

A Note on Changes in Real Wages of Government Servants, 1959-60 to 1975-76

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An attempt has been made in this paper to estimate the changes that have taken place in the real wages of government servants from 1959-60 to 1975-76.

In 1972, the government servants were classified in 22 categories. For purposes of comparison, the various posts in 1959-60 were grouped into categories which correspond to the 22 categories of 1972. The wages include the basic salary at the minimum of the scale, plus allowances and other fringe benefits such as housing subsidy/house rent, dearness, conveyance and other allowances expressed in money terms at current prices in 1959-60, 1972 and 1975-76 as per details given in Appendix Tables I, II and III respectively.

There is, however, a serious omission in the data presented. It has not been possible to include pension rights in the calculation of wages, so that the wages as given in Appendix Tables I, II and III are understated. But as this omission is common for all the three years, namely 1959-60, 1972 and 1975-76, it is thought that for purposes of comparison the margin of error introduced by this omission would be relatively small.

Prices have changed substantially since 1959-60. So the nominal money wages in 1971-72 and 1975-76 have been deflated to convert them into money values of 1959-60. For this conversion, three possible indices can be used, namely the wholesale prices index, the consumer price index for government servants and the implicit national income deflator. Changes in these indices since 1959-60 are given in Table 1.

It will be seen that the three indices move fairly closely with one another. However, the consumer price index for government servants reflects most closely

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Table 1

Selected Price Indices: 1959-60 to April 1976

Year	Consumer Price Index for Government Servants	Wholesale Price Index	GNP Implicit Price Deflator
1959-60	100	100	100
1960-61	102.83	103.3	101.4
1961-62	106.5	105.9	104.1
1962-63	106.7	104.8	108.1
1963-64	110.5	104.6	103.4
1964-65	116.9	112.4	110.9
1965-66	121.6	117.5	116.2
1966-67	130.8	138.9	134.8
1967-68	136.1	126.0	127.6
1968-69	139.1	129.5	135.3
1969-70	144.5	132.2	134.2
1970-71	152.3	137.2	137.2
1971-72	159.8	150.3	142.2
1972-73	174.5	179.7	170.9
1973-74	226.2	229.1	215.4
1974-75	286.3	289.0	257.0
April 1976	324	312.9	312.3

Sources : [2, 3, 5, 6]

the changes in the purchasing power of the money incomes of government servants. This index has changed from 100 in 1959-60 to 160 in 1971-72 and to 324 in 1975-76. So the nominal money wages of government servants in 1971-72 and 1975-76 have been deflated by this index to estimate the real value of these wages at 1959-60 prices. A comparison of the real wages of government servants in the 22 grades in 1971-72 and in 1975-76 with government servants at corresponding levels in 1959-60 is given in Tables 2 and 3 respectively.

It will be seen from Table 2 that the real wages of non-gazetted staff in 1972, after the introduction of the New Pay Scales, showed a slight improvement in the first three grades and an appreciable decline in the higher grades. The real wages of the gazetted staff improved appreciably except in the case of grades XX and XXII. However, the position changed markedly by 1975-76 as shown in Table 3. The real wages of all categories of government servants declined by 1975-76. The decline was modest in grades I, II, III V and XVI but was substantial in other grades ranging from one quarter to one half.

Another exercise has also been carried out to determine changes in real wages of government servants since 1972 after the introduction of New Pay Scales. The nominal money wages in 1975-76 have been compared with those in 1971-72 at 1971-72 prices. Using 1971-72 as base, the consumer price index increased from 100 in 1971-72 to 203 in 1975-76, that is by more than 100 percent. The changes in the real wages of government servants in 1975-76 compared with 1971-72 are given in Table 4.

As will be seen from this table, the real wages of all categories of government servants declined markedly in 1975-76 compared with 1971-72. The decline was relatively small in grades V, VII and VIII but was very substantial in others, ranging from one quarter to one half.

It may be concluded from the above analysis that the decline in real wages due to the rise in prices since 1959-60 was, by and large, rectified by the introduction of the New Pay Scales in 1972 but that the rise in prices between 1971-72 and 1975-76 has resulted in a very substantial erosion in the real wages of government servants, so that the government servants were much worse off in 1975-76 compared with 1959-60 or 1971-72.

