

# Trends in the Distribution of Wage and Salary Incomes among Different Occupations in the Central Government Services

## INTRODUCTION

One of the problems which confronts a developing economy is how to ensure a proper distribution of income and wealth to meet the needs of those who generate them. Every individual works for a living by pursuing a certain occupation. Thus, if an individual has a social duty to enrich an economy while working for a living, he has also some legitimate claim for a share through fair distribution of income and wealth created through his labour.

Currently, this problem of distribution in the Indian context has attracted serious and sustained attention of scholars. A number of studies have revealed that the growth of income and wealth through post-independence planned efforts has led to a certain amount of aggravation of inequalities in the field of distribution as well.

Studies in inequalities in the distribution of income in India are mainly based on consumption expenditure data collected by the National Sample Survey (NSS). But studies in inequalities in the distribution of income among a cross-section of population in India, using income or earnings data, are yet few and far between. If consumption expenditure is a part of income earned, then surely the root cause of inequalities in consumption expenditure emanates from the inequalities in earning or income of different sections of the population.

Investigations into the causes of disparities in earnings of various sections of population as one of the factors of production are worth attempting. But this type of analysis will be more fruitful if extended to cross-section of different categories of occupations constituting a factor of production and also the differences in earnings and wages of these occupations. Thus, it will be possible to focus attention on the fact—who is earning what and why.

In economic theory, it is perfectly proper to refer to wages as the price of labour. Since the total labour force is divided into a large number of occupations, one has to deal here with a wide range of prices of diverse types of labour. Naturally, to study the pattern of income distribution down to the individual level, it will be necessary to split this highly diversified commodity, labour, into broad categories, so that the main divisions of the labour force may be easily identified. In other words, the study of the various aspects of distribution of wage income should include the pattern of related wages or wage-structure of the labour market. There are, in fact, a number of obvious distinguishing characteristics that separate workers from one another, e.g. sex, age, occupation, geographical location and skill. Mainly these differences divide individual wage-earners into diversified occupations giving rise to differentials in earnings. But this is neither all nor enough. Tenets of economic theory have also to be reviewed from the point of view of social justice, specially in developing economies of a mixed nature.

The typical situation in such economies is not of high employment or relative labour scarcity but of a general labour surplus and unemployment which in absolute terms is steadily increasing. On the other hand, there is a tendency of decline in real earning due to inflationary pressure of centrally launched big projects which release high purchasing power with negative return of corresponding goods in the market during the interim period. Under these circumstances, the impact of wage-differential is not generally limited to the traditional causes as defined in economic theory.

The present study seeks to investigate the pattern of earnings of various categories of occupations included in the Central Government services in India and the degrees of disparities in wages and salaries among these different categories of occupations.

## I

### PATTERN OF EMPLOYMENT AND EARNING BY PAY RANGES

So far, the data on total categories of occupations in each department of the Central Government and their wage-structure are available only from the occasional Reports of various Pay Commissions appointed by the Central Government at different points of time. The only regularly published data are contained in the Census of Central Government employees issued annually by the Directorate General of Employment and Training, Ministry of Labour and Employment (formerly, by the Central Statistical Organisation)

But these censuses do not include any detailed breakdowns of occupation-wise wage-structure of various classes of Central Government employees. Under the circumstances, the studies in disparities in wage-rates or rather pay-scales are possible only in certain points of time on the basis of Reports of Pay Commissions appointed by the Government of India in 1947-48, 1957-58 and 1973-74. Of course, the overall growth of the total volume of income originating as wages and salaries is now available for longer period from 1960-61 to 1974-75 from the National Accounts Statistics compiled by the CSO. These relative growth rates and the share of wages and salaries of the Central Government employees are presented in Table 1.

It may be noted from the table that the total volume of wages and salaries of the Central Government employees has increased far more rapidly than the total volume of wages and salaries for the whole of the economy as well as the total wages and salaries income of the public sector as a whole. This volume of Central Government wage income was 1.8 per cent of national product, 5.4 per cent of total wage income and 33.9 per cent of public sector wage income in 1960-61. This has increased at a rate so as to reach 2.6 per cent of total national product, 8.2 per cent of total wage income and 39.1 per cent of public sector wage-income in 1974-75.

Who among the Central Government employees, one naturally is eager to know, are the beneficiaries of this high rate of growth of the share of income generated as wages and salaries. It is in this area that the present study will investigate and try to bring out the facts about disparities in the distribution of wages and salaries. Needless to say that the results of this investigation will be subject to the limitations of the available data base.

First, an attempt has been made to work out the distributions of total Central Government employees by basic pay ranges which generally are the following :

- (1) less than Rs. 100 per month,
- (2) " " Rs. 200 " "
- (3) " " Rs. 300 " "
- (4) " " Rs. 500 " "
- (5) " " Rs. 750 " "
- (6) " " Rs. 1000 " "

(7)	..	..	Rs. 1500	per month
(8)	..	..	Rs. 2000	.. ..
(9)	..	..	Rs. 3000	.. ..
(10)	..	..	Rs. 3000	.. .. and above

In this paper, unless otherwise stated, the term 'pay' means basic pay and not total emoluments.

The distributions have been worked for both total employment and total wage bill by basic pay-ranges of the Central Government services, on the basis of the available data from 1948 to 1973 at periodic intervals. These distributions are presented in Table 2.

It should be noted that the changes in each pay range for the period covering 1951 to 1973 are not strictly comparable. The data on pay ranges of this service available from Reports of the First and Second Pay Commissions are slightly different at certain stages from those available after 1970. However, this discrepancy does not vitiate the overall pattern. The salient points noted from the table are as following :

(1) Distributions of employment by pay ranges clearly indicate that over 90 per cent of total Central Government employees had been getting less than Rs. 100 as basic pay in 1948. Less than one per cent of total employees were getting more than Rs. 1000 per month as basic pay in this year. Only one per cent of employees were getting more than Rs. 750 per month as basic pay.

(2) Successive decline in the percentage of employment in the pay range of Rs. 100 per month indicates certain changes in the distribution but even then in 1969, almost 95 per cent of the total employees were getting less than Rs. 300 per month.

