

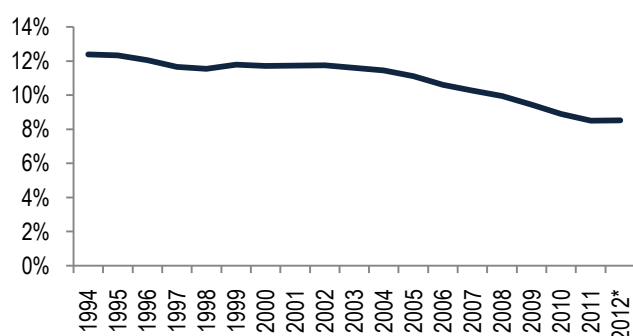
Vital Stats

Overview of Central Government Employees

The central government periodically constitutes a Pay Commission, to evaluate and recommend revisions of salaries and pensions, for its employees. Recently, the Seventh Central Pay Commission has made recommendations that will apply to 33 lakh central government employees, in addition to 14 lakh armed forces and 52 lakh pensioners. In this context, we present an overview of central government employees and pensioners.

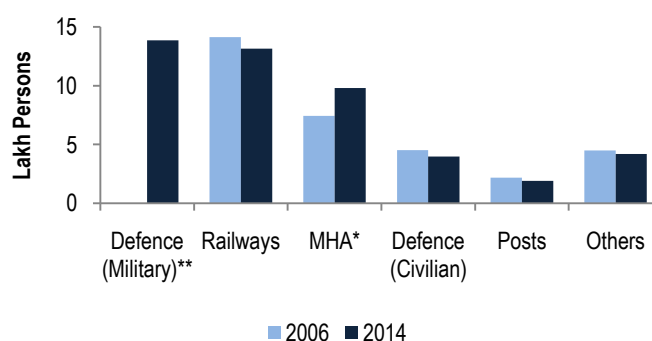
Central government employs 8.5% of organised workforce; Armed forces biggest employer

Central Gov. employees as % of organised workforce



Sources: Economic Survey of India; PRS.
*Provisional data

Number of employees by Ministry

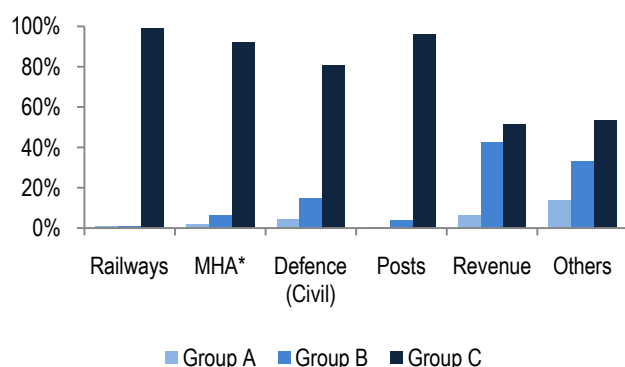


Sources: Report of the Seventh Central Pay Commission; PRS.
*Includes Central Armed Police Forces
**Data for Defence (Military) not available for 2006

- Central government share in organised sector employment has gradually decreased over the past 15 years. In 2012, central government employed 8.5% of the organised workforce. This was a decline of about 4%, from 12.4% in 1994.
- In 2014, the central government had 47 lakh employees, including 14 lakh armed forces. The military constituted 30% of the workforce, followed by Railways with a 28% share in employees. Between 2006 and 2014, all ministries with the exception of the Ministry of Home Affairs (MHA), witnessed a decrease in employees. The number of MHA employees (including the paramilitary forces) went up by 32%, during this period.

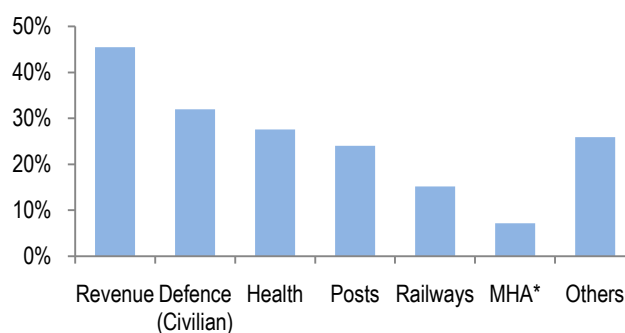
89% of all employees belong to Group C; One in five central government positions is vacant

Share of groups in Ministry-wise employment



Sources: Report of the Seventh Central Pay Commission; PRS.

