

Dilemmas of Public Sector Unions

Ratna Sen

A study of public sector unions in West Bengal in three sectors (state government, public transport and telecommunications) reveals very interesting facets of union functioning and labour management relations. Unions face many dilemmas in the post-globalization era. Deep down they understand that globalization is inevitable and irreversible and there have been real improvements. This is juxtaposed with the real problems faced by many of their members. They seek to cover this dilemma with some degree of posturing dictated by geo-political factors, such as location, type of PSU (central/ state owned), organizational situation, past issues, number of members affected, existence or emergence of other unions and so on. Union stances or postures differ depending on the sector in which it functions.

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Common Features

Some common features of public sector unionism that emerged in the second decade after economic reforms are:

1. Unions fall back on time-tested issues like employment and wages and salaries in the face of change. Though they are more concerned about employment, they have little influence over it. As a result, more of their energies are spent on wages.
2. All the unions are seriously concerned about the financial viability, survival or growth of the organization in which they work and are trying in many ways to reconcile the contradictions arising out of employment sustenance and organizational competitiveness. But this issue often becomes clouded by other considerations and creates dilemmas.
3. Even with long established unions and regular systems of union recognition and wage settlement, wages continue to remain a prickly issue because of several external factors and larger all-India concerns, such as the 6th Pay Commission Recommendations for central government employees.

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| <p>4. There is not only multiplicity of unions in all the sectors, but also a considerable degree of inter-union rivalry among them for many years.</p> <p>5. Political patronage appears to be more a hindrance to some unions, since it creates unease which leads them to posturing to retain membership. This is also a dilemma for them.</p> | <p>Trade Union Congress, INTUC) (Subrata Bhattacharya, General Secretary)</p> <p>3. Yukta Committee (All India Trade Union Congress, AITUC)</p> <p>4. Joint Council (Revolutionary Socialist Party, RSP)</p> <p>5. Steering Committee (United Trade Union Congress, UTUC)</p> |
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Methodology

It is proposed to use three case studies in West Bengal (one relating to state government employees, one on the Tramcar Transport Undertaking, and one for the national telecommunications organization, BSNL, West Bengal) to substantiate the statements made above. The studies were undertaken between March 2009 and January 2010, using primarily union sources and their publications to understand their varied stances and public utterances.

Case One: State Government Employees

There are several unions among state government employees of West Bengal, ruled for the last 33 years by the Communist Party of India (Marxist) (CPM) together with a motley group of smaller left or socialist unions. The Unions are:

1. Employees' Coordination Committee (ECC) (Centre for Indian Trade Unions, CITU sympathies) (Ananta Bandopadhyay, General Secretary)
2. Confederation of State Government Employees (CSGE) (Indian National

However, the dominant unions are the first two. In fact all the unions are federations of essentially craft unions of government employees. The ECC, for instance, is composed of 33 component unions and 13 associate unions, claiming a membership of about 2,50,000. While the ECC is very clearly sympathetic to the CITU (trade union wing of the CPM), though not formally affiliated to it, the CSGE has had no problem flaunting its connections with INTUC (union arm of the Congress Party) from 1982, without objections from the government. The General Secretary said it is not a fact that state government employees cannot be members of a political union.

The main issues for the state government employees in the last few years have been:

- wages and wage revision
- vacancies and employment in the context of financial constraints

Wages & Wage Revision

When the Government of India announced the acceptance of the Recom-

recommendations of the Sixth Pay Commission for Central Government employees in August 2008, effective from 1 January 2006, the West Bengal Government quickly announced the establishment of the 5th Pay Commission for state employees on 28 August 2008, with the stipulation that the recommendations would have to be submitted within 6 months (normally two years). The CPM Government of West Bengal was eager not to be left behind in the distribution of largesse and mitigate some of the unpopularity it had garnered through its withdrawal from United Progressive Alliance (UPA). The state Pay Commission was to cover not only direct government employees, but also employees of various agencies, councils, teachers and 51 state government commercial undertakings (Fifth Pay Commission Notice 2008). It should be noted that government employees in India (Central and Provincial) have always had their pay revised through Pay Commissions. By early February 2009, the recommendations were not only made but also accepted and announced, to stall the rising wave of discontent.