The distributions of total income of Central Government employees may be assessed from the point of view of their share in government expenditure on wages and salaries by pay ranges. The figures of these distributions are presented in Table 2 in alternative columns along with employment. It is noted that as much as 72 per cent of the total wage-bill of the Central Government was spent on the wages and salaries of employees getting less than Rs. 100 per month in 1948. Since then, there is indication of gradual change in this pattern of distribution of total income earned. In 1961, only

54 per cent of the employees were getting less than Rs. 100 and their wage-bill accounted for 20 per cent of the total government expenditure on wages and salaries. This pattern of distribution changed drastically from 1970 onwards due to the introduction of dearness pay and interim relief. This drastic change may be noted from Table 2.

The above distributions of income of the Central Government employees have been based only on basic pay ranges. But to calculate total income, it is proper to add all the admissible regular cash allowances also. These new distributions have been worked out for 1957-58 and 1973-75. To calculate the total wage-bill for these two years, all the other regular cash allowances existing in these two years admissible to the Central Government employees have been added with the basic pay in each range. The new patterns of distributions are presented in Table 3 along with the old distributions excluding allowances presented in Table 2 on a comparable basis for 1957-58 and 1973-74. In figures I to IV, the concentration curves drawn on the basis of the cumulative ratios of these distributions are also presented for these two points of time. For each year, two sets of distributions have been presented in the table to represent the concentration of income excluding allowance from basic pay and including allowances with basic pay.

It may be noted from Table 2 that addition of allowances with the basic pay, changes the distributions to some extent. Substantial changes in the patterns of distributions of income are noted in 1973-74 compared to 1957-58.

## II

### SOURCES OF DISPARITIES IN PAY-SCALES

It is clear from the patterns of distributions of income and high degree of concentration of large number of employees working under the lowest pay ranges such as Rs. 100 or below or Rs. 150 or below per month that there exist high degrees of inequalities in the distribution of income among different categories of employees within each department of the Central Government as well as among the different departments of the Central Government. In fact, the seed of this disparity was sown deliberately during the British rule to create a privileged class of employees who would serve as a pillar of support for the alien ruler.

Thus, the recommendations of the First Pay Commission after independence in 1947 basically followed the Islington Commission's (1912-15) or

Fig. 1. Distributions of employment and earnings of Central Government employees by basic pay ranges (excluding allowances) for 1957-58

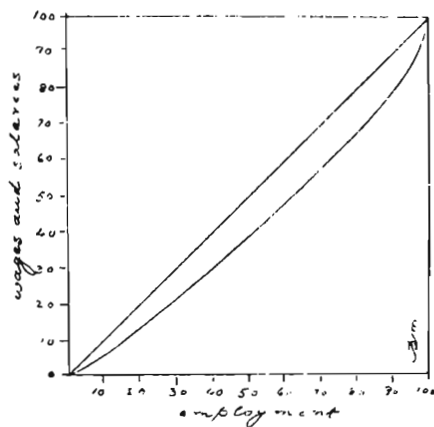


Fig. 2. Distributions of employment and earnings of Central Government employees by basic pay ranges (including allowances) for 1957-58

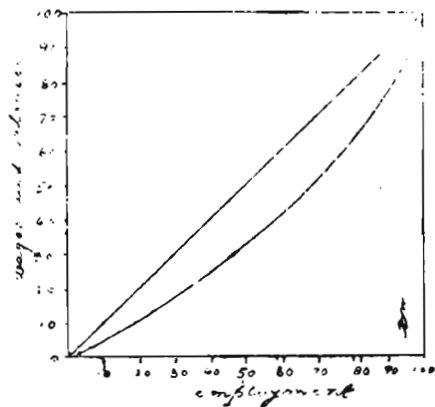


Fig. 3. Distribution of employment and earnings of Central Government employees by basic pay ranges (excluding allowances) for 1973-74

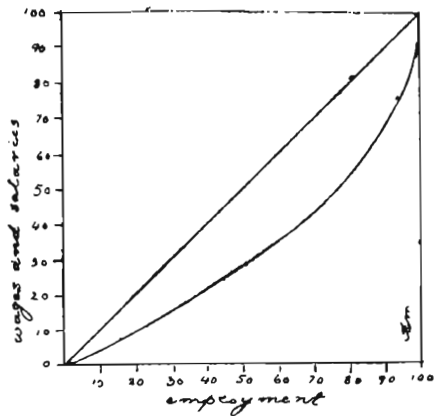
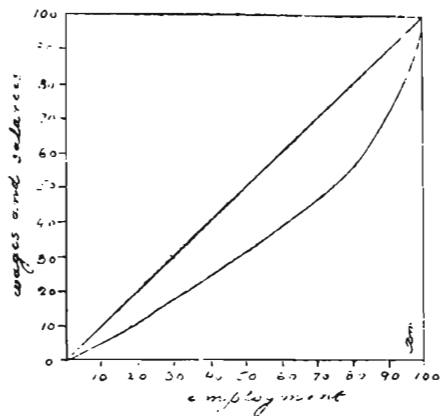




Fig. 4. Distributions of employment and earnings of Central Government employees by basic pay ranges (including allowances) for 1973-74



the Royal Commission's criteria for laying down the principles of pay determination in these services. Till now, after the appointment of three Indian Pay Commissions, there are deliberate efforts to perpetuate inequalities in various pay-scales of different categories of occupations in these services. It is well known that total employees engaged in the Central Government services are divided according to their pay-scales into four classes—class I, class II, class III and class IV. Distributions of total number of employees by their classes are presented in Table 4.

It may be noted from the table that in majority of the departments, concentration of highest number of employment is in the category—class III and the category of class IV respectively. Within these four classes of employees there are various categories of occupations but generally the pay structure in each class is uniform between departments, as will be evident from the following statements:

- Class I — Posts carrying a pay-scale with maximum not less than Rs. 950/- per month;
- Class II — Posts carrying a pay or scale of pay with a maximum not less than Rs. 575/- but less than Rs. 950/- per month;
- Class III — Posts carrying a scale of pay with a maximum of over Rs. 110 but less than Rs. 575/- per month;
- Class IV — Posts carrying a pay or a scale of pay the maximum of which is Rs. 110/- or less.

These four classes of employees in the Central Government services comprise a large number of occupations varying from department to department. But the scale of pay in each class is uniform in all departments with only a few exceptions. It is not possible here to enumerate all the existing categories of occupations within the various departments of the Central Government. An attempt will be made to present some categories of occupations within each class existing in a single department along with their income differentials within that department. Illustrations of income differentials between different categories of occupations as well as in similar occupations between different departments will also be presented.

