



AIBEA



**BANK NATIONALISATION
52nd ANNIVERSARY
JULY 1969 – 2021**

**COMMEMORATIVE WEBINARS
FROM 1ST TO 31ST JULY**

***VIBRANT BANKING
FOR VIBRANT INDIA***

Bank Bachao Desh Bachao



ALL INDIA BANK EMPLOYEES' ASSOCIATION

PEOPLE'S MONEY FOR PEOPLE'S WELFARE - NOT FOR PRIVATE CORPORATE LOOT



ALL INDIA BANK EMPLOYEES' ASSOCIATION

Central Office: "PRABHAT NIVAS" Regn. No.2037

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CIRCULAR LETTER No. 28/201/2021/16

28-6-2021

**To ALL OFFICE BEARERS, ALL STATE FEDERATIONS
And ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**52nd ANNIVERSARY OF BANK NATIONALISATION
CAMPAIGN TO SAVE PUBLIC SECTOR BANKS
DAILY WEBINARS FROM JULY 1ST TO 31ST**

All our unions and members are aware that we have organised 31 Daily Webinars from 1st July to 31st July, 2021.

These Webinars will be held through Zoom app. There will be common ID and Password for all the 31 Webinars as under:

ID: 82109307453 Passcode: AIBEA1946

All our members can participate in the Webinars by using the above ID and Passcode.

Our Webinars will also be Live on AIBEA's Facebook Page and Youtube Channel

YouTube Channel - <https://youtube.com/channel/UCI4YoojQyVoqAfwpiY3c7cA>

Facebook page - <https://www.facebook.com/aibeazindabad/>

Our members can also listen to the lectures through our above links.

Daily the Webinars will be from 7-00 pm to 8-00 pm except on 4th, 10th, 11th, 18th, 21st, 24th and 25th July, when the Webinar will be from 4-00 pm to 5-00 pm.

Please note: Participants will be allowed to enter to meeting room 30 minutes before the start of the Webinar that is from 6-30 pm/3-30 pm respectively. We seek the co-operation of the participants so that we conduct the programmes successfully and punctually. Similarly, all participants should keep their mic under mute to avoid any type of disturbance to the speakers. This is very important.

Webinar Co-Ordinators: The names of Programme Co-Ordinators of the Webinars (who will introduce the Speakers and also conclude the programme) are given overleaf.

With Greetings.

Yours comradely,

**C.H. VENKATACHALAM
GENERAL SECRETARY**

| Date | Day | Webinar Speaker | Co-Ordinator |
|-------------|------------|--------------------------|---------------------|
| 1. | THUR | RAJEN NAGAR | C.H VENKATACHALAM |
| 2. | FRI | PROF. NAGESHWAR | B S RAMBABU |
| 3. | SAT | PRASHANT BUSHAN | D R TULJAPURKAR |
| 4. | SUN 4 PM | DR. YUGAL RAYALU | JANAK RAWAL |
| 5. | MON | SUKHENDU SEKHAR ROY | PARTHA CHANDA |
| 6. | TUE | K E RAGHUNATHAN | S D SRINIVASAN |
| 7. | WED | PROF ARUN KUMAR | J P SHARMA |
| 8. | THUR | BINOY VISWAM | C D JOSSON |
| 9. | FRI | K GOVINDAN | S P SHARMA |
| 10. | SAT 4 PM | KUMAR KETKAR | NANDAKUMAR CHAVAN |
| 11. | SUN 4 PM | P. SAINATH | C.H VENKATACHALAM |
| 12. | MON | DR PROF RAJA SETHU DURAI | E. ARUNACHALAM |
| 13. | TUE | M DAMODARAN | K S Krishna |
| 14. | WED | HARI SANKAR | S K SANGTANI |
| 15. | THUR | HARBHAJAN SINGH | RAJNEESH GUPTA |
| 16. | FRI | JUSTICE CHANDRU | C S VENUGOPAL |
| 17. | SAT | SAUGATA ROY | PARTHA CHANDA |
| 18. | SUN 4 PM | AMARJEET KAUR | SUSHIL GAUTAM |
| 19. | MON | D RAJA | B S RAMBABU |
| 20. | TUE | V VISWANATHAN | RAJESH BANSAL |
| 21. | WED 4 PM | DR. KANHAIYA KUMAR | Md. NAZIR QURESHI |
| 22. | THUR | C. SRIKUMAR | T. RAVINDRANATH |
| 23. | FRI | TAPAN SEN | MAHESH MISHRA |
| 24. | SAT 4 PM | PROF. BABU MATHEW | H V RAI |
| 25. | SUN 4 PM | INDIRA JAISING | LALITA JOSHI |
| 26. | MON | NAVAL KISHOR CHOUDHARY | ANIRUDH KUMAR |
| 27. | TUE | DR BALACHANDRA KANGO | N SHANKAR |
| 28. | WED | ATUL KUMAR ANJAN | M M RAI |
| 29. | THUR | RAJESH KUMAR | Y P SINGH |
| 30. | FRI | DR. RAVI RAMAN | RAJNESH GUPTA |
| 31. | SAT | C.H VENKATACHALAM | A.M. PERIERA |



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CIRCULAR NO. 28/342/2021/66

2-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

52nd Anniversary of Bank Nationalisation

AIBEA's Webinar Lectures

Units and members are aware that we have organised month-long Webinar lectures by various eminent political leaders, MPs, economists, academicians, legal experts, bankers, bureaucrats, and trade union leaders to commemorate the 52nd Anniversary of Bank Nationalisation.

As scheduled, the programme started yesterday evening with the inaugural lecture of Com. Rajen Nagar, President of AIBEA. We observed that nearly 700 participants attended the lecture through the Zoom link. We have also made arrangement to live webcast the lecture through our social media platforms i.e. Facebook page and Youtube. Yesterday we found that about 5700 people have listened to the lecture in Facebook (as of now, 11,700 people have accessed this programme/lecture in our Facebook page) and about 100 people in Youtube.

Obviously, this is a good beginning and if all our units will circulate the details of the link for these programmes to all our members, more number of members may be benefitted by these lectures.

We have created a common link, ID and passcode for all the Webinars upto 31st July as under:

<https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV3FWRzEvdDVQZz09>

Webinar ID: 821 09 30 74 53 Passcode: AIBEA1946

We request all our units to circulate the common link, ID and Passcode to all our members so that they can participate in the Webinar programmes.

With greetings,

Yours comradely,

**C.H. VENKATACHALAM
GENERAL SECRETARY**

**Our Webinars can be accessed live in our Facebook page
and Youtube channel also:**

YouTube Channel -

<https://youtube.com/channel/UCI4YoojQyVoqAfwpiY3c7cA>

Facebook page -

<https://www.facebook.com/aibeazindabad/>

Rajen Nagar urges Bank employees to fight against moves of Government to privatise PSBs

Hyderabad, Jul 2 (UNI) **UNITED NEWS OF INDIA**

All India Bank Employees' Association (AIBEA) President Rajen Nagar has urged the employees in the Banking sector to fight against the moves of the Central government to privatise the Public Sector Banks (PSBs) and enlist the support of the customers and general public.

Mr Nagar also urged all the employees working in the system to raise the voice against the growing influence of Corporates over Banking sector in the country.

Delivering his lecture, in connection with the month-long National Webinars to commemorate the 52nd anniversary of Bank Nationalisation on theme 'Vibrant Banking for Vibrant India' and focus 'people's money for people's Welfare', on Thursday night, he highlighted the need for people to come forward and save the PSBs from Corporate's influence.

The seminar suggested for launching a campaign to educate Indian customers and banking public and to resist the anticipated challenges to come with the privatisation of the sector.

Mr Rajen Nagar elaborated on the retrograde banking sector reforms and the tasks being undertaken by AIBEA.

The seminar was attended on Zoom app by the Employees working in the banking sector across India. It encompassed the current situation of the banking industry wherein there is a dire need to fight against privatisation in the sector.

AIBEA highlighted the commitment to defend the public sector banks and people banking in order to route people's money for their welfare instead of corporates.

"The government is reducing the number of public sector banks on the grounds of piling bad loans in the sector. However, on contrary to this, more than 73 percent of bad loans are the result of corporate's faulty banking practices.

To highlight this scenario, AIBEA came up with a precise list of defaulters to which the government responded by announcing multiple policies like DRT, ARCs, SARFAESI Act etc. But, the introduction of IBC by the Government has favoured the corporates only by writing-off the NPAs," the AIBEA President asserted.

While highlighting the contribution of public sector banks towards the welfare of people, the seminar mentioned about the initiatives including Jan Dhan Yojana, MNREGA wherein these public sector banks have played a vital role in implementation through financial inclusion.

Mr. Rajen Nagar reiterated the necessity of Nationalisation by stating, "the only way to revolutionise the banking system in India is to Nationalise the entire banking system and run all the banks under the structure of Public Sector Banking."



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CIRCULAR NO. 28/343/2021/67

3-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

52nd Anniversary of Bank Nationalisation

National Campaign

AIBEA's Webinar Lecture 2

Press Release

Bank Privatisation is nothing but just a political agenda

How can a Bad loan become an Asset of a Bank ?

Dr. Prof. K. Nageshwar,

Ex-MLC, Hyderabad at AIBEA National Seminar Series

All India Bank Employees Association invited Dr. Prof. K. Nageshwar, Ex-MLC, Hyderabad, in their ongoing National Seminar series to share his views on the theme of People's Money for People's Welfare. Prof. Nageshwar, the two times MLC and a professor at Osmania University while addressing the seminar raised the existence of deep- rooted political agenda in the banking system.

In the session, the speaker pin-pointed towards the negligible participation of private banks in the welfare schemes and service to the backwards section. On the contrary, the speaker elaborated on the major contribution of public sector banks towards the society and their active involvement in the governments schemes.

Breaking the myths of inefficiency of public sector banks in comparison to private sector banks Dr. Prof. K. Nageshwar clarified, "a public sector bank deals with Jan Dhan accounts, No-frill accounts and undertakes the social objectives of the Government, due to which their profits stand affected. Hence, there should not be a comparison between the public sector banks and the private sector banks. There is no level playing field."

The speech took a deep- dive into the ground reasons and stated the fine points that take a toll on the health of public sector banks.

“Even though all the public sector banks are earning Operating Profits, but due to the provisions for the Non-Performing Assets, bad loans, they incur net losses. When corporate loans are buried under the carpet, it is called written-off, and when the agricultural loans are written-off, it is branded as a loan waiver. It is not the loan waivers to the poor borrowers and agriculturists that cause the losses of the banks but only due to the write-off of corporate loans” added Prof. Nageshwar. When a loan is not repaid and when the borrower defaults repayment of the loan, it is bad loan as all of us know. But one cannot understand, how this bad loan can be called an asset of the Bank, he wondered!

The session further highlighted the nexus between the top managements of the banks, with the politicians on the one side, and the big corporates on the other. While concluding the session, the speaker suggested that the Domestic savings kept as deposits be utilized to equip vibrant public sector to improve the economy of the country.

Further, the speaker insisted on creating more awareness among the public around the dire need to save public sector banks from the political influence and privatisation in order to safeguard People’s money for People’s welfare.

Com. B S Rambabu, Secretary, AIBEA welcomed Dr. Prof. K. Nageshwar and co-ordinated the Webinar programme.

With greetings,

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

COMMON LINK FOR ALL WEBINARS: ↓

[https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV](https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV3FWRzEvdDVQZz09)

[3FWRzEvdDVQZz09](https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV3FWRzEvdDVQZz09)

ZOOM Webinar ID: 821 09 30 74 53 Passcode: AIBEA1946

YouTube Channel -

<https://youtube.com/channel/UCI4YoojQyVoqAfwpiY3c7cA>

Facebook page -

<https://www.facebook.com/aibezindabad/>

Webinar 3 – today

Guest Speaker : Shri Prashant Bushan

(https://en.m.wikipedia.org/wiki/Prashant_Bhushan)

(↑ Click here to read his profile)

Co-ordinator : Com. D R Tuljapurkar, Jt. Secretary, AIBEA



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CIRCULAR NO. 28/344/2021/68

4-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
National Campaign - AIBEA's Webinar Lecture 3**

'Cronies are plundering the Banks' loans; More than 50 percent of people appointed as the independent directors of the banks and PSUs are politicians from BJP' : Prashant Bhushan

India is in dire need of transparency law in the banking system .

Time to demand right to job for every citizen with a standardized minimum wage.

All India Bank Employees Association in its mission to share all the facets of banking sector today invited Shri Prashant Bhushan, Supreme Court lawyer and social activist, to be the speaker and share his perspective on the theme People's Money for People's Welfare. While addressing attendees at the AIBEA National Seminar, he pointed our Banks are facing serious problems because of continuously increasing bad loans, especially pertaining to the huge corporate companies.

Further elaborating on the situation, Shri Prashant Bhushan discussed on various results of the undue pressure by the government under which the public sector banks have been operating. In the session, Mr. Prashant Bhushan stated that Banks were custodians of public money, hence the ownership of Banks holding the money of common people of the country could not be left to by private entities. That was the philosophy that guided nationalisation of Banks five decades back which has served the cause has much relevance in the contemporary times also.

As far as disbursement of such public money as loans for productive purposes, Banks have played a constructive and development role.

However, Non-Performing Assets (NPAs) were growing by leaps and bounds mainly due to corporate lending to crony capitalists as dictated by political powers. To cover up, evergreening of loans also took place in the name of corporate debt restructuring. The role of Directors of the Banks was also under suspect. The present Government dispensed with appointment and continuation of Employee/Officer-Director in the Board that would have acted as a check-point in the governance, he said.

Mr. Prashant Bhushan said that there should be complete transparency on disclosure of loan-default by any borrower from the Banks. List of willful defaulters must be published in public domain in web sites and such defaulters must not be given loans in future, he said.

Unfortunately, privatisation of Banks was being advocated by the policy makers. This was only a diversionary misstep only, he said. Privatisation was not a panacea at all. Fixing the problem at the root was the solution. Banks were

public institutions for public benefit. Just as judiciary or police cannot be privatised, Banks holding public money cannot be privatised, said Mr. Bhushan.

He pinpointed towards the wrongful appointments of the independent directors that often fall under the conflict of interest. Not only in Banks, in many public sector units, persons who are not really fit for the job are appointed as independent directors, for 50% of them, the only qualification is that they belong to BJP.

Mr. Bhushan opined that when millions of people are starving for jobs, the normal posts in banks and other government sector are unfilled. He felt that the time has come in India to demand right to job, which can be on some norms of minimum wage, etc. He further detailed the suggested measure wherein if the government fails to provide the job then the candidate must be paid at least half the standardised wage as a compensation or unemployment dole.

Shri Prashant Bhushan shared the possible solutions that might be adopted to deal with the frequently sprouting scams in the Indian Banking system:

- **Complete transparency must be brought by putting out the data on defaulters in public domain.**
- **The defaulters must be barred from the facility of availing any more loans. In case he is promoter with any other entity, the same must be followed for those as well.**
- **Employee and Officer Directors are to be appointed immediately**

The speaker summed up the session reinstating that privatization policy being devised by the current government is not the right solution to the underlying challenges.

Concluding the seminar, AIBEA reiterated that the association will continue fighting against the privatization of the banking system in India and if need be will knock the door of the judiciary system.

Com. D R Tuljapurkar, Joint Secretary of AIBEA welcomed the participants and co-ordinated the programme.

With greetings,

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

COMMON LINK FOR ALL WEBINARS ↓

<https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV3FWRzEvdDVQZz09>

ZOOM Webinar ID: 821 09 30 74 53 Passcode: AIBEA1946

YouTube Channel - <https://youtube.com/channel/UCI4YoojQyVoqAfwpiY3c7cA>

Facebook page - <https://www.facebook.com/aibeazindabad/>

Webinar 4 – today

Guest Speaker : Dr. Prof. Yugal Rayalu

(<https://in.linkedin.com/in/dr-yugal-rayalu-0954bb1b>)

(↑ Click here to read his profile)

Co-ordinator : Com. Janak Rawal, Jt. Secretary, AIBEA



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CIRCULAR NO. 28/345/2021/69

4-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
National Campaign
AIBEA's Webinar Lecture 4**

"Indian economy could sustain itself only due to the massive public sector institutions" – Dr. Yugal Rayalu

All India Bank Employees' Association invited Dr. Prof. Yugal Rayalu, Vice President, All India Progressive Forum in their ongoing National Seminar series to share his views on the theme of People's Money for People's Welfare. AIBEA has organised month-long lecture series to commemorate the 54th Anniversary of Bank Nationalisation.

In the Webinar session, Dr. Yugal Rayalu speaking on the topic, "Nationalized Banks, foundation of a strong India", stated that when the world was on the knees in 2008 on account of unprecedented recessions termed as global financial crisis, India's economy could survive the same only because of public sector foundation in the economy and nationalized Banks' dominance in the financial sector. Public sector only developed basic infrastructure in the country. Generation of employment enabling more than 2 crore jobs, distribution of wealth to a large extent among the common people, adding value to the exchequer etc., were the contributions of public sector enterprises.

When such a phenomenal achievement was made by public sector banks, this Government is trying to privatise them. It is not the public sector banks alone that the Government is trying to privatise. BSNL, Banks, Insurance, Ordinance Factories and every other public sector enterprise are being privatised or disinvested by the present Government.

Earlier when Banks were in the private sector, failures and loss of savings were the order of the day, Bank finance catered to the business needs of the private owners of the Banks.

Post-nationalisation in 1969, Banks acquired a socio-economic development vision focusing on commoners, small farmers, small traders, small scale industrialists, self-employed etc. In the current times also, Banks in the public sector are supporting MSME sector.

Dr.Rayalu stated that wealth in the custody of nationalized banks only will enable welfare of the People of the country. Unfortunately, concentration of wealth is reappearing and being promoted blatantly during these times by the policy-makers, he said.

By connecting to the common masses, AIBEA must be able to convey the challenges and threats faced by the PSBs on ownership and policies. The main issue confronting Banks was mounting bad loans created by the big private corporations in the country. Corporates should not be allowed to loot public money in the name of loans, he said.

Com. Janak Rawal, Joint Secretary of AIBEA welcomed Dr. Yugal Rayalu co-ordinated the Webinar programme.

With greetings,

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

COMMON LINK FOR ALL WEBINARS ↓

<https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTIkemtoMzRzV3FWRzEvdDVQZz09>

ZOOM Webinar ID: 821 09 30 74 53 Passcode: AIBEA1946

YouTube Channel - <https://youtube.com/channel/UCI4YoojQyVoqAfwpY3c7cA>

Facebook page - <https://www.facebook.com/aibeazindabad/>

Webinar 5 on 5th July

Guest Speaker : Shri. Sukhendu Sekhar Roy

(https://en.wikipedia.org/wiki/Sukhendu_Sekhar_Roy)

(↑ Click here to read his profile)

Co-ordinator : Com. Partha Chanda, Jt. Secretary, AIBEA



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CIRCULAR NO. 28/346/2021/70

6-7-2021

TO ALL OFFICE BEARERS, STATE FEDERATIONS AND ALL INDIA BANKWISE ORGANISATIONS

Dear Comrades,

52nd Anniversary of Bank Nationalisation AIBEA's National Campaign Webinar Lecture 5

"Trinamool Congress led by Mamta Banerjee will support AIBEA and organizations working towards stopping the privatisation " – Shri. Sukhendu Sekhar Roy, Member of Parliament

Only nationalisation took Banks to the people.

What is needed is reforming the reforms

All India Bank Employees' Association firmly marching towards its aim to stand against privatization of the banking sector invited Shri. Sukhendu Sekhar Roy, Member of Parliament, TMC to be the speaker and share his perspective on the empowerment of the public sector banks.

In the session, Mr. Sukhendu Sekhar Roy stated that the present Government was for proceeding with privatisation of Public Sector Banks despite the fact that many empirical evidences would negate the base-less logic behind such a policy. It was with a vision and goal of growth of the economy, inclusion of the masses and stability of the financial system, State Bank of India was founded in 1955 by taking over the Imperial Bank of India and 14 private-owned Banks were nationalized in 1969 and six more in 1980. Thanks to nationalisation only, banks' presence in the rural hinterland expanded. Business of Banks flourished under government ownership, governance and control.

Mr. Roy said that there was an erroneous assumption on the part of policy-makers that private sector banks were rendering more efficient services to the economy and people whereas the truth was on the opposite. Banks in the public sector saved the economy during the global financial crisis. In financing farm sector, or small business and industrial enterprises or infrastructure, PSBs were in the forefront. In priority sector lending, Public Sector Banks are playing a direct and dominant role. The fact is that private domestic investments in various sectors that had taken place earlier and now were funded by the nationalized banks only.

That some of the infrastructure projects funded by Public Sector Banks during the last decade did not take off in time due to issues relating to land acquisition and environmental clearances, thus choking the funds deployed and leading to stressed loans could not be a reason for blaming the PSBs.

The allegation of underperformance by Public Sector Banks was misplaced as it was only PSBs that under the directives of the Government extend financial support, interest concessions etc. to the households and businesses beyond the angle of profits.

Even during the last two decades, many private banks including the new-era private banks had collapsed due to governance and management-failures. Prior to

nationalisation, private Bank failures were routine. Hence eulogizing private ownership lacked history-sense, Mr. Roy said.

Mr. Roy stated that the argument that recapitalization of Banks was a drain on the exchequer was irrational. Recapitalization of Banks had been necessitated by the loan defaults of the corporate customers only. The solution lied in effective recovery of bad loans.

While addressing attendees at the AIBEA National Seminar, he elaborated on the government's row of privatizing sectors including insurance, banking and several other departments just to satiate the never ending thirst of corporates.