The Government announced three different dates for implementation of the Pay Commission recommendations, which actually amounted to a little manipulation. The effective date of fitment into the new scale would be 1 January 2006, but actual increases in salary would be made from 1 April 2008. The payments would be made only on 1 April 2009. Under this arrangement an employee's pay would be revised or fixed from 1 January 2006 on paper and he would get his

annual increments in 2006 and 2007. But the enhanced pay would be given only from April 2008. Hence, from 1 April 2009, state employees would get arrears of salary for 12 months only. The closeness of the ECC to the ruling party was demonstrated when it was persuaded to accept this formula. In effect all employees would lose their arrear wages for the period 1 January 2006 to 1 April 2008, or for 27 months.

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The dilemma

The dilemma of the ECC became apparent when it called for an agitation programme of mass deputations and meetings from 20 January to 19 February 2009 to protest the "conspiracy against the people of the state, the neo-liberalistic policy of the imperialists" (apparently the nuclear deal) and for "achieving the just demands of the state government employees" (ECC Poster, 15 Demands Poster 2009). Nobody was able to fathom out this 'conspiracy'. Since this coincided with the release of the Pay Commission Report, one can conjecture that it was a diversionary tactic. However, to give it legitimacy as an employee agitation, the ECC listed 15 other demands varying from pension to inclusion of panchayat employees in government pay scales, industrialization and implementation of the Pay Commission Recommendations.

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The opposition groups, under no compulsion to toe the government line, called a strike on 4 March 2009, under the banner of the Mahakaran Sangharsh Committee (MSC), a group of 6 unions opposed to the CPM, to demand implementation of 5th Pay Commission from 1 January 2006 (MSC, 2009, Strike Leaflet). The strike evoked some response but was followed by an unsavoury incident inside Writers' Buildings (MSC 2009, Congratulations Leaflet). On 5 March 2009, around 1.30 pm, some members of the ECC started pasting posters over the rival group's posters, put up the day before. The ECC posters congratulated "the state government for implementing the 5th pay commission" (ECC Poster, Congratulations 2009). Political clashes broke out inside Writers' Buildings making it look like a battlefield. There was "pushing, punching, scuffling, abuse, shouting. Even the media was pushed around" (Times of India 2009: 3). Police were apparently mere onlookers. Ananta Bandopadhyay, ECC, said the scuffle was started by the MSC.

The CSGE bemoans the fact that the pay structure in West Bengal is already below the level of those in several other states such as Delhi or UP, which are paid at par with central rates. It actively campaigned against the injustices faced by West Bengal employees and points out that the 5th Commission pay scales in West

Bengal are much lower. They calculated that the losses for West Bengal employees ranged from nearly Rs 4000 to about Rs 14000 per month, in addition to losing 27 months arrear pay. Dearness allowance is adjustable every six months at the centre, while in West Bengal, they say, ad hoc adjustments are made. For instance, in the last five years while central employees got ten adjustments, employees in West Bengal got only seven, with considerable consequent losses (INTUC, Open letter of CSGE 2009). The Confederation also was vocal in demanding several other allowances and claimed that many members had left the ECC and joined other unions.

Vacancies & Employment

The other major issue is that of actual employment. Compelled by financial constraints, all state governments in India had been reducing employment through natural attrition in the last two decades. The actual employment in West Bengal is considerably below the sanctioned strength and new recruitments have been mostly of a casual nature or for technical posts. On this important issue, the ECC makes a demand for "Cancelling the outsourcing, re-employment, downsizing policies and stopping the contract employment system. The Medical Service Corporation plan should also be scrapped" (ECC Poster, 15 Demands Poster 2009)

The CSGE on the other hand disputes the employment figures given out by the government and had tried unsuccessfully since 2005 to obtain actual

figures under the Right to Information Act. Thereafter, the Confederation compiled its own data (based on its subsidiary unions' inputs) on the actual manning position. It found that as of 31 March 2008 there were over 3,50,000 vacancies against the sanctioned strength (INTUC, Open Letter of CSGE 2009) and demanded filling up of at least 2,50,000 posts. It also demanded regularisation of contractual jobholders (about 20,000- 25,000 employed mostly in hospitals as general duty assistant, lower division clerks, parking assistants, drawing salaries approximately Rs 4000 lower than permanent staff). Many school teachers were also on contract. This demand for filling vacancies is a strident cry for all the other non-CPM unions also. It is also a sure and easy way to gain popularity among employees and the working class.

