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## Initiatives for Exploiting the Potential of Ex-Servicemen



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### Introduction

The country has 22.5 lakh defence pensioners as of present. The number increases by about 60,000 each year. About 44 per cent of pensioners are in the age group of 40-50, 33 per cent in the 35-40 year age bracket, while 12 per cent of the people who leave the Services are in the age group of 30-35 years.<sup>1</sup> These young, physically fit, skilled and disciplined men become pensioners very early in life, and actually they are the ones who are paying an immense personal cost for keeping the Army young. They make incomparable sacrifices while they serve in field areas, and their early exit makes their second innings a challenging battle of uncertainty, which adversely impacts their families as well. Resolving this issue by optimally utilising this well trained and young workforce exiting the Services can yield multiple benefits. Firstly, it will exponentially raise the morale of Indian soldiers, as they realise through such actions that the nation cares for their service and

### Key Points

1. Fast track implementation of the recommendations of the Sixth Pay Commission with regard to lateral induction of soldiers.
2. The Government should create a climate which brings together 'industry as the franchisor', 'ex-serviceman as the franchisee' and the 'MoD as a facilitator', with the ultimate aim of forging a win-win partnership which boosts the national economy.
3. Ex-servicemen can contribute handsomely towards environmental programmes to include the 'Swachh Bharat Abhiyaan' and 'Ganga Rejuvenation plan'.
4. The pan-India presence of the ex-servicemen can be utilised very fruitfully to create tax survey organisations and also to address similar needs of the Ministry of Statistics and Programme Implementation and the National Sample Survey Office.
5. The ex-servicemen have a tremendous potential to contribute positively to organisations like the NDMA, and the NDRF.
6. Institutionalise ex-servicemen employment in the corporate by making it a mandatory provision under the Corporate Social Responsibility.
7. The National Veterans Commission should be vested with statutory rights to fix responsibility and bringing in much needed accountability.

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## Initiatives for Exploiting ...

sacrifices. Secondly, both the private and public sectors can benefit by absorbing a skilled and disciplined workforce, which is adaptable and can become part of any team with ease. Thirdly, employing ex-Servicemen is cheaper for the government as compared to fresh recruitment, as they are paid only the difference between the entitled emoluments of the job and the pension being drawn by them.

The importance of utilising ex-Servicemen has been well appreciated by the executive and many institutional measures exist to tap their potential. The Director General of Resettlement, Kendriya Sainik Board, Rajya Sainik Boards and Zila Sainik Boards play a pivotal role in providing reemployment to soldiers. Further, as per notifications issued by the Department of Personnel and Training, 10 per cent of vacancies are reserved for ex-Servicemen in Group C posts and 20 per cent in Group D posts in all Central Civil Services and posts. Ten per cent of vacancies are also reserved in all paramilitary forces up to the level of Assistant Commandant. Banks and Public Sector Undertakings (PSUs) provide reservation to the extent of 14.5 per cent in Group C and 24.5 per cent in Group D. The Defence Security Corps provides 100 per cent reservation for ex-Servicemen.

Self-employment schemes like the Ex-Servicemen (ESM) Coal Loading and Transportation Scheme, Tipper Attachment Scheme for Widows and Disabled ESM, allotment of Oil Product Agencies under the 8 per cent Defence Quota Scheme, allotment of BPCL/IOC (Ghar) Outlets, allotment of Class V 'B' Army Surplus Vehicles to ESM/widows, allotment of Mother Dairy Milk Booths and Fruit and Vegetable (Safal) Shops, management of CNG stations by ESM (Officers) in the National Capital Region (NCR), etc are also available to ex-Servicemen.