He detailed the approach of the government wherein they pursue insolvency and bankruptcy code which appears hollow and addresses nothing but the corporate agenda.

In the name of resolution, huge write-off called 'haircuts' were taking place. Now the Government was proposing an Asset Reconstruction Company with a certain degree of government guarantee as the earlier experiment of privately owned ARCs did not help Banks retrieve the defaulted money. But this Bad Bank would not serve any purpose, and today's Bad Bank will become Worse Bank tomorrow and Worst Bank the day after, he stated.

Expressing the concern over the current frequent bank scams, Shri. Sukhendu Sekhar Roy said "if you will allow the corporates to loot the money and run away after taking photograph with the Prime Minister, then this country will not survive."

The speaker suggested alternatives to reduce the number of bad loans and uplift the condition of the banking sector in India and wanted AIBEA to pursue these issues.

- **Initiate Non-bailable criminal proceedings against the willful defaulters**
- **Confiscate the property of the willful defaulters, their family members, their company, or the group of company irrespective of whether they reside in India or have eloped the country**
- **Stop all Government subsidies and facilities to the willful defaulter**
- **Announce them as enemies of the financial stability of the nation**

He felt that Privatisation of Public Sector Banks would be like killing the goose that was laying golden eggs and abdicating of responsibility.

The speaker asserted that the Trinamool Congress Party does not have any hesitation to raise the red flag wherever it is required for people's right and betterment of Indian citizens.

The Webinar was co-ordinated by Com Partha Chanda, Joint Secretary, AIBEA.

With greetings,

Zoom Webinar Link

<https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV3FWRzEvbDVQZz09>

ZOOM Webinar ID: 821 09 30 74 53

Passcode: AIBEA1946

Common for all Webinars

Yours comradely,

**C.H. VENKATACHALAM
GENERAL SECRETARY**

**Today at 7-00 PM : Lecture by Shri K E Raghunathan (MSME Raghu)
" Actual needs of MSME in India "
Co-ordinator : Com S D Srinivasan, Joint Secretary, AIBEA**



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CIRCULAR NO. 28/347/2021/71

7-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
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Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 6**

**"MSMEs cannot bear any further heart attack - Entrepreneurs in
coma stage"- K E Raghunathan, CIA**

Needed urgent solutions – not privatisation of Banks

All India Bank Employees' Association invited Mr. K E Raghunathan, Convenor, Consortium of Indian Associations in their ongoing National Seminar series to share his views on the theme of Vibrant Banking for vibrant India.

In the session, Mr. K.E Raghunathan stated that Covid-19 pandemic has negatively impacted lives and livelihoods of the people with loss of life, income, enterprises, jobs and savings. In these unprecedented times, Banks and their workforce as frontline warriors have served the community, households and businesses uniquely.

We should stay together to get over to tide over this situation. An entrepreneur from the MSME is artificially masked wearing a smile outwardly but inside him there is a lot of pain. He wanted to be a voice of the voiceless of the entrepreneur, he stated.

The speaker pinpointed on the government's approach which has been lethal to the entrepreneurs of the country.

Mr. Raghunathan recollected that the demonetisation wreaked havoc on country's dominant informal sector represented by crores of micro, small and medium enterprises with 65% revenue loss and 35% job losses. Economy slowed down. Real estate and auto-ancillary units suffered. MSMEs were redefined and reclassified leading to omissions of many enterprises from receiving governmental support. Fool-proof data with regard to number of enterprises and number of employed was in deficit, he said.

Whereas Productivity Linked Incentive Schemes and foreign investments are being promoted for the big businesses, entrepreneurs in micro and small business segments are being left in the lurch. Even during these turbulent times, corporate profits are mounting. Privatisation of profit-making public enterprises were being contemplated that would adversely affect SMEs on the production and supply chains.

Entrepreneurs in the SME sector are suffering with the ECLGS from Banks reaching and meant for 45 lacs of enterprises leaving out 92% of the units from the purview. "Entrepreneurs have become beggars. Survival has become a big question for these units," he said.

Mr. Raghunathan said that in a recent country-wide Mega Survey conducted by the CIA among micro and small business entrepreneurs, about 88 per cent of the respondents expressed that the stimulus package announced in the last 16

months did not reach them and that they were not considered for support, revealed one of the findings of the survey. The Government of India has introduced three stimulus packages in the last 13 months.

“The reasons could be many and they include ineligibility for segments like self-employed, who may not be qualified for schemes such as ECLGS, inadequate amount in sanctioning, use of loan amount for clearing old dues by the banks which sanctioned the loans, procedural hassles, and stricter conditions, among others,” he said.

Mr. Raghunathan said that the survey revealed that 73 per cent of SMEs have not made any profit during FY20; 42 per cent were unable to decide on retention of employees; 59 per cent reduced/sacked/removed their staff compared to the pre-Covid period (first wave: 37 per cent; second wave: 22 per cent), and 82 per cent felt that the Central and State governments were not looking after their interests.

The report also discussed the laws related to land-use by industries, especially MSMEs, that needed a relook for conducive growth of small units. MSMEs should be allowed to hold titles of their industrial properties on a free-hold basis, so that they can use them for securing loans and other facilities.

Entrepreneurs who sell their residential properties to set up MSMEs should be given exemption under the IT Act. The requirement to secure a separate factory license to set up a factory on a government-approved industrial estate should be done away with because it leads to red-tapism, it said.

The CIA has also come up with a series of long-term and short-term measures that could come from Central and State Governments to help the Covid-hit small units, he said. The suggestions include extension and relaxation in loans, NPA classifications, refinancing options, opening fair price shops for raw material supplies, ban on exports of steel and cement for six months, refund of exporters’ dues since January 2021, exemption of GST rate of 18 per cent for vehicle insurance and medical insurance till March 2022, increase in ECLGS allocation, and relaxation in the norms of eligibility of restructuring.

Mr. Raghunathan said that privatisation of public sector banks will not be in the interest of MSME sector.

Com. S.D. Srinivasan, Joint Secretary, AIBEA welcomed the Guest Speaker and coordinated the Webinar programme.

With greetings,

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

Zoom Webinar Link

<https://us02web.zoom.us/j/82109307453?pwd=Mk4vQTlkemtoMzRzV3FWRzEvdDVQZz09>

ZOOM Webinar ID: 821 09 30 74 53 Passcode: AIBEA1946

Common for all Webinars



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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CIRCULAR NO. 28/348/2021/72

8-7-2021

TO ALL OFFICE BEARERS, STATE FEDERATIONS AND ALL INDIA BANKWISE ORGANISATIONS

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 7
Dr. Prof. Arun Kumar, Economist (JNU)**

"Governments need to regain sovereignty"

We are a collectivity and we need to strengthen the public sector – Strengthen public sector for welfare and security of the common people.

All India Bank Employees' Association invited Dr. Prof. Arun Kumar, Economist(JNU) in their ongoing National Seminar series to share his opinion and insights on the ongoing privatisation row being driven by the government in the banking industry.

Gist of his lecture: The speaker raised the question on the way everything is getting marketized and commercialised. He further established the necessity to have a strong public sector which imparts sense of being collective, in the country.

The World Bank, IMF imposed their dictates and developing nations could not sustain their economies. Inequalities grew more than what it was in 1930s. The pandemic has increased the inequalities. Stock markets have reached record high and on the other hand, large number of people have lost employment, lost their jobs and pushed to poverty. Some sectors are doing well - telecom, e-commerce are doing well but unorganized sector suffered a lot. Reports state that 230 millions have been pushed below the poverty line.

After the introduction of reforms, 1% gained while 99% stood to lose. As we see in the last 60-70 years, marginalized sector became more marginalized While the financial sector gained even after financial crisis 2008, other sectors did not do well so much. When the record fall in GDP growth is on the one side, the stock markets are reaching sky high. Uncertain situation is there at present in the economy.

The role of public sector is to strengthen the country. In the presence of a strong public sector only can people expect to have more control over the policies in any situation said Prof. ArunKumar

He pointed out the changing thinking pattern of people which is result of the increasing marketization. He further highlighted the gaps on different facets of the society wherein Indian economy is in crisis, increasing inequality in the country, and how the country has the lowest poverty line. Overall the current factors paint a sad picture of India's economic scenario. Amidst all this, privatising public sector that supports people is only going to push things beyond manageable situations.

In India, lockdowns have been badly planned. In the first lockdown, hardly 4 hours were given to cope up with. That is the reason why, the migrant labour started going back to their hometowns by walk. 80% of poor people said that they don't have money to buy even one week's necessities for them while the upper middle class and the rich coped up well.

Throughout the world, the first and second waves started impacting very high till large scale vaccinations were made in countries like USA and UK. India did not recognize the second wave and if India had imposed lockdown in March, the second wave would not have impacted this much in fatalities. The lockdown is much worse than war and the financial crisis.

Last year in April, 122 million lost their employment and majority of them were from unorganized. But in the case of salaried employees, the wages got reduced. GDP declined substantially and in the first quarter got reduced by 24% and this shows only organized sector but unorganized sector is not taken into account for arriving at increase or decrease in GDP. While agricultural GDP grew by 3% but vegetables and pulses could not come to the markets for selling and hence, the impact is more. Even agriculture declined by more than 10% as against GDP data that agriculture grew by 3%. GDP was already slowing down even before the pandemic and it started with demonetization, introduction of GST, digitalization etc.

In 2018, after the GST shock introduced to the economy, organized sector coped up better and unorganized sector started declining. Hence, economy was doing much worse than the official data since it does not take into account unorganized sector. Even though the official data showed that 24% decline in GDP, if unorganized sector is taken into account, it would be in the order of 49%.

Without demand, investment will not take place : What did the Indian Government do in the first wave? It was addressed to the supply side. The government saw it was an opportunity and introduced Atmanirbhar. It was a ruse to introduce labour law reforms, privatisation of public sector enterprises. Without demand, investment will not take place. It is the loss of income of people should be taken care of. The action needed was to infuse income to the hands of the people but it did not take place. It is like promising the house owner, whose house is burning that fire station will be built nearby in a short while instead of pouring water at that particular instant.

Atmanirbhar is nothing but privatisation of public sector units. Privatisation policies have started in 1991 and it opened up the policy of depending on the market, it is actually marketisation. It depends on Private Sector leading the economy while State should step back and State's intervention on markets is drastically cut down. Trade from abroad killed our small business and it will in the long run truncates the sovereignty of the country. Marketisation policy is pushed by international financial capital.

Instead of taking care of the society in the long run, we depend on the market for solution for each and every problem. Post-1991, the budget outcome depended on the rise or fall of stock market while earlier economists were consulted about the pros and cons of budget.

High profits of the Corporates: Well-functioning markets increase the profits of Corporates. Monopolies have started capturing and keeping hold of the markets. Markets are getting created so that it will benefit the Corporates. For example, instead of drinking water from the tap, we buy water bottles. Global strategic shift since middle 1970s and it accelerated after the collapse of USSR and U-turn of China. With arm-twisting, many developing countries and almost all the countries signed GATT and WTO was formed.

Banks are supposed to be intermediates and savers. The credit-deposit ratio of Bihar is half that of the country. Savings from out of Bihar is lent out of the State of Bihar. Here, outside Bihar, the Corporates and Monopolies take advantage of this kind of lending by Banks. In financial sector, new kinds of instruments have been introduced like Derivatives and speculation go on taking place. This is a vicious cycle of risk and derivatives. It changes the rate of risk and because of new instruments being introduced in the markets, the risks become higher and the cycle is vicious. Huge transactions are taking place in currency, markets and capital is being enriched by the rich. Financial flows are more than GDP and trade. Because of this, the risk is more and a big bubble is created.

Short term profits are being targeted and hence, speculative markets are being encouraged by the financial capital. Because capital is mobile, they shift their investments from one country to another. While capital is mobile, the labour is not. The international capital started putting pressure to reduce the taxation. Hence, there has been a run to keep the direct taxes quite low. This has given birth to some countries being tax-havens like Austria to attract the capital. That is the reason why now there is a demand for minimum corporate tax being mooted.

International Financial Institutions are trying to push their agenda like structural adjustment program was introduced and it started with the end of Vietnam war. Hence, the World Bank, IMF started pushing the governments to change their economic policies and thereby the governments in various countries started losing their sovereignty. When the poor got marginalized throughout the world, there has been a demand for a safety-net to the poor. Media has also been utilized to propagate marketisation since the media is also owned by the Corporates. The pandemic has created a new problem but it has also insisted on the collective fight instead of the earlier normal of individuals should solve their own problems.

In case of collective fight especially in this new normal, there should be a strong public sector because only then there will be a solution to the problems of the people at large. When demand got strangulated, the economy started slowing down and that has what happened prior to pandemic itself.

Credit of the Governments should rise as the governments started implementing unilateral policies like in India when the lockdown was announced in about 4 hours. Hence, to create the trust of the people on the Government, they should cater to the need of the people at large and especially in India, the poorer sections. For that, Government should encourage the public sector. The Governments should ensure that there should be living wage to all the workers and even though Universal Basic Income is being mooted, it is not the solution. **"the pandemic has shown how we are 'collectivity'. And that together we need to strengthen the public sector for welfare and security of the common people."**

He concluded by stating that consumerism has increased the individualism but the collectivity and collective work got lost. But, pandemic has shown that collectivity is the only solution and for that public sector should be encouraged. But, in India, privatisation is being encouraged. This is where the trade unions and farmers should fight against these moves. Atmanirbhar package depends on privatisation and it should not be allowed. Unemployment and alleviation of poverty are to be addressed, only through public sector it can be addressed. Only through creation of jobs, money can be put on the poor people's hands and it will improve the demand. Through the ongoing seminar series, AIBEA is amplifying the popular opinion of public sector being the lifeline of the nation. The association stands strong with its ambition to reinstate the sector so that people's money is utilised for people's welfare only.

Com. J.P. Sharma, Vice-President, AIBEA, who co-ordinated the programme, thanked Prof. Arun Kumar for his excellent address.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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CIRCULAR NO. 28/350/2021/74

9-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 8
Com. Binoy Viswam, Member of Parliament, CPI**

Wealth cannot be created sans working class

– Binoy Viswam, MP

All India Bank Employees' Association invited Com. Binoy Viswam, Member of Parliament (Rajya Sabha) and former Minister of Kerala in the ongoing National Seminar series to share his views on the theme of Vibrant Banking for vibrant India. He appreciated AIBEA for celebrating the anniversary of bank nationalisation.

Com. Binoy Viswam especially pointed out to the young bank employees about the history of Bank Nationalisation. He said that the bank nationalisation was not secured within a very short span. It was the political decision at that point of time when the then ruling Congress Party was facing a split and the then Prime Minister, Smt. Indira Gandhi, approached the Communist Party of India to support her faction. The Communist Party of India did so with a condition that the banks should be nationalised and that the privy purse should be abolished. The Communist Party of India did it with national interest and not with any political gain for the party. It was done with an intention that when the banks become nationalised, it would serve the cause of the country and all-round development could be achieved. While AIBEA has been campaigning for the nationalisation of banks for several years prior to 1969, its cause was supported by the Communist Party of India in right earnest. That was the history of nationalisation and it was got with struggles and sacrifices by AIBEA.

In the session, on the topic, 'Banks belong to the People, Do not privatise Banks', Com. Binoy Viswam stated that the present Government was forgetting the need to make Banks more vibrant for making a vibrant India. Bank deposits being people's money should be productively used for the development and welfare of the country and the commoners. Unfortunately, the policy-makers were propping up private corporates painting them as wealth-creators, with Banks and financial institutions compelled to fund them under political pressures. The major part of the bad loans in the banking system was on account of the default in repayment by the big private corporates could not be lost sight of, said Com. Binoy.

He pointed out, "the defaulters are not the common man but the rich people, and all the defaults are not accidental, these are wilful defaults, AIBEA published those names openly in front of the nation."

He further added, "Our ministers say in chorus that the BJP government is committed to save the wealth creators for the country. However, what they did not mention is that to them the wealth creators are only the super-rich people like Ambani's, Adanis."

The policy-direction of the present Government included abdication of ownership, management-control, policy-setting role, divestment of shares and thus privatising public sector banks, permitting corporate houses to set up banks, take-over of domestic banks by foreign banks etc., stated Com. Binoy Viswam. Policy-makers were thus deriding and negating the concepts and precepts of Bank nationalisation.

Banks were nationalized with a social vision and taking into account the then prevailing reality of wealth concentrating in few hands, with majority of the people disempowered economically. Thanks to Bank nationalisation, small and marginal farmers, small traders and entrepreneurs, self-employed etc. could access affordable bank finance for developing their vocation. Still, much more ground had to be covered.

Com. Binoy Viswam said that AIBEA is a visionary organisation and has been highlighting about the "Health of the Banking Industry" since several decades much before the issues of Vijay Mallya, Mehul Choksi, Nirav Modi and their likes surfaced. Immediately after the nationalisation of banks in 1969, AIBEA has demanded of the Government that the Health of the Banking Industry should be concentrated upon and demanded that the banks should be run efficiently.

The policies of liberalisation, privatisation and globalisation with greater role for markets and reduced role for the state had widened inequalities and deprivations, Com. Binoy Viswam said. When the strategic sectors including oil, space, defence sectors were being privatised, at stake was country's security.

He threw light on the intentions of the government to crucify the public sector banks, and PSUs to create more ground for corporates to own. The government has been advocating marketization saying that 'market knows everything, market trends decide everything', which has impacted banks, economy and country's development to a great extent.

"Capitalism is pushing the country towards the crisis which leads to the end," said Com. Binoy Viswam.

The way in which the pandemic situation in the country was handled by the Government at the centre left much to be desired, said Com. Binoy Viswam. Unorganised sector workers bore the brunt of impact of Covid-19 losing lives and livelihoods. In providing medical or financial support, vaccination, compensation, Central Government with its unbridled focus on private sector, faltered.

Com. Binoy Viswam stated that time had come for the people, mass organisations and trade unions to unitedly voice their concerns and express their strong and sustained opposition in the streets against the ill-advised policies framed by the Government in farm, labour and public sector, etc., only for the benefit of private domestic and foreign capitalists with least consideration for the prime stakeholders.

Com. C.D. Josson, General Secretary, All Kerala Bank Employees' Federation welcomed the Guest Speaker and coordinated the Webinar programme.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

Webinar on 10th July at 4-00 PM

"1960s & BANK NATIONALISATION"

By Shri. Kumar Ketkar,

Member of Parliament, Congress



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10-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS**

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 9**

The government should merge public insurance companies under one entity instead of privatizing them : K Govindan- General Secretary GIEAIA

All India Bank Employees' Association invited Com. K Govindan, General Secretary, General Insurance Employees All India Association, to address the attendees at the AIBEA's ongoing National Seminar series on the theme People's Money for People's Welfare.

Com Govindan took the participants through the entire journey of banking system in India and the significant events on bank's nationalization that have eventually resulted in ripe fruit for the nation. On the contrary, in the current scenario public sector units including banks and insurance companies are being pushed towards privatization.

Talking of insurance sector, he narrated as to how before nationalisation of general insurance companies in 1971, there had been a mushroom of private general insurance companies and due to their mismanagement and failures, general insurance companies were nationalised under four Public Sector General Insurance Companies viz., National Insurance Company, Oriental Insurance Company, United India Insurance Company and New India Assurance Company. Since the nationalisation of general insurance companies, the business of the general insurance got improved manifold. At the lowest rate of premium, the public sector insurance companies are able to provide general insurance coverage to the people of the country especially to the common man.

The demand of the GIEAIA has been to merge all the public sector general insurance companies as one single company. The Government of India did not agree to do so as it was of the opinion that only when there is competition, there will be more efficiency. Again, when the Government allowed the private players in the General Insurance sector in the year 2000, GIEAIA demanded merger of the public sector general insurance companies.

Three years ago, the Government announced partial merger of 3 companies. The purpose was to increase the Foreign Direct Investment and also want to list the shares in the open market.

In 2014, in the Parliament, they brought amendment to the general insurance companies Act to increase FDI to 49%, which was opposed by the general

insurance employees and since the government could not pass the bill due to lack of majority in Rajya Sabha, they brought Ordinance.

In February, 2015, along with the Budget proposal, amendment to the insurance Act was brought by withdrawing the ordinance and legalized and amended to allow 49% FDI in general insurance sector.

In the Budget speech 2021, Finance Minister has declared that one of the General Insurance Companies would be privatised. This was to achieve their disinvestment target of Rs.1,75,000 Crores and hence they want to go ahead with their proposal to privatise two public sector banks, one general insurance company and also to dilute the equity in Life Insurance Corporation of India.

Further, with regard to the Health Insurance, General Insurance Companies and GIEAIA are demanding of the Government to fix the ceiling for the charges for various treatments in hospitals. However, the Government of India does not heed to the demand of the General Insurance Companies and GIEAIA. Thus medical insurance premium remains very high and unaffordable to the ordinary common people. Pointing towards the wrongful approach of the Government, he stated that the insurance sector is dealing with other challenges like working with the hospitals that do not follow standardized charges. Instead of acting as enablers for this public institution, the government is just dismantling or privatizing them.

In the Banks, the unions are opposing merger because Banks are strong enough and there is no need for merger but the Government is forcing the merger of Banks. In the General Insurance Sector, Unions are demanding mergers to strengthen the public sector company to face the private competition but the Government is refusing to do so.

Both insurance companies and banks are safeguards of the common people and hence they should not be privatised. The Finance Minister is repeatedly saying that service conditions of employees will not be affected but where is the guarantee for their job security, social security and continuation of reservation policy, he asked.

Com. Govindan said that just like AIBEA is fighting to safeguard the public sector banking, GIEAIA too wants insurance sector to remain as public institution. Hence, he concluded stating that employees in insurance sector and banking sector should join hands and fight against the privatisation policies of the Government of India.

