



# World Bank suggests pay rise for civil servants

Hassan Abul Ouashem

The World Bank has suggested providing an attractive salary structure for the civil servants for, what it said, maintaining high morale and efficiency of the administration.

The Bank in a recently published report advocated making all the fringe benefits more apparent by paying it in cash to the government employees.

Advocating a more efficient public administration the Bank suggested drastic staff cut in some of the statutory bodies restricting the recruitment of class III and IV employees and easing the restrictions on the recruitment of the class I and II officers in the administration.

The real salaries and wages of the Government employees declined by 30 to 35 per cent in case of class I & II officers while only 19 to 23 per cent in case of class III & IV employees between 1978 and 1983. The

interim wage adjustments tended to benefit lower grade staff more compared to class I & II officers due to festival allowances offered to the low grade staff due to political considerations, the World Bank report observed.

This deterioration of the compensation level in the salary package of the civil servants created problems of morale and declining ability of the Government to attract competent people in the civil bureaucracy, it added.

The Government establishment had now become one of the largest cost items in the revenue budget and accounted for 53 per cent of the total expenditure in the government budget of fiscal 89. The expenditures on pay and salaries of the Government employees now accounted for 2.9 per cent of the Gross Domestic Product (GDP) in fiscal 88 which is higher

Contd on page 8 col 4

# World Bank

Contd from page 1  
than in India (2 per cent) and Indonesia (2.8 per cent) it was said.

The size of the civil servants grew rapidly in the 70s and till 1982. The growth of the civil servants later declined with an average annual growth of 1.5 per cent during the last two years.

The Government has a total of 12 lakh employees of which 7.20 lakhs are government employees paid under the revenue budget and the rest employed by the public statutory corporations. The figure, however, did not include the over 2 lakh employees employed under the development budget and 25 thousand manual workers employed in contingency post, under the revenue budget.

According to World Bank, social sector topped the list of employment by engaging 39 per cent of the employees followed by administrative service of 29 per cent. The staffing pattern in the civil administration is excessively high in the administration and common services which alone employed 86 thousand employees. The class I & II officers comprises only 7.5 per cent of the approved staff strength, the Bank estimate said.

Advocating a higher salary structure and compensation package in a more regular and systematic fashion, the World Bank report observed that "the civil servants should be allowed to benefit from the overall growth of per capita income over time". In support of its contention, the Bank estimate showed that the compensation level of the civil servants fell down in real terms

The World Bank also estimated the hidden subsidy being provided to the Government employees in the form of public housing, public transport, public telephone, medical facilities at government hospitals, distribution of foodgrains under public food distribution system (PFDS), leave entitlements, subsidised loans for house and transport, retirement, death and disability benefits etc.

The Bank estimate showed that the subsidy on public housing for a secretary level officer is Tk 7600 per month while for the lowest grade employee (at scale No 20) it is Tk 2000 per month. This is for the employees who are enjoying the public housing facilities from the government in the case of vehicle, the officer entitled to a car is provided a subsidy of Tk 4800 per month.

The housing subsidy for the secretary level officers is equivalent to 125 per cent of their basic pay while that for vehicle accounts for 80 to 94 per cent of the basic pay.

The food subsidy provided through the essential priorities category mainly to the selected categories has been calculated at 80 per cent for foodgrains and 60 per cent for edible oil.

The World Bank also pleaded for suspending investment in public housing and suggested gradual disposal of government buildings to the existing existing tenants.