However, the harsh reality is that no matter how big and well-meaning they may appear, the above measures are hardly adequate and are not able to address the wants of even 50 per cent of the soldiers exiting the Services every year. The utilisation of vacancies in Groups C and D posts and those in the paramilitary forces remain extremely low for a variety of reasons. The re-employment data as recorded in the report of the Standing Committee on Defence (2014-15) is appended below:

*..... out of 21,615 Ex-Servicemen (ESM) registered with Directorate General Resettlement (DGR)/ Rajya Sainik Board (RSB)/ Zila Sainik Board (ZSB), only 12,018 were employed in 2011 which is 55.6% of the total. In the year 2012, out of 26,518 ESM registered, only 14,447 which is 54.58% of total registered, got employment. In 2013, 34,364 ESM were registered, however, only 14,320 got employment which is 41.67% of the total. From the data supplied by the Ministry, it may be inferred that every year out of the registered ESM, less than 50% are getting employment/resettlement and the employment figure is decreasing every year.*

Near absence of suitable avenues for lateral absorption of Short Service Commissioned Officers or even Junior Commissioned Officers and Other Ranks is another area of serious concern. This paper attempts to list a few major initiatives that can improve utilisation of the potential of the ex-Servicemen in the best interest of the nation.

### Lateral Induction

The Fifth and Sixth Pay Commissions have made some very pragmatic recommendations on the subject of lateral induction, implementation of which is a win-win proposition for both the

Ministry of Defence (MoD) and the Ministry of Home Affairs (MHA). These recommendations are extremely pertinent even today given that a majority of personnel would opt for a lateral shift. Around 35,000 posts are required annually to accommodate these personnel in Central Police Organisations (CPO) /defence civilian organisations. The size of the various CPOs is approximately 7,00,000. The number of defence civilians in the Ministry of Defence is around 4,00,000. The total number of average annual vacancies in CPOs and the various cadres of defence civilians would be around 35,000. Thus, potential exists to allow lateral shift of nearly all superannuating defence forces personnel to CPOs and various cadres of defence civilians. This aspect needs to be implemented post haste. Salient aspects of the report of the Sixth Pay Commission are appended below:

- Common recruitment to be made to all the posts in the defence forces, CPOs and defence civilians in the Ministry of Defence.
- The recruitment shall be made by Recruitment Boards in the defence forces.
- All the successful candidates recruited by this board will initially render minimum 7 years of service in the defence forces. The span could, however, be extended to 17 years depending upon the vacancy position in CPOs/defence civilian organisations as well as the requirement in the defence forces.
- On completion of the tenure in the defence forces, the personnel shall be laterally shifted to an analogous post either in any of the CPOs or in one of the defence civilian organisations, depending on the availability of the post as well as the choice and medical fitness of the personnel.

- During the lateral shift, the pay fixed in the pay band and the grade pay of the employee shall be protected.
- The lateral shift, whether in CPOs or in one of the defence civilian organisations, will be to a post carrying the same pay band and grade pay.
- The defence forces personnel would have the option not to opt for the lateral shift.
- The seniority of the concerned personnel on being laterally shifted to CPOs/defence civilian organisations will be determined on the basis of the date on which they were appointed in that specific pay band and grade pay in the defence forces.

The above proposal is a win-win situation for the MHA as well as the MoD since it reduces the average age profile of Army as well as the CPOs, reduces intake costs and training expenditure per soldier / CPO personnel, reduces pension expenditure and develops a human resource with far greater utilisation potential.

### **Employment within Ministry of Defence**

The MoD is a major employer of the civilian workforce. Organisations to include Ordnance Factories (OFs), Defence Public Sector Undertakings (PSUs), Defence Research and Development Organisation (DRDO), Directorate General of Quality Assurance (DGQA), defence think-tanks, Canteen Stores Department, Ordnance Depots, Base Workshops, and hospitals employ several hundred thousand civilians. Absorption of ex-Servicemen in such organisations will increase overall synergy, reduce defence expenditure and increase the satisfaction levels of the ex-

Servicemen. At least 50 per cent of the vacancies need to be reserved for ex-Servicemen in such organisations in Groups C and D posts. Even Groups A and B posts could absorb at least 10 – 15 per cent ex-Servicemen.