Com. S.P. Sharma, Central Committee Member of AIBEA and President of Delhi State Bank Employees Federation thanked Com. K. Govindan for his lecture about the General Insurance sector and also thanked all the participants.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

**Webinar lecture
on 11th July – Sunday at 4 PM
'THE STATE WE ARE IN'
by Shri P Sainath**



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11-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS
(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 10
Padmashri Kumar Ketkar, Member of Parliament**

Nationalisation of Banks benefitted the common people and the middle class the most - Kumar Ketkar

'This government has bulldozed many things, but also have been stopped from bulldozing so many things'

The 10th day Lecture in the webinar series arranged by All India Bank Employees Association to commemorate the 52nd anniversary of bank nationalisation was delivered by **Padmashri Kumar Ketkar**, noted journalist and Member of Parliament/Rajya Sabha on 10-7-2021

In his lecture, Kumar Ketkar narrated the political scenario that obtained in our country in the 1960s which finally resulted in Madam Indira Gandhi nationalising 14 major private Banks.

Kumar Ketkar congratulated AIBEA for celebrating the 52nd anniversary of Bank Nationalisation. He explained that the world was entirely different in 1969 and nobody would have realised way back then that 50 years later, Government of India would try to dismantle of the public sector institutions.

Gist of his lecture: Today people would be wondering as to how the Government would denationalize the public sector banks. But, the present Government has abrogated Art. 370 of the Constitution, bulldozed the farm laws against the interest of the peasants and farmers. Therefore, the misgiving that this Government would not privatise the public sector banks should not hinder us from agitating. This Government would try its best to privatise the public sector units but it is also a fact that **if we fight decisively, we can stop the government from moving ahead** like the farmers stopping the implementation of farm laws due to their 8-month long agitation.

In 1960, John Kerry was sworn in as President of USA. In 1961, Berlin Wall was built. The world was divided between right wing and left. It formalized the cold war that began with the end of World War II. It was the same year in 1961, Pandit Jawaharlal Nehru took initiatives to form the Non-aligned Movement. In 1962, there was a huge March in Delhi to nationalise the public sector banks.

In 1964, Pandit Nehru died. But, there was no change in the socialist policy of the country. Soon after 1964, India started post-Nehru era, the right-wing parties started gaining momentum. In 1965, there was a war with Pakistan. Between two wars, in 1962 with China and 1965 with Pakistan, India suffered economically. Ashok Mehta said openly that India should open its wombs to the private sector. But, the elections in 1967, was held in the background of two wars, brewing inner-party squabbles in Congress. Congress lost in 8 States. Kerala, Tamilnadu, West Bengal, Punjab, Madhya Pradesh, Uttar Pradesh, Bihar, Orissa and in Parliament also, Congress had thin majority. In 1960s, World Bank was also trying to pressurize the governments to subscribe to the right-wing policies. Mrs. Indira Gandhi was sandwiched between right wing and left wing. In such a situation, there was a decisive move of Mrs. Indira Gandhi towards left orientation.

There was also unemployment, poverty was increasing and hence, Indira Gandhi said that there should be a shift in the economic policies in both the conventions of Congress Party, held in Ahmedabad and Bangalore. With the death of President Zakir Hussain, the right-wingers in Congress, tried to make Mr. Sanjeeva Reddy as President to remove Mrs. Indira Gandhi. With the election of Mr. Sanjeeva Reddy as President of India, they expected him to take action against Mrs. Indira Gandhi. But, with the move of Mrs. Indira Gandhi, who supported Sri. V. V. Giri, Mr. Sanjeeva Reddy was defeated.

After the election of Sri. V. V. Giri as President, she took control and demanded resignation of Mr. Morarji Desai, the then Deputy Prime Minister. When Nationalisation of Banks was proposed, Mr. Morarji Desai opposed it and said that the banks needed only social control and hence he was asked to resign and removed from the party. After which, **on 19th July, 1969, 14 major banks were nationalised.** But, the right-wing politicians with the support of international capital, they tried to topple the nationalisation of banks with the intervention of Supreme Court. But, Indira Gandhi was not deterred and she plugged the loopholes and re-introduced the ordinance of nationalisation of banks.

But, the Jan Sangh, Swathantra party were encouraged to oppose the left oriented change of Indira Gandhi by the right-wing politicians, industrialists and international finance capital. Indira Gandhi supported international democratic forces including Ho Chi Minh in Vietnam. When elections were held in India in 1967, there was also election in Pakistan and the East Pakistan politician, Mujibur Rahman, got 3/4th of the Seats but he was not allowed to rule Pakistan with the support of USA. The movement spread against East Pakistan and started fighting between Pakistan and the East Pakistan. Indira Gandhi supported Bangladesh independence forces and this angered USA and it supported Pakistan to wage a war against India. The war of 1971 defeated Pakistan decisively and Bangladesh was formed. Indira Gandhi became like a "Durga" in the words of Atal Bihari Vajpayee and she was an undisputed leader of the South Asia much to the dislike of USA.

Subsequently due to the various developments in the country, in 1975, emergency was declared in the country. Many things went wrong in the emergency period. Mrs. Indira Gandhi was defeated in 1977 but Janata Party could not sustain for a full five years due to the right-wing policies pursued by them and the in-fighting within Janata Party.

After electing back to power in 1980, Mrs. Indira Gandhi made 6 more banks into the ambit of public sector banks.

Today's middle class owes much to the public sector banks and the help of the nationalised banks to uplift them to this level. Banks are spread out across the rural areas, the priority sector loans, agriculture advances are all due to the public sector banks and their social objectives. **Bank Nationalisation gave new prosperity to the rural sector and bank nationalisation helped to reduce poverty.** Middle Class population was 15% in 1969 and if it is more than 40% now, it is because of the Bank Nationalisation.

The same middle class, who were the beneficiaries of the bank nationalisation and the credit from the public sector banks, are supporting the present incumbent right-wing government. **Without the bank nationalisation, this prosperity would not have come to the middle class.** The identity crisis has catapulted the present government to power.

In USA, there was hardly 8 lakhs Indians in 1986 but now there are 40 lakhs Indians in America and they are supporting and funding the right-wing politicians like BJP and that is the reason why the policies of the Government are trying to marginalize the public sector banks. Privatisation of public sector banks is reversing the clock back and it will be detrimental to the economy of the country and its people. **This government is trying to denationalize and privatise not only the banks but also LIC, other public sector units. This is an attack on the sovereign economic policies** of the country and Sri. Kumar Ketkar has asked AIBEA to take lead in starting a united movement against the privatisation attempts of not only the public sector banks but also the other public sector units. **There is no separate economic issue and political issue and both are interconnected** and hence, **privatisation of public sector banks would lead to deterioration of India's sovereignty and the overall growth of the country.**

This Government is not even disclosing the names of the willful defaulters of bank loans. He demanded that criminal action should be taken against willful corporate defaulters.

He concluded by once again asking AIBEA to take the lead to fight against the privatisation of public sector banks.

Com. Nandu Chavan, Vice President of AIBEA welcomed the Guest Speaker and all the participants and co-ordinated the programme.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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12-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
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(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 11
Ramon Magsaysay Awardee Shri P Sainath**

There is no injustice that cannot be fought back – P Sainath

All India Bank Employees' Association invited Ramon Magsaysay Awardee Shri P Sainath, to address the attendees at the AIBEA's ongoing National Seminar series to commemorate the 52nd anniversary of Bank Nationalisation.

Sri. P. Sainath thanked AIBEA for inviting him to deliver his lecture on the 52nd anniversary of Bank Nationalisation. He said that he will be speaking about the State we are in politically, legally, economically and culturally and to look at some of the options before us as middle-class citizens. The best place to begin is also the worst place to talk about.

He lamented about the death of Father Stan Swamy and pointed out that not a single voice came about from the ruling party and the callousness with which Father Stan Swamy died. It is meant to be a warning to all others, to those who go against the policies of the government. The print media wrote a few editorials about the death of Father Stan Swamy and they did not speak about the laws that incarcerate any one, who dissents the policies of the powers that be, without assigning any reason. For the past three decades, since neo-liberalism came to take over the country's economy, the laws of the country started against farmers, peasants, common man, who dissent.

Last week Supreme Court confirmed the fine imposed by the High Courts to the petitioners against the Central Vista project. Compare it with the vaccine crisis. In Mumbai, for the past 4-5 days in the last fortnight, the vaccines are not available in Public Medical Services. Even though large scale allotment is made to private sector for vaccines, newspaper reports state that majority of them are not utilized and getting stagnated.

How many vaccines in India could we buy with the Rs.23000 Crores allotted to Central Vista project. For our 940 million population to be vaccinated, roughly we need around 1.9 billion doses of vaccines. In the Rs.23,000 Crores allotted to Central Vista project, we can buy 1.53 billion doses of vaccines. Let us look at PM Cares Fund. The Trustees of this formidable PM Cares Fund are Finance Minister, Home Minister, Defence Minister and the Chairman is the Prime Minister. Every law has been broken for this PM Cares Fund. Government stated for over a year, that it is a private fund and administered by the Ministers.

Hence it was audited by a private auditor. But, recently they stated that it is a public organisation. With Rs.3076 Crores spent from PM Cares Fund, it will be enough to buy another 0.20 billion doses of vaccines. That means 90% vaccination requirement of our country could have been taken care with these monies. But, that did not happen. With this Rs.23,000 Crores, 18 AIIMS could be established throughout the country.

In India, we have the middle classes and classification is complex. Many of the middle classes seem to believe that the decisions of Prime Minister are irreversible, decisive, irrevocable. But, decisions on land acquisition, FRDI were withdrawn. The farmers have fought the farm laws and made them to a standstill. The surrender of the intellect by the middle class and embracing of market and neo-liberalism are some of the reasons for what India is today. The huge inequalities of the level of 1921-22 are prevailing in India today. Cruelty of the inequalities really exist. **Markets have so much legitimacy than even the elected governments.**

See the extent of inequality. When we embraced the neo-liberal policies in 1991, India did not have dollar billionaires. In 2020, 140 dollar billionaires were there and India added 38 dollar billionaires in the first twelve months of the present pandemic. In the first 12 months, the wealth of the billionaires doubled in India to \$ 596 billions. Adani's wealth has grown up over 400% and Ambani's wealth grew up by over 129% while the GDP shrank by over 24%. When tens of thousands lost their jobs and millions walked back home as they were starving, 23 health-sector billionaires added Rs. 5 billions every day. **Ambani's personal wealth is only just below the Punjab's Gross Domestic Product.**

Capitalism promises that if a man works hard, he will earn more. The common man or woman, in a rural household, can do a 100-day of MGNREGA and even if it is increased to 365 days, that individual would take 42 million years to reach the level of Ambani. A 10% wealth tax to the 140 dollar billionaires, we can achieve many things in this pandemic situation.

Experts say that the Covid deaths would be as high as around 2.5 million and not as is being informed by the Government. Society is in a self-delusional state. The death numbers given by the government are fake. Farm suicides numbers are fake. Migrant workers numbers are fake. The system is built to trivialize the miseries of the marginal. In Uttar Pradesh, more than 1600 teachers have died due to Covid during the panchayat polls. But, they have compensated only 3 deaths because death on duty is interpreted as if a person falls to death in the polling booth or counting booth and not after fortnight or after a month. Their death certificates did not show that they died due to Corona. Even after Courts slammed the Uttar Pradesh government, there is no great efforts from the government.

The Census of India, 2011, showed that there were 400 million migrant workers. But, this was also not a correct figure because it did not take into account short-term migration etc. Because of farm crisis, they have migrated from villages. When migrant workers walked back home, the Solicitor General of India made a statement in the Supreme Court that there were no migrants walking back on road.

According to Government of India, 3.3 lakh farmers died from 2011 by committing suicides. From 2011, States in the country stated that there is zero farmer suicide. Poverty figures are also false.

In 2019, the WHO report said that India had lost 4.5 lakhs due to tuberculosis. WHO said that TB is a result of poverty and economically marginalized.

Even after death of Father Stan Swamy, there is no public outrage and hundreds are languishing in jails without any grave charges or chargesheets.

PM Faisal Bima Yojana is brought as a group area scheme. For example, a group area could consist of majority of the farmers holding lesser land and few of them holding large extent of land. When there is a drought, and compensation is paid, there is inbuilt discrimination in the scheme by which the small land holders who suffer more get less compensation and the large land holders who actually do not suffer any loss get more compensation.

In the first 24 months of PM Fasal Bima Yojana, 18 insurance companies made a profit of Rs.15,795 Crores as per RTI data and it is Rs. 21 Crores a day. Ofcourse obviously all of them are private insurers. But the real farmers facing problems do not get benefitted.

Question is, can it go on like this ? **We all need to learn from the farmers.** See the injustice shown to the farmers and still how they are fighting against the farm laws. More than 300-400 of them have died in the 7-month long agitation. When they are able to fight back the offensives of the government, it is an inspiration to all of us.

None of what has been in India today would have been achieved but for Nationalisation but the usurious moneylending is coming back in rural areas. If banks are privatised, the corporate world only will benefit and not the common man, peasants, farmers etc.

He concluded by saying that we are not just in the midst of the present health pandemic but **we are also in a pandemic of our own making of a neo-liberal policies that are cynical and if we cannot fight those policies, we cannot fight against privatisation of public sector banks.**

Pandemic has given us a misery but it has also given us the insight and what has to be done and what has to be changed and who should be elected. **There is no great injustice that cannot be fought back** and this country, when it is entering 75 years of independence, has fought back injustices in its history.

Changes are happening but it is our choice to keep quiet or fight back

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
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(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 12
Prof. Raja Sethu Durai, University of Hyderabad**

**Public Sectors will be with the people during hard times,
Private Banks will be there only during boom – Prof. Raja
Sethu Durai**

All India Bank Employees' Association invited Prof. Raja Sethu Durai of the Department of Economics from the University of Hyderabad to address the participants of the AIBEA's ongoing National Seminar series to commemorate the 52nd anniversary of Bank Nationalisation. Prof. Raja Sethu Durai delivered the lecture on "Future of Banking – an economic perspective".

Gist of his lecture: The Professor dealt with the topic under five major points. There are a lot of concerns because of the technological boom and whether banks would be marginalized from being financial intermediary and whether technology would overtake the role of banks. The second is that whether the technology in banks would take away the employment potential in the banks. The third part is about the Non-Performing Assets in the public sector banks. The fourth part is about monetary policy transmission. And in the last, he dealt about the future direction.

Banks as financial intermediary – He pointed out that Banks are a financial intermediary with an objective. Explaining further, he spoke of the objective of a bank. He informed that the oldest bank in the world is in Italy, started in 1472 and still in banking business called Monte Dei Paschi Di Siena. It is owned by Government of Italy. The basic objective of this oldest bank has been to extend credit to needy and poor persons and that is nothing but social banking. This particular objective still applies for any bank to exist. Social banking is sustainable banking to ensure that basic human needs to be met and then deliver financial services which meet those needs. **The basic idea is that there should be a sustainable development in the economy. It is not to make profit but to have social objective.**

Global Alliance for Banking on Values (GABV) research shows that the **sustainable banking is less volatile**. From the social point of view, India's public sector banks are sustainable banks. But, whether the practices followed in the public sector banks are transparent is a question that needs to be answered. Banks are financial intermediaries with information on risk and credit worthiness.

Banks also ensure flow of credit into the financial system. It also assimilates the information asymmetry in the credit market to the common man. The most important characteristic of a bank is the credibility and accessibility. **While technology can enhance accessibility but credibility needs strong and stable institutional backing.**

Hence, the role of financial intermediary is not diminished with technology advancement. But **social orientation and sustainable banking will definitely be the ultimate winner** as long as there are poor people and needy persons in a country.

Technology and Employment - Technological innovation affects every field but it cannot substitute a human capital. Hence, we have to embrace technology and we cannot move forward without technology. Technology enhances human capital. For example, in 1900, only 5% of married women had jobs but in 1980, it grew up to 51%. Invention of refrigerator (1918) and washing machines (1916) reduced household chores of women and enhanced the human capital in married women taking up jobs. Whether machine steal jobs? Even in USA, the ATMs installed numbers between 1970 to 2010 has gone up but there is also an equal amount of increase in employment of tellers over the same period. The technology shifts the job opportunities to the allied activities like ATM management services, cash management of ATMs. While technology cannot steal the jobs but there will be transformation. The level of employment in substaff, clerical and officers in public sector banks are more while in private sector banks, the employment of officers is more for the period from 2004-05 to 2019-20. The average growth of public sector banks has been at 3% while it was 12% in private sector banks. The average growth of ATMs between 2012-13 and 2020-21, it is 16%. Hence, it has not displaced the human capital. Hence, **technology cannot steal our jobs.**

Non-Performing Assets of the Public Sector Banks – In a private business, if the business fails, the owner is blamed. In Public Sector Banks, when NPAs are more, the owner, the Government doesn't take the responsibility but they blame others and the previous government. The first stage in a bank is to collect deposits and give advances. The second stage is to see how the advances are performing. The connection between stage one and stage two is very important. Undesirable occurrence is the Non-Performing Assets. **It becomes a burden because banks have to pay interest to the deposits but they won't have any return from the Non-Performing Assets.** In stage 1, both public sector banks and private sector banks are having efficiency of 85% and 90% respectively but in stage 2, the inefficiency creeps in, this ratio is 59% and 79% as far as efficiency is concerned. Without NPAs, the first stage is 88% and 91% while in the second stage it is 63% and 79% for public sector banks and private sector banks respectively.

Monetary Policy transmission – Central Banks play a crucial role in the economic and financial stability. Monetary policy is aimed at managing the liquidity in the system to achieve price stability and growth. An important aspect of monetary policy transmission is bank lending. RBI research paper says that the credit channel of monetary transmission was stronger in public sector banks than private banks. **During boom times, private banks are more active than the public sector banks but at the time of recession and crisis, public sector banks are more efficient and lend a helping hand than the private sector banks.**

Future Directions – Proactive Banking like Banking for global Indians will be imperative. Big data analytics are absent in Indian Public Sector Banks, which means that we need very strong research team to get an edge in the market. We are sitting on a treasure of data but not fully utilized or analysed. The third aspect is to embrace the technology. The Central Bank Digital Currency instead of paper money and transmission to digital money may be in place in future. But, the banks' business is about extending credits and hence even digital currency will not take away the regular banking activity. IT companies in India are filing patents in Fintech. **Technology comes with a cost and so to reduce cost, we have to adopt technology and improve upon the profits.** According to IPR Daily 2020, 7 of the top 10 banks in the world with patents are from China and they are all government owned.

Role of Government – The business of the government is not to run business is a myth. The second myth is that free market develops technology and innovation and the role of the government is limited to National Security, Law and Order. Because, in reality, in the book, "The Entrepreneurial State" by Mariana Mazzucato every technological innovation that "Apple" uses is developed by a governmental agency or company. The companies like Apple pay license fees and use the technology developed by the government. No private player will innovate technology for common man and with social objective and so Government should invest in these technology.

Abba Learner, a Russian-born UK economist said on the role of Government are as under:

Full employment, price stability and a decent standard of living for all are fundamental macro-economic goals and it is the responsibility of the state to promote their attainment.

Policies should be judged on their ability to achieve the goals for which they are designed and not on the dogmas on traditional economies.

Without full employment policy, society cannot benefit from labour-saving technological advance and

When there is unemployment, jobs and money, not resources and goods, are scarce.

Com. E. Arunachalam, General Secretary, Tamilnadu Bank Employees Federation thanked Prof. Raja Sethu Durai for his excellent lecture and dealing with the banking with future outlook in an educative manner. He thanked the participants, who attended in large number.

Yours comradely,



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**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 13
By Shri. M. Damodaran, IAS, Retd.**

**You can be in public sector and still be very efficient -
Damodaran**

All India Bank Employees' Association invited Shri M. Damodaran, former Joint Secretary of the Banking Division in the Ministry of Finance, Govt. of India to address the participants of the AIBEA's ongoing National Seminar series to commemorate the 52nd anniversary of Bank Nationalisation. Shri Damodaran was also, earlier Chief Secretary of Tripura Government and later he held positions like Chairman of SEBI, UTI and IDBI.

He began his lecture by referring to the context in which the webinar has been organised by AIBEA. He said that just like the belief of some people that sun rises in the west, there are people to believe that private sector banking means more efficient. But actually, efficiency is ownership neutral and there are so many examples where public sector units are more efficient than others, just as there are very efficient private sector companies also.

Gist of his lecture: As far as the banking is concerned, after 1947, we did not have any new banks till 1990s when new banking licenses were given. When these new banks were started, there was a lot of euphoria. But soon we found that Global Trust Bank got into problems. Ramesh Gelli who was given Padma Shri Award, ran the Global Trust Bank to the ground. Similarly, some more new private banks like Times Bank who were given license are not in scene now. So it is wrong to believe that private ownership automatically means efficiency.

To think that private sector, whose only objective is profit and improvement of profit, to reach the remotest corner of the country is a misnomer. There is no alternative to have the public sector presence for this diversified population. If Imperial Bank of India was not nationalised and taken over as State Bank of India, many villages and hamlets would not have had a bank branch. Private sector banks know about the social objective and implementation of the Government schemes and would not come in there and it is only left to Public Sector Banks undertake all these social objectives. We must also bear in mind that public sector banks

came at a time when technology was not at all available but new generation private banks came when the technology was developed and digitalization was adopted. Hence both cannot be compared with the same scale.