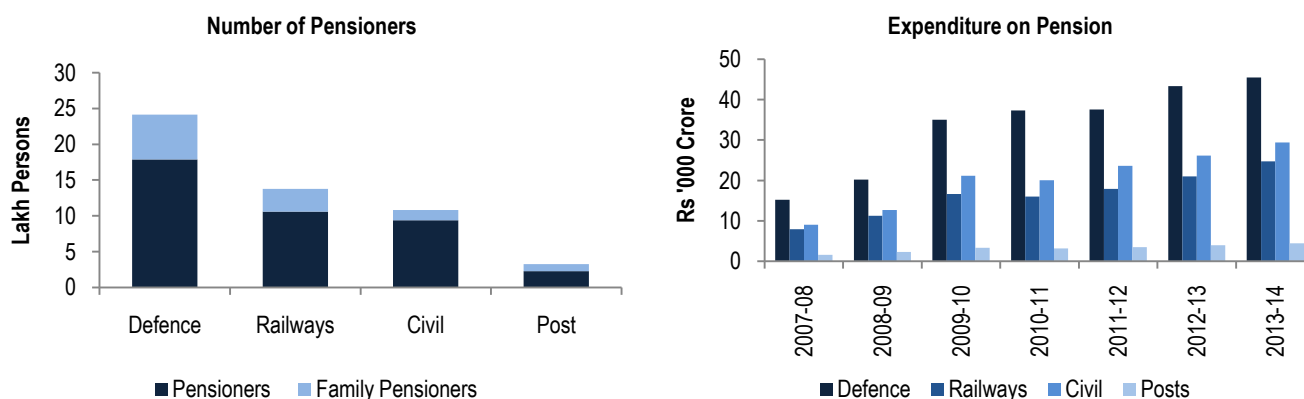
Percent of vacant positions



Sources: Report of the Seventh Central Pay Commission; PRS.
*Includes Central Armed Police Forces

- The majority of government employees belong to Group C, with a share of 88.7%, followed by Group B with 8.5% and Group A with the least employees at 2.8%. Group A employees typically take up higher administrative positions in the government, with Group B workers acting as middle management and Group C employees providing assistance.
- The central government (excluding armed forces) had a vacancy of 18.5%, with 7.47 lakh vacant positions. The revenue department had the largest proportion of vacancy, at 45% of sanctioned strength, whereas, the highest number of vacant positions was in the Railways, with 2.35 lakh unfilled jobs.

Defence personnel constitute largest share among pensioners, followed by the railways

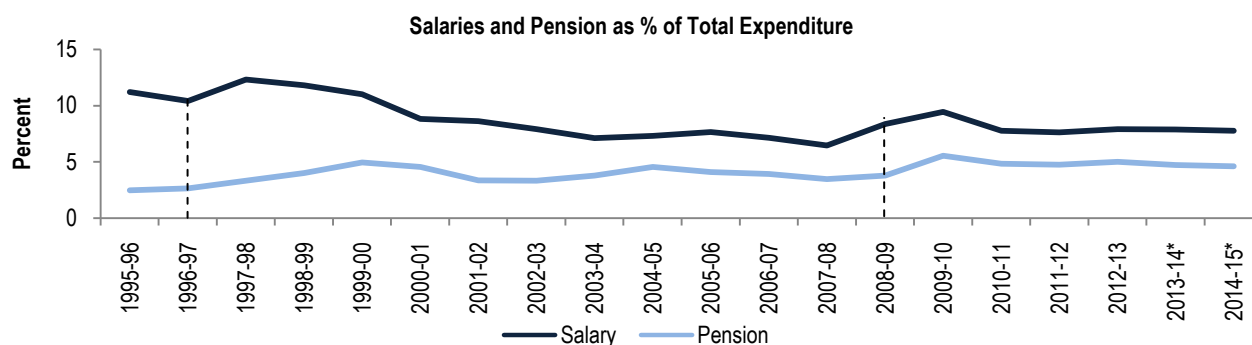


Sources: Report of the Seventh Central Pay Commission; PRS.

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- The total number of central government pensioners as of January 2014, was 51.96 lakh. Defence personnel constituted 46.5% of the total pensioners, followed by the railways with a share of 26.5%. The large proportion of defence personnel among pensioners may be due to the early retirement age of defence services personnel as compared to other government departments.
- The expenditure on pension was Rs 1,04,000 crore in 2013-14. Defence personnel, with 46% of all pensioners, received the largest share of 44% out of the pension expenditure. This was followed by the civil employees, who constituted 21% of all pensioners and received 28% of pension expenditure.

Out of total expenditure, 7.8% was spent on salaries and 4.6% on pensions



Sources: Indian Public Finance Statistics, Ministry of Finance; PRS.

Note: Dotted lines indicate year of Pay Commission Report submission. * 2013-14 (Revised Estimates), and 2014-15 (Budget Estimates)

- In 2014-15, the central government is expected to spend 7.8% of its total expenditure on salaries, and 4.6% on pensions. Over the last two decades, the expenditure on salaries and pensions witnessed a spike after the 5th and 6th Pay Commission recommendations were implemented in 1997-98 and 2008-09 respectively.

Overall expenditure is estimated to increase by 23.6%

Table 1: Expenditure in 2016-17 with revised expenses

Head	Without CPC recommendations	With CPC recommendations	% Increase
Pay	2,44,300	2,83,400	16.0
Allowances			
-House Rent Allowance	12,400	29,600	138.7
-Transport Allowance	9,900	9,900	0.0
-Other Allowances	24,300	36,400	49.8
Pension	1,42,600	1,76,300	23.6
Total	4,33,500	5,35,600	23.6

Sources: Report of the Seventh Central Pay Commission; PRS.

Note: Figures in Rupees Crore

- Government expenditure on pay, allowances and pension (PAP) is expected to increase by 23.6%.
- Expenditure on pay is expected to increase by 16%, on allowances by 63%, and on pension by 24%.
- The additional expenditure is expected to increase the ratio of PAP as percent of GDP from 2.8% in 2015-16 to 3.4% in 2016-17.

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