The Ministry of communications is one of the largest departments of the Central Government both in terms of the volume of employment and

number of occupations. In Table 5 the distributions of total number of occupations within each class of this department are presented in a summarised form along with the corresponding pay-scales. The estimated income differentials between various categories of occupations are also presented. Following salient points may be noted from Table 5.

- (1) Disparity ratio is highest among the occupations in class I staff. Here, a Senior Member is getting nearly 8 times more than an Assistant Director. This disparity ratio gradually declines in cases of higher basic pays in this class.
- (2) Disparity ratio is lowest among the occupations in class IV staff. A highest paid Jamadar or Munshy gets only twice the pay of a Boy Peon.
- (3) These ratios of disparity between maximum and minimum basic pays are 2 times and 3 times in class II and class III categories of occupations.
- (4) Compared with all the categories of occupations in all the classes, the disparity ratio between maximum and minimum basic pays is still very high. A senior member drawing a basic salary of Rs. 3000 per month is getting 55 times the basic pay of a Boy Peon drawing Rs. 55 per month.
- (5) Indices of differential between highest and lowest basic pays in each class are 650 per cent in class I, 111 per cent in class II, 173 per cent in class III and 45 per cent in class IV.
- (6) Indices of differentials between all the classes and all the occupations are quite high. The differential index is 4455 between the minimum basic pay and the maximum basic pay.

The figures of wage-differentials between the maximum and minimum basic pays in all the other departments of the Central Government are presented in Table 6. These ratios vary from department to department. For convenience of presentation, various departments of the Central Government have been distributed in five categories according to their level of disparities in income.

It may be noted from Table 6 that largest number of departments have the disparity ratios between maximum and minimum basic pays ranging from 7.00 to 10.00 and from 13.00 to 16.00. About 20 departments among a total of 28, have the disparity ratio from above 7.00 to 16.00.

Only four departments have the lowest ratios from 5.00 to 7.00. Four departments have the highest disparity ratios from 16.00 to 22.00

In Table 7 the disparities in income between similar occupations among different departments have been presented. Following points may be noted from the figures presented in Table 7.

- (1) In spite of the accepted principle of uniform pay-scales for similar occupations in all the departments, pay-differential is a fact of life in the Central Government services. In all, 21 categories of occupations have been selected to illustrate wage-differentials between departments. Needless to say, this is only part of the picture. Wage-differentials exist in almost all the occupations if compared between departments.
- (2) Ratios of disparities in pay-scales are higher in lower income classes.
- (3) It is also evident from this table that members of the technical staff in the Central Government services are getting higher pay than those of the educational staff. A lecturer gets lesser pay than an engineer. In some cases, a Principal is paid less than a Chief Engineer.

It may be interesting to note at this stage who among the Central Government staff gained most after each pay revision. Also, it is essential to find out whether wage-differentials between maximum and minimum pay-scales have increased over time or not. These figures are presented in Table 8. Following points may be noted from the table.

- (1) Gains due to pay revisions are maximum in the scale of the Steno-graphers in 1958 over 1947 at the starting point of the revised basic pay.
- (2) Upto the category of Deputy Secretary, the gain is nil in 1958 which is also similar in the case of Upper Division Clerks.
- (3) Maximum benefit at the end of the scale in 1958 is noticed in the scale of under Secretary and Section Officer.
- (4) Maximum benefit is observed in the category of Section Officer in 1972, both at the start and end of basic pay-scale.
- (5) Lowest gain is noted in the category of Additional Secretary in 1972.
- (6) Disparity ratios between highest and lowest basic pays are quite high. Declining trends are, however, evident in these ratios over the period from 1947 to 1972.

## III

## DISPARITIES IN THE DISTRIBUTION OF ALLOWANCES AND OTHER AMENITIES.

Different types of allowances currently enjoyed by these employees are enlisted below:—

- (1) Dearness allowance.
- (2) Compensatory allowances such as :
  - (a) Compensatory city allowance.
  - (b) House rent.
  - (c) Housing facilities.
  - (d) Rent free quarters.
  - (e) Other compensatory allowance.
  - (f) All India Transfer Liability allowance.
  - (g) Risk allowance.
  - (h) Transport facilities between place of work and residence.
- (3) Travelling allowance :
  - (a) Travelling allowance for civilian employees.
  - (b) Mileage allowance.
  - (c) Air conditioned coach travel.
  - (d) Conveyance allowance.
  - (e) Daily allowance.
  - (f) Journey on transfer.
  - (g) Transfer grant.
  - (h) Transfer incidentals.
  - (i) Baggage allowance.
  - (j) Transfer travelling allowance on retirement/death.
  - (k) Travelling allowance for railway employees.

- 1) School travel concession,
- (m) Travelling allowance for officers and personnel of the armed forces.
- (4) Leave travel concession such as:
  - (a) Railway employees,
  - (b) Civilian employees of the Central Government other than the railway employees,
  - (c) Armed forces personnel.
- (5) Educational facilities and allowance such as :
  - (a) Children's education allowance,
  - (b) Hostel subsidy.
- (6) Death-cum-retirement benefits.
- (7) Medical facilities.

It is not possible to go deeper into the workings of all these allowances admissible to Central Government employees in India. However, efforts have been made to look into the pattern of distributions of some of these allowances over different pay-scales.

#### DEARNESS ALLOWANCE

The system of dearness allowance is a device to protect, to a greater or lesser extent, the real income of wage earners and salaried employees from the effect of rise in prices. This system is a part of the regular wage-structure in different sectors of the organised employment in India. It started in 1940 in the form of grain compensation allowance given to the low paid employees by the Central Government. It was replaced by a dearness allowance to make up for continued rise in prices of essential commodities.

The distributions of the total amount of dearness allowance, dearness pay and intereim relief by ranges are cited in Table 9 on a comparable basis with the figures available for 1957.

Though these basic pay ranges are not strictly comparable with those available for 1957, and the cost of living indexes have in general increased steeply, a rough comparison is surely possible on the basis of available data. Following points may be noted from the figures in Table 9.

(a) Both in 1957 as well as in 1972, the rates of allowances have been fixed so as to be progressively downward in the higher pay ranges.

(b) Percentages of allowances to basic pay have increased in lower pay ranges in 1972 than in 1957.

(c) But percentage of employees benefited in each pay range has changed sharply in 1972 over 1957 because of the merger of dearness pay and interim relief with basic pay.