On customer service in public sector banks, he was narrating his experiences while he was on the Committee on improvement in customer services. He said that he found that even though SBI is a major Bank with so many branches and dealing with millions of customers, it had lesser number of complaints from customers than a private Bank which was being projected as a good Bank. He also pointed out that public sector banks extend banking services to the rural poor and the common masses at affordable costs. He was quoting the reply of the Chairman of a private bank to the question why the service charges are very high in private banks where that Chairman admitted that in a five-star hotel, one cannot expect food at Udipi hotel rates.

Talking of bank nationalisation, he said that many people feel that it was done for political purposes. According to him, after nationalisation, the banks started giving loans to worthy purposes than worthiness of the persons whereas private banks are willing to give loans only to already wealthy people because they go by the worthiness of the person and not the purpose of the loan. Public sector banks are created to give loan to people who need loans and not just for people who can afford to take a loan.

He was referring to the recent decision of the Government to privatise two Banks. He pointed out that the press is mentioning and speculating the names of two banks as recommended for privatisation. But interestingly, the share price of the scripts of these two banks have gone up suddenly. Can we understand that because the share price has gone up, these two banks have become more efficient overnight or less efficient earlier. It is the market speculation that has increased the share prices in these two banks. He quoted that the market capitalization of a leading private bank is so huge but it does not convert that into better customer service. A bank does not become better because of its market capitalization or the profit it earns. Banking is a provision of service through products. The ultimate objective is service. The original objective is accepting deposits and extending credit. This has nothing to do with market capitalization, and a Bank cannot be evaluated due to its share price, he opined.

He felt that indiscriminate movement towards privatisation is not an answer for India and this message has to reach the common man and public at large. In aviation sector, Air India is slated for sale. But then, we have given away slots and routes of profitable avenues to private sector and not to Air India. Non-purchase of new planes and improvement of new innovations in aviation sector especially in Air India – for such things somebody must be accountable. As Air India is government owned, they are responsible for this debacle and not the functioning. Today they are talking of privatizing two banks, but where is the guarantee that they will stop with this. They may privatise other banks also, he remarked.

Having said that, he stated that there should be an introspection among the public sector banks. What can be done to make these banks do better as a soul searching is what is required. People are most important than the products. There was a time when private sector banks had products that were not available to public sector banks, which was not a level playing field since the regulator did not allow public sector banks to venture into these areas. Profitability of private banks came mostly from fee-based income than from the banking operations unlike from the public sector banks which depend on fund-based income. Now, with the equal amount of technology among the public sector banks or private banks, the public sector banks should definitely match the private sector banks. The human touch by recognizing a customer by a name than by a number is the advantage for the public sector. The people aspect, the human touch is the differentiation in the going forward from this stage than by treating the customers with their account numbers or customer IDs.

Talking of governance, he said that he observed the non-filling up of employee-Director and officer-Director and many posts of Independent Directors in all the public sector Banks. When we say that the Bank is Board-driven, having a truncated Board does not auger well for the Banks, he said.

He also stressed the importance of training the people whereas the investment on training has always been the casualty in many banks.

He referred to the glaring problems faced by two of the private banks recently. The regulator allowed it and the press was worshipping the private sector and everything came to light only because of a persistent whistleblower's effort, he pointed out.

In public sector banks, going forward, we should recognize our strength. The second is to persuade the government that so-long as we exist, we should have effective leadership at the top level of the Board. The tenure of Chief Executives should be having reasonable time. The rules that apply to private sector and public sector should be equal. P.J. Nayak committee is a correct example that he gave a prescription to public sector banks but did not follow the same governance in the private bank. We should train people in such a way that they believe in a Public Sector Bank.

Com. K S Krishna, Joint Secretary, who coordinated the day's Webinar, extended our thanks to Shri. Damodaran for his lecture.

Yours comradely,



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**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 14
By Shri. S. Harisankar, former MD, Punjab & Sind Bank**

**Before you talk of privatization of Banks, you should think of
the poor and the needy who look to the Banks – Harisankar.**

All India Bank Employees' Association invited Shri S Harisankar, a veteran banker and former Managing Director of Punjab & Sind Bank to address the participants of the AIBEA's ongoing National Seminar series to commemorate the 52nd anniversary of Bank Nationalisation.

Shri Harisankar delivered the lecture on "**Privatisation of Public Sector Banks: Is it imperative? Have we exhausted all options? Have we tried all options?**".

He started his lecture by saying that the question of privatization of banks has been gaining currency because a section of the influential society is trying to force the government to privatise the public sector banks and unfortunately, the government is also moving in the same direction.

During his lecture, he dealt with the issues analysing the root cause, the cause-effect correlation and the various options before us.

Gist of his lecture:

Root Cause Analysis I – There are dark patches in the country, if we care to look. Migrant worker, unemployed and under-employed, small business – to them the impact of covid was huge. Thousands of migrant workers went back from the locked cities walking hundreds of miles. For them, the role of public sector remains undiminished.

Income inequality in India is appalling. It is a fact that 10% of the Country's population holds 77% of our National Wealth. One per cent of the richest in this Country have amassed 77% of the wealth generated in India in 2017. India's richest 1% held more than 4 times the wealth held by 95.3 Crore people who make up the bottom 70% of the population! Close to 5% of the population are unable to access the health care they need.

In this background, our exaltation at the barrier-breaking performance of Stock Exchange indices becomes unsound, knowing well that what we celebrate just represents investment by less than 2% of the population! When anyone says, that the Private Sector is efficient in enhancing the shareholder value what that is meant is the value for this miniscule part of the population.

Root Cause Analysis II - Signs of an economic slow-down had been visible even earlier even before the pandemic. Massive failure of projects in the Infrastructure sector – mainly, Roads, Ports, Power and steel resulting in loss of capital for the Private and Public sectors has been the most significant of all causes. Such a massive failure has been ascribed to the Crony Capitalism in the Country.

Root Cause Analysis III - A report of RBI on relationship between Savings, Investment and Economic growth in India states: “from a low of 21.6 per cent in 1991-92, India’s domestic saving rate jumped to a record high of 37.7 per cent in 2007-08. This fueled investment, raising the demand for all types of investment related goods. This, in turn, had a multiplier effect on economic growth”. Household debt to GDP has been rising steadily, which means Indian households are saving less and their leveraged expenditure is rising. Household savings, which is considered as the most stable source of domestic savings also suffered a deceleration during the said period. Household savings, which is considered as the most stable source of domestic savings also suffered a deceleration during the said period.

The economy is facing multitude of problems. Some of the problems have their origin in the past and some are the fallout of the Pandemic while some are due to faulty policies initiated now. The Debt to GDP ratio was 58.73% during the FY 2020-21 and the previous worst was 58.86% during 2007-08, 14 years back.

The argument of disinvestment by the Government is built around this logic.

The Government of India have infused Rs.350,000 Crore for Recapitalization of Public Sector Banks since 2015-16. What is the impact of this infusion? All Public Sector Banks have reported healthy Capital Adequacy Ratios as on 31-03-2021.

Root Cause Analysis IV - Consequent to the Asset Quality Review carried out by RBI, some of the exposures hitherto treated as standard assets by Banks were made Non-Performing ones. These were mostly accounts in the sectors such as Steel, Power, Ports and Roads. We have discussed earlier the broad underlying reasons, which hit those sectors and turned the exposures taken by Banks non-performing.

It was the Public Sector Banks, which took up bulk of the infrastructure lending. Presence of the Private Sector Banks was much limited. PSBs took the risk because investment in infrastructure was futuristic and much in need for our Nation’s development. It was the only option to put the economy to a higher mode and sustainable growth. Infrastructure exposure of PSBs as on 31-03-2021 collated from the major PSBs work out to approximately 15-16% of the total advances. It stood at a much higher level at the beginning of the growth phase, about 10 years back.

As on March 31-2019 the NPAs in these sectors for PSBs was Rs.739,541 Crore representing 11.60% of the NPAs, while the same for New Generation Private Sector Banks was Rs.183,604 Crore (5.30%).

Cause-Effect Correlation - We have a long history of failed resolution processes and protracted recovery measures not yielding results commensurate with the money that has been stuck in bad assets and the time-lag for culminating in recovery. It starts with the legal measures of recovery through the Courts, paving way to specialized resolution platform like the BIFR (since 1987) for sick industries and SARFAESI Act 2002 with all its series of modifications finally reaching the IBC process (IBC Code 2016).

In spite of such a robust legal frame-work, the Banking system is carrying a gross NPA of approximately Rs.10 lac Crore. The Insolvency and Bankruptcy Code that was enacted in 2016 was expected to smoothen out the process considerably and result in a robust resolution framework. However, after 5 years of promulgation of the Code, we are not better off than before.

The Rural India needs bank branches – in brick-and-mortar form.

When a public sector bank opens a branch in a rural centre, profit is not the driving motive, but it is service to the rural population. Public Sector Banks in India cover these areas with a collective network of around 30,000 branches constituting ~30% of their branch network covering all such areas. It is doubtful whether this is substitutable at all.

We have often seen an anti-campaign against disinvestment of Government stake holding in Public Sector Banks. It is to be seen that there is a huge difference between Privatization and disinvestment. There has been a lot of loud thinking as to what is the appropriate shareholding of the Government of India in a Public Sector Bank to retain its PSU character. The ratios suggested have ranged from as low as 26% or a mid-path of 33% up to what is arithmetically accurate at 51%.

Regulatory Option 1 - Though at present the CRAR of the Public Sector Banks is within the regulatory range, we need to be wary about the stress that is building up in the system due to the Covid Pandemic. Probability of Default (PD) is high, which in turn is likely to heighten the build-up of NPAs necessitating higher provisioning requirement and more strain on the Operating Profit of Banks. Provisioning strain is also likely to be higher on account of rating impairment of corporates.

Prior to the Consolidation that has happened in the Banking Industry since 2016 we had 21 banks in the Public Sector. If we recall out of the 9 banks that got merged most of them could have operated as Domestically Active Banks and continued their operation under the sphere of Public Sector Banks without having to be governed under the Basel III norms. Consolidation of these banks with some other PSBs has not saved the Government of the requirement of Recapitalization. In fact, there was a major recapitalization drive immediately after announcement of the decision of merger of Banks.

In 2017 the Ministry of Finance, while considering capital infusion had directed each Public Sector Bank to define its business profile for future and specify action plan accordingly. That was one clear direction for PSBs to move away from aspiring for Global reach, redefine their niche and propose business strategy and plan for capital accordingly. It was only a logical follow through for the Government and the Regulator to bring in differentiated Capital Regimes for Banks with the domestically active banks to be put under Basel II regime and the Internationally active Banks to be brought under Basel III regime. This is an option that was available to us but not explored.

It should have been possible for our Country to design a compliance regime, which was robust enough to contain risk of possible failure but less stringent than the Basel III norms for those Banks, which were not active internationally.

Regulatory Option II - Much has been discussed about frauds in the Banking Sector. The statement should be read as frauds committed on the Banking Sector. To guard itself against such losses is the incumbent duty and paramount responsibility of all bankers. Once a fraud has been identified and reported Banks are required to make 100% provision on those exposures treating them as loss events (after adjusting against the available financial collaterals eligible as per Basel III norms).

There is a highly justifiable case for the regulator to make the provisioning norms on frauds more realistic rather than making it so overwhelming.

Structural Options - The P.J.Nayak Committee set up by RBI in 2014 to review Governance of the Boards of Banks in India had come up with a number of suggestions. Some of the recommendations have been acted upon, the most significant of those being, splitting of the position of Chairman and Managing Director of Banks into two as Non- Executive Chairman and MD & CEO. This has been done with a view to avoid concentration of power and authority in one individual and make possible better overseeing by the Boards.

Option I - Bank Boards Bureau has been set up for advising on appointment of whole time directors in Public Sector Banks.

Option II - One significant recommendation of the Committee was about setting up a Bank Investment Company to hold equity stakes in Banks, which are now held by the Government of India. Taking a different route from the Nayak Committee recommendation, we must consider it prudent to set up BIC as the core Investment Company with a mandate to hold 51% of the Government of India's stake holding.

Governance

Option I - Constitution of the Board of Directors of Public Sector Banks assumes utmost significance. Appointment of Independent Directors to the Board of Public Sector Banks assumes much significance in the suggested context.

The Nayak Committee had recommended that the Government should consider reducing its holding in PSBs to less than 50%. We have to understand that such a move will be counter-productive to the development agenda in Banking and will be leaving the door ajar for acquisition of Banks by the vested interests. Hence it is voiced in unequivocal terms that stake-holding of the Government in Public Sector Banks should not be reduced to less than 51%. It is also re-iterated that BIC is to be the nominated agency to hold the 51% stake of the Government of India and shall be statutorily governed in doing so by an Act of the Parliament.

Option II - There is a host of recommendations about deepening the Board Agenda and improving Corporate Governance, which should be adopted for enhancing the efficiency of functioning of Public Sector Banks.

Option III - Constitution of the Bank Investment Company itself has to follow the highest standards. Board of Directors of BIC should be constituted with people of the highest professional caliber and integrity. Independence of the Board of Directors has to be ensured.

Operational - Can Public Sector Banks vacate the space of Branch Banking? If we do a transaction-based analysis and start crunching numbers for profit, a purely commercial view may emerge that branch rationalization is required. But, if PSBs vacate that space, who is going to provide the services, which are being extended through branches? Will digitization be the answer? It is hugely doubtful. Even Business Correspondents may not be an answer for substitution, but they can effectively act as enablers and enhancers of last-mile service delivery by increasing penetration.

Consortium Lending - The present Consortium Lending doesn't envisage an avenue for a bank, that has sufficient liquidity to lend for a particular project by way of Project funding and/or working capital requirements but doesn't have internal expertise to do the credit appraisal and/or have an internal robust system of credit monitoring.

Setting up of a Bad Bank - After much protracted discussions, finally we are setting up a Bad Bank and IBA has been entrusted with the task. The National Asset Reconstruction Company is finally in the offing. This is a major structural change in the recovery machinery of Banks. While there can be debate over its constitution, capital structure and what kind of bad assets qualify for being transferred from Banks' balance sheet to the NARCL, there is no doubt that the Banking system will have a much-needed supervisory bandwidth for managing bad assets and effecting recovery.

Frontline Sales - One of the areas where performance of Public Sector Banks fades out is the efficiency of frontline sales. Upselling banking products to existing customers should be treated as part and parcel of the job definition right from the front desk. If Public Sector Banks fail in raising this demand from its branches and frontline, it will be a costly omission.

Loan Collection - As Banks become more conscious about risk mitigation, new functional areas have been introduced in Loan related departments. Credit Monitoring is treated as a very important function in asset quality maintenance. Credit collection is an area where public sector banks are still very weak. PSBs have not created such an outbound function for their workforce.

Widening Revenue System - By limiting ourselves to traditional income-streams such as Interest, Exchange and Commission we are not helping ourselves to enhance profitability. Public Sector Banks, in order to have cutting edge in the market, should be able to adapt to the market-driven evolutions.

Customer Grievance Redressal - Having a robust grievance redressing mechanism, an escalation matrix and a tracking mode are absolutely essential for inspiring customer confidence.

Conclusion :-

With the social objective in view, **we should not privatise the Public Sector Banks and the socio-economic position of the country and its large number of people in absolute poverty, the presence of Public Sector Banks is required.**

As a nation, we should not Privatised the Public Sector Banks.

Com. S K Sangtani, General Secretary of Canara Bank Workmen Employees Union, who coordinated the webinar, thanked the Chief Guest and proposed the vote of thanks.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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18-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS
(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 15
By Com. Harbhajan Singh Sidhu, General Secretary, HMS**

**'Labour Laws are changed to suit the interests of Corporates
and Industrialists' - Harbhajan Singh Sidhu, General Secretary,
Hind Mazdoor Sabha**

All India Bank Employees' Association invited Com. Harbhajan Singh Sidhu, General Secretary of Hind Mazdoor Sabha (HMS) to address the participants of the AIBEA's ongoing National Seminar series to commemorate the 52nd anniversary of Bank Nationalisation. In his address, Com. Harbhajan Singh dealt in detail the current scenario of labour policies of the government and the role of trade union movement in our country.

Gist of his lecture: He drew the attention of the participants that going by the actions and attitude of the present Government, one can understand and feel that there is undeclared emergency and thus the labour movement is passing through a very tough and challenging period.

The government is trying to privatise the public sector units. Even when the Finance Minister announced the relief package during the first wave of Corona, it could be realised that it would favour only the Corporate Sector and working class would not get any relief at all. In that speech, the Finance Minister has said that the public sector units would be privatised.

Even the Ordnance factory is also being privatised with allowing FDI in the defence sector. The 500 block of the coal mines is also being privatised and handed over to Adani, Ambani and Vedanta etc.

They have also decided to slowly privatise the Indian Railways and in the first phase 109 trains and stations, 7 production units to the multinationals and corporates. They have decided to procure Diesel locomotives from GE from America when only electrical locomotives are required in our country, all due to the pressure from American Government.

The banks have been reduced to 12 from the earlier 20 and the work pressure in the banks have increased enormously. During the pandemic, Gautam Adani has captured 6 airports, which have been established and built up with the help of the tax-payers' money. The Government is handing over the country's assets to a very few corporates.

In the last one and half years, the Indian Railways has come to a near standstill except for very few services. Because the Government has decided to paint Railways as a sick unit as a ruse to privatise. Railways is a public utility service and they have decided to handover 600 railway stations to the private companies. One of the stations was handed over to private sector initially with 46 years' lease but after protest from the private entity that they can't make profit, the lease has been extended to 99 years for the same bid. But, this Government has no mandate to handover the public sector units to the private hands.

That is why the Central Trade Unions have joined hands and started agitating including launching continuous strikes. In the Coal Block auction, which was launched by the Prime Minister, 3-day strike was observed on that occasion. 41 Ordnance factories manufacturing defence weapons for the army have been decided to be handed over to the private sector.

The resources of the banks should be utilized for the welfare of the common people. When AIBEA was agitating for nationalisation of banks, the then Prime Minister relented and nationalised 14 major banks. But there were opposition and they went to Court to stop the process but they failed. After the nationalisation of banks, the all-round growth was achieved in the country including scheme for alleviation of poverty, credit to needy sector, advances to agriculture, job generation etc.

In 1991, our country embraced the liberalisation policies and decided to join WTO. We were fighting against these liberalisation policies from then on. But we were being replied and told that multinationals would come, establish factories and job generation would be enormous.

But, after 30 years, we know the factual position. The multinationals came and started making profits. When Vajpayee Government came, the FDI limit was increased from 10% to 40% in majority of the sectors. But, whatever was said that prosperity would be achieved for the poor and marginalized, nothing like that happened. For example, Rs 8000 crore worth BALCO factory was handed over for a cheap price of just above 500 Crores.

Like this a lot of public sector units have been handed over to the private hands. Now they are attempting to privatise the public sector banks. Even a person like Baba Ramdev has become a very rich man with the help of this Government.

But, Jan Dhan accounts, social oriented programmes are implemented only by the public sector banks.

The industries and factories run by the private sector have violated the established labour laws. The inspection by the Government to ensure that the labour laws are not violated, has virtually stopped.

Government has issued instructions to ban any new posts in the Government. 3% of the existing posts have also been abolished. Now, in the government sector, more than 50% of the staff have been reduced. The workload is enormous. Employees are made to work beyond their working hours. The government says that there will be universal labour laws but it is only a universal lie.

Labour law reforms undertaken by the government are detrimental to the working class. There is no necessity for the factories and industries for

inspection and there is no need to take license from the government to become a contractor.

The contractors, even with license, violate the labour laws and they don't pay minimum wages and virtually treat the workers as slaves. But, if the factory in-charge gives a certificate that labour laws are adhered to, it will be taken as gospel truth by the government and the concept of inspection is totally abolished and stopped.

When the workers have died due to Corona, the Labour Minister has stated on the floor of the Parliament that the government does not have the data as to how many workers died due to covid in the last 16 months. Whenever Central Trade Unions write to the Prime Minister in the past, there is not even an acknowledgement. The representatives have met the members of the Standing Committee on Labour and since they represent various other political parties, the views of the trade union leaders have been expressed.

He congratulated AIBEA for arranging such series of lectures for a month to commemorate the 52nd anniversary of Bank Nationalisation and the recording of all these lectures will become handy documents when we go for campaign against the anti-worker policies of the Government.

When Central Trade Unions have demanded of the Labour Minister to abolish the 4 labour codes, he refused and said that the government can't withdraw the labour codes. Hence, the Central Trade Unions have struck work including employees in coal, railways, banks, insurance etc. But, the government has changed the labour laws to suit the corporates and industrialists. There will be exploitation. Minimum wages is not being paid. If employees refuse to perform overtime work, it will be treated as being on illegal strike and he/she can be even dismissed.

He said that the present government is a corporate government. Even though all the Central Trade Unions strike work, BMS is not in the fight against this Government. But, the other central trade unions have struck work, went on hunger strike, went on Parliament Morcha including courting arrest. Working Class is not afraid of CBI or Police or any harassment. We have to cohesively work with close coordination and when the Parliament begins for the Monsoon Session shortly, we should show our protest. Throughout the country, the workers are on fight. Farmers are on fight. Bank employees are on fight. This is despite the fact that the government is trying to paint anyone who goes against their policies as anti-Indian or anti-national. But, we shall have to fight against the retrograde policies of the Government.

He concluded congratulating AIBEA that it is a fighting organisation and will continue to fight against the attempts of the government to privatise the public sector banks.

Com. Rajneesh Gupta, Central Committee Member of AIBEA coordinated the programme and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
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**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 16
By Justice Chandru, Retd., High Court of Madras**

**Beware of labour law changes, it will make collective bargaining into
collective begging – Justice Chandru**

All India Bank Employees' Association invited Justice K Chandru who was Judge of High Court of Madras to address the attendees at AIBEA's ongoing National Seminar series to share his opinion and facts on the theme of People's Money for People's Welfare.

