service conditions including the salaries attractive enough to retain and attract the best and the brightest to serve in the government otherwise we shall keep losing them to the private sector. A social welfare state like India does need a well-oiled bureaucracy to match the demands and challenges in a developing society. Hence, it is suggested that the steel-frame which has served the country and has responded to the demands of time so well does deserve government generosity. However, the former too should not be unreasonable in their demands in an underdeveloped country.

### Salient Points

- Likely to impact the lives of some 47 lakh central government employees and 53 lakh pensioners.
- Bureaucracy and our armed forces are happy about the recommended salary hikes.
- Economy grown well recently still not enough to offer the huge bonanza.
- IAS allowed to retain the financial and career edge over other civil services because of IAS's rich experience.
- Initial Service conditions of non IAS services are much better than IAS.
- Merit should be the only criterion for selection to the posts and time based promotion.
- Specialists do not see the larger picture to in a situation as can a generalist IAS officer.

### Glossary

**Behemoth:** any creature or thing of monstrous size or power

**Colossal:** extraordinarily great in size