To assess the benefits of the above mentioned allowance for different sections of the Government employees, it is essential to compare their growth with the increase in cost of living index of all sections of population. It is observed from the last column of Table 9 that upto the pay range of Rs. 300-500, increase in dearness allowance is over 250 per cent in 1972 over 1957. But the cost of living index of the working class given by the Labour Bureau has increased by 229 per cent in 1972-73 over 1957. On the other hand, the consumer price indexes of urban non-manual employees has increased by 220 per cent over 1960-61 (this series was not available in 1957).

Apparently it seems that the benefits of dearness allowance and other allowances had been marginal in the case of the low-paid employees due to steep rise in the price of food articles in 1972 over 1957 which was more than 350 per cent. This point could be further substantiated by assessing the benefits from the point of view of size of the family by income ranges and their consumption composition.

#### OTHER ALLOWANCES

Some of the compensatory allowances enjoyed by the Central Government employees are the compensatory city allowance and house-rent allowance. The practice of granting compensatory city allowance (CCA) for high cost of living in bigger cities dates back to the first quarter of this century. House rent allowance (HRA) is granted in certain cities and towns to compensate partly the high rents that these employees have to pay for hired residential accommodation.

No uniform principle was adopted at the initial stage for determining the quantum of CCA and HRA. And there were variations of the rate of allowance not only between different departments but also between different categories of employees. Attempts were made by subsequent Pay Commissions, to remove these anomalies in order to adopt a uniform principle. The

structure of the CCA and HRA over the different pay ranges is presented in brief in Table 10.

The following points are noteworthy from the table.

(a) Both in the case of CCA and HRA, the rates of allowances are being progressively reduced in the case of higher scales.

(b) In the case of CCA, reduction in the rates in 1973 compared to 1957 is noteworthy. But the rates of HRA have remained stable over this period.

(c) Disparities between maximum and minimum rates of CCA have been reduced in all classes of cities except in 'B-2'. In this type of cities, the disparities have increased.

(d) Disparities in the rates of minimum and maximum HRA have increased in 1973 over 1957.

(e) Generally, the ratios of disparities between maximum and minimum CCA are much less than those that exist in the case of HRA.

In this respect, it should be mentioned that since the publication of the recommendations of the Second Pay Commission, the Government has constructed large number of residential units for accommodating the employees. But disparity between departments in respect of housing facilities has remained as wide in 1971 as in 1957. In the Railway department as much as 38.7 per cent of staff have been provided with housing facilities, the corresponding percentage in Post and Telegraph remains conspicuously low at 5.4 per cent. Further, there exists an imbalance in the provision of Government accommodation in the metropolitan cities. Delhi continued the special treatment by getting 41 per cent of the total demand met, while Bombay, Calcutta and Madras could meet only 10, 8 and 2 per cent of the demand respectively in 1970.

There are many other allowances which are left out of the current discussions to avoid repetition. Only it may be commented that compared to the employees in the private sector, the Central Government employees are, on the whole, in a far better position with regard to pay and allowances.

## CONCLUSION

Some comments by way of summarising the results of this study may not be irrelevant. Due to the implementation of recommendations of



different Pay Commissions, differentials between pay-scales and allowances of employees engaged in various occupations in the Central Government services are slightly on the decrease. In the post-independence period, three Pay Commissions have been appointed by the Government. During this period, due to the introduction of various allowances and amenities, the proportional increase in total emoluments of class IV and other low paid employees has been greater than in the case of class I or the highly paid staff in this service. This fact is evident from Table 11.

But the figures in the table also reveal many other points which have to be reckoned both in terms of the distribution of income and achievement of social justice. These other points are noted below.

It is evident from the indexes of total emoluments at current and constant prices that the percentage gain is higher among lower paid staff in 1969-70 over 1960-61. But trends of distributions are not at all encouraging. Both the indexes of differentials and the ratios of disparities reveal high concentration of both money and real incomes in the upper strata of highly paid employees. This is quite explicit from the figures presented in the columns of 5, 6 and 8 of the table. In 1960-61, a class I(c) employee in Central Government received pay which was 38 times higher than the pay of the lowest paid class IV Peon. In 1969-70, it was still 22 times higher. The margin of differences, though gradually narrowing down, is still enormous.

The indexes of differentials at current prices show that the highest paid class I employee is getting 2750 per cent more than a lowest paid class IV employee in 1960-61. Though these rates show a slightly decreasing trend in 1969-70 (being 1244 per cent), they are, however, negligible. The indexes of differentials in real wages also indicate this concentration. It is noted that in real terms, the index of wage differential of the highest paid staff is similar in 1969-70 as has been in the case of money income. Besides, it has already been discussed that most of the gains in money income have been offset by the high inflationary pressure, specially in the case of low-paid employees who usually have large families and have to spend more on food items.

The present enquiry into the distributions of earnings among the Central Government services also reveals that due to the adoption of certain administrative policies, causes other than the traditional ones, took an upper hand in shaping the wage differentials among the employees.

So, to ensure a proper distribution of income with a view to achieve social justice, it is essential to probe into the facts of employment and wage-structure not only in the public sector but also in all other types of employment in private enterprises and organisations. It is well-known that the biggest problem in this respect is the dearth of regular data on pay-structure of employees engaged in different types of occupations. It is needless to say, the most dependable data required for such type of studies can only be collected through regular surveys.

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Table I  
 Growth and Share of Wages and Salaries of the Central Government Employees in Net Domestic Product (Based on Figures at 1960-61 Prices)

Years	Percentage growth : 1960-61 = 100				Wages & salaries of the Central Govt. employees as percentage share of			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Net domestic product	Total wages and salaries	Total public and sector wages and salaries	Total wages and salaries of Central Government Employees	Net domestic product	Total wages and salaries	Total public sector wages & salaries	
1960-61	100.0	100.0	100.0	100.0	1.8	5.4	33.9	
1961-62	103.7	101.4	107.7	109.0	1.9	5.9	34.3	
1962-63	106.1	110.1	116.9	122.4	2.1	6.1	35.5	
1963-64	111.6	112.1	124.5	146.9	2.4	7.1	40.0	
1964-65	120.2	115.7	129.9	147.8	2.3	7.0	38.6	
1965-66	114.2	119.2	135.7	147.8	2.4	6.8	36.9	
1966-67	115.2	118.8	135.1	148.2	2.4	6.8	37.2	
1967-68	124.8	122.1	138.0	146.5	2.2	6.5	36.0	
1968-69	128.3	134.9	158.2	169.0	2.4	6.8	36.2	
1969-70	136.5	140.9	168.2	173.9	2.3	6.7	35.0	
1970-71	144.6	151.3	182.3	186.9	2.4	6.7	34.7	
1971-72	146.1	154.6	194.5	200.8	2.5	7.1	35.0	
1972-73	144.2	152.0	191.8	194.7	2.5	7.0	34.4	
1973-74	152.1	151.5	187.1	185.3	2.2	6.7	33.6	
1974-75	152.1	141.1	183.8	212.2	2.6	8.2	39.1	