Gist of his lecture: Speaking on the occasion, he explained how bank nationalization became a political reality under the then prevailing political situation where Smt. Indira Gandhi wanted to project a progressive image of the Government. He also referred to the opposition by the rightist forces who challenged it in Supreme Court which struck down the Act on technical grounds of lesser compensation. Hence she had to re-nationalise the Banks again in February, 1970.

It was not a mere economic decision and it was a political decision. Hence, trade unions should also have to take the political stand in such issues when the present government tries to privatise the public sector banks or the public sector units. Right from the beginning, the trade unions have taken political demands as part of their charter. Therefore, in the nationalisation issue also, all the trade unions supported including AIBEA. Hence, after 52 years of nationalisation, a progressive politics is necessary for a trade union to come up.

If nationalisation had not happened, the industrial houses would have become big monopolies, public finance would have gone to the private hands and the economy would have been in few elite hands. Even with the present public sector banks, Nirav Modi, Mehul Choksi, etc. have been able to loot the banks and some of these criminals, are enjoying the loan proceeds.

In 1947, bank employees were working in private banks and they were treated as slaves. They were united by AIBEA. There was no uniform salary, service conditions etc. AIBEA took these issues before the Tribunal and got Sastry Award. It was because of the efforts of AIBEA and the Sastry Award, there were uniform service conditions. This award changed the working conditions of the bank employees. It is this organisation, AIBEA, that started giving beacon light for the bank employees for the first time. Again, in 1960, we got a second award, Desai Award. These victories speak volumes of the struggles to bring them under one roof and it was followed by the Bipartite Settlement. We have learnt that these awards take several years to be completed and the government might extend the implementation of the award. Hence, AIBEA decided that we should go for direct

negotiations and secured the first Bipartite Settlement through strikes, struggles and agitations and that happened on 19th October, 1966. Even if there is give and take, direct negotiations are much better. We have now 11 Bipartite Settlements behind us. The power of strike was the weapon that AIBEA used to secure the benefits.

The first change we got after nationalisation, the ownership vested with the Central Government. Till nationalisation, the service conditions were only contractual with the bank managements and after nationalisation, the service conditions of a public sector bank employee were having a statutory character. In case of a statutory provision, it can be enforced by a Court. Unions, group of individuals or even individual can enforce the statutory provisions including challenging discrimination.

In ONGC judgement in Supreme Court, it was held that the employees of statutory body have a statutory stature and it is protected by the Constitution.

Mrs. Indira Gandhi amended the Constitution. She said secular, socialistic and democratic country in the preamble of the Constitution and brought in as Sec.43A to ensure workers to participate in the management. Following this, amendments were made to Banking Regulations Act and paved way for Workman Director and Officer Director on the Boards of the Bank. People, who create wealth should also sit on the Boards of the Banks. Our experience has enriched us and changed the mindset of the managements also.

Now, the labour laws have been made into 4 labour codes. **Industrial Relations Code will make us litigators eternally.** Who gave them the power to change these laws, which have evolved in the country due to the struggle of the workers for the past hundred years? **If these new laws are implemented, we cannot have collective bargaining but only collective begging.** Then how to fight these offensives. It will be only possible due to the unity and militancy and struggles of the bank employees and the working class.

When we celebrate the 52nd anniversary of bank nationalisation, economic demands should take a backseat and we should fight against all the anti-labour legislation and we should with a total unity not only among the bank employees but also among the Working Class.

He concluded by congratulating AIBEA on their initiative and the ongoing fight against privatisation.

Com. C S Venugopal, Treasurer of AIBEA coordinated the programme and finally proposed the vote of thanks.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**

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- ***Observe Bank Nationalisation Day on 19th July***
 - ***Badge Wearing by all employees***
 - ***Twitter Campaign from 7 am***
-



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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
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**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 17
By Prof. Saugata Roy, Member of Parliament**

Privatisation of Banks is not good for our country – Prof. Saugata Roy

All India Bank Employees' Association invited Prof. Saugata Roy, who was formerly Minister of Central Government on two occasions, once during United Front Government under Charan Singh and again in 2009 during UPA II under Dr. Manmohan Singh, for their webinar. He is a senior Parliamentarian in the Lok Sabha from Trinamool Congress and he was invited to address the AIBEA's ongoing National Seminar series to share his opinion and experiences on the theme of People's Money for People's Welfare.

Gist of his lecture: Speaking on the occasion, Prof. Saugata Roy thanked AIBEA for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation. He conveyed his best wishes to the members of AIBEA and said that AIBEA has been the prime organisation of bank employees, being the prime mover in improving the service conditions of the bank employees and also highlighting the ills afflicting the banking industry and since its foundation, it started demanding and agitating for the nationalisation of banking sector. After 23 years of struggles, on 19th July, 1969, 14 major banks were nationalised.

He nostalgically recalled the days when he was a student union leader in Congress in 1969 and how they took to streets to celebrate the nationalisation of banks. Now, after 52 years, the branch network has expanded exponentially, deposits and advances increased in an exemplary manner since nationalisation. When the public sector banks were the major players till 1991 when India embraced liberalisation policies and the Government of India brought the amendment to Banking Regulation Act to disinvest its holding in the public sector banks till 51%. But, when the Vajpayee government tried to reduce its stake upto 33%, there were protests everywhere and ultimately with the defeat of BJP-NDA government in 2004, the bill lapsed.

The problems of the public sector banks are the piling bad loans. However, the government instead of enacting methods to recover the bad loans, has introduced Insolvency and Bankruptcy Code (IBC) that favoured only the

corporate defaulters and banks had to suffer huge write-offs in the name of "hair-cuts". The Government is not disclosing the names of the willful corporate defaulters. However, AIBEA has disclosed the names of willful corporate defaulters more than once. All banks are doing well but for the corporate bad loans.

But, the government is trying to privatise the public sector banks, disinvest LIC and to privatise one general insurance company. The government is trying to sell the family silver for a song.

At present, banking system has 12 public sector banks and many private banks besides the cooperative banks and, regional rural banks. The government has been introducing social schemes but they have been implemented in full by only the public sector banks. Jan Dhan Yojana, Mudra loan scheme, etc., are examples of such schemes.

What is the road ahead? The Government of India has taken a decision to privatise two public sector banks. But, we have to fight against the privatisation of banking system. If the banks are privatised, it will not be able to take care of the poor people. We know the case of Mehul Choksi, Nirav Modi and how they cheated Punjab National Bank. We also know the case of Vijay Mallya, who cheated State Bank of India, IDBI Bank and other public sector banks. We also know about the involvement of Mrs. Chanda Kochchar of ICICI Bank in Videocon scam and it speaks amply about the functioning of private sector banks.

The credit given to agriculture, priority sector from the public sector banks is well known while the private sector banks eye only on profits. The social banking is possible only through public sector banks. When FRDI Bill was brought in, AIBEA appeared before the Standing Committee on Finance, and explained in detail about the ills of the FRDI Bill that was ultimately withdrawn.

He said that in the fight against privatisation, he and his party would be supporting AIBEA. The stalwarts, who spoke in favour of nationalised banks and who opposed privatisation attempts, for example, Com. Gurudas Dasgupta, are not on the floor of the Parliament. Many of the new Members of Parliament do not know about how the public sector banks helped to improve the economy of the country especially in rural areas. He said that fight is the only alternative and said with the support of people of the country and progressive political parties, AIBEA would emerge victorious in the fight against privatisation.

Com. Partha Chanda Joint Secretary of AIBEA coordinated the programme and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
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**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 18
By Com. Amarjeet Kaur, General Secretary, AITUC
Special Greetings by Com. George Mavrikos, GS, WFTU**

- **Purposeful unity and struggles are the only way for the better future of working class – George Mavrikos**
- **AIBEA should play its role to lead the change for the better – Amarjeet Kaur**

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd ANNIVERSARY OF BANK NATIONALISATION.

As a part of this series of lecture, AIBEA invited Com. George Mavrikos, General Secretary of World Federation of Trade Unions to give his greeting message on the occasion. WFTU is a global trade union representing about 105 million workers from 130 countries from 5 continents.

The Lecture of the Day was given by Com. Amarjeet Kaur, General Secretary of All India Trade Union Congress.

Gist of greeting message by Mr. George Mavrikos:

Com. George Mavrikos, General Secretary, WFTU, congratulated AIBEA for having arranged these webinars as the same will be useful to educate and understand the problems for today and also for tomorrow. To win the fight against the attacks on the working class, we should know the history of the trade unions and to that extent, these webinars would be of great help.

Com. Mavrikos said that we live in a crucial period and live in a pandemic situation due to Corona virus. Last year, in every country, the poor people had lost their lives, had difficulties, lost their jobs but the corporates have exploited the poor. As far as the WFTU is concerned, the vaccination for all is the demand. Even in this pandemic, the anti-labour position of the government against the poor farmers, bringing about the labour law reforms, attempts to privatise the public sector banks and units, etc. are open and clear to us. Hence, there is a necessity to join together and fight.

Recently, in Columbia, in Greece, France, Bangladesh, countries in Asia-Pacific regions, there have been labour struggles and the biggest strike took place in India, in which 250 million people participated. Only through struggles, we can secure a better tomorrow.

If we put a question before this audience, what type of world we want to live in, the answer will be quite clear from WFTU and AIBEA - it is that we need a better world, without exploitation, without capitalist barbarism, for emancipation of working class. Through imperialist tools, capitalists exploit the women, children, refugees, immigrants throughout the world. Last week, the puppets of USA tried to create problems in Cuba through Miami and are trying to create problems in that socialist country.

The situation in the world is anti-labour. Hence, we should strengthen our movement internationally. What kind of internationalism we need is the question before us. Our colleagues from Palestine need our solidarity. We need unity to support Palestinians, Cubans, Venezuelan people, unity against capitalist and in support of the working class. We need unity against privatisation, against exploitation, we need unity to create socialism. When capitalists want unity to strengthen capitalist barbarism, we need exploitation-free world and hence, our unity should be based on Working Class unity.

AIBEA has enlightened membership and a mature leadership and we should continue our struggles through our unity, militancy, through aligning ourselves with the Working Class of not only your country but internationally also. If the Working Class, for example, of Panama comes to know that the unions from India, Greece, France and elsewhere are supporting them, there will be a lot of strength for the working people of that country to fight against oppression. That is why international unity, and solidarity of the working class is very very important. He expressed hope that with our unity and struggles, the world will be a better one in the future.

GIST OF LECTURE BY COM AMARJEET KAUR : Trade Unions are the first test of democracy. You know in India that the right to expression and freedom of dissent are attacked. The trade unions are under attack because they are sought to be suppressed. What do we expect from AIBEA in this challenging situation - I will talk about this in my lecture.

We have to understand our strengths and weaknesses and we expect AIBEA to work on our strengths and eradicate our weaknesses. We have to know about our history. The lessons from history will tell us where do we stand, what part of history we should carry forward, how we achieved our victories, how and why our defeats happened, how our fights have changed the course of our organizational actions, educate the youngsters, train the youth in our unions.

We cannot afford to waste time because the attacks are manifold and the attempts of this government is trying to throw us back a hundred years from the present times. In the Parliament session that will commence on 19th July, we should expect more kind of attacks from the government. We may not be able to assemble our comrades in these pandemic times but we have to reach the comrades, members, customers, public to educate them about the dangers of the privatisation of not only public sector banks but also the public sector units.

It is a challenge that we are taking up as a mission to reach out to the people. The social media is a boon as well as a bane. Because falsehood is being spread about the unions, its leaders and our policies. Hence, to counter those false propaganda from the vested interest, we should have to develop our youngsters to spread the message about our unions, its policies, our leaders, our fight against the privatisation of banks. We should find our way to reach the people, to educate the public about mass banking and for that we should ensure that our comrades should be in the forefront to do such an exercise.

With half a million-membership strength, AIBEA members have the contact with millions of customers, both rich and the poor, and through them we should spread the message.

Now, it is the time for all the working class to join together. We need broadest possible unity. One sectoral trade union cannot win over their fight without the help of the other trade unions inside the sector and also outside. When the working class is tried to be decimated, it is for the survival of the working class, the broad unity not only in the sector but also across the wider spectrum is the need of the hour.

Workforce in our country is now around 54 Crores. Out of 54 crores, only 4 crores are from State, Central Governments, another 8 Crores are from registered industries and rest of the workers are in the informal sector including farm sector. These informal workers have no rights and the government is trying to take away the rights of the organized sector. With the introduction of 4 labour codes, the rights of the organized sectoral unions are under attack. Being a bank employee, we are fortunate, thanks to the fight of AIBEA. The government actually wants to exclude the workers through the labour law reforms though they speak of inclusion of workers and their betterment. The same is the case in other claims of the government.

Unions of the vulnerable sections and sectors should be helped and that is expected of AIBEA. AIBEA leaders should support and extend help to the unorganized sectors also. What happened to our workers in the lockdowns last year and this year? How the migrant workers walked thousands of miles to their natives, how they were killed in accidents, and due to hunger. 96% of the migrant workers told that they did not receive rations, cooked food, lockdown wages. They said that corona will kill us tomorrow but hunger will kill us today. The government did not give its attention for their problems. But, the government is supporting the Corporates and help them to accumulate further. So, it is these people, who need support of the unions and that is where we look to the organized unions and especially AIBEA.

Some employees ask us what the unions have done? What the AIBEA has done to us ? Answer them that our bank job is due to AIBEA. Because of nationalisation, so many jobs were created in the Banks. Can anyone ignore this? See the condition of Working women, only 2% of them are enjoying the maternity benefit. If woman bank employees are enjoying that maternity benefit, it is only because of AIBEA. Hence, unions only fight and secure all benefits.

This government has used the pandemic to bring about anti-people legislations. Farm laws, labour codes etc., are just a few examples. Before the year-end, 5 crore more children will be forced into child-labour. Majority of the migrant labourers haven't come back to their place of work. More than 48% of the people, who lost their jobs in the pandemic, did not get the job till now. Hence, our fight in support of these jobless workers should be united and, in that fight also AIBEA should be in the forefront.

Many say that we should not speak politics. When the policies of the government are against the working class, we should fight those policies. Our politics is working class politics. It is confined to the fight against the policies of the government that are against the Working Class. This government is against the working class. Farm laws, labour laws etc., are examples of the attack on Indian Parliamentary Democracy.

For the last 6 years, Indian Labour Conference has not been held. The strikes are being throttled. The indefinite strike that was to start on 26th July in Defence sector, Ordnance Factories, are scuttled by invoking Essential Services Ordinance. Even though the Parliament is to be convened on 19th July, this Government did not wait till the session but brought an ordinance to stop the strike. Because this government doesn't believe in consultations and discussions. Even in organized sector, the strike cannot be held as before because of the labour codes.

There were no unions in India but they began striking work way back in 1800s in India. The uprising of peasants, workers gave impetus to the opposition of the imperialistic rule of the British and thereafter started our organized independent struggle. In 1857, in the first war of India's independence, it was workers, who supported this struggle. From 1860, working class started fighting. We should learn from history.

Why AITUC is so close to AIBEA. Because AITUC leaders gave inspiration to the then young leaders of AIBEA at the time of its formation and in nascent stages to organize their struggles. AITUC is the mother of all trade unions in India, Central trade unions as well as the sectoral unions.

Working Class has been involved in the independent struggles and it was branded as a political fight. But, working class has its own politics. It has been there from the beginning, the governments in support of the employer-class when they tried to suppress the trade union movements, working class fought against these policies of the governments. If that be called as political fight, it is the working-class politics and we are proud of it.

In the freedom movement, workers participation was enormous. In the fight against the policies that were against the working class, the workers fought. Hence, our fights have been thrust on the working class by the political leaders even in the colonial era. Therefore, our fights are always political.

Whenever the political movement was suppressed in the country by the rulers, it was the working class that started the fight against such oppression and oppressive acts right from the massacre of Jallianwala Bagh.

When political parties demanded complete freedom for India in 1929, the working class in 1921 itself demanded total independence from the colonial rule.

In India, there has been misuse of Sedition law, UAPA, NSA by the present government. Unions have been opposing these laws since several years but only now the Supreme Court has questioned about the Sedition Law. When Central Trade Unions fight against these laws, we expect AIBEA to fight along with us. When we speak against these draconian laws, we cannot be branded anti-national. We love our nation. This nation belongs to us. What we fight is against some of their policies and if we are branded as anti-national, it is an attack on democracy.

If organised trade unions are put under attack and are suppressed, then the voices of millions of workers will be suppressed and throttled. Hence, the fight against such policies should be united. AITUC and Central Trade Unions expect AIBEA to be in the forefront in that fight.

In India we want equal pay for equal work, we want exploitation of workers and women to be stopped, we want women not to live a slave life, we want exploitation-free work atmosphere. For all this, we should look into the past history of our struggles and work out struggles to fight against present-day policies of the government in trying to privatise the public sector banks and public sector units.

The history also says that at the time of nationalisation of banks, it was the members of Jan Sang, the forerunner of present BJP, filed case against nationalisation ordinance and supported the bank-lords and private owners of the banks against nationalisation of the banks. AIBEA fought against the decision of the Supreme Court judgement negating the nationalisation ordinance and ultimately, we got nationalisation of 14 major banks. Hence, defending public sector banks is the duty of AIBEA. We should fight against attempts to privatise the public sector banks.

Like that, several sectoral unions and unorganized sector unions are fighting their battles. Hence, we should see beyond our own economic demands and fight by joining hands with the general working class against the anti-labour policies of the government, against the attack on democratic rights of the people. We cannot, as trade unions, be onlookers and keep quiet. We should fight against all these oppressions. In carrying forward this legacy of fighting, I expect AIBEA to be in the forefront in that fight with all the working people of the country by joining hands with the working class, progressive and democratic forces.

When pandemic is used by the government to implement their own agenda, as trade unions, we should also find our own ways like these webinars, to address our comrades, educate the members, carry forward the message to the public, enlist their support and fight against these policies.

Com. Sushil Gautam, Joint Secretary of AIBEA, who coordinated the programme thanked Com George Mavrikos for his greeting message and Com. Amarjeet Kaur for her inspiring address and lecture.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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20-7-2021

**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS
(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 19
By Com. D. Raja, General Secretary, CPI**

We stand for politics that aims at a welfare State – D. Raja, CPI

All India Bank Employees' Association has been holding month-long webinar programmes to commemorate the 52nd Anniversary of Bank Nationalisation. AIBEA invited Com. D. Raja, former Member of Parliament, and General Secretary of Communist Party of India to speak on whether banking and economics can be separated from politics.

Speaking on the occasion, Com. D Raja explained the present scenario, both economic and political, as obtaining in our country. He pointed out that the webinar is taking place at a time when our country is passing through deep economic crisis due to the pandemic. Despite the fact that we cannot meet in a convention or a conference, AIBEA has taken the task of organizing the seminars when attempts are made to privatise the public sector banks, he said. He began his lecture by pointing out that AIBEA has given the call in defence of public sector banks and this is not an economic issue of wage revision or pension or bonus for bank employees but it is an issue of national importance and it is for all sections of people of the country.

Gist of his lecture : The nationalisation of banks was not given on a platter and behind that move, there were struggles, great organizational actions, demands both inside and outside the Parliament. He recalled the efforts of Com. Prabhat Kar, Com. Parvana, Com. Chadha, Com. Tarakeswar Chakraborty, Com. Sampath, Com. C.S. Subramaniam and other leaders. AIBEA was founded even before independence of the country. The great leader of bankmen, Com. Prabhat Kar, who was the Member of Parliament between 1957 and 1967, representing Communist Party of India, moved a private member bill to nationalise the banks, which was supported by great leaders like Com. Indrajit Gupta, Com. Hiren Mukherjee, Com S.M Banerjee and others.

That was the time when the issue of nationalisation of banks was taken up by the Communists. When the single party rule was broken in the 1960s and Congress lost power in many States, Mrs. Indira Gandhi, approached the Left for support to remain in power. We agreed to support her provided she would nationalise banks, abolish privy purse, etc. Thus, she decided and nationalised 14 major public sector banks in 1969.

The Communist Party of India has always been supporting the public sector banks. Com. Gurudas Dasgupta, when he was a Member of Parliament used to speak eloquently in the Parliament about the role of public sector banks in the

overall development of the country. He added that when he was in the Rajya Sabha, he supported public sector banks and discussed about the issues concerning the public sector banks.

He recalled that way back in 2008, when the entire world was facing the financial sector meltdown elsewhere, Dr. Manmohan Singh, the then Prime Minister, openly agreed and acknowledged that it was due to the public sector banks, the debacle of the financial sector that rocked other countries was avoided in our country. He further stated that when Late Mr. Arun Jaitley was the Finance Minister, he took up the issue of disclosing the names of the willful corporate defaulters. But, the then Finance Minister avoided the questions by stating that secrecy clause prevents the government from disclosing the names of the willful corporate defaulters.

Even now, the Communist Party of India wrote to Ms. Nirmala Sitharaman, Finance Minister, to rescind the proposal of the government to privatise public sector banks. The Communist Party of India has always been a staunch supporter of the public sector banks and shall continue to do so.

The greatness of AIBEA has been that it has been playing an important role in defending the public sector banks. AIBEA took initiative and unified all the organisations under the umbrella of United Forum of Bank Unions.

He then dealt with the issue of what was politics and what was economics? Economics is the best politics and politics is the concentrated form of economics and they cannot be separated. He pointed out that one always talks of political economy when you talk of economics. How banks play a role in shaping the policies with regard to the economy, with regard to the political course of the country. That is what we should try to understand. Banks have always been playing a role in its own way. Karl Marx, in his work 'Das Capital', deals how the commodity exchange grew and in the process of commodity exchange, how money becomes a commodity and in the process, surplus value is created and how it becomes accumulation of capital. These issues Marx himself analysed and how it leads to accumulation of capital and growth of monopoly capitalism.

