

PENSIONERS

Fighting For A Cause

THE SALARIED middle classes have time and again fallen prey to the Government's more capricious economic decisions. But, one group that has suffered the most from constantly rising costs of living is the large, amorphous mass of the nation's pensioners. Bereft of a common voice, nearly three million retired government employees and defence personnel have helplessly watched their pensions shrink in real value as the consumer price index sky-rocketed.

Until 1980, that is, when Common Cause, a Delhi-based organisation "for ventilating common problems of the people", decided to fight on behalf of the pensioners. Its director Hari Dev Shourie, 70, himself a pensioner, says the last straw for him came when the Central Government announced pension liberalisation rules in May 1979—but made the enhanced pensions applicable only to those who retired on or after April 1, 1979.

Last fortnight, a five-member constitution bench of the Supreme Court headed by Chief Justice Y.V. Chandrachud handed down a judgment on a petition filed by Common Cause that was at once an indictment of the cynical underpinnings of a welfare state and a sharp rebuke for the Government's arbitrariness. Ruling that all pensioners, irrespective of their dates of retirement, were entitled to the liberalised rates of pension, the unanimous 65-page judgment said that the eligibility criteria were arbitrary, and that "the old men who retired when emoluments were comparatively low are exposed to (the) vagaries of continuously rising prices and the falling value of the rupee consequent on inflationary inputs" deserved a better deal.

Ignored: Common Cause's petition had capped a fruitless period in which pensioners' associations across the country called in deputations on Union ministers, fired off countless memoranda, and deposed before parliament's committee on petitions. In 1973, too, when pension rules were liberalised, pre-1973 retirees had been implicitly excluded from those benefits. Said the Supreme Court: "If the state considered it necessary to liberalise the pension scheme, we find no rational principle behind it for granting these benefits only to those who retired subsequent to a date

and denying the same to those who retired prior to that date."

The judgment brought immediate relief to at least one million pensioners throughout the country, and ought to carry spin-offs for an additional two million state government pensioners. The Government argued in vain that a favourable verdict would impose an additional annual burden of Rs 233 crore. Calculations showed, said the judgment, that the burden would not exceed Rs 51 crore annually, and with more and more pensioners dying every year, it would progressively lessen.

There had also been anomalies in pension ceilings. The 1973 liberalisation



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had raised the maximum pension to Rs 1,000 a month, whereas pre-1973 pensioners could draw a maximum of only Rs 675—and the 1979 liberalisation raised this limit to Rs 1,500. The judgment will now equalise pension ceilings.

A retired director-general of the Indian Institute of Foreign Trade, Shourie points out that the Congress(I)'s election manifesto in 1980 prominently carried a promise to look after the "interests and comforts of pensioners". Yet, a private member's bill introduced by ruling party member V.S. Gadgil in the Lok Sabha last year was withdrawn by the mover himself after a desultory debate on pensioners' woes.

Linking Inflation: Although the volu-

minous Central Civil Services Pension Rules, 1972, and the Army Pension Regulations codify all existing pension guidelines, further ensnaring people whose working lives have been circumscribed by rules and red tape, the Government has never woken to the realities of the inflationary 1970s. In England, the Pension (Increase) Act of 1971 provided for multipliers for all previous years' pensions in order to bring them in line with rising costs, and for a bi-annual review of all subsequent pensions and their linkage to the cost of living index. India stands in stark contrast, moreover, to 47 other countries in Africa, Asia, the Americas and Eastern Europe that have linked pensions to the cost of living index. In 1980-81, the budget provisions for civil and defence pensions totalled only Rs 280 crore.

Shourie points out other glaring shortcomings in the Government's pension policies. In order to meet their urgent requirements after retirement, civil employees can claim up to a third, and defence personnel half, of the pension due to them for ten years in a lump sum as 'commutation'. Technically the Government is obliged to pay full pensions after the ten-year period, but it has seized upon legalities to continue to deduct one-third of 'commuted pensions' even afterwards.

Dozens of letters Common Cause has received attest to the deprivation suffered by commuted pensioners. The most moving is one from Amrit Lal of Jullundur, who is 85 years old and can sign only with a shaky thumbprint. Lal retired as a civilian superintendent from Army Headquarters in April 1954. In February 1960 he asked for, and got, a commutation lump sum of Rs 9,720. So far, the Government's relentless deduction of one-third of Lal's pension has resulted in his repaying Rs 24,750.

The Government's specious argument, says Shourie, is that if a pensioner gets commutation and then dies before the ten-year period is over, it loses—and so it cannot be expected to undertake contractual obligations to those who live beyond that period. In fact, eight state governments have already instituted rules whereby a commuted pensioner living beyond the age of 70 is automatically restored to full pension.

Family Pensions: "Don't such cruelties in a welfare state illustrate the callousness, disregard and apathy on the part of the politicians and the bureaucrats?" asks

Shourie. Common Cause is also taking up the cause of pensioners' widows. The families of pensioners who died after 1977 get a maximum 'family pension' of Rs 250. But the families of those who died between 1964 and 1977 get a maximum of only Rs 150—and pre-1964, nothing at all. Representations to the Government, says Shourie, have elicited the response that it is very difficult to locate deceased pensioners' families.

Working from his home with a small part-time staff, Shourie and Common Cause illustrate the usefulness of an aware and crusading "platform for the middle classes". A few months ago, Common Cause notched up another victory when its 18-month campaign resulted in the amendment of the Estate Duty Act to provide for evaluation of property at 1970-71 prices. "Until then," says Shourie, "estate duty on a deceased house-owner's property was levied on its prevailing market value, and no family could afford to pay such high sums."



Shourie: providing a forum

Common Cause has also been fighting against the insensitivity of the Municipal Corporation of Delhi (MCD). The MCD for instance levies property tax on house-owners on the basis of the actual rent they receive from tenants. In December 1979 the Supreme Court decided a case in regard to the New Delhi Municipal Committee (NDMC), which administers a privileged pocket in the capital, ruling that property tax could be based only on the standard rent payable under the Rent Control Act. More than 100 house-owners' associations in the MCD jurisdiction that are affiliated to Common Cause have been advised to quote that judgment to house-tax inspectors. When the Lok Sabha took up a Municipal Laws Amendment Act in August 1980 to circumvent the judgment, a vociferous agitation from the capital's house-owners ensued, and nothing has been heard since.

Currently, the organisation is fighting another case in the Supreme Court against the MCD. The bizarre division of the capi-

tal into two municipal jurisdictions has led to a situation where house-owners in the MCD area have to pay a tax of 30 per cent on rateable values above Rs 25,000, whereas the same tax in the NDMC area is only 12.5 per cent, and Common Cause is contesting this discrimination.

Shourie went to the Supreme Court only after trying every other possibility—submissions to Delhi's Lieutenant-Governor, to the MCD, to the Works and Housing Ministry, and finally to Parliament's Petitions Committee. The MCD has submitted that its higher tax rate is necessitated by the extra burden it bears as in the case of Delhi's *jhuggi* and resettlement colonies, which do not pay house taxes—and that a reduction in tax rates would mean a loss of Rs 11 crore. Common Cause promptly showed that the actual loss would not exceed Rs 1.5 crore.

Surrounded by files and circulars, Shourie has a host of other common causes on his slate. "There is satisfaction in showing the Government that the citizenry isn't asleep," he says. That sentiment was echoed by hundreds of relieved pensioners who got on the telephone last fortnight to congratulate him. —CHAITANYA KALBAG

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