Table 2

**Distributions of Employment and Wages and Salaries by Basic by  
Ranges in Central Government Services : 1948-1973**

basic pay ranges in rupees	1948	1953	1957	1963	1968	1973
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Less than 100</i>						
Employment	90.80	85.42	83.78	54.48	51.82	0.07
Wages & salaries	71.61	60.33	57.48	25.40	22.53	0.02
<i>Less than 150</i>						
Employment	4.50	7.13	8.47	21.98	22.09	47.09
Wages & salaries	8.87	12.60	14.53	25.62	24.00	30.12
<i>Less than 200</i>						
Employment	2.20	2.68	3.57	13.09	13.14	17.61
Wages & salaries	5.20	7.80	7.35	18.32	17.13	13.51
<i>Less than 300</i>						
Employment	1.30	2.07	2.32	6.45	7.82	20.02
Wages & salaries	3.59	5.12	5.58	10.53	11.89	17.93
<i>Less than 500</i>						
Employment	0.70	1.07	1.17	2.80	3.51	11.72
Wages & salaries	4.42	6.06	6.41	10.45	12.20	23.99
<i>Less than 750</i>						
Employment	0.30	0.33	0.35	0.68	0.88	2.25
Wages & salaries	2.96	2.88	3.02	3.99	4.77	7.20
<i>Less than 1000</i>						
Employment	0.10	0.15	0.17	0.27	0.40	0.68
Wages & salaries	1.38	1.81	2.06	2.19	3.07	3.34

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>Less than 1500</i>						
Employment	0.10	0.09	0.10	0.18	0.23	0.44
Wages & salaries	1.97	1.40	1.70	2.07	2.53	2.80
<i>Less than 2000</i>						
Employment	—	0.03	0.04	0.04	0.07	0.07
Wages & salaries	—	0.85	0.89	0.73	1.02	0.72
<i>Less than 3000</i>						
Employment	—	0.03	0.03	0.02	0.03	0.04
Wages & salaries	—	0.94	0.74	0.46	0.64	0.54
<i>3000 and above</i>						
Employment	—	0.00	0.00	0.01	0.01	0.01
Wages & salaries	—	0.21	0.00	0.24	0.22	0.13
Total : all ranges						
Employment	100.00	100.00	100.00	100.00	100.00	100.00
Wages & salaries	100.00	100.00	100.00	100.00	100.00	100.00

Table 3  
Distributions of Employment and Earnings of Central Government Employees by Basic Pay Ranges and Changes in the Distributions over time from 1957-58 to 1973-74

Basic pay ranges in rupees	1957-58						
	Excluding allowances			Including allowances			
	Total employment	cumulative percentage distributions	Total wage employment and salaries	Total emoluments in Rs. *	Total employment	cumulative percentage distributions	Total wage employment and salaries
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Less than 100	1469298	83.78	57.48	197.00	83.78	73.52	
" 150	148520	92.25	72.01	257.00	92.25	83.22	
" 200	62673	95.82	79.36	304.00	95.82	88.06	
" 300	40771	98.14	84.94	429.00	98.14	92.50	
" 500	20487	99.31	91.35	675.00	99.31	96.01	
" 750	6182	99.66	94.37	990.00	99.66	97.56	
" 1000	3007	99.83	96.43	1185.00	99.83	98.47	
" 1500	1742	99.93	98.13	1725.00	99.93	99.23	
" 2000	650	99.97	99.02	2275.00	99.97	99.61	
" 3000	377	100.00	99.76	3375.00	100.00	99.93	
3000 and above	76	100.00	100.00	3375.00	100.00	100.00	

Basic pay ranges in rupees	1973-74					
	Excluding Allowances			Including Allowance		
	Total Employment (8)	Cumulative Percentage Distributions Total Employment (9)	Total Wage and Salaries (10)	Total Emoluments in Rs. * (11)	Total Employment (12)	Total Wage and Salaries (13)
Less than 100	1900	0.07	0.02	306.96	0.07	0.03
" " 150	1345600	47.16	30.14	420.22	47.16	32.26
" " 200	503100	64.77	43.65	532.92	64.77	47.54
" " 300	572100	84.79	61.58	738.30	84.79	71.63
" " 500	335000	96.51	85.57	988.35	96.51	90.50
" " 750	643000	98.76	92.77	1399.65	98.76	95.63
" " 1000	19400	99.44	95.81	1775.90	99.44	97.59
" " 1500	12500	99.88	98.61	2329.20	99.88	99.25
" " 2000	2300	99.95	99.33	3051.70	99.95	99.65
" " 3000	1200	99.99	99.87	4437.70	99.99	99.95
3000 and above	200	100.00	100.00	4437.70	100.00	100.00

\*Approximate.

Table 4  
 Distribution of Central Government employees by departments and by classes : percentages

Departments	Distribution of each class by departments						Total
	Class I (1)	Class II (2)	Class III (3)	Class IV (4)	Others (5)	(6)	
1. Ministry of Agriculture	2.5	3.9	0.5	0.4	—	—	0.5
2. " Commerce	1.4	2.2	0.3	0.1	—	—	0.2
3. " Communication	3.7	8.1	23.2	6.8	1.8	—	13.9
4. " Defence	21.4	16.3	8.8	14.1	93.9	—	21.0
5. " Education & Social Welfare	0.7	1.9	0.6	0.1	—	—	0.3
6. " External Affairs	1.9	4.7	0.1	0.1	—	—	0.2
7. " Finance	10.4	15.7	4.3	1.1	4.3	—	3.3
8. " Health & Family Planning	0.7	0.6	0.1	0.2	—	—	0.1
9. " Home Affairs	7.6	2.5	11.1	1.3	—	—	5.9
10. " Industrial Development	2.3	2.9	0.2	0.2	—	—	0.3
11. " Information & Broadcasting	3.4	6.2	0.6	0.4	—	—	0.6
12. " Irrigation & Power	3.5	2.1	0.4	0.2	—	—	0.3
13. " Labour & Rehabilitation	2.8	2.0	0.4	0.3	—	—	0.4
14. " Law & Justice	0.8	0.6	0.0	—	—	—	0.0
15. " Planning	1.7	1.6	0.2	0.1	0.0	—	0.2