Com. Lenin, analysed imperialist economy and described it as the highest stage of capitalism. Com. Lenin said that the banks are the central nerve system of the economy. When Washington Consensus was mooted, neo-liberal policies were introduced, we should understand the diabolical role of the International Monetary Fund and World Bank and their consensus to support the rich economies, the Multinational Corporates and International Finance Capital. IMF and World Bank imposed their policies to corner the developing and under-developed economies to pave way for opening up their country for investment and making profit from the international finance capital.

Industrial Capital and Bank Capital merge and emerge as Finance Capital. Finance Capital leads to growth of monopoly and concentration of production and capital in a few elite hands. Karl Marx directly spoke about India and the East India Company and how the commodity exchange enslaved our country. He also explained as to how the finance and monopoly capital are trying to capture the Banks through holding companies. Monopoly has sprung from the banks, as told by Com. Lenin. The Banks have developed into monopolies of finance capital. Three to five of the biggest banks in capitalist countries have taken the grip of the bank capital and through them controls the income and money of the millions of people of those countries.

This is the reason why the banks should be in public sector. The deposits of the common people should be used to serve the poor, farmers, rural sector etc. Only after the nationalisation of banks in India, they started giving loans to farmers, self-employed, professionals, small business and even to students. But, the big monopoly houses have taken huge loans from the banks and pressurizing the banks, when they did not repay, to write-off those loans. These kinds of transactions were due to the pressure and indirect support from the powers that be. Mehul Choksi, Nirav Modi, Vijay Mallya have taken loans from our banks and fled our country. They are fugitives now and Indian Government so far could not bring them back to India to face trial as per our law. The promise of the Prime Minister was that he will unearth the black money and bring them back to India and deposit Rs.15 lakhs in each and every citizen's account. What happened to that promise? On the contrary, we find that students taking education loan of few lacs of rupees and who could not repay, some of them have committed suicide.

The Directive Principles of State Policy as enunciated in the Constitution of India is a Welfare State and it should be a Welfare State. State must ensure all means of livelihood to our citizens, men, women and children. State must ensure the right to live with dignity. State should ensure that concentration of wealth and means of production are not allowed to be held in the hands of the few. State should strive to engage the operation of economic system does not result in the concentration of wealth and means of production to the common detriment. That is why the public sector should be protected and allowed to function as nationalised entities.

That is why we are opposed to privatisation of public sector units and public sector banks. The Planning Commission is abolished and, in its place, NITI Aayog is created. The role of NITI Aayog is recommending for privatisation of the public sector units and banks.

Whether with the present situation in the country, whether India can be stated as a "Welfare State"? In the pandemic times also, the government is supporting the Corporate sector, privatisation of public sector units are continuing unabated, attempts are made to marginalize public sector.

Even during UPA-I regime, when the then government tried to privatise public sector units, it was because of the Left parties and their pressure, the privatisation could not be done in public sector units. When BJP came to power, things started to change. The Prime Minister in the last Independence Day speech and the Finance Minister inside the Parliament spoke that we should respect the wealth creators. But, who are the wealth creators? It is the workers, who work to support an industry, factory and earn the profits for the employers and to make them rich, they are the wealth creators.

The present BJP-led NDA government never cared about strategic and non-strategic sectors and foreign direct investment is allowed in all sectors including defence. Now, the public sector banks are under attack. LIC is slated for disinvestment. One of the general insurance companies is to be privatised. Hence, we are in a crucial juncture. The nation is to be saved. If the economy is handed over to private hands, what will happen to people, what will happen to our economy. But, this government is moving in that direction. In order to stop the protest from the trade unions and organized sector, the labour laws have been made into 4-labour codes. The right to strike, the right to organize etc., are being marginalized. Trade Unions, Working Class and their organizational actions are sought to be suppressed.

The public sector is not the property of the individuals. It is the property of the nation. But, the government does not think in the same line. For example, for the past 7 months, farmers are protesting in the capital. But, farm laws have been passed in the Parliament much to the detriment of the peasants and farmers. But, their agitation goes on.

In the same way, there are attacks on the financial sector especially to the Banking Sector in trying to privatise the public sector banks. One silver-lining is that because of the efforts of AIBEA, United Forum of Bank Unions is formed and are fighting against the attacks on banking industry.

We have to fight the government against these anti-people moves. This fight is political, ideological alongside your economic demands. The wealth of the nation is created by the toiling masses. With the sweat and blood of the workers, the modern economy is created. That is why, the public sector units should be in the hands of the government and especially the public sector banks.

That is why, the stand of AIBEA in defending the public sector banks is essential at this juncture.

Now, the Ministry of Cooperation is separated and handed over to the Home Ministry. Cooperative Sector is in the domain of the State Governments and by separately making a Ministry and given to Home Ministry is nothing but an attack on the Federal Structure of our country. Our democracy is plural and the actions of this government is trying to introduce fascist dictatorial rule and it should be fought against.

The banking sector cannot be separated from economy and the politics. It cannot be avoided. When the government is trying to privatise the public sector banks, we should reach the people, customers and enlist their support. Like farmers made it as a popular action, our campaign should be more visible and energetic so that the policy makers are compelled to listen to our voice and it will be supported by the people of the country. AIBEA has made in the past and fought against the ill-advised policies of the government and emerged victorious.

This is not the issue of our wages and economic demands of the members. This is a fight to save the economy of the nation. We should try to understand the politics around the banking industry, which has the deposits of the common public. It should be in the hands of the Government and it should not be handed over to the private hands to use it for their greed and profits.

Com. B S Rambabu, Secretary of AIBEA who coordinated the webinar, proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS
(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 20
By Shri. V. Viswanathan, ex CGM, State Bank of Hyderabad**

Working of PSBs to be improved to defeat privatisation: Viswanathan

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited Shri. V. Viswanathan, former Chief General Manager of State Bank of Hyderabad to speak on the question, whether profit is the only criteria to judge a public sector bank.

Gist of his lecture: Speaking on the occasion, Shri Viswanathan felt that in order to defeat privatisation of Public Sector Banks (PSBs), as contemplated by the Centre, the working of the banks has to be improved.

Elaborating on what was the core objective when the Nationalisation of Banks took place, Mr. Viswanathan said it was that the banking was not reaching the masses and we should reach the nook and corner of the country. ATMs were unheard of when the banks were Nationalised, he added.

The former CGM said that it was around 8000 branches in 1969 when banks were Nationalised, but it is now more than 1.6 lakh branches. Even now in many villages there are no branches. Business Correspondents numbering around 5 lakh are catering to the needs of the people in villages and hamlets, he said.

Agriculture loan is around Rs.12 lakh crore as of now and major portions are from the public sector banks. MSME loans are Rs.9 lakh crore financed by public sector banks. Mudra loans have been extended to the tune of Rs.15 lakh crore and majority have been disbursed through public sector.

When IDBI, ICICI were converted to universal banks, they were expected to lend in a big way for infrastructure. But the majority of the loans to Infrastructure were given only by the public sector banks. He said that out of the total infrastructure loans to the tune of Rs.11 lakh crore, the lion's share is from the PSBs. But in infrastructure advances, the break-even will come only after 7 years, he added.

Mr. Viswanathan said that even in respect of branches, the private banks have not expanded more in rural and semi-urban branches. PM Garib Kalyan Yojana was possible only because of PMJDY which are again catered by public sector banks.

In Demonetisation, Rs. 15.33 lakh crore have been exchanged in the period and the majority exchange was only done by the public sector banks, the SBH former CGM reminded and said in the agriculture, private sector has been concentrating on Microfinance and Self-Help Groups where the rate of interest is more than 13-15%.

He said if PSBs are privatised, there will be rationalization of branches and the branches in rural and semi-urban areas will be closed down and added that Yes Bank, ICICI Bank, Lakshmi Vilas Bank debacle in the recent times highlights very clearly about the efficiency of private sector.

In rural areas, even now, more than 35% of the people depend on usurious moneylenders. Even in the case of Microfinance, the lending rates are nearing 20%. Now, why in such a situation, the government is planning to privatise the public sector units and banks. It is because of the fiscal deficit, he said.

Stating that in the selling away of IDBI Bank shares, there would be a huge loss to the LIC as the LIC bought shares for much higher price than the current price. He said even with the sale of the public sector units and banks, the government will not be able to reach the disinvestment target of Rs.1.75 lakh crore.

He asked why the Centre has not tapped the market by selling the shares of the public sector banks upto 51%. From 2000, no capital was periodically infused till last 3 years. Rs.3.16 lakh crore was brought into banks' capital through recapitalization bond in the last 3 years only to get the banks out of prompt corrective action.

The government should have helped the banks by adequately capitalizing the banks over the years since 2000. When the banks started making losses because of bad loans' provisions, government started giving recapitalization bonds. Because of this, the net NPAs got reduced but the Gross NPA did not.

IBC was thought to be a game-changer. But it changed the game more in favour of the big defaulters and banks have to suffer huge haircut upto 90%. The only good aspect in IBC is that the hair-cuts, which are nothing but write-offs to the banks, are now in the public domain. The delayed legal process has prevented the banks from recovering the bad loans. The legal process has helped the banks to whitewash the balance sheet, he said.

Mr. Viswanathan said the NDA government instead of privatizing the public sector banks, if they could go for follow-on public issue, rights issue, it will be what is needed to continue the public sector character of the banks and utilizing them for the social objective.

As a banker also, we have our responsibilities. For us, rights come with duties and responsibilities. A banker includes Managing Director, Trade Union leader and the lowest cadre employees. Frauds have become the mainstay for derailing our profitability.

In the last 3 years, more than Rs.3 lakh crores frauds have been committed in the banks. Why can't the persons working at branches not turn as whistleblowers and bring it to light when the end-use of the loans was not as per the sanction conditions.

The date of fraud, date of detection and date of reporting were all different and have long gaps in majority of the frauds. More the delay, the more the assets would disappear.

Whistleblower aspect has to be ensured. End-use of funds should be ensured. Every year, the written-off amount, either prudentially written-off or otherwise, a disclosure system should be brought about by the Reserve Bank of India.

Each bank will be compelled to state whether the amount is technically written-off, whether recovery will be made and when it would be done etc.

Whether the society is supporting AIBEA in their fight against privatisation of public sector banks is to be looked into. But, it is not upto the mark, because Banks have not fully implemented the social objective and taken it to the general public. We have not popularized the insurance schemes introduced for no-frill accounts with the payment of Rs.12/- and Rs.330/- with insurance coverage of Rs.2 lakhs and Rs.5 lakhs. Unfortunately, we have not popularized such schemes and taken it to the public. This is also one of the core objectives of nationalisation as it benefits the poor and marginalized.

Further, the staff members should feel that the NPA is a menace to the profitability of the banks. Staff should be involved in recovery. Only then profitability will be more and only then the social objective would be carried forward. We should ensure that we should take the message about the ills of privatisation to the public by helping them to take the benefits of the various schemes of the Banks.

He felt that Unions have a big role to play. The government and regulator should fill up the workman director and officer director posts on the Boards of the Banks. This will help the Unions to play an effective role. If all these measures are taken, PSBs will be able to perform better and there would be no need for privatisation.

Com. Rajesh Bansal, Joint Treasurer of AIBEA who coordinated the webinar, proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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22-7-2021

TO ALL UNIONS AND MEMBERS:

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 21
By Dr. Kanhaiya Kumar, former President, JNUSU**

Our fight for saving our banks is a fight to save our Nation - Dr. Kanhaiya Kumar

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited Dr. Kanhaiya Kumar, former President of JNU Students Union to speak on the challenges before the youth on account of privatisation policies.

Gist of his lecture: Speaking on the occasion, Dr Kanhaiya Kumar said that even though one is not an economist, one cannot dissociate from issues like privatisation of banks or the various other decisions that are being taken by the present Government. Privatisation is not an issue that can be viewed separately but it relates to economics.

While making frontal attack on government's policy of privatization, he stated that Bank employees' fight against privatization is a fight not only to save the banks but to save the nation since in the process of privatisation, the common man will suffer.

He stated that handful of corporates are looting the public sector banks for which common man is required to pay the cost in the form of reduction in interest rates on deposits, levying of service charges, etc. which should be exposed.

He further stated that privatization in Education and Health has miserably failed. Private sector health system during the period of pandemic is badly exposed and same thing will repeat in case of banking. It was only the government hospitals that helped the common public and even the elite. The private sector does not have the capability to take care of the health sector of the country.

Privatisation not only affects the banks, it affects the entire nation, it impacts the future of the youth of the nation.

He said WTO, IMF and World Bank are imposing the liberalisation policies on the whole world. He referred to the dangers posed by new labour codes. One of the important segments of neo liberalization is privatization. Privatisation means market oriented economy. This has started from 1990 and it is being speeded up now. In privatisation, economy will be out of State control and will be market based. The policy of privatization will destroy labour laws, and finish unions. The trio believes that only with privatization, economy can flourish. The trio is propagating an economy of open market policy without boundaries. This will help the capitalist to maximize profits. That is why they call the whole world "a global village".

During the pandemic, 90% of population have lost their incomes, unemployment increased from 7% to 24%. The employment has been snatched. The youth is concerned and should be concerned about these issues.

He admitted that Public sector banks are facing problems but solution to the problem cannot be dismantling of it, instead government should address the crux of the issue, that is mounting Non-performing Assets which government should address with all seriousness.

Public sector is precious resource which government is handing over to private sector to serve their own interests. He further stated that government is accountable and answerable to the people at large in the democracy but present government is not behaving responsibly and is taking such vital decisions affecting vast population of the country adversely, in haste to serve the interests of handful.

We have elected the government. We all wish that government fulfill all expectations of people. What are the expectations of the people? Better education, better health facilities, better transport, proper functioning democratic institutions, etc. Is it wrong to expect or demand these things from the Government?

The economists are writing that the earlier British India is now transforming to corporate India. Such things should not happen.

The Constitution of India ensures the Right to life and that right to life is right to live with dignity and it means that we should get jobs and in a secured way. It can be possible only in the public sector. Hence, defending public sector units and public sector banks are patriotic fights. AIBEA is doing that wonderful job of defending public sector banks through its organizational actions and one of them is the series of webinars conducted to commemorate the 52nd anniversary of Bank Nationalisation.

We need accountable government, we need accountable policy frame work, we want accountable public sector.

The challenge before youth is to protect your citizenship, to be aware about Right to life, right to Education, right to health and employment.

We need to integrate the fight of farmers for MSP, struggle of AIBEA against NPA and privatization, Struggle of students against fees hike, we need to integrate all these struggles. It is not the struggle of different sectors but it is a struggle to save our country.

**AIBEA is doing the most patriotic job by fighting against privatisation.
As youth we are with AIBEA.**

Dr. Kanhaiya Kumar while concluding his address appealed to the youth to raise their voice against all such ill-conceived policies since they have a future and the same is dependent on the future of the nation.

Com. Md. Nazir Qureshi, Vice President of AIBEA co-ordinated the webinar and proposed the vote of thanks.

With greetings,

Yours comradely,



**C.H. VENKATCHALAM
GENERAL SECRETARY**



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23-7-2021

TO ALL UNIONS AND MEMBERS:

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 22
By Com. C. Srikumar, General Secretary, AIDEF**

**Corporatisation is only a ruse, it will be followed by
privatisation - C . Srikumar**

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited Com. C. Srikumar, General Secretary of All India Defence Employees Federation to speak on the increasing attacks on Government Sectors.

Gist of his lecture:

Speaking on the occasion, Com. C. Srikumar congratulated AIBEA and its members for celebrating the 52nd anniversary of Bank Nationalisation with month-long webinars. He said that it is indeed a happy occasion for him to participate in the series of webinars organized by the mighty AIBEA to commemorate the 52nd anniversary of bank nationalisation. It is befitting that AIBEA celebrates this occasion because right from the beginning AIBEA fought for nationalisation of banks and achieved it.

Prior to nationalisation, common man was not able to have his account in a bank and it was near impossible to secure a loan. So, what changed the situation is the nationalisation of banks. At that time, there was a government that was listening to the demand of the trade unions, people's movement and Mrs. Indira Gandhi realised that in order to make the banks move to the villages, ensure all round growth of rural areas and the country's economy, banks should be nationalised and brought about the Ordinance. The social development of the country took place because of the bank nationalisation.

What is the picture that we are viewing today in this country. Today, whatever we have achieved in the last more than 70 years of independence is sought to be demolished by the present incumbent government.

In a seminar organized by CII, in Gujarat when the Prime Minister was the Chief Minister of Gujarat, told clearly his views against the public sector of the country when he said that public sector is born only to die one day or get closed.

The Finance Minister of the country categorically stated that more public sector units would be privatised. Oil, energy, defence, banks etc., are sought to be privatised. She has declared the policy of the government that in the strategic sector, there will be only 4 public sector units. The government is trying to moot the policy to convert the government departments into corporations and private sectors.

When the 5th Pay Commission was introduced, CPI and AITUC leader Com. Indrajit Gupta was the Home Minister. In fact he was heading the Group of Minister that decided the issue. Due to his efforts, government employees got a good wage revision. That way, one cannot forget the role played by him for the cause of workers.

At that time, the Telecom employees were government employees but as soon as the Vajpayee government came, the telecom sector, which was a monopoly then, was converted to a corporation, BSNL. Now after 21 years, we see how BSNL is struggling. After the telecom sector was corporatized, private sector was encouraged with no support to the BSNL. Now, more than 80,000 employees were forced to take VRS and thrown out.

We are having a living example as to what would happen when a public sector department is converted into a corporation. Now they are planning to corporatize the railway sector. More than 300 railway stations have been given to private hands to manage, many routes of the trains are handed over to the private sector. Even in the Integral Coach Factory, which had 15,000 employees got reduced to 3000 because railway coach production has been handed over to private hands.

Now, the method is that the government departments are converted into public sector corporations before handing it over to private hands. Now, stadiums, playgrounds belonging to railways are slated for sale. Government departments can't be privatised directly and therefore, they convert them into public sector units and then mark it for sale. Life Insurance Corporation of India, which was started with Rs. 5 Crores as its capital is earmarked for the disinvestment.

Public sector banks have been under attack since long. First, they have started with merger of banks. Here also, the idea is to reduce the branches and trim the manpower and then to hand over to private people. They don't want Banks to be in public sector because, AIBEA is exposing the loot by big corporates in the name of bad loans and NPAs.

Yet another attack is Visakhapatnam Steel Plant which is declared for privatisation. Despite the opposition by the State Government of Andhra Pradesh, the Central Government goes ahead with its privatisation moves of Visakhapanam Steel Plant.

In the Defence Sector, there are 41 Ordnance Factories in the country. First factory is on the banks of Hoogly River. Thereafter, to fight the First World War and the Second World War, many Ordnance Factories came into existence. When British left India, 17 Ordnance Factories were founded. Under Pandit Jawaharlal Nehru, the nation felt that we should have self-reliance for our defence requirement. Our country was not comfortable with both the borders,

China and Pakistan, and after the Chinese Aggression, in different parts of the country Ordnance Factories were created.

Shells, metals, gunpowder etc., are manufactured in different places and one Ordnance Factory is related to the other factory. 650 products are being manufactured by the Ordnance Factories. Arms, ammunitions, dresses for the armed forces to suit the extreme climatic conditions in which they are placed, tanks etc., are manufactured by the Ordnance Factories.

India was producing the Vyjayantha tanks with British technologies and when Britain refused to help us in Defence, USSR started helping us in defence technologies. Even after the disintegration of USSR, Russia still helps us in the strategic defence sector.

In Medak, where one Ordnance Factory was created by Mrs. Indira Gandhi, was constructed on the lands given by the peasants and farmers. And now farmers have started agitating when Medak Ordnance Factory is going to be corporatized and slated for privatisation. When it is done, the first target by the private companies would be to sell the lands and gain profit. Hence, farmers started demanding that if the Ordnance Factories are to be privatised, the lands should be returned to them as they were owners for generations of those lands. So is the case in many States like Medak in Andhra Pradesh.

Once an Ordnance Factory was established in a place, in nearby places, they establish a hospital, school, etc. Hence, establishment of Ordnance Factory brought in employment generation not only in those factories but also in the nearby areas.

These 41 factories command 65,000 acres of land and have most advanced technology in such of those factories. These are all the assets of the nation. These huge lands are the attraction for the private companies. Therefore, these factories have become an eyesore for the Corporates. Hence, they argue that since more than 70% of the defence equipment is imported and these factories can also be handed over to the private hands. But the fact of the matter is that these imported equipments do not include what our Ordnance Factories manufacture. Fighter planes, Submarines etc., are being imported. We have no objection if the private corporates in India manufacture Fighter Planes, Submarines etc so that imports can be avoided. Instead of this, private corporates in India want that the 41 ordnance factories be handed over to them to exploit the landed properties. Out of 675 products manufactured in Ordnance Factories, 275 have been declared as non-strategic and slated for privatisation. This was done to pave the way for privatisation.

During the pandemic, 19 Ordnance Factories worked day and night and manufactured protective gear for the doctors when the private sector ran away from the situation. But, the Finance Minister thereafter announced corporatisation of Ordnance Factories and to be made ready for privatisation.

When such a situation came up more than once in the last 20 years, the leaders of the Defence Sector met the then Defence Ministers and explained that only Ordnance Factories can maintain spare capacity and double up the production in case of war production. Standing Committee of Defence also gave its recommendation against the corporatization of Ordnance Factories. Even in Parliament, it was informed that the Ordnance Factories would not be corporatised.