### Self-Employment Schemes

The Department of Ex-Servicemen's Welfare offers a host of self-employment schemes but the demand which exists is far more than the availability. Company Owned Company Operated (COCO) schemes like CNG in the NCR, or for sponsorship for allotment of Mother Dairy outlets / Safal outlets are particularly sought after. There is a need to enlarge this model, and particularly in the light of the Memorandum of Understanding (MoU) with the Confederation of Indian Industry (CII), the MoD could move from the public sector to private industry and that would enlarge the scope and satisfaction manifold. The government needs to create a climate which brings together 'industry as the franchisor', 'ex-Serviceman as the franchisee' and 'MoD as the facilitator', with the ultimate aim of forging a win-win partnership which boosts the national economy.

### Environmental Battalion

The 'Swachh Bharat Abhiyaan' and 'Ganga Rejuvenation Plan' are today national missions with which everybody identifies. Ex-Servicemen in particular, have in the past, contributed handsomely towards environmental programmes. Eco-battalions which are staffed by ex-Servicemen have in the past shown phenomenal results in the field of environment protection. The Army has eight eco-task forces involved in restoration of the eco-system across the country. These battalions are funded by the Ministry of Environment and Forests (MoEF)/

state forest departments, but are associated with regular Army regiments for administrative purposes. Very recently, the Ministry of Defence has given in-principle approval for raising four eco-battalions of the Territorial Army (TA) that will aid the 'Ganga Rejuvenation Plan'.<sup>2</sup> There is a potential to raise about 40 such battalions.<sup>3</sup> Not only does this provide an opportunity for employment to a large number of our ex-Servicemen but, at the same time, it assures the nation that such units are staffed by men who are trained to deliver against all odds.

### Veterans Independent Organisations

Perhaps one of the most important untapped advantages that the ex-Servicemen have is their presence across the length and breadth of the country. They are, therefore, the best candidates when it comes to pan-India requirements. It is only pertinent to the case, to recount what Habib Rehman wrote in *Borders to Boardroom: A Memoir*. When the Golden Quadrilateral Programme was on the drawing board stage Habib envisaged a four-way partnership involving the ITC Welcome Group, National Highway Authority of India, the oil companies, banks and automobile companies, with the major beneficiaries being the ex-Servicemen. Habib's vision was to create a WelcomSpot at every 50 km on a highway and a WecomStop at every 100 km. These places were envisaged to become hubs for refreshment, refuelling, repair, ATM services; and ex-Servicemen were to provide the nucleus of the staff. This is an example of just one of the many such opportunities that exist.

### Finance Survey Organisations

Inadequacies in tax collection and the small size of the tax base is the primary cause of

black money and it also contributes towards the fiscal deficit. Herein lies an opportunity for the Ministry of Finance to create a tax survey organisation which is charged with the responsibility of surveying and verifying the Indian tax payers. The pan-India presence of the ex-Servicemen can be utilised very fruitfully in functions related to tax registration, facilitating issue of PAN Cards, indirect tax payments, etc. The Ministry of Statistics and Programme Implementation and the National Sample Survey Office (NSSO) could also utilise the veterans for financial/demographic surveys across the length and breadth of the country.

### **Adjunct Organisations of the Central Government**

India today faces a resource and financial crunch. Employment of ex-Servicemen is cost-effective as their net financial effect is much less when compared to filling of vacancies with freshmen. All ministries of the government could utilise the services of ex-Servicemen by creating fresh vacancies or by absorbing them in existing organisations which demand personnel with military skills. The ex-Servicemen have a tremendous potential to contribute positively to organisations like the National Disaster Management Agency (NDMA), National Disaster Response Force (NDRF) and other civil defence organisations. Village Defence Committees comprise another avenue with huge scope for engagement of ex-Servicemen.

