

01.08.2015

To all the officers and employees,

### **Wage Revision and one more option for pension**

The joint meeting of all unions was held as scheduled at Mumbai on 28<sup>th</sup> July, 2015. The meeting congratulated all the officers and employees for their magnificent response in implementing the earlier programme successfully during the months of June and July 2015 as per the joint calls of the unions. The meeting also felt that due to these successful agitations the management had to appeal in writing to the unions to call off the strike which was scheduled on 8<sup>th</sup> July, 2015 and seek some more time with a commitment that they are seriously in discussion with the government to settle the wage issue to the satisfaction of the employees. The meeting also endorsed the collective and unanimous decision to defer the said strike action on the appeal from the management.

However, the meeting expressed its disappointment over the continued delay and management's inability to call the unions for negotiations in settling wage revision despite the positive response from the unions. 1st August 2015 marks the completion of three years since the wage revision fell due in 2012. Unfortunately despite the passage of such a long period of time, the demand for a satisfactory wage revision and one more option to join 1995 pension scheme remains unresolved.

The demand for a good wage revision is on the basis of a consistently good performance of our great institution despite an adverse economic environment. Since the last wage revision the Corporation made considerable growth and continued its dominance over the life insurance markets despite the stiff competition from the private sector and the regulatory changes relating to products. This performance of the Corporation was possible due to the commitment and devotion of its work force. During this period, the productivity of the workforce considerably increased as seen in the per capita servicing of the policies, per capita generation of premium income, per capita generation of surplus and every other sphere of the functioning of the Corporation. It is, therefore, absolutely legitimate to demand for a wage revision on the basis of the growth of the institution and its paying capacity. The demand of the employees not to import the external developments into our wage negotiations also has a sound basis in the background of the performance of our institution.

Shri Arun Jaitley, Hon'ble Minister for Finance while addressing the 46th Indian Labour Conference on July 20, 2015 said '**efficient industries will be able to take higher wages and rich government will be able to provide higher wages and better social security**'. This statement of the Finance Minister strengthens our argument that the wage question in LIC has to be settled on the basis of the strength of our institution. The efficiency of LIC can be seen not only from its market dominance and the huge clientele it serves but also from the fact that the wage cost in LIC compares most favourably with the private sector and the international standards. The total management expenses in LIC are the lowest in the Indian Life insurance industry. This is the result of both efficiency in the running of the Institution and increased productivity of the employees. Therefore, the demand for a wage revision on the basis of the strength of our institution is fully justified.

However these arguments do not secure a good wage revision as it appears the philosophy of the government today is only to deny the insurance employees a legitimate wage hike.