Now, after the Finance Minister announced corporatisation, when there was an announcement of indefinite strike in October last year, when the Chief Labour Commissioner (Central) intervened and requested for deferring the strike due to border problems with China, the strike was deferred with the agreement that the Government would also maintain status quo.

But, in May, 2021, the 41 Ordnance Factories were announced to be splintered into 7 Corporations. Even in the Conciliation Meeting, the Government suddenly took up a stand that it is a non-negotiable item. In spite of the inability of the trade unions to attend the conciliation, the conciliation was treated as closed. Even after one month, the matter is not yet referred to the Labour Court.

Now, the draconian Essential Services Defence Ordinance has been imposed to stop the Ordnance employees from going on the indefinite strike. The provisions state that refusal to perform overtime, going on strike etc., will invite dismissal, jail term etc. The statement issued to support the strike would invite 2-year jail term. This is a violation of the provisions of the Industrial Disputes Act, 1947.

The Finance Minister stated that there will be only 4 Defence Public Sector Units. The 76,000 employees of the Ordnance Factories will be on deputation to the 7 Corporations for two years and thereafter, they will either be absorbed in the 7 Corporations or they would be treated as excess in the government. But, the employees of the Ordnance Factories perform the work of fitter, tailor, mechanic etc., to suit the needs of the manufacturing of the Defence requirements. But, they won't get a job in the government departments when they are repatriated.

Ordnance employees are fighting in spite of the fact that the bill to make the Essential Services Defence Ordinance as an act, which may be passed because of their majority in the Parliament without discussions. Today, we had huge demonstrations. Everywhere there will be demonstrations tomorrow also. Pressure is being mounted on the Government. Central Trade Unions, independent trade union organisations are with the Defence employees. WFTU – the World Federation of Trade Unions has also issued a statement supporting the defence sector employees. He was thankful to AIBEA for the solidarity and support by advising its members to wear black badges on 23rd July, 2021.

Many are stating that the farmers are having the agitations for the past 7 months but government did not heed to their demands. But, Com. Srikumar stated that the farmers also did not heed to the government and are also fighting back. Just like farmers are continuing their fight, the defence sector employees would fight back this government.

The struggle has started to defend the Defence Sector and appealed to support their cause in their fight.

Com. T. Ravindranath, Central Committee Member of AIBEA and Working President of AP & Telangana Bank Employees Federation co-ordinated the webinar and proposed the vote of thanks.

With greetings,

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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CIRCULAR NO. 28/371/2021/95

24-7-2021

TO ALL UNIONS AND MEMBERS:

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 23
By Com. Tapan Sen, Ex MP & General Secretary, CITU**

**The present economic crisis is the result of crisis for capitalism –
Tapan Sen**

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **Com. Tapan Sen, former Member of Parliament and who is now the General Secretary of CITU**. He spoke on the increasing **attempts to privatise entire financial sector and the challenges** before us.

Gist of his lecture:

Com. Tapan Sen started his lecture by thanking AIBEA for inviting him to address in the webinar series organised to commemorate the anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the occasion with month-long webinars.

He said that he has not come to give input because AIBEA being the biggest organisation of bank employees, is by itself an input. This government is trying to privatise all the public sector units including the financial sector. Banking industry is one of such sectors slated for privatisation. Today, we have seen the demonstration against the designs of the present government to corporatize the Ordnance Factories. Only a few can invest in the defence sector among the Indian Corporates due to the huge investment and therefore, it would mean that the defence sector would be thrown open to the foreign multinationals, which will jeopardise the country's security.

In 1991, when the neo-liberalisation policies were adopted by India, the international finance capital played a dominant role. The international finance capital wants the banks and financial sector to come out of the public sector so that they can lay their hands on them. He congratulated AIBEA and other unions in the banking sector for fighting against the ill-advised banking sector reforms but for which, banks would have been privatised a long time ago that started with the recommendations of the Narasimham Committee followed up by many other Committees.

The bank employees' movement is on the field and more than 48 strikes have been observed by bank employees including their participation in the strikes called for by the Central Trade Unions. It is because of such fights that the public sector banks are still in the hands of the government. If you can further fight, we can still stop it. We cannot give them a walkover and we have to fight. Now the present Modi Government is targeting all the public sector units for privatisation in a desperate move with the aim to sell them to private hands. So we have no alternative than to fight back.

The kind of crisis that the global capitalism is facing today and in this kind of situation, along with the crisis, the desperation of the government is increasing. So we find the Finance Minister announcing privatisation of Public Sector Banks and other public sector units. It is nothing personal against Mr. Modi or Nirmala Sitharaman but it is a fight against the International Capitalism. Global monopoly capitalism is trying to target the extreme right wing political outfits in various countries and through them try to open up their countries' economies so that the global monopoly capitalists can gobble up the profits.

The focus of banking sector is because the global financial capital wants the Indian financial sector to fall in line with them and their policies. 100 Indian Billionaires could increase their wealth by 35% to 40% when the country was facing a GDP decline by over 24%. This has happened in our country when thousands have died in the first and second waves of Covid. This is a nasty picture of how the corporates increased their wealth when majority of the country's population was facing impoverishment and thousands were thrown below the poverty line.

After the nationalisation of banks, the rural areas of the country saw the branches of the public sector banks getting opened. Simultaneously, Insurance Sector, both Life and General Insurance, also catered to the need of the common man. The shift from the private holdings in the financial sector to the nationalisation of insurance and banks was due to the divide in the ruling class, on the one side wanting to develop the economy and its rural areas and other trying to support the capitalists. With the unions fighting on the streets and democratic forces fought inside the Parliament, the nationalisation of banks had happened. The Nationalisation of Banks generated employment unheard of in the country.

Besides that, the Nationalisation of Banks helped to spread the wings to all the nook and corner of the country and also lending to the needy sector with social objective in the form of priority sector lending. It also ensured more Credit for agriculture in a very big way besides MSME sector, entrepreneurs and democratized the economic process of the country. This has strengthened the economy to a great extent - all because of the nationalisation of banks and their contribution to the country. We should feel proud for that.

Such pro-people expansionary process, which was facilitated by the nationalised banking and financial sector, is incomparable anywhere in the world. Despite mushrooming of private life insurance companies with foreign tie-ups, more than

90% market share is in the hands of the Life Insurance Corporation and the majority share in the market of general insurance is in the hands of the General Insurance Companies owned by the Government. This clearly shows that people have more faith in public sector.

Numerous direct benefit transfers have been managed by the public sector banks and even the contribution in the Jan Dhan Yojana opening of accounts, it is the public sector banks that is way ahead of the private banks. In the work done in exchanging of currency during the ill-advised demonetisation process, the majority of the work was done by the bank employees of the Public Sector Banks and the ATMs of the Public Sector Banks. The contribution of the Private Banks in the process of demonetisation was pittance.

The aspects of privatisation are well known. The government wants to paint a bad picture about the public sector banks and then they try to privatise. For that, the government is enacting one law after another. One such legislation is the Insolvency and Bankruptcy Code (IBC) and the corporates are let scot-free legally through this process. The banks have to suffer huge write-offs in the name of "hair-cuts" ranging from 70% to 90%. A Rs.35,000 Crore loan portfolio has been settled for just over Rs.2,900 Crores and these cases are increasing day by day. In fact, the entire process is put in place to transfer of public money into the coffers of the Corporates in a legal way. Most of these legislations, he termed as Criminal Legislations, were passed in the Parliament without any fruitful discussions and only the Left Parties opposed such legislations. The loot of the Corporates has been legalized.

But, inspite of all these enactments, the Government is not able to come out of the crisis in the economy because the loot is by the corporates, the common man is getting impoverished, the market is getting squeezed and the people don't have money even to purchase essential commodities. Only the stock market indices are going up.

In the Banking Sector, AIBEA and the unions are playing a crucial role as a watchdog and trying to protect the public sector banking system. This should continue. Indian Banking is running into a rough weather. Overall situation in the world and in our country, it is creating a havoc to the common man.

With more and more problems in the economy and in the financial sector, the attacks in the banking and financial sector has become more barbarous. Initially, trade unions had to convince our members against the rosy picture projected about the neo-liberal policies and its benefits. Even now some people feel that it will benefit us. He congratulated AIBEA as a forerunner in spearheading the organizational actions against the ill-advised banking sector reforms. In the last 2-day strike in March, 2021, it has evoked a lot of response from various quarters in support of the fight against the privatisation of public sector banks.

Right from 1991, AIBEA has been one of the partners in the Joint Platform of Central Trade Unions and independent Trade Union Federations. The major task is to take the message to the general public and to the people from different

walks of life. We have to expose the corporate defaults as they can be verified in the public domain like Videocon issue. The fraud that has been engineered on the banking sector should be highlighted. Hence, the amendments to the IBC to the detriment of the banks and in support of the defaulters should be opposed. These aspects should also be highlighted to the general public.

The government at the Centre is trying to demolish the democratic processes in various areas and they should be fought against. A public opinion should be generated against these actions and if that is secured, then the proposals to privatise the public sector banks can be stopped effectively.

Non-cooperation and defiance programmes should be followed including several days' strike against privatisation of banks, against disinvestment of LIC, privatisation of general insurance, Corporatisation of Ordnance Factories and other public sector units.

Bank employees' movement is a mature and elite trade union movement and they should be in the forefront in all the fights against the privatisation of not only the public sector banks but also other public sector units. If such an enlightenment is made among all the bank employees and integrate it with the general trade union movement across all the sectors, we will be able to stall the ill-advised moves of the government to privatise all the national assets and public sector units. The Central Trade Unions are having a united forum even though there are some vacillations and ideological differences, still, we are fighting the joint battles. AIBEA has always been a part of the joint actions and together we shall fight and defeat these processes.

Even in the past 5-6 years, in many industries which were slated for privatisation, the workers have driven the prospective buyers when they came for inspection of the plants and such involvement and militancy should be adopted in the days to come.

We should identify ourselves with the Working Class in our fight against the privatisation policies of the Government. He concluded congratulating AIBEA for arranging such webinars and wanted AIBEA to take up the task of meeting the challenge that are facing us and together we shall win.

Com. Mahesh Mishra, Central Committee Member of AIBEA and General Secretary of Rajasthan Pradesh Bank Employees Union co-ordinated the webinar and proposed the vote of thanks.

With greetings,

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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CIRCULAR NO. 28/372/2021/96

25-7-2021

TO ALL UNIONS AND MEMBERS:

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 24
By Prof. Babu Mathew NLSI University, Bangalore**

**New Labour Codes will result in Hire & Fire and hence are anti-worker –
Prof. Babu Mathew**

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **Prof. Babu Mathew from the National Law School of India University, Bangalore**. He spoke on the **inner meaning of the new labour laws**.

Gist of his lecture:

Speaking on the occasion, Prof. Babu Mathew said that he was happy to deal with the topic of the day, "What is the inner meaning of the new Labour Laws."

He said that there is a very deep meaning behind what is happening in the country today. There is a lot of information in the public domain about the new labour laws. These are from different stakeholders. The leading stakeholders are the employers and their organisations. Leading is not in the social capacity but by influencing the governments. Workers and the Governments, both State and Central, are other stakeholders. Many State Governments are going on the wrong track and feudalism is continuously rampant and dominant in India. The electronic and print media is supporting the Government and not the workers or the public.

We have 150 years of labour jurisprudence in India and that does not mean that all the labour laws have been worker-friendly. Outright anti-labour ideas have been enacted in all these years that were fought against. It has been an uphill task to get labour laws that secured some rights for the working class due to the fight in all these years. We must remember that the existing labour laws and its jurisprudence is the collective contribution of workers, trade unions, managements, governments etc.

The major contribution to the trade unions through International Labour Organisation is the collective bargaining agreement. AIBEA has secured Bipartite Settlements through this process of collective bargaining.

There is a public debate among the historians and academicians that has improved upon the labour jurisprudence. India's labour jurisprudence is extraordinary that started with the Nehruvian era since independence of the country. But, the haste with which the present government is trying to undo the labour law is tragic. If we believe that there is a simplification of labour laws through 4 labour codes, it is wrong. There are over 100 definitions and it is not simplification but only "Complication" if there is such a word that exists in the dictionary.

How could in a country with over 100 years of labour jurisprudence and without tripartite meeting, the labour laws have been reduced to 4 labour codes. Indian government has gone ahead with the labour codes without calling Indian Labour Conference and this is a violation of the Convention 144 of the ILO Standards.

The Indian Government has given up the national values which belong to the Constitution of India. Constitution of India is an epochal contribution and is a process of India's independent struggle led by a huge platform of different political background united in one objective to throw the British out.

It is the Constitutional Morality that was violated and thrown away with the introduction of these labour codes. These codes replace 29 pieces of labour legislations.

Prof. Babu Mathew dealt with one important provision of each of the Codes through which he tried to explain the true meaning of the labour reforms.

In the banking industry, Art. 43 of the Directive Principles of State Policy says that "The State shall endeavor to secure to all workers a living wage." That has been brought out by AIBEA through system of Bipartite Settlements.

What about of the fundamental rights through Art. 19 of the Constitution of India? Freedom of speech, freedom to assemble peacefully and without arms, freedom to form association, freedom to move freely through India, reside anywhere and do any profession.

But, when banks were started by private industrialists, profit making without adherence to social objective was opposed by AIBEA and demanded nationalisation of banks. Through the efforts of AIBEA, sectoral trade unionism was achieved, which could not be found anywhere in the country in other sectors. It is not that just we demanded nationalisation and succeeded but it was a long-term demand since 1946 and pursued throughout the 23 years that followed before achieving that demand.

It has continued even after that, as AIBEA has been highlighting the ills of the banking industry, exposing the bad loans availed by the Corporates and who all refused to pay. What would happen if those amounts are recovered especially at this pandemic times? It would have helped the social cause, Government could have used the money to help the impoverished, give food to the hungry citizens of the country by giving them rice and cereals, vaccination for the informal workers, subsidized housing for those unfortunate citizens of the country, sanitation, masks in the place of their work and many more.

The Industrial Relations Code attacks the very root of the Bipartite Settlement and collective bargaining. It directly affects each one of us and many more Indians. They have turned the provisions of Industrial Disputes Act, 1947, upside down by abolishing the definition between Public Utility and Non-Public Utility.

In ID Act, 1947, a notice of strike is required in Public Utility and it is not required in a Non-Public Utility. But now it is made compulsory. Conciliation begins with the issue of strike notice and hence cannot go on strike and if we do, it will become illegal. If a trade union is found faulted under this illegality, then its registration can be cancelled. Strike has been the weapon through which the trade unions have achieved their demands, improvement in service conditions, bonus, wages etc.

If there was a strike and if the strike is unnecessarily prolonging, the Government can interfere and reference can be made to the Labour Court and ban the strike. Now, that has been removed because the government might have thought that since strike will be illegal if the trade unions go on strike after the issuance of the notice, there was no necessity of banning the strike. But this has been done without knowing the history of trade unions and working class not only in India and abroad. The extent of peaceful picketing and demonstrations are also sought to be taken away by the Industrial Relations Code.

Under the Minimum Wages Act, to notify the minimum wage, we should follow a provision under the said Act by giving a notice by bringing the sector under a schedule. The Wage Code, 2019, has done away with the scheduled employment. There are more than 2000 scheduled employments. The 15th Indian Labour Conference norms should be followed that was adopted in 1957. 2700 calories are required for a citizen per day to perform his work daily and to his family, rent for the

workers' families as per the norms of 15th Indian Labour Conference, and then the Minimum Wages have been arrived at.

But this has been done away with. But, the Wages Act puts a cap on the rent. The Floor Wages has been introduced and the Labour Minister said it is about Rs.190/-. Rangarajan Committee formed by the Government of India, said that in order to lift people out of poverty line, they should get at least Rs.375/- per day but that has not been followed in the Code on Wages.

The Finance Minister gives more and more concessions to the industries and it is the supply side incentive but the demand side is not addressed. Even the Economic Advisors to the Government and Prime Minister have opined that the demand side problem should be addressed. When in this pandemic situation, the common man is not in a position to purchase even the essential commodities, it has not been addressed by the Government.

The Social Security Code is the third code. The International Labour Organisation has identified 9 social standards to be implemented. Maternity Benefit, Injury treatment, unemployment allowance and others that form the 9 social security measure to be implemented in various countries. In 1947, immediately after independence, Industrial Truce Resolution was worked. The objective was that Capital and Labour should work together for economic prosperity of the country. Now, the social security measures, provident fund, ESI, Maternity Benefit, Gratuity, Employees' Compensation Act are available for the organized sector, which constitute only 7% of the working class. At a broad level, this excellent social security pattern is denied to the informal sector that constitute 93% of the working class. The social security code denies the social security to the workers and the working class. It is camouflaged in such a manner hiding the agenda that the code supports the employers and not the working class.

The Code on Occupational Safety and health is the fourth code. Take construction industry. There was a special law applicable to the building industry passed by the Parliament. Scaffolding and nets are provided to them but in this Code, these safety measures have been taken away. In 1979, the inter-State Migrant Labour Act, came into being. This is a very important legislation for migrant workers. Now, most of the provisions of this Act are not there in the new Occupational Safety and Health Code. In the pandemic period, migrant labour walked over thousands of kilometres to reach their native places and many have died. India has the dubious record of treating the migrant labour in such an inhuman way during pandemic.

Fortunately, due to the intervention of International Labour Organisation, the attempts of the Government to remove the cap on 8 hours of working has been stopped. But, there are other ways in the code that can camouflage to increase the 8 hours work but still it is partially stopped by the intervention of ILO. Neo-liberal values of "hire and fire", bringing back child labour, closing down of an industry etc., have been encouraged by these new labour codes.

But, we have to delve deeper into these labour codes and start taking these messages to the general public about the ill-advised intention of the Government to support the neo-liberal values of the labour codes and start fighting against these labour legislations in addition to our fight against privatisation of public sector banks and in public sector units.

Com. H.V. Rai, Central Committee Member of AIBEA and President of Karnataka Pradesh Bank Employees Federation co-ordinated the webinar and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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CIRCULAR NO. 28/373/2021/97

26-7-2021

TO ALL UNIONS AND MEMBERS:

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 25
By PADMASRI INDIRA JAISING**

PRIVATISATION OF BANKS WILL AGGRAVATE POVERTY - PADMASRI INDIRA JAISING

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **Padmasri Indira Jaising, Human rights activist and senior advocate of the Supreme Court** . She spoke on privatisation and its impact on constitutional provisions.

Gist of her lecture:

Smt. Indira Jaising started her lecture by thanking AIBEA for inviting her to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the anniversary of Bank Nationalisation with month-long webinars. She said that she felt a sense of identity with organisation like AIBEA.

She recalled how she felt proud when we got Independence and it has a great legacy that she carried even now as she was born before the independence. She pointed out that many of the participants in the webinar must have been born after that and hence have not lived at that time to know about the socialist ideals that our country was given to by the Constitution of India since the young people have experienced only what has happened to our country and its economy after 1991, when the country adopted liberalisation policies. She recalled the famous R.C. Cooper case, when the Nationalisation of Banks was challenged in the Supreme Court, and the judgement which gave impetus to the real picture of our Constitution and its pluralism.

What we need to understand and remember is that the framers of the Constitution of our country had in their mind - freedom from poverty, freedom to live, freedom to practice religion and all these have been enshrined into the Constitution of India.

What is under attack now is the preamble to the Constitution, the aims to the social, economic and secular aspects of it. The fundamental rights and the Directive Principles of the State Policy are the core aspects of the Constitution of India.

The morality of the Constitution of India has been touched about by the Courts. The Constitutional Morality lies in the preamble, fundamental rights and the Directive Principles of State Policy. It is these three provisions of the Constitution that would be dealt with in today's webinar.

There is a sharp difference in the obligations of the public sector and the obligations of the private sector and the accountability of the public sector and the private sector also differs. **Accountability of the public sector is 100% to the people of the country but the private sector does not have that accountability.**

The biggest issue that will come up in case of privatisation of banks will be the accountability aspect. **The relationship between the customer and a private bank is a contract. In case of public sector banks, it is in the nature of constitutional right.** Each and every aspect of working of the public sector bank can be scrutinized by the Court.

The Constitution of India makes our country a Welfare State. We actually claim that we are a mixed economy. This is the Public Policy of India. The Supreme Court has often said that there should be a decent living to the working people. The Public Sector Banks and its nationalisation way back in 1969 is in the public interest. Therefore, any **move to privatise the public sector banks is an anti-poverty mitigation move** and against the Constitutional values of the country.

There is a huge mismatch between the aim that is claimed by the government for privatisation and the actual ground reality. The government did not get to the economic offenders of the country. In the 2008 financial debacle of the world, the rich and western nations are an ample example of the mismanagement of the private sector and their activities. But who bails out the falling economy and the failing banks? It is only the Government and the Public Sector Banks that come to the rescue. **Many people of the country rely on the schemes implemented by the Public Sector Banks** even today.

Art. 36 to Art. 51 are the Directive principles of State Policy that is given to ensure that there will be social equality, economic equality, that guarantees common good. But, what is happening in the country is that the rulers seem to have lost their belief in the Constitution of the country.

The national resources of the country are held by the government for the public good. **The giving away of the national resources through privatisation is handing over those resources to the private hands.**

In 2003, the Supreme Court has gone against the privatisation of HPCL and BPCL, stating that these have been acquired by the Government in public interest and said further that they are against the Constitutional values.

She said that Privatisation can lead to monopolies but unfortunately India does not have the monopolies restrictive regime and so India is unable to restrain rogue capitalism and crony capitalism.

There is a balance between the fundamental rights and the Directive Principles of State Policy. Recently, **there is a shift and balance in favour of the private sector** than in favour of the Public Sector.