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The CSGE had followed up memoranda to finance minister (September 2005) and chief minister (December 2006) with agitations in front of district magistrates' offices and a few central rallies in Kolkata during 2007 and 2008. The Government itself indirectly admits the issue of contract employees since a Labour Secretary said that the most important industrial relations issues in West Bengal currently were managing contractor workers (all aspects) and restructuring of state level undertakings (Sen 2009: 11, 16).

Observations

1. The pro-government union can put little substance into its agitations since it is hampered in both the major issues from making any major demands. The demands actually made on the two issues are half-hearted, and put it at risk of losing relevance for its members. This indicates its dilemma. Closeness to the ruling party inhibits both its protective and promotional roles.
2. The anti-government unions on the other hand are free to unleash all the weapons in their armoury knowing that these enhance their popularity without having anything to lose. The dilemma will however, come full circle if and when the anti-CPM alliance wins the next state elections in 2011.

Case Two: The Calcutta Tramways Co. Ltd

The Calcutta Tramways Co. Ltd was formed and registered in London in 1880 and till 1920, trams were the sole public transport in Kolkata. The Government of West Bengal took over all rights with regard to Tramways and converted it into a Government Company in February, 1983 as 'The Calcutta Tramways Company (1978) Limited' (CTC), under the administrative control of the state Transport Department (Website, accessed 2009)

Post globalisation, the pressure for public sector reforms pushed many state transport undertakings into severe cash

crunch all over the country, and the CTC had to take hard decisions to tide over continued and mounting losses. Development of the city, especially its road network (widening, flyovers, underground railway, new sewage lines) also affected tram operations. CTC was allowed to introduce bus services from November 1992 after several tram lines had to be eliminated. This helped to revive to a small extent its finances but detracted from the primary claim that CTC had, in being a non-polluting public transport system. While passenger capacity at 200 per tram is higher than that for a bus, actual daily passenger load in 2009 was less than 50%.

The CTC board of management is headed by a Chairman/Managing Director (currently a former CPM MLA) and includes one union representative (Inter-

view 2009, Dasgupta). CTC runs its tram services in two shifts starting from 4.15 am to 11.40 pm (website accessed 2009). Fares used to be the lowest amongst all modes but have now been brought at par.

But there was little rationalization of employment.

Manpower employment as of January 2010 was 6694 including casual and contract employees. The wage bill is approximately Rs 70 crores annually and has to be financed through subsidies. The problem of excess manpower led to the establishment of a study group in 2000, which recommended that manpower per tram should be 22 and per bus a maximum of 8.72. But there was little rationalization of employment following this as is clear from Table 1.

Table 1: Employment in CTC

Vehicle Type	Workmen Category	January 2010		January 2006		January 2001	
		Perm.	Contract /Casual	Perm.	Contract /Casual	Perm.	Contract /Casual
Trams	Drivers	455	-	546	-	618	-
	Conductors	908	-	996	-	1068	-
	Technical	1875	48	1987	-	2110	-
Total		3238	48	3529	-	3796	-
Buses	Drivers	621	61	292	425	-	537
	Conductors	492	-	196	-	150	-
	Technical	430	25	216	-	131	-
Total		1543	86	704	425	281	537
Total Common Non-Tech Including Managers							
		1679	100	1870	-	2183	-
Total		6460	234	6103	425	6260	537
Total		6694		6428		6797	

(Perm. = permanent) (source: company records January 2010)

Unions in CTC are:

1. Calcutta Tramways Workers' and Employees' Union (EU, CITU) (claimed membership approximately 6000)
2. Calcutta Tramways Employees Union (INTUC) (claimed membership 2050)
3. Calcutta Tramways Workers' Union (AITUC)
4. Calcutta Tramways Mazdoor Sabha (INTTUC) (claimed membership 800)
5. Calcutta Tramways Mazdoor Panchayat

The main unions are clearly the CITU and INTUC. There is no verification of membership. Claims are based on returns submitted to the Registrar annually, on the basis of fees books and membership registers. AITUC was the first and largest union in CTC. But its membership gradually declined as workers broke away to join other unions or form new unions. The Calcutta Tramways Workers' and Employees' Union was founded in 1975 with many of the former members of the older union. The INTTUC was formed in 2000 through a resolution of the Hind Mazdoor Sabha Union, and was subsequently recognized by the management.