### **Indian Industry**

The Directorate General Resettlement (DGR) has recently made inroads in coordination with CII for creating jobs for ESM. The DGR is also in the process of compiling a national

ESM data base and creation of a job portal for ESM. A Twitter account has also been opened for making information available to ESM. An MoU has also been signed with CII for cooperation with industry. The DGR has also introduced the best ESM employer award to motivate the corporate sector to employ ESM. These endeavours come late but are welcome, if they deliver compensation packages which are worthy of a soldier's CV. However, *there is a need to institutionalise this and make it a mandatory (rather than obligatory) provision under the Corporate Social Responsibility (CSR)*. Intensive interactions are, therefore, required with other private sector associations like the Associated Chambers of Commerce and Industry of India (ASSOCHAM), and Federation of Indian Chambers of Commerce and Industry (FICCI).

### **Accountability**

The Standing Committee on Defence (SCOD) way back in 2004-05 had realised that implementation of the existing provisions was at abysmally low levels. The committee, therefore, strongly recommended setting up of the 'National Commission on Ex-Servicemen', with statutory rights to fix responsibility on different Sainik Boards and state governments in regard to rehabilitation of ex-Servicemen. This aspect has since not been addressed despite strong recommendations of the Parliamentary Committee. The government is now in the process of setting up the National Veterans Commission. It would be prudent that the statutory rights earlier recommended for the 'National Commission on Ex-Servicemen' are now vested in the 'National Veterans Commission'. Implementation demands much greater attention than fresh policy initiatives, and holds the key to ex-Servicemen's satisfaction.

## ...the Ex-Servicemen

### Conclusion

There can be no better conclusion to the paper than what was said in the report on the Resettlement of Ex-Servicemen presented to the Seventh Lok Sabha on April 10, 1981.

*.....The committee have gone into the ex-Servicemen's problems and the performance of the Defence Ministry in this regard. The committee feel that though a lot has been done for them, they deserve much more. The committee feel that what is lacking is not sincerity and sympathy in the Defence Ministry which is in fact writ large in each action that they take, but corporate planning, a systematic, concerted and conclusive action, effective coordination and regular feedback. What is, therefore, needed is a*

*hard look at the system as a whole with a view to making it methodical, dynamic and result-oriented. If this is done, individual problems will get automatically sorted out.*

*The committee would like the Defence Ministry to apprise the state government, public and private sector undertakings of the Prime Minister's observations and urge them to deem it a national responsibility to help the ex-servicemen in settling down.....*

Interestingly, what was said more than three decades ago, is valid even today. If the government of the day, whether at the Centre or state, accepts that settling of the ex-Servicemen is a national responsibility, then such papers are a redundant exercise.

### Notes

1. Arun Jaitley, "Corporates Should Utilise Ex-Servicemen in Workforce," August 19, 2014. Retrieved March 25, 2015, from *Outlook*: <http://www.outlookindia.com/news/article/Corporates-Should-Utilise-ExServicemen-in-Workforce-Jaitley/856031>
2. "Defence Ministry Approves Proposal for Raising of Ganga Task Force," March 02, 2015. Retrieved March 25, 2015, from *The Economic Times*: [http://articles.economictimes.indiatimes.com/2015-03-02/news/59683894\\_1\\_defence-ministry-ganga-rejuvenation-river-development](http://articles.economictimes.indiatimes.com/2015-03-02/news/59683894_1_defence-ministry-ganga-rejuvenation-river-development)
3. "Army Plans to Raise 40 Eco-Battalions to Rejuvenate Ganga," July 29, 2014. Retrieved March 25, 2015, from *Nation*: <http://indianexpress.com/article/india/india-others/army-plans-to-raise-40-eco-battalions-to-rejuvenate-ganga/>

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*The contents of this Issue Brief are based on the analysis of material accessed from open sources and are the personal views of the author. It may not be quoted as representing the views or policy of the Government of India or Integrated Headquarters of MoD (Army).*



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