

CHAPTER IV **WAGE POLICIES & RELATED MATTERS**

(a) Wage Policy/Pay Revision/HPPC Recommendations

DPE/Guidelines/IV(a)/21

Representation from Committee of Public Sector Trade Union (CPSTU) with regard to wage negotiations and other related issues pertaining to workmen of CPSEs.

Representations have since been received from various organisations forwarding a joint declaration dated 17.2.2008 and 18.2.2008 adopted by Committee of Public Sector Trade Union (CPSTU). CPSTU comprises of AITUC, CITU and HMS. The demands listed out inter alia include tenure of the wage agreement to be not more than five years and Merger of DA equal to 50% of the basic pay to be with effect from 1.4.2004. The declaration lists out an action programme for pressing their demands.

2. CPSE employees through various associations like National Confederation of Officers' Association (NCOA), Oil Sector Officers' Association (OSOA) and others had earlier also raised the issue of merger of 50% DA with the basic pay. The Government has since merged the DA w.e.f. 1.1.2007, based on the recommendation of the 2nd Pay Revision Committee. It may be mentioned that 1st Pay Revision Committee (Justice Mohan Committee) had not recommended any merger of DA with the basic pay at any point of time. The recommendation of the 2nd Pay Revision Committee as and when accepted by the Government of India will be effective only from 1.1.2007 and as such after due consideration the 2nd Pay Revision Committee had recommended the merger of 50% DA with the basic pay from 1.1.2007, which was accepted by the Government.
3. As regards periodicity of wage revision in respect of unionised workmen, the Policy for the 7th Round of wage negotiations provides for a 10 year periodicity. However, considering the demands from various associations/unions, the guidelines have since been issued to the Administrative Ministries/Departments to consider the claims for altering the period of settlement (not less than 5 years) from workmen's unions of CPSEs on a case by case basis and to decide with the approval of their Minister. (Copy of O.M. dated 1st May, 2008 enclosed).
4. The Administrative Ministries/ Departments are requested to handle the situation individually and if necessary may advise the management of CPSEs to explain to the concerned associations/ trade unions the position.
5. This issues with the approval of Minister for Heavy Industries & Public Enterprises.

(DPE OM No. 2(7)/05-DPE (WC)-Part –GL-VII dated 1st May 2008)