Department	Distribution of each class by departments						Total
	(1)	(2)	(3)	(4)	(5)	(6)	
16	Railways	11.9	9.9	44.3	72.1	—	49.2
17.	" Shipping & Transport	1.6	1.1	0.2	0.1	—	0.2
18.	" Steel & Mines	4.8	2.2	0.5	0.2	—	0.4
19.	" Tourism & Civil Aviation	1.1	1.7	0.4	0.3	—	0.4
20.	" Works & Housing	2.3	5.1	1.8	1.0	—	1.3
21.	Dept. of Atomic Energy	10.1	3.4	0.7	0.2	—	0.6
22.	" Science & Technology	1.1	0.9	0.5	0.4	—	0.5
23.	" Supply	1.1	2.4	0.4	0.1	—	0.3
24.	" Cabinet Secretariat	0.9	1.6	0.2	0.2	—	0.2
25.	President's Secretariat	0.0	0.2	0.0	0.0	—	0.0
26.	Prime Minister's Secretariat	0.1	0.2	0.0	0.0	—	0.0
27.	Vice-President's Secretariat	0.0	0.0	0.0	0.0	—	0.0
28.	Ministry of Petroleum & Chemicals	0.0	0.0	0.0	0.0	—	0.0
	Total	100.0	100.0	100.0	100.0	100.0	100.0

Department	Distribution by Classes in each department							Total
	Class I	Class II	Class III	Class IV	Others	Total		
(1)	(8)	(9)	(10)	(11)	(12)	(13)	(13)	
1. Ministry of Agriculture	5.6	10.8	51.1	32.5	—	100.0	100.0	
2. " " Commerce	6.7	13.6	60.2	19.5	—	100.0	100.0	
3. " " Communication	0.3	0.8	78.3	19.0	1.5	100.0	100.0	
4. " " Defence	1.1	1.1	19.7	26.3	51.9	100.0	100.0	
5. " " Education & Social Welfare	2.4	7.8	83.2	6.6	—	100.0	100.0	
6. " " External Affairs	13.1	40.2	27.7	19.0	—	100.0	100.0	
7. " " Finance	3.5	6.5	61.9	13.0	15.2	100.0	100.0	
8. " " Health & Family planning	5.9	5.6	46.5	42.0	—	100.0	100.0	
9. " " Home Affairs	14.4	0.6	89.2	8.8	—	100.0	100.0	
10. " " Industrial Development	10.1	15.6	45.9	28.4	—	100.0	100.0	
11. " " Information & Broadcasting	6.6	14.6	49.9	29.0	—	100.0	100.0	
12. " " Irrigation & Power	11.6	8.7	58.4	21.2	—	100.0	100.0	
13. " " Labour & Rehabilitation	8.1	7.3	49.2	35.4	—	100.0	100.0	
14. " " Law & Justice	36.5	36.1	27.5	—	—	100.0	100.0	
15. " " Planning	11.3	13.2	61.2	14.4	—	100.0	100.0	
16. " " Railways	0.3	0.3	42.3	57.2	—	100.0	100.0	
17. " " Shipping & Transport	10.2	8.9	51.9	29.1	—	100.0	100.0	

(1)	(8)	(9)	(10)	(11)	(12)	(13)
18. " Steel & Mines	12.2	6.8	59.4	21.5	—	100.0
19. " Tourism & Civil Aviation	3.5	6.4	55.7	34.4	—	100.0
20. " Works & Housing	1.9	5.2	62.4	30.5	—	100.0
21. Dept. of Atomic Energy	19.4	8.2	57.8	14.6	—	100.0
22. " Science & Technology	2.8	2.8	57.0	37.4	—	100.0
23. " Supply	4.6	11.7	64.2	19.5	—	100.0
24. " Cabinet Secretariat	5.8	12.7	48.8	32.8	—	100.0
25. Presidents Secretariat	3.9	25.5	34.2	36.4	—	100.0
26. Prime Minister's Secretariat	8.3	29.7	28.8	33.2	—	100.0
27. Vice-President's Secretariat	5.7	17.1	37.1	40.0	—	100.0
28. Ministry of Petroleum & Chemicals	8.6	7.7	7.69	—	—	100.0
<b>Total</b>	<b>1.1</b>	<b>1.4</b>	<b>46.9</b>	<b>39.0</b>	<b>11.6</b>	<b>100.0</b>

Table 5

**Distribution of Different Categories of Occupations and their Differentials  
In Pay-scales in the Ministry of Communications**

Categories of Occupations by Classes	Pay-Scales in Rs.	Disparity ratio	Index of differential minimum Pay = 100	
			Within Each Class	Within the Whole Dept.
1	2	3	4	5
<b>Class I :</b>				
Senior Member	3000 fixed	--	750	5455
Member	2500 fixed	1.2	625	4545
Chief Engineer	2000 fixed	1.5	500	3636
Deputy Directors	1800-2250	1.7	450	3273
Directors	1300-1600	2.3	325	2364
Asstt. Directors	900-1250	3.3	225	1636
	700-1250	4.3	175	1273
	400-1250	7.5	100	727
<b>Class II :</b>				
Traffic Manager	740-900	—	211	1345
Supervisor	530-710	1.4	151	964
Asst. Directors, Supdts., Ald. Supdts., Asst. Chief Supdts., Post Masters, Deputy Post Masters, Lecturers, Asst. Engineers, Construction Officers	350-900	2.1	100	636
<b>Class III :</b>				
<i>Highly skilled :</i>				
Yard foreman, Incharge	205-240	—	273	372
Packaging foreman	150-250	1.4	200	273
Packaging Supervisors	125-155	1.6	167	227
Sarcars	110-155	1.9	147	200

