

14.36 hrs.

Title: Regarding rejecting award relating to revision of rates of overtime allowance. (Resolution adopted)

SHRIMATI VASUNDHARA RAJE (THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE): I beg to move:

"That this House approves the proposal of the Government to reject the Award given by the Board of Arbitration in C.A. Reference No. 6 of 1981 relating to revision of rates of Overtime Allowance and raising of the upper pay limit for admissibility of this allowance for office and comparable staff, in terms of Para 21 of the Scheme for Joint Consultative Machinery and Compulsory Arbitration, as the implementation of the Award, which involves an expenditure of over Rs. 460 crores in payment of arrears and a recurring expenditure of Rs. 54 crore per annum, will lead to diversion of scarce resources from development expenditure to non-productive expenditure and will thus adversely affect the national economy."

I am grateful to the hon. Members of this House for showing understanding of all aspects leading to the Government's decision not to accept the Award of Board of Arbitration because of severe constraints on resources. As hon. Members would have noted, this Award was given on 18th November, 1982, increasing the upper pay limit for admissibility of Overtime Allowance (OTA) from Rs.750 per month to Rs.900 per month. This is equivalent to amount of Rs.2,200 and Rs.2,500 per month as per Fourth Pay Commission scale, and increasing the OTA rate to one and one-fourths (1¼) times of the rate of emoluments (as against single hourly rate).

The aforesaid Award was earlier referred to the Fourth Central Pay Commission who recommended abolition of Overtime Allowance, and, therefore, did not consider the Award. Accordingly, the Award was rejected and as per the then existing procedure a Statement was laid in the House in November, 1987. However, as per the revised JCM procedure, introduced in 1989, approval of Parliament is required to the Government decision. Hence, the need for moving the Resolution.

Different Governments have been reviewing the matter at different times since 1992, but none of them has accepted the Award in view of the adverse implications. At this juncture, I would just like to bring to the notice of the hon. Members that the system of paying overtime allowance (OTA) in Government offices was recommended for discontinuance both by the Fourth and the Fifth Central Pay Commission.

There are very wide ranging ramifications and up to the year 1998-99 on account of arrears that have now been estimated at Rs.460.25 crore, with recurring financial implication of Rs.54 crore per annum which would adversely affect the national economy. It would also be extremely difficult to implement this Award from the date of Award (18th November, 1982) because the records of OTA claims will not be available, and a very large number of employees would have retired from service. In case of implementation, the ceiling of Rs.900 would also need to be revised (to say Rs.2500) with effect from 1st December, 1990, the date from which the ceiling of Rs.750 was revised to Rs.2200. Further, though OTA is presently being paid as per the notional pay of Rs.2200, this ceiling (and the ceiling Rs.2500 if fixed in lieu of Rs.900) will also need to be further revised as per the Fifth Central Pay Commission pay scales if and when the demand for revision of rates, which is being raised by the staff side in various fora is agreed to. Also, the expenditure on pay and allowances of civilian employees of the Central Government has successively gone up from Rs.19,955 crore in 1996-97 to Rs.26,938 crore in 1997-98, and, then to Rs.31,066 crore in 1998-99. If the expenditure on the employees of Armed Forces, Union Territories, Autonomous Bodies, etc., is also taken into account these figures will further go up considerably. Also, the grant of extra benefits allowed earlier by the Central Government in the wake of the Fifth Central Pay Commission recommendations had its repercussions on the State Governments as well.

In this connection, I would also like to point out that the overtime expenditure of Government under various OTA schemes has shown a constant upward trend. This is despite the increase in overall pay package and allowances extended to various categories of Central Government employees and that too at a time when large funds are needed for modernisation of defence, education, health, and social sector schemes.

I would like to apprise the House that since the inception of the JCM Scheme in 1966, out of 168 Awards, which were given by the Board of Arbitration, in favour of the employees, 152 Awards have already been implemented by the Government. It is thus clear that Government generally accepts the Awards of the Board of Arbitration, and, rejection of an Award is proposed by Government only by way of an exception in very rare and genuine cases involving financial implications affecting the National economy or Principles of Social Justice, as provided under the JCM Scheme which is non-statutory and mutually agreed between the Government and the Staff Unions.

In the circumstances, the rejection of the Award is fully justified. I shall, therefore, be grateful to the hon. Members for rejecting the Award.

MR. CHAIRMAN : Hon. Members, I have to inform the House that Shri Basu Deb Acharia, Shri Pawan Kumar Bansal and Shri G.M. Banatwalla have given notices of amendments to the Resolution moved by Shrimati Vasundhara Raje. As the notices of amendments given by Shri Basu Deb Acharia and Shri Pawan Kumar Bansal are identical, only one of them may move the amendment.

I am, therefore, calling Shri Basu Deb Acharia, whose notice was received first in point of time, to move the amendment. I think he is absent. Shri Pawan Kumar Bansal is also absent. Shri G.M. Banatwalla is also absent. They have given notices; but they are not present in the House.

The question is:

"That this House approves the proposal of the Government to reject the Award given by the Board of Arbitration in C.A. Reference No. 6 of 1981 relating to revision of rates of Overtime Allowance and raising of the upper pay limit for admissibility of this allowance for office and comparable staff, in terms of Para 21 of the Scheme for Joint Consultative Machinery and Compulsory Arbitration, as the implementation of the Award, which involves an expenditure of over Rs. 460 crores in payment of arrears and a recurring expenditure of Rs. 54 crore per annum, will lead to diversion of scarce resources from development expenditure to non-productive expenditure and will thus adversely affect the national economy."

The motion was adopted.
