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### **PRESS STATEMENT**

#### **AIIEA OPPOSES DA FREEZE FOR GOVERNMENT EMPLOYEES AND PENSIONERS AIIEA UNDERTAKES RELIEF WORK AMONG THE MIGRANT WORKERS AND POOR**

The All India Insurance Employees' Association is deeply disturbed and disappointed over the Central Government decision to freeze the Dearness Allowance payable to its employees and pensioners due from 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2021. The announcement further goes to say that when the compulsory freeze is lifted, the arrears due will not be paid. The decision is taken arbitrarily without consulting the employees, their trade unions and Pensioner Associations. The government intends to save over Rs.37500 crore through this measure. But this drastic decision will severely impact the life and living of 48 lakh central government employees and 65 lakh central government pensioners. The Dearness Relief is not a wage increase. It is just a compensation against the erosion of real wages and the cost of living. This measure indicates that the government rather than making efforts to control inflation intends to attack the living standards of its employees and pensioners. It must be noted that the government has recently reduced the interest rates substantially on the small savings and the Banks have reduced the interest rates on deposits. The reduction on the earnings due to bringing down of interest rates will have a devastating impact on all senior citizens depending on the interest income for their living while the Central Government Pensioners will have to bear the double burden of lower interest rates and freeze of Dearness Relief.

It is true that India is facing unprecedented health and economic crisis due to COVID 19. The entire country has stood as one to fight the pandemic. But it must be acknowledged that the Central and State government employees across the country are in forefront of battle against Covid-19 risking their safety and life. The Doctors, nurses, para-medical staff, municipal and sanitary workers, police and employees in Health Department, Defense, Railways, Postal, Power, Oil, Coal etc. and also employees on the administrative side are doing yeoman service to the nation by taking enormous risk. They are working with minimum facilities and without sufficient personal protective gears. Most of the employees have contributed generously to PM Cares fund and also to the Chief Minister Relief funds of the States. Workers and employees are also actively participating in relief works and are providing food and other essential items to the poor and the migrant workers by mobilizing resources from their own sources. It is unfortunate that instead of recognizing the services of the employees, the government has decided to punish them economically by freezing the DA.

The Government should be a model employer. The decision to freeze DA & DR comes in the background of the Prime Minister appealing to the Private sector not to cut wages and not to remove employees from their jobs. When the Prime Minister himself will not

stick to his own appeal, how can we expect the private sector to listen to his appeal? State Governments may also take a cue from the central government decision and effect wage cuts and DA freeze.

Overcoming the crisis, no doubt, requires huge resources. By freezing DA, the central government is expecting to save around Rs 37,530 crores and it is also estimated that the State Governments can also save around Rs 82,566 crores by freezing the future DA payments. But why the workers and employees only should be made to pay. Are there no other ways of raising resources? Should the government still stick to its policy of fiscal fundamentalism even during this grave crisis? The government should look at ways of taxing the ultra rich and big corporate sector. The government should also make a determined and serious effort to recover bad loans of the Banking sector.

The country needs a huge stimulus package to save the incomes and lives of the poor and the unorganized workers and those involved in the agricultural activity. The medium and small enterprises which employ overwhelming number of workers have been hit hard by the present crisis. Eminent economists estimate that the country needs a stimulus package amounting to Rs.12-16 lakh crore. Such amount can be raised by the government by relaxing the fiscal deficit targets, recovery of bad loans and taxing big corporate and ultra rich. The middle class employees including the Central Government and Pensioners have already made their contribution to the fight against Coronavirus. The government employees should not be burdened again by a DA freeze.

Therefore, the AIIEA demands the withdrawal of the order freezing the Dearness Relief of the Central Government employees and Pensioners. This will help in keeping up their morale in this important task of defeating the coronavirus.

The All India Insurance Employees' Association as a socially conscious organization has been carrying out its responsibility to meet the challenges of the present crisis. The AIIEA units across the country have been providing immediate relief in the manner of food kits and cooked food for thousands of migrant workers and poor across the country. The AIIEA has contributed so far around Rs.4 crore to the different State Chief Minister's DRF. It has also contributed Rs.5 lakh to the PM Care Fund. These funds have been contributed by the insurance employees. The AIIEA is confident of further mobilization of funds for this purpose.

AIIEA extends its support and solidarity to the employees and pensioners of Central Government in their protest against the unjustified freeze of DA/DR. The AIIEA remains committed to the unity of the working class and is in solidarity with the poorer sections of our society and the unorganized workers who are suffering the most in the present crisis.

  
**General Secretary**