However, looking at the salaries of the government servants in relation to GNP per capita and the salaries in different categories as percentage of salary scale XXII (Tables 5 and 6 respectively) we see that there has been a gradual decline in the income gaps of the highest paid and the lowest paid civil servants. This ratio was 26 to 1 in 1959-60, 22 to 1 in 1972 and 15 to 1 in 1975-76. In other words there appears to have been a slow movement towards reducing income inequalities among the government servants from 1959-60.

Table 2

Comparison of Real Wages of Government Servants in 1959-60 and 1971-72

Grade of Pay According to 1972 Classification	Posts to the Secretariat in 1972	1959-60 Money Wages at 1959-60 Prices	1972 Money Wages at 1972 Prices	1972 Money Wages at 1959-60 Prices (Real Wages) ^a	Percentage Change Col. 5 with Col. 3
1	2	3	4	5	6
<i>Non-Gazetted</i>					
I	Daftry, Jamadar, Peon, Frash, Sweeper, Mali and Chowkidar	125	228	143	14
II	Record Sorter	135	238	149	10
III	Despatch Rider/Duplicating Machine Operator	140	248	155	11
IV	Staff Car Driver	164	258	161	- 2
V	L.D.C.	189	313.75	196	4
VII	U.D.C.	262	341.50	214	-18
VIII	Stenotypist	280	360	225	-20
XI	Stenographer	340	429.50	269	-21
XII	Assistant-Incharge	371	542.50	339	- 9
XIV	Stenographer (Selection Grade)	502	588.75	368	-27
<i>Gazetted</i>					
XVI	Superintendent/PS to Sec., Additional, Secretary	380	635	397	4
XVII	Section Officer/Res. Officer, Junior Security Officer (Junior C.S.P. Scale)	470	827.50	518	10
XVIII	Section Officer (Senior C.S.P. Scale)	890	1525	954	7
XIX	Deputy Secretary/Deputy Financial Adviser	1410	2665	1668	18
XX.	Joint Secretary	2685	3720	2328	-13
XXI	Additional Secretary	N.A. ^b	4228.75	2646	—
XXII	Secretary	3250	5052.50	3162	- 3

Sources : [1, 4] and various notifications issued from time to time.

^aDeflated by the consumer price index for 1971-72, 160 (compared with 1959-60—100)

^bThe post of Additional Secretary did not exist in 1959-60.

Table 3

Comparison of Real Wages of Government Servants in 1959-60 and 1975-76

Grades of Pay According to 1972 Classification	Post in the Secretariat in 1972	1959-60 Money Wages at 1959-60 Prices	1975-76 Money Wages at 1975-76 Prices	1975-76 Money Wages at 1959-60 Prices (Real Wages) ^a	Percentage Change Col. 3 and 5.
1	2	3	4	5	6
<i>Non-Gazetted</i>					
I	Daftry, Jamadar, Peon, Frash, Sweeper, Mali, and Chowkidar	125	355	110	-12
II	Record Sorter	135	365	113	-16
III	Despatch Rider/Duplicating Machine Operator	140	375	116	-17
IV	Staff Car Driver	164	385	119	-27
V	L.D.C.	189	538.75	166	-12
VII	U.D.C.	262	567	175	-33
VIII	Stenotypist	280	585	181	-35
XI	Stenographer	340	654.50	202	-41
XII	Assistant-Incharge	371	768	237	-36
XIV	Stenographer (Selection grade)	502	814	251	-50
<i>Gazetted</i>					
XVI	Superintendent, PS to Sec., Add. Secretary	380	1010	312	-18
XVII	Section Officer/Res. Off., Junior Security Officer (Junior C.S.P. Scale)	470	1103	340	-28
XVIII	Section Officer (Senior C.S.P. Scale)	890	1850	571	-36
XIX	Deputy Secretary/Deputy Financial Adviser	1410	3040	938	-33
XX	Joint Secretary	2685	3895	1202	-55
XXI	Additional Secretary	N.A. ^b	4654	1436	—
XXII	Secretary	3250	5227	1613	-50

Sources: Same as in Table 2.

^aDeflated by the consumer price index for 1975-76, 324 (compared with base 1959-60—100)^bThe post of the Additional Secretary did not exist in 1959-60.