Main issues are:

1. Passenger decline and consequent fall in revenues
2. Employee rationalization
3. Pay and wage revision

Passenger Decline & Fall in Revenues

Passenger decline & fall in revenues have been a continuing problem for CTC. The decline has been due partly to government and city administration decisions like elimination of several routes and partly to internal factors like frequent breakdowns due to poor track conditions and maintenance and poor utilisation of rolling stock due to age of the fleet. Costs of operations have also been a growing headache for CTC with rates for electricity increasing substantially over the years. CTC can in no way defer the payment of its energy bills. Transformer oil also accounts for a major cost burden.

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The CTC website claim of a daily passenger load of 0.16 million in 2009 appears exaggerated. Each of the trams runs for about 3 trips per shift or 6 trips per day. With a 50% passenger load even 100 running trams could carry a maximum of around 63,600 per day. In fact, cars offered daily for use have declined from an average 166 in 2001 to just 91 in 2008. During 2009, CITU sources say only about 52 trams run due to sewage line overhaul. Current daily earnings have declined to just Rs 2,50,000 approximately, which would barely cover only the daily wages of less than a 1000 employees. At Rs 4 minimum fare this revenue indicates a daily passenger load of 62,500.

The last time trams were acquired in a major way, was in 1952-3 when 52 cars were transferred from Mumbai to CTC. Some new rolling stock was sourced in 1987 from Jessop India Ltd. In 2009 a new tramcar cost Rs 86 lakhs but only Rs 10-11 lakhs were required for renovation. Cash crunch prevents purchase. Renovation process has started in CTC's own large workshop at Nonapukur in Kolkata. But the process is slow.

Poor tram tracks, caused by inadequate maintenance, were concretized by the state government with foreign developmental loans. But this led to their de-reservation (exclusive use by trams giving way to use by all road vehicles). Since tram tracks in Kolkata are positioned down the middle of most roads, passengers found it difficult to board trams. Experiments with traffic lights and pedestrian crossing markings could not solve the problem of low passenger load. The INTUC points mainly to the external factors responsible for the decline of CTC (Interview, 2009, Chakravarty) even though it admits to internal inadequacies. The INTTUC attributes uneconomical running of trams to poor management.

In November 1992, starting from an initial fleet of 20 buses with 55 casual drivers, CTC's bus fleet has grown to about 350. This has involved an induction of nearly 2000 employees, both regular and contractual over the years even though some conductors from trams were deputed to the buses. But again the daily operational bus fleet has come down over the years, to a little over 200,

with earnings of about Rs 9,00,000. They operate both within the metropolis and on long-distance routes within the state. Revenue generated from buses (Rs 4000 per bus) is more than double that for trams. CTC buses carry about 1,20,000 to 1,25,000 passengers daily. For buses however, the non-managerial manpower per bus is reasonable, at 5.4 in 2009 (Interview, Dasgupta).

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The INTUC union wants coordination between tram and bus routes so that passenger service value can be enhanced. Total Kolkata city traffic caters to about 5 million passengers and it is clear that CTC (tram and bus combined) carries less than 5 % and that trams are unviable in their current situation. But none of the unions squarely face the question of whether it is feasible to operate trams for just 2% of the total number of passengers. Even after rebuilding trams, if 140 were operated, it would still give a manning ratio of 23.5 per tram operated, more than that recommended in 2000. The CITU union suggests several possible operational improvements (CITU Convention Reports 2008, 2009) such as revamping performance at the Workshop, enhanced employee productivity, training for creating more charge-hands, computerization and updating of operational records, spare parts and equipment maintenance. These concerns could easily be those of the management. In the 1980s, CITU had vehemently opposed

computerization in banking industry on grounds of loss of jobs.