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1	2	3	4	5
Packers Grade I, Head Tindal, ) Carpenter Gr. I, Crane Drivers, ) Stock Checkers, Mistries )	105-155	2.0	140	191
<i>Semi Skilled :</i>				
Packers Gr. II, Tindals, Carpen- ) ters Gr. I, Markers, Weighmen- ) Putontman )	75-110	2.7	100	136
<i>Class IV :</i>				
Jamadars, Munshies	80-100	—	145	145
Cash Counters Bill Sarkar,	80-95	—	145	145
Shroff/Poddar./Form Supplier	75-95	1.1	136	136
Peons, Orderlies, Packers, ) Cooks, Attendants, Khansumas, ) Gateman, Mailpeons, Letter Box ) Peon, Runners, Telegraph Mess- ) engers, Telegraph Men, Frashers, ) Sweepers, Scavengers, Chawkidars, ) Watchmen, Mail Gardsmen, Bhisties ) Mazdoors, Hamals, Cleaner, Rest ) House Attendants, Ayas, Mech./ ) Elec. Workmen, Lascars, Batt- ) erymen )	70-85	1.1	127	127
Boy Peons, Boy Messengers ) disparity between maximum ) and minimum pay )	55-60	1.5	100	100
	—	54.5	—	—

Table 6

**Disparity Ratio Between Highest and Lowest Basic Pays in the Different Departments of the Central Government in India : 1973-74.**

Ranges of disparity ratio	Departments
(1)	(2)
5.00—7.00	(1) Commerce, (2) Education & Social Welfare, (3) President's Secretariat, (4) Vice-President's Secretariat;
7.00—10.00	(1) Agriculture, (2) Communications, (3) Industrial Development (4) Law & Justice, (5) Atomic Energy, (6) Petroleum & Chemicals, (7) Prime Minister's Secretariat;
10.00—13.00	(1) Finance, (2) Health & Family Planing, (3) Shipping & Transport, (4) Steel & Mines, (5) Science & Technology, (6) Supply;
13.00—16.00	(1) Information & Broadcasting, (2) Irrigation & Power, (3) Labour & Rehabilitation, (4) Planning, (5) Railways, (6) Works & Housing, (7) Cabinet Secretariat;
16.00—22.00	(1) Defence, (2) External Affairs, (3) Home Affairs, (4) Tourism & Civil Aviation.

Table 7  
Differentials in wage-structure between different occupations and departments of the Central Government  
in India : basic pay scales in Rs. per month : 1973-74

Departments	0	1	2	3	Lower		Upper				
					Packers	Carpenter	Jamadar	Division Clerk	Division Clerk	Foreman	Operator
1. Ministry of Agriculture								425-600	425-600	425-600	7
2. Ministry of Communication		70-85	75-110					205-240			
3. Ministry of Defence		85-128		80-110		110-180		130-300			
4. Ministry of External Affairs								130-280			
5. Ministry of Education and Social Welfare			200-260								
6. Ministry of Finance								210-380			
7. Ministry of Home Affairs				320-400							
8. Ministry of Health and Family Planning											
9. Ministry of Industrial Development											
10. Ministry of Information and Broadcasting											
11. Ministry of Labour and Rehabilitation				190-240					455-700		
12. Ministry of Law and Justice											
13. Ministry of Power and Irrigation											260-400

(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
14. Ministry of Planning				260-400	330-560		
15. Ministry of Railways					335-425		
16. Ministry of Steel and Mines							
17. Ministry of Shipping and transport						650-1200	
18. Ministry of Tourism and Civil Aviation							425-640
19. Ministry of Work and Housing							425-750
	1.2-1.5	2.7-2.4	4.0-3.6	2.4-2.2	2.6-2.0	2.7-3.3	1.6-1.9



Departments	Superin- tendent	8	9	10	11	12	13	14
			Supervisor	Lecturer	Technical Assistant	Research Officer	Inspector	Store- keeper
0								
1. Ministry of Agriculture			425-600			700-1200		
2. Ministry of Communication	350-475			350-900				
3. Ministry of Defence			330-650	400-950				
4. Ministry of External Affairs								
5. Ministry of Education and Social Welfare								
6. Ministry of Finance	450-575						550-800	550-900
7. Ministry of Home Affairs							550-750	
8. Ministry of Health and Family Planning						425-700		
9. Ministry of Industrial Development								
10. Ministry of Information and Broadcasting								
11. Ministry of Labour and Rehabilitation			455-700					650-900

	0	8	9	10	11	12	13	14
12. Ministry of Law and Justice								
13. Ministry of Power and Irrigation							425-640	
14. Ministry of Planning								
15. Ministry of Railways								
16. Ministry of Steel and Mines					425-640			
17. Ministry of Shipping and transport			650-1200					
18. Ministry of Tourism and Civil Aviation					550-750		650-1200	
19. Ministry of Work and Housing								
		2.1-1.2	2.0-2.0	1.1-1.1	1.3-1.2	1.6-1.7	1.5-1.9	1.2-1.0

Departments	Engineer	Director	Chief Engineer	Principal	Advisor	Chairman	Member	
	0	15	16	17	18	19	20	21
1. Ministry of Agriculture		1800-2250		1800-2000	1800-2000	1800-2250		
2. Ministry of communication			2000 fixed					2500-2750
3. Ministry of Defence		1600-1800		1600-2000				
4. Ministry of External Affairs		2000-2250						
5. Ministry of Education and Social Welfare								
6. Ministry of Finance		840-1200	1500-1800		2500-2750			
7. Ministry of Home Affairs		2500-3000						
8. Ministry of Health and Family Planning					2500-3000			
9. Ministry of Industrial Development			1300-1600		2000-2250	3500		
10. Ministry of Information and Broadcasting		700-1300	1800-2000					fixed
11. Ministry of Labour and Rehabilitation								

	0	15	16	17	18	19	20	21
12. Ministry of Law and Justice								3000
13. Ministry of Power and Irrigation			2250-2500					fixed
14. Ministry of Planning			3000-3500				2500-3000	
15. Ministry of Railways					1800-2000			
16. Ministry of Steel and Mines						2250-2750		
17. Ministry of Shipping and Transport			1300-1700	1500-2000				
18. Ministry of Tourism and Civil Aviation								
19. Ministry of Work and Housing				2500-2750				
		1.2-1.1	2.3-2.2	1.7-1.5	1.1-	1.4-1.5	1.9-1.3	1.2-

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Table 8  
Comparisons in gains due to pay scale-revisions between different occupations in the Central Government services