Table 4

Comparison of Real Wages of Government Servants in 1972 and 1975-76

Grades of Pay according to 1972 Classification	Posts in the Secretariat in 1972	1972 Money Wages at 1972 Prices	1975-76 Money Wages at 1975-76 Prices	1975-76 Money Wages at 1971-72 Prices ^a	Percentage Change Col. 5 with Col. 3.
1	2	3	4	5	6
<i>Non-Gazetted</i>					
I	Daftry, Jamadar, Peon Frash, Sweeper, Mali, and Chowkidar	228	355	175	-23
II	Record Sorter	238	365	180	-24
III	Despatch Rider/Duplicating Machine Operator	248	375	185	-25
IV	Staff Car Driver	258	385	190	-26
V	L.D.C.	313.75	538.75	265	-16
VII	U.D.C.	341.50	567	279	-18
VIII	Stenotypist	360	585	288	-20
XI	Stenographer	429.50	654.50	322	-25
XII	Assistant-Incharge	542.50	768	378	-30
XIV	Stenographer (Selection Grade)	588.75	814	401	-32
<i>Gazetted</i>					
XVI	* Superintendent/PS to Sec., Add. Secretary,	635	1010	498	-22
XVII	Section Officer/Res. Officer, Junior Security Officer (Junior C.S.P. Scale)	827.50	1103	543	-34
XVIII	Section Officer (Senior C.S.P. Scale)	1525	1850	911	-40
XIX	Deputy Secretary/ Deputy Financial Adviser	2665	3040	1498	-44
XX	Joint Secretary	3720	3895	1919	-48
XXI	Additional Secretary	4228.75	4654	2293	-46
XXII	Secretary	5052.50	5227	2575	-49

Sources: Same as in Table 2.

^aDeflated by the consumer price index for 202.7=203 (compared with base 1971-72=100)

Table 5
Government Salaries in Relation to GNP Per Capita

Category	1959-60	1971-72	1975-76
I	4.0	3.5	2.5
II	4.3	3.7	2.6
III	4.5	3.8	2.6
IV	5.3	4.0	2.7
V	6.1	4.9	3.8
VII	8.4	5.3	4.0
VIII	9.0	5.6	4.1
XI	10.9	8.2	4.6
XII	11.9	8.4	5.4
XIV	16.1	9.1	5.7
XVI	12.2	10.5	7.1
XVII	15.1	12.8	7.8
XVIII	28.6	23.6	13.0
XIX	45.4	41.3	21.4
XX	86.4	57.6	27.5
XXI	—	65.5	32.8
XXII	140.6	78.3	36.9

Table 6

Salaries in Different Categories as Percent of Salary Scale XXII, and Percentage Change in Salary as Percent of Highest Salary Over Time

Category	Salaries in percent of highest salary			Percent change in ratio salary/highest salary		
	1959-60	1972	1975-76	1959-60 to 1972	1972 to 1975-76	1959-60 to 75-76
I	3.8	4.5	6.8	18	51	79
II	4.2	4.7	7.0	12	49	67
III	4.3	4.9	7.2	14	47	67
IV	5.1	5.1	7.4	0	45	45
V	5.8	6.2	10.3	7	66	78
VII	8.1	6.8	10.8	-16	59	33
VIII	8.6	7.1	11.2	-17	58	30
XI	10.5	10.5	12.5	0	19	19
XII	11.4	10.7	14.7	-6	37	29
XIV	15.4	11.6	15.6	-25	34	1
XVI	11.7	13.4	19.3	15	44	65
XVII	14.5	16.4	21.1	13	29	46
XVIII	27.4	30.2	35.4	10	17	29
XIX	43.4	52.8	58.2	22	10	34
XX	82.6	73.6	74.5	-11	1	-10
XXI	—	83.7	89.0	—	6	—
XXII	100.0	100.0	100.0	0	0	0

