

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:3602
ANSWERED ON:18.12.2006
WAGE NEGOTIATIONS WITH EMPLOYEES
Sippiparai Shri A. Ravichandran

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government has allowed Central PSUs to start wage negotiations with their employees;
- (b) if so, the details thereof; and
- (c) if not, the steps taken in this regard so far?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a): Yes, Sir.

(b): The Government has issued guidelines on policy for the Seventh Round of Wage negotiations

(which falls due on a general basis from 1.1.2007) in Central Public Sector Enterprises (CPSEs). The guidelines inter-alia stipulate that the management of CPSEs would be free to negotiate the wage structure, no budgetary support for the wage increase shall be provided by the Government, wage settlement would be for a period of 10 years with 100% D.A. neutralization with effect from

1.1.2007, wage revision in sick CPSEs registered with Board for Industrial and Financial Reconstruction (BIFR) will be after approval of the revival plan by BIFR and that such negotiated wages would not come in conflict with the pay revision of officers and non-unionised supervisors of the respective CPSEs.

These guidelines are broadly similar to the existing policy on Sixth Round of Wage negotiations.

(c): Does not arise.