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Employee Rationalization

Since CTC was grossly over-manned, employee rationalization had to be done. But the main resistance came from drivers who could not be transferred to buses. Technical personnel and conductors were among 10% who retired. Natural wastage was deemed to be the safest method to ensure this, and CTC was helped by the fact that many employees were nearing superannuation. While new recruitments were initially confined to casual or daily rated employees, the State government took a decision to absorb many of them in 2002. As a result, the manning per running tramcar has grown from 24.5 in 2001 to an impossible 63.2 in 2009. The CITU claims that it was a result of their sustained campaign for absorption and pay equity and covers up by bemoaning the lack of a proper manpower policy. The INTTUC also calls for regularisation of casual or contract employees, especially bus drivers. The INTUC criticizes the “narrow, political partisan outlook in promotions and transfers” which de-motivates employees,

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and leads to “opportunistic employee behavior” (Interview, Chakravarty).

Pay & Wage Revision

There had been delay and default in payment of arrears for 4th State Pay Commission recommendations. Apparently it was not the CITU union which campaigned for these payments but the INTTUC which went to the High Court and got an order for payment of interest, even though the wage bill far exceeds the total earnings of CTC.

Currently, casual or contracted employees earn considerably less than regular employees, daily rated drivers earning about Rs 150/- per day plus overtime and one-day weekly off. Conversion from casual to contract depends on performance. Contracted drivers are paid at Rs 5500 per month, get a weekly off day and 14 days casual leave, 15 days medical leave and 30 days earned leave in a year. However, this is still below that of a regular driver who earns upward of Rs 10,000 per month. Pension is payable at the same rates as for state government employees.

Observations

1. All the unions are aware of the heavy subsidies on transport and have suggestions on how to reduce the quantum of subsidy. But when it comes to practical cooperation in restructuring, the unions raise hurdles. All unions would like the revival of public transport systems by the state government, which

would mean greater employment security. Hence they want a policy but have not pressed for it, choosing rather to live with the interim arrangements. None of the unions want to really upset the apple cart.

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2. The unions admit that financial revival of CTC is difficult and all emphasize its green nature, suggesting joint campaigns. But there have not been any such campaigns. Sister unions have been out on the streets in early 2009, fighting against the conversion of three wheelers from petrol-driven two/four stroke engines to LPG driven engines which are also non-polluting. This is an indicator of the political nature of the unions' campaigns or agitations.
3. The unions are willing to support minor cost-cutting provided this does not affect the issue of employment.
4. CITU being the dominant union and with close links to the party in power in the state, can only play an apologetic role and try to protect its own members and their short term interests. It tries to skirt around real issues and identify causes (price of diesel for example) which can legitimately be put in the central government's domain of responsibility.

Case Three: BSNL

BSNL, a public sector company, was formed in October 2000 and is the world's seventh largest telecommunications company providing comprehensive range of services in India. Its market share as on 31 March, 2008, was 24% though it offered services at the lowest tariffs. The turnover of BSNL was more than Rs.35,182 crores with net profit of Rs.9,939 crores for the financial year 2007-08 (website, accessed 2009). However, the profit dipped in 2008-09 (Economic Times, 2009, Politics). The West Bengal telephone network is divided into two - Calcutta Telephones District (including Kalyani, Barasat, Budge Budge and Tribeni) (with about 9700 C and D group staff) and West Bengal Telecom Circle (all other areas in WB).

For BSNL's operational purposes, the country is broken down into 37 Service Security Areas (SSA) all over India (5 of them in the eastern region). The total manpower of the company comprises nearly 3,00,000 personnel distributed in the ratio of 19% executives (56,016) and 81 % non-executives (243,824) including 2773 industrial workers as on 31 March 2009. There are also daily rated mazdoors doing earthwork for laying and repairing cables.

The Main Unions in BSNL (confined to Group C and D employees) are:

1. BSNL Employees' Union (EU, CITU)

2. Federation of National Telecom Organisation (FNTO, INTUC)
3. National Federation of Telecom Employees (NFTE, sympathetic to AITUC)
4. Bharatiya Telecom Employees' Union (BTEU, BMS)
5. National Council of 10 other BSNL employees' unions.

A Joint Consultative Machinery exists at all levels (district, area, circle, national). A member of the majority union is the leader of the committee and this is considered to be a very prestigious position. The agenda of the committees are all matters pertaining to policies, operations, human resources. Meetings are bi-monthly at circle level and quarterly at national level.