Appendix Table I
Pay and Allowances in 1959-60

Grades of Pay According to 1972 Classification	Posts in the Secretariat in 1972	Initial Salary Including all Allowances Except Housing Subsidy	Housing Subsidy	Total Emoluments
<i>Non-Gazetted</i>				
I	Daftry, Jamadar, Peon, Frash, Sweeper, Mali and Chowkidar	60	65	125
II	Record Sorter	70	65	135
III	Despatch Rider/Duplicating Machine Operator	75	65	140
IV	Staff Car Driver	99	65	164
V	L.D.C.	99	90	189
VII	U.D.C.	124	138	262
VIII	Stenotypist	144	136	280
XI	Stenographer	211	129	340
XII	Assistant-Incharge	245	126	371
XIV	Stenographer (Selection Grade)	391	111	502
<i>Gazetted</i>				
XVI	Superintendent/PS to Secretary, Additional Secretary	255	125	380
XVII	Section Officer/Research Officer, Junior Security Officer (Junior C.S.P. Scale)	300	170	470
XVIII	Section Officer (Senior C.S.P. Scale)	600	290	890
XIX	Deputy Secretary/Deputy Financial Adviser	900	510	1410
XX	Joint Secretary	2150	535	2685
XXI	Additional Secretary	—	—	—
XXII	Secretary	2500	750	3250

Appendix Table II

Pay and Allowances in 1972

Grades of Pay According to 1972 Classification	Posts in the Secretariat in 1972	Initial Salary	Conveyance Allowance	Washing Allowance	Compensatory Allowance	Housing Subsidy	Total Emoluments
<i>Non-Gazetted</i>							
I	Daftry, Jamadar, Peon, Frash, Sweeper, Mali and Chowkidar	100	15	3	10	100	228
II	Record Sorter	110	15	3	10	100	238
III	Despatch Rider/Duplicating Machine Operator	120	15	3	10	100	248
IV	Staff Car Driver	130	15	3	10	100	258
V	L.D.C.	150	15		10	138.75	313.75
VII	U.D.C.	180	15		10	136.50	341.50
VIII	Stenotypist	200	15		10	135	360
XI	Stenographer	275	15		10	129.40	429.40
XII	Assistant-in-charge	300	15		10	227.50	542.50
XIV	Stenographer (Selection Grade)	350	15			223.75	588.75
<i>Gazetted</i>							
XVI	Superintendent/PS to Secretary, Additional Secretary	400	15			220	635
XVII	Section Officer/Research Officer, Junior Security Officer (Junior C.S.P. Scale)	500	15			312.50	827.50
XVIII	Section Officer (Senior C.S.P. Scale)	1000				525	1525
XIX	Deputy Secretary/Deputy Financial Adviser	1800				865	2665
XX	Joint Secretary	2400				1320	3720
XXI	Additional Secretary	2950				1278.75	4228.75
XXII	Secretary	3300				1752.50	5052.50

Appendix Table III
Pay and Allowances Admissible in 1976

Grade of Pay According to 1972 Classification	Post in the Secretariat in 1972	Initial Salary	Conveyance Allowance	Compen-satory Allowance	Washing Allowance	Dearness Allowance	Housing Subsidy	Total Emoluments
<i>Non Gazetted</i>								
I	Daftary, Jamadar, Peon, Frash, Mali and Chowkidar	100	30	10	5	110	100	355
II	Record Sorter	110	30	10	5	110	100	365
III	Despatch Rider/Duplicating Machine Operator	120	30	10	5	110	100	375
IV	Staff Car Driver	130	30	10	5	110	100	385
V	L.D.C.	150	30	10		110	238.75	538.75
VII	U.D.C.	180	30	10		110	237	567
VIII	Stenotypist	200	30	10		110	235	585
XI	Stenographer	275	30	10		110	229.50	654.50
XII	Assistant-Incharge	300	30			110	328	768
XIV	Stenographer (Selection Grade)	350	30			110	324	814
<i>Gazetted</i>								
XVI	Supdt./P.S to Secretary, Additional Secretary	400	30			110	470	1010
XVII	Section Officer/Research Officer, Junior Security Officer (Junior C.S.P. Scale)	500	30			110	463	1103
XVIII	Section Officer (Sr. C.S.P. Scale)	1000				125	725	1850
XIX	Deputy Secretary/Deputy Financial Adviser	1800				175	1065	3040
XX	Joint Secretary	2400				175	1320	3895
XXI	Additional Secretary	2950				175	1529	4654
XXII	Secretary	3300				175	1742	5227

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