Occupations	Actual Basic Pay in Rs.			1972		Gains in 1958 percentage		Gains in 1972 percentage	
	1947	1958	1972	Start	End	Start	End	Start	End
	2	3	4	5	6	7	8		
1. Secretary	3000 fixed	3000 fixed	3500 fixed	nil	nil	116.7	116.7		
2. Addl. Secretary	2750 "	2750 "	3000 "	nil	nil	109.1	109.1		
3. Joint Secretary	2250 "	2250 "	2500-2750	nil	nil	111.1	122.2		
4. Deputy Secretary	1100-1800	1100-1800	1300-1800	nil	nil	118.2	nil		
5. Selection Gr. I	800-1150	900-1250	1100-1800	112.5	108.7	137.5	156.5		
6. Under Secretary	750-900	800-1150	900-1250	106.7	127.8	120.0	138.9		
7. Section Officer	750-900	800-1150	1200-1600	106.7	127.8	160.0	177.8		
8. Stenographer : Senior	250-400	325-500	350-770	130.0	111.1	140.0	171.1		
9. Stenographer : Junior	160-330	250-275	210-530	156.3	113.6	131.3	160.6		
10. Assistant	140-400	160-450	210-530	114.3	112.5	150.0	132.5		
11. Upper Division Clerk	80-200	80-220	130-280	nil	110.0	162.5	140.0		
12. Lower Division Clerk	55-130	60-130	110-180	109.1	nil	200.0	138.5		
Disparity ratio : start-end	55   23	50   23	32   19	---	---	---	---		

Table 9  
Distributions of dearness allowance by basic pay ranges in rupees : 1957 and 1972

Basic Pay Ranges in Rs. per month	1957			1972			Percentage growth of Allowance in 1972 over 1957
	Percentage of Employees	Total Allowances in Rs.	Percentage Allowance to Basic Pay Employees	Total Allowances in Rs.	Percentage Allowance to Basic Pay Employees	Percentage growth of Allowance in 1972 over 1957	
1	2	3	4	5	6	7	8
less than Rs. 100	83.78	72	72	0.09	112	112	116
" " Rs. 150	8.47	72	48	47.08	139	93	193
" " Rs. 200	3.57	74	37	17.83	163	82	220
" " Rs. 300	2.32	75	25	20.09	196	65	261
" " Rs. 500	1.17	85	17	11.58	214	43	252
" " Rs. 1000	0.52	110	11	2.77	180	18	164
" " Rs. 1500	0.10	—	—	0.43	160	11	—
" " Rs. 2000	0.04	—	—	0.08	100	5	—

Table 10  
Distributions of compensatory city allowance and house rent allowances by pay ranges in the  
Central Government services

Class of Cities	Compensatory City Allowance											
	Second Pay Commission					Third Pay Commission					Disparity	
	Basic Pay ranges in Rs.	Per- cent- ages of CCA	Per- cent- ages of CCA	Actual CCA in Rs.	Actual CCA in Rs.	Basic Pay ranges in Rs.	Per- cent- ages of CCA	Per- cent- ages of CCA	Actual CCA in Rs.	Actual CCA in Rs.	Max. Comm.	Min. Comm.
1	2	3	4	5	6	7	8	9				
'A' : Population above 16 Lakhs	1. below 150	10	7.50-12.50	below 250	6.50	12.00	—	—				
	2. 150 above	8	12.50-75.00	250 above	6	75.00	10.0	6.3				
'B'-1 : Population above 8 lakhs but below 16 lakhs	1. below 250	7.12	6.00-15.00	below 330	5	16.50	—	—				
	2. 250 above	6	15.00-50.00	330 above	4.5	50.00	8.3	3.0				
'B'-2 : Population above 4 lakhs but not exceed- ing 8 lakhs	1. below 620	5	5.00-10.00	below 750	3.5	2.63- 10.00	—	—				
	2. 620 above	5	9.00 above	750 above	1.2	9.00 above	2.0	3.8				
'C' : Population above 50 thou- sand but not exceeding 4 lakhs	—	—	—	—	—	—	—	—				
	—	—	—	—	—	—	—	—				

		House Rent Allowance					
		2nd Pay Commission			3rd Pay Commission		
Basic Pay ranges in Rs.	Percentage of HRA	Actual HRA in Rs.	Percentage of HRA	Actual HRA in Rs.	Disparity Ratio		
					2nd Pay Com.	3rd Pay Com.	
1	10	11	12	13	14	15	16
'A' : Population above 16 lakhs	1. below 100 2. 100-3000	15 15	15.00 16.00-300.0	15 15	15.00-400.00 "	— 20.00	— 26.00
'B'-1 : Populations above 8 lakhs but below 16 lakhs	1. above 3000	10	300.0	10	300.00	—	—
'B'-2 : Population above 4 lakhs	1. below 100	10	10.00	10	10.00	—	—
but not exceeding 8 lakhs	2. 100 above	10	15.00-300.0	10	15.00-300.0	30.0	30.0
'C' : Population above 50 thousand but not exceeding 4 lakhs	1. below 620 2. 620 above	7.50 7.3	7.50 45.00 above	7 1/2 7 1/2	7.50-200.00 45.00-200.00	— 6.0	— 26.7



Table 11  
Growth in Total Emoluments of Central Government employees and relative pay differentials  
at current and constant prices

Items	At Current Prices			At 1960-61 Prices			
	1960-61	1969-70	Percentage Growth in 1969-70 over 1960-61	Index of Pay differential with Class IV Pay = 100	1969-70	Percentage Growth in 1969-70 over 1960-61	Index of Pay differential with Class IV Pay = 100
	2	3	4	5	6	7	8
<b>Per Capita National</b>							
Product in Rs.	305.6	597.5	195.5	—	340.6	111.5	—
<b>Emoluments of Central Government Employees in Rs.</b>							
Class IV	80	156	195.0	100	85	106.0	100
Lower Division							
Clerks	171	298	174.3	214	162	95.0	191
Upper Division							
Clerks	220	347	157.7	275	189	86.0	222
Assistants	345	521	151.0	431	283	82.0	333

	1	2	3	4	5	6	7	8
Class II		650	815	125.4	813	442	68.0	520
Class I A		1250	1395	111.6	1563	763	61.0	898
Class I B		2250	2500	111.1	2813	1350	60.0	1588
Class I C		3000	3500	116.7	3750	1890	63.0	2224
Disparity ratio between maximum and minimum enrolments		37.5	22.4	59.7	—	22.2	59.2	—