The main issues for telecom employees of BSNL are:

1. Privatisation of BSNL
2. Wage settlements
3. Employment security and job reservations

Their preoccupation has been with union membership and union rivalry.

National Federation of Post & Telegraphs Employees (NFTE) was established in 1954. It is dominated by AITUC sympathizers though not officially affiliated to it. In 1980 the union split into the NFPE (postal) and NFTE (telecommunications). At the time of corpora-

tisation in 2000 the NFTE split again and the BSNL Employees' Union (EU) was formed out of it, with links to CITU. This was apparently because the CITU had politically decided to split all AITUC unions, accusing it of not working for the interests of the working class. According to EU, they split from the NFTE in 2000 because it was not opposing corporatization. Recently followers of Trinamool Congress within the BMS union are moving over to FNTO or NFTE.

Union Membership, Rivalry & Elections

Membership of Trade Unions in BSNL is verified through secret ballot elections since 2002, conducted every two years by BSNL authorities. The results of the four elections have been as in Table 2.

For the 1st verification, all unions fought individually. For the 2nd verification, the EU and FNTO fought jointly after the FNTO broke with NFTE which joined with BMS union. The agenda of the unions related to BSNL development problems, labour issues other than wages. But the alliances did not last. Differences over promotion policy, absorption of daily wagers and contract employees and pension at central rates became important issues. There were also other pay related issues and rationalization of employment categories. During the 3rd verification, the alliance between EU and FNTO was revived but collapsed thereafter. A new alliance was forged between the FNTO and NFTE for

Table 2: Verification Results for Union Membership in BSNL

	1 st Verification 2002		2 nd Verification 2004		3 rd Verification 2006		4 th Verification 2009	
	Votes	% to total voters	Votes	% to total voters	Votes	% to total voters	Votes	% to total voters
Total Voters	298432		283919		265413		248278	
BSNL EU	89496	29.99	139827	49.25	151216	56.97	124053	49.97
NFTE	105209	35.25	100226	35.30	87189	32.85	95225	38.35
FNTO	40215	13.48	541	0.19	1204	0.45	1433	0.61
BSNL MS	31404	10.52	14566	5.13	-	-	363	0.15
BTEU BMS							4174	1.68

Source: Published Records

the 4th verification (BSNL Employees' Union: Appeal Poster, January 2009). Recognition Orders were issued to the EU on 27 January 2009 (No BSNL/5-1/SR/2009/vol. II. i). NFTE with the second highest membership had right of representation of members' issues/grievances in Bihar, Chhattisgarh, Jharkhand, NCR, & TN since they got more than 50% votes in those regions.

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The gains of the EU are quite remarkable. In 2002 the EU was confined to just 7 out of 33 circles. The detailed results of the 4th verification indicated that it had a comfortable win even in Gujarat, securing nearly 40% votes compared to NFTE's 36% (BSNL 2009, Chief Returning Officer's Report). Employee perceptions about the EU being opposed to corporatization initially and privatization subsequently have obviously paid (Telecrusader 2009, Massive Victory). The NFTE attributes the suc-

cess of the EU to its strategy of enticing second rung trade union member-leaders with positions of importance in the joint consultative machinery.

Privatisation of BSNL

The weaning away of the telecommunications sector from government control was clear in the corporatization move in 2000. Should then BSNL's status be taken to its logical conclusion by divesting the Government's stake in it and privatizing it? Privately, the unions admit that this has to come and BSNL will have to grow through competition if it has to survive at all. The profit of 2007-08, turned into a loss of Rs 763 crores in the third quarter of 2008-09. BSNL has been steadily losing its market shares in both landline and mobile markets. During 2009, reportedly 50,000 landline connections in Kolkata alone were surrendered by consumers.

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tus quo. The CITU union claims however that, “we try to work as BSNL employees and for its interests, rather than as members of a political forum” (Interview 2009, Chatterjee). The union voices concerns about the viability of BSNL in the face of competition, but also about the security of service in a private sector organisation and about TRAI policies (Telecrusader 2009, Charter of Demands). Concerns about wrong valuation of property and about the level of technology could be diversionary. But these concerns are belied by what the unions actually do.

A recent decision of the Central Government, based on recommendations from a special committee on BSNL, is for disinvestment of 30% of BSNL shares. The BSNL Board has approved a 10% stake sale, but all employees, including all unions and executives decided to protest disinvestment through lunch hour demonstrations and token strike (Economic Times 2010: 15).

Wage Settlements & Pensions

The three main demands of the unions were - five year periodicity for wage revision, interim relief and House Rent Allowance at Central Government rates.

The issue of wages and a settlement on bonus is another major concern for unions. Before 2000, telecom employees were paid according to the Central Government employees’ Pay Commission recommendations. At the time of corporatization of BSNL, a conversion was effected from government pay scales to industrial wage system through an agreement signed in 2000 and bringing BSNL at par with other central undertakings. The next agreement became due on 1 January 2007. Employees in particular became restive when the new pay scales for central government employees were announced in August 2008. Accordingly, the pay review process started in late 2008. The three main demands of the unions were - five year periodicity for wage revision, interim relief and House Rent Allowance at Central Government rates.

Thereafter a series of infructuous meetings, strike threats, some work stoppages and dithering on the part of management continued during entire 2009. After detailed discussions in the meeting on 13 October 2009, the management proposed a 30% fitment with 10 year periodicity with 68.8% Industrial Dearness Allowance (DA) for the present and a possible review for period of wage revision to five years. It is clear that BSNL management made concessions only when strike calls were given. Finally, the new agreement was signed on 15 Jan 2010 giving effect to new scales from 1 January 2007 which were nearly double the existing pay. Interim relief had already been obtained indirectly through partial merger of DA and enhancement of HRA

to Central Government rates. For contract employees the EU has already got their demand of Rs 255 per day as well as entitlement to Provident Fund and Employees' State Insurance from 1 April 2009 granted. Central government pension rules would continue to apply only to ex-departmental employees. Other issues related to promotion policy, interim relief, absorption of contract employees.

Employment Security & Job Reservations

Even though there had been a ban on general (non-technical) recruitments from 1985, unions have from time to time demanded the absorption of daily rated mazdoors / labourers as permanent employees. In 1994-95 about 200 were absorbed as permanent workers. The EU alleges that in 1984, NFTE and FNTO as members of Joint Consultative Machinery, agreed to a ban on creation of posts and to retrenchment of 50,000, which EU claims it reversed.

Observations

1. A proper system of union elections in BSNL has lent greater sense of security to the recognized union compared to the other sectors.

In fact strong union rivalries in the central undertaking undermine the seriousness of employee issues.

2. CITU and AITUC are partners in the Left alliance nationally as well as at state level, and in West Bengal and

Kerala. Yet they are split in BSNL. In fact strong union rivalries in the central undertaking undermine the seriousness of employee issues.

3. Unlike in the case of the state government and state transport undertaking, CITU in BSNL has no qualms about populist demands. Left unions have generally been against the liberalization of the economy and still resist disinvestments in the public sector. Resistance does help to delay solutions.

Common Characteristics of Public Sector Unions

1. Privatisation and employment rationalization loom over many PSUs and are actually happening, either openly or gradually. Unions have little option but to acquiesce. The CITU union in transport sector has devised a rather ingenious slogan, "opposition to nationalization of public transport is actually equivalent to nationalization of losses made by private sector since it is the government which bails them out" (Convention Reports 2009:3). Despite this the CITU is in a dilemma. It cannot blame its own party for apprehended privatization and chooses rather to put the onus on Central Government policies.
2. The Central Government's 6th Pay Commission has compounded the problems for all government undertakings, state and central, by raising expectations and demands for parity, and on the effective date of implementation.
3. Politicisation of union perceptions and their actions are obvious on most ma-

for issues, and create a wide gap between private acknowledgements vis-à-vis public postures. The double edge of political support is clear from the fact that the CITU is much stronger in the central undertaking (under a congress-led government) compared to its position in the CPM controlled state government or state undertakings.

4. Hard campaigning or strong movements relating even to justified demands are absent. It is clear that even though employment is a key issue, no union is able to exert enough pressure to prevent steady decline in employment and induction of casual and contract workers.

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