For example, in education, it is a function of the State to provide education to the people of the country. In the T.M.A. Pai case, the Supreme Court has said that education is a business and hence from then on, the education has become a business and commercialized. In a later judgement, a private educational institution should also have a transparent policy on admission and a cap on the fees charged, which is also an attempt to balance the fundamental rights and the Directive Principles of State Policy. She commended the efforts of the Delhi Government and its efforts to make the public schools as excellent as the private schools. Taking cue from this, she said that **public sector institutions can be as efficient as the private sector but only the will of the government is absent and lacking.**

There are petitions pending before the Supreme Court that the Government should get its hands off even from administering the temples. Temples have been brought into the public domain because of the mismanagement of the temples. The authoritarian way of the Government, and the hindutva ideology practiced now pain anyone who raise voices against the policies of the government. Those who raised issues against the government have found themselves on the wrong end of the law and called as terrorist, anti-national, anti-India etc. In 2008, the Government amended the UAPA and said that the attack on economic security of India is also an act of terrorism.

The recent pandemic that the country has witnessed has shown up the dangers of the privatised health sector. The inadequacies of the private health system and their profit motives were exposed. It is time that we realise this and strengthen our public health system. **Privatisation, liberalisation and monopolies go hand in hand in detriment to the common people of the country.**

A country, which is an epitome of capitalist economy, gives to all its citizens free vaccination but in India, which is a socialist, secular and democratic, the vaccines against Covid are having cost !

What is happening around us is outside the framework of the Constitution. It is difficult to challenge these in the Courts of law. But, we should start opposing these attempts and one such move is made by AIBEA by arranging these seminars so that people will decide and fight for what this country has to be. Solution to all this can be found only when we mobilise a massive public opinion against this.

Com. Lalita Joshi, Joint Secretary of AIBEA co-ordinated the Webinar and proposed the vote of thanks.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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27-7-2021

TO ALL UNIONS AND MEMBERS:

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 26
By Prof. Naval Kishore Chaudhary, former Dean, Patna University**

Nationalisation of Banks transformed nation's economy - Prof. Naval Kishore Chaudhary

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **Prof. Naval Kishore Chaudhary, former Dean of Patna University** to give a lecture on the topic "**Political Economy of Bank Nationalisation in India – Context, Impact and Present Challenges**".

Gist of his lecture:

Prof. Naval Kishore Chaudhary started his lecture by thanking AIBEA for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the 52nd anniversary of Bank Nationalisation with month-long webinars. He deemed it a privilege to join AIBEA and its members in the celebration of 52nd anniversary of bank nationalisation in India.

He further said that this is a special occasion to celebrate when all of us could speak about the nationalisation of banks which was done on the 19th July, 1969. He said that he was a witness to that momentous occasion. He vividly remembered the exciting days that led to this memorable day. He was part of the Leftist movement that led to the bank nationalisation. He was nostalgic about that moment when banks were nationalized and he recollected the occasion with joy and happiness.

He said that Nationalisation of Banks was the transformation of not only the economy but also the society at large and politics, in particular. He said that AIBEA was well aware and was in full knowledge of the aspects of nationalisation. He said that AIBEA members are also aware about the dynamics at that time when nationalisation took place and that it was a political and economic decision.

It was also a product of the great legacy of ideas culminating in the nationalisation of banks and agitations and organizational actions of the working class movement of which AIBEA was a part. AIBEA is a movement rooted in the Working Class ideology and serving the cause of the bank employees. AIBEA has been blessed with great leaders like Com. Prabhat Kar, Com Parvana and Com. Tarakeswar Chakraborti.

He started tracing the freedom movement in which working class played a crucial role. He said that the freedom movement apart from many other things, was also democratic in nature. When he spoke of democracy of those days, he said that it had the ideology of socialism involved in it. Our freedom movement was just not a political movement but also had a social objective also. The socialistic framework of the country was accepted by the ruling party in 1956. The 1956 Industrial Policy Resolution had in it the socialistic pattern of our democracy to reach the commanding heights of economy wherein the labour was supposed to play a major role.

After the independence of the country, the growth rate in the economy was very low and especially in the 1960s when the country witnessed two droughts, the agriculture growth and the overall growth were negative. Inflation reached double digits and there was a sort of an economic crisis. It had a telling effect on the economy and also on the teeming millions of population reeling under poverty. They were not having economic freedom even though they had political freedom. The peasantry was going up against the ruling class. The ruling party, after the death of Lal Bahadur Sastry, was witnessing these problems. At that point of time, the then Deputy Prime Minister and Finance Minister, Morarji Desai, went for social control of the banks and this was not successful as it did not have the social objective but was aimed at curbing the rights of the workers.

Hence, Mrs. Indira Gandhi took a decision that unless the banks were nationalised, the teeming millions of India, the agriculturists, poor people of the country could not be brought up in the ladder of economy. Because at that time, the banking system was supporting the industrial houses, which owned the banks and they did not support the larger sections of the population, agricultural sector, small businesses etc. In the All India Credit Survey report, it revealed that in the rural areas, 96% of credit was availed from the usurious private moneylenders and only 4% were from institutional sources. More than 3/4th of the credit given by banks was going to those sectors, which were not part of the priority and needy sectors of the economy. Common people stood deprived while the rich and the industrialists enjoyed the patronage of the banks.

After independence, India needed economic growth and development. It was realised at that time, a country cannot develop its economy without State's support. Even East India Company was supported by the British Government and even Capitalists cannot survive without State support. So, when even Capitalists needed support of the State, then it was clear that the economy of the country and the common people can prosper economically only through the support of the State.

This was well understood and kept in mind by the then Government and especially by Mrs. Indira Gandhi, when she nationalised 14 major banks in 1969. Thus bank nationalisation was not only an economic decision but also a political one. He said that we know the effect of nationalisation to the economy of the country, especially on the rural economy, priority sector advances etc. The data and statistics about deposits, credit, branch expansion etc., have been astronomical. It is not that we do not have starvation even now but the food production is surplus due to bank credit. Political economists have said that green revolution could not have been achieved in India but for nationalisation of banks.

The expansion of industries in the period of post-nationalisation was due to nationalised banks extending credit to those industries that were not part of the big industrial houses.

Now, the nationalisation of banks is under challenge. Even Mrs. Indira Gandhi, who nationalised banks of the country, in 1981, moved towards liberalisation of the economy. This was after India borrowed from the International Monetary Fund at that point of time. The conditionalities that India accepted to avail the \$ 5 billion loan were the same as the conditionalities that we have now called Liberalisation, Privatisation and Globalisation, the LPG.

If we go into those conditionalities, we have to accept privatisation, down-sizing the public sector, liberalization of imports, the pricing policy to be decided by the market instead of administered prices etc. Even though he gave benefit of doubt to Mrs. Indira Gandhi that she was unaware of the conditionalities, it was carried through. With much of a fanfare, in toto the Liberalisation Policies were introduced by the Narasimha Rao government when Dr. Manmohan Singh was the Finance Minister. But these policies were against the large section of the population of the country. It affected the democracy of the country. This was the process not only because of the political reasons of the country but also from the pressures from foreign countries and multilateral institutions.

The pro-liberalisation supporters accepted it gladly, some accepted with protest but it does not mean to say that we do not want reforms. But, where it is required is the question. The vast majority eulogized the LPG policies and many surrendered except the Left parties, who have been opposed to the Liberalisation policies right from the beginning till now. AIBEA is a part of the movement that opposed liberalisation policies. AIBEA has been opposing the ill-advised banking sector reforms and anti-people liberalisation policies.

These liberalisation policies are not because of any individual but also due to designs that have been framed by the International Monetary Fund (IMF), World Bank and World Trade Organisation (WTO) and have been thrust and forced on the developing countries including India.

The root should have to be reached and eradicated if we have to get the liberalisation policies out of our country. After 1991, all the Governments continued the same economic policies including the Vajpayee-led NDA government and the UPA governments, even though UPA-I could not do much since it depended on the support of the left parties. And now, with more vigour, it is being pursued by the present BJP-led NDA government.

The real challenge lies now. The Indian State, its ideological base and its democracy are under challenge. There is a design now to dismantle public sector and privatise the public sector units. The public ownership is sought to be handed over to the private sector. We should fight to stop this change and the shift in the policies of the government. The policies and philosophies, the ideological basis of this government shall have to go. Bank employees alone are not the only people getting affected by these changes. All the sectors, who are affected by these policies, philosophies and ideologies shall have to wage a bitter struggle. So, there should be a unified fight by all the Working Masses of the country and in that bank employees should be part of such a mammoth fight spearheading such a movement. Because bank employees are organized and they should start such an organizational and ideological fight.

Way back in 1860s, Karl Marx said the attack by the capitalists will be through increase in working hours and reduction in wages. It is being sought to be done now with increase in working hours when there is little recruitment, employment of contract workers with abysmal wages. Through technology, they are squeezing the working class. More than 90% of the workforce is in informal sector even as per the Arjun Sengupta Committee. Unfortunately, this report was not even discussed in Parliament, which said that 77% of the population could spend less than Rs.20/- per day. The per capita income of India was less than the amount spent for the convicts in British jails, as said by Dadabhai Naoroji in late 1800s.

In these times, the working-class movement like AIBEA should start moving like a vanguard because AIBEA has its ideological moorings and orientation. People are collapsing and their movements are facing the same fate but AIBEA has such a gritty attitude and orientation and this is the silver lining that is required to counter the offensives. He said that he is not a pessimist but with the resolute and organizational actions of AIBEA, it can fight the mighty government and its policies. AIBEA movement might have seen its ups and downs but it is fighting relentlessly since decades and it is a very positive aspect and hence, we have to question the policies of this State, fight to save the democracy, people, working class and humanity. This is the challenge and we have taken up by defending the public sector banks. This has to be led to the logical end.

AIBEA has a great legacy, great leaders and he said that he was part of the movement of struggles of AIBEA. He further said that AIBEA should fight against the privatisation of public sector banks and financial sector as a whole, defend the working class and through which we shall be saving the democracy, public sector and the common people of the country, who are teeming millions and who are starving throughout the country, who are subjugated and marginalized through the policies of the government. He exhorted AIBEA to be the leader to liberate the people through our struggles and fight and he said he will join hands in such a fight.

Com. Anirudh Kumar, Joint Secretary of AIBEA co-ordinated the Webinar and proposed the vote of thanks.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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CIRCULAR NO. 28/375/2021/99
TO ALL UNIONS AND MEMBERS:

28-7-2021

Dear Comrades,

52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 27
By Dr. Balachandra Kango, Senior trade union leader and Secretary, CPI

Nationalism, yes but to be people oriented – Dr. Kango

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **Dr. Balachandra Kango**, senior trade union leader and National Secretary, Communist Party of India to give a lecture on the topic "**Profit for the People**".

Gist of his lecture:

Dr. Balachandra Kango started his lecture by thanking AIBEA for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the anniversary of Bank Nationalisation with month-long webinars. He appreciated that AIBEA is an important organisation as it always identifies itself with the Working Class of India. He said that AIBEA has got the distinction of bringing all the unions in the banking industry under the umbrella of United Forum of Bank Unions and forging united struggles to defend the interest of bank employees. It has been working together to achieve improvement in wages and service conditions. Recently it secured wage revision settlement even in the present difficult circumstances. Credit goes to AIBEA and UFBU. It is notable that AIBEA took initiatives and could achieve another option to large number of employees to join the pension scheme, whereas everywhere pension scheme was being denied and stopped.

Dr. Kango said that the topic "Profit for the People" is very apt because we should discuss how to change the economy for the profit of the people. Profit is nothing but a surplus value, created by the working people and this profit is taken over and enjoyed by few people as explained by Karl Marx. This is the basis of the capitalist system.

India in no way could be called a socialist country even after independence. But, still in 1969 and yet again in 1980, nationalisation of banks took place. What was happening then? The capitalist class as such was seeking for capital and the international capital was not available as it is now. Hence, they needed banks to extend loans to them for their capital needs. On the other hand, the expansion of banks took place after 1969. Poor rickshaw puller, agriculturists, professionals, small and medium industries could get loans from the public sector banks.

But now what is happening is that there is no money in the hands of the public. The democracy is under attack. Constitutional values are under attack. The profits are gobbled up by few people while poor are left to fend for themselves. People don't have money and are starving and dying of starvation and hunger. The economy of the country is in doldrums. Even the Confederation of Indian Industries has stated that the government should ensure that money is given in the hands of the people, making them spend and kickstart the economy.

Our experience of economic reforms is increase in trade, foreign direct investments etc. But, these reforms have resulted in vast inequality between the haves and the have-nots. Even Oxfam International has stated that 10% of the people control more than 80% of the wealth of the country.

Even in West, the economist started voicing that the policies should be people-oriented. In the early 1900s, the world was divided into Left and Right ideologically. Left stood for socialism and the Right stood against socialism. When the USSR disintegrated, it was stated that it was the end of socialism. But what happened since then and with the introduction of liberalisation policies is known to all of us. There has been a widespread unrest throughout the world with working people going up against the capitalists in various nations.

In 1969, there was no foreign capital available but after 1984, the foreign capital started moving beyond boundaries became lucid. When this capital was received by the developing and under-developed countries, Structural Adjustment Programs were imposed on them.

In China, the foreign direct investment was allowed on their terms for productive purposes but unfortunately, the money that came to India came in the share markets and to make profits. Money and capital are very important for the country and people. But, it should help the people to scale up in the ladder of economy.

Most of the countries speak about GDP after they introduced the liberalisation policies. We have completed 30 years of reforms. Dr. Manmohan Singh said that there were obstacles for implementation of liberalisation policies, a few years later after he introduced the Liberalisation, Privatisation and Globalisation policies. But, later, when he became the Prime Minister of the country, he said that the reforms should be with human face.

The Prime Minister, Mr. Narendra Modi, stated in Mann Ki Baat that there should be nationalism across the country. But, this nationalism is not people-friendly. What happened during demonetisation? Public Sector Banks exchanged the notes from the common man. The rich did not stand in the queue but only the poor and the common man suffered. When it was questioned that people are standing before the Banks, the reply of the Government was that think about the soldier saving the nation in Himalayas braving the weather and therefore, few hours standing before the banks should not be grumbled. But more than 100 people died in the scramble. But the black money did not come from the Swiss Banks, terrorism is not stopped, money circulation did not come down. This is the example of the nationalism this government speaks about.

Therefore, the policies of this government are not in favour of the poor and the common man of the nation. It is not that we do not need reforms but we require them to help the common man and poor people of the country. It should be to

alleviate the poverty, empower the women, eradicate hunger, education to all, abolition of child labour and many more.

The premier trade union, All India Trade Union Congress (AITUC) has completed 101 years of its existence. It was the first central trade union of the country. So many rights could be achieved through struggles led by AITUC like bonus, gratuity, maternity benefit etc. Many labour laws were secured through the fight and struggles of the working class of this nation and AITUC played an important part in such struggles.

The concept of nationalism has to be defined. It cannot happen without considering the well-being of the people of the country. Big corporates are demanding that they want to have control of the laws of the nation. They do not have interest in the people but they are interested only in profits and hence it should be opposed.

What is the new economic policy? It is nothing but withdrawal of the State from the welfare activities. In our country what is happening now is the taking away of the credibility of the judiciary, misusing the institutions like police, CBI, Election Commission etc., and these are nothing but disturbing aspects of fascism. This has to be opposed and opposing it would not make us anti-national. We also believe in nationalism but our concept of nationalism is that it should be people-friendly. Narrow understanding of nationalism is dangerous. When people started participating in the freedom struggle, the Constitution was framed, which was people-oriented and also ingrained in it the socialistic concept.

Now, the world over, the economists from the right and left started openly commenting as to how the democracy could be saved from the capitalists. In the reforms era, in the name of stability and in the name of fighting terrorism, the third world countries started depending on the capitalist countries, foreign capital and this has reduced the freedom of the people of such countries.

Corporate greed has destroyed the democracy. To establish diamond mines, in Madhya Pradesh, 10 lakh trees have been felled. In the present situation, when we are worried about the adverse climatic changes, felling down trees and that too of the order of 10 lakhs, for the diamond mines, shall have to be opposed.

What is happening in the outskirts of Delhi? Farmers have been protesting since last 7 months. Many progressive, democratic organisations like AIBEA are supporting the just demands of the farmers and peasants. We should support them in their cause as the farm laws brought in by the present government would take away the farmers' rights.

Now, in our country human rights, labour rights, women's rights, dalit rights, etc., are threatened. To protect these rights, government should intervene and support the individual rights of the people. But this government doesn't support such struggles and ensure the individual rights of the people. Hence, this concept of nationalism and policy of the government shall have to be opposed.

If education does not make a student to become a good citizen, if such education doesn't give him jobs, then what is the real purpose of such an education.

During the first wave lockdown, the migrants have been treated inhumanly and neglected in a barbaric way by the Government of India. Migrants have walked thousands of miles, went by bicycles to their native place but government did not help

them for a very long time. It was the people's organisations like AIBEA who helped such people.

Therefore, Profit for people slogan is not merely economical motto but also political. Fortunately, the pro-capitalist economists including Thomas Piketty have started speaking against the liberalisation policies as the common people are marginalized and inequalities have increased in the last three decades.

The greatest achievement of trade unions was the 8-hour working day which liberated workers from the slavery of work. Now, that is being challenged in the labour law reforms. Trade unions should work and think out of the box and it is the need of the hour. The workmen of the organized sector get wage increase but the contract labour doesn't get the same wage or the increase as the permanent worker. These are bound to create conflicts amongst us. This design of the capitalists and employers should be understood as they are successfully dividing the labour through their machinations.

The concept of "profit for people" is not an economic sloganeering but aimed at people-oriented policies.

What is happening now in the country? Nationalisation is under attack. Democracy is under attack. Farmers and their rights are under attack. Women and children are impoverished. But there are ways and solutions to these problems. We should fight against these policies that are against the people of the nation as they support only the rich and corporates to increase their wealth.

AIBEA is a pragmatic organisation, for example, when unions were afraid of introduction of technology, AIBEA took the right decision to accept computerisation with safeguards. This is the visionary approach of AIBEA. In these times, Unions should adopt to changes that would benefit our workmen without compromising on the job generation. Ofcourse, we should oppose widespread introduction of technology that would deprive the jobs and threaten the job security of the people.

He concluded by stating that in this struggle against the policies of liberalisation, against the attack on democracy, people's rights, AIBEA should orient the members with working class ideology, train them to oppose the anti-people policies and should start the fight to counter the offensives. We should come on the road and struggle. Struggle need to be on ideological orientation and struggle would also require sacrifices. Members should come forward to sacrifice not only for their organisation but also for the people of the country.

Com. N. Shankar, Central Committee Member of AIBEA and General Secretary of All India Union Bank Employees Association co-ordinated the Webinar and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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**CIRCULAR NO. 28/376/2021/100
TO ALL UNIONS AND MEMBERS:**

29-7-2021

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 28
By COM. ATUL KUMAR ANJAN, GEN. SECRETARY, ALL INDIA KISAN SABHA**

Bank nationalisation has made rural economy self-reliant – Kisan Sabha Leader Atul Kumar Anjan

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **COM. ATUL KUMAR ANJAN, GEN. SECRETARY, ALL INDIA KISAN SABHA** to give a lecture on the topic "**Impact of Bank Nationalisation on rural India**".

Gist of his lecture:

Com. Atul Anjan started his lecture by thanking AIBEA and expressed his gratitude for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the anniversary of Bank Nationalisation with month-long webinars.

While complimenting the leading role played by AIBEA in campaigning, demanding and fighting for nationalisation of Banks, Com Anjan recalled the efforts put in by the communists and all left forces in raising the demand of bank nationalisation as early as 1952-53. When the then Government led by Pandit Nehru was reluctant to agree to this demand, the left parties and their trade unions launched rallies and demonstrations to force the Government.

He recalled that in the police firing that ensued, more than 240 people have been killed, who were not bankmen. In 1957-58, in the Parliament there was a great discussion when Com. Prabhat Kar entered the Lok Sabha and demanded nationalisation of banks. He explained and gave reasons as to why the banks should be nationalised. Similarly veteran Communist leaders like Bhupesh Gupta, A K Gopalan, S A Dange, S M Bannerjee, Indrajit Gupta were roaring inside and outside the Parliament on this demand.

He referred to the inspiring role played by AIBEA leaders of yesteryears like Com Prabhat Kar, Com H L Parvana, Com. Tarakeswar Chakraborti, Com D P Chadha, Com. N. Sampath, Com P N Tewari and many others in fighting for this patriotic demand of bank nationalisation.

He also referred how nationalisation was challenged and fought in the Supreme Court in those days by predecessors of people who are now running the country and how we ultimately succeeded. Around that time, other measures were taken like Privy purse was abolished and Public Distribution System was introduced. Prior to nationalisation the entire wealth was in hands of corporates. But after nationalisation the common masses got access to the banks and banks expanded to the rural India.

He recalled how prior to nationalization Mahajans (Private money lenders) were lending money to poor farmers, artisans, small shop keepers at the rate of 40% during drought and flood. Nationalised banks have changed the face of rural economy. It has positive impact on village people.

Bank nationalisation has made rural economy self-reliant.

Com. Atul Kumar Anjan stated that nationalisation of banks has made rural economy and farmers self-reliant, while the present government under the garb of self-reliant India is dismantling rural economy and weakening the livelihood of farmers. Bank Nationalisation has made the country self-reliant in food grain stocks, has helped common man in employability. While explaining his viewpoint Com. Anjan further stated that the **modernisation in agriculture has become possible only due to nationalisation of banks**. Facilities like cold storages came to the villages only due to nationalised banks. The life line of the villages is the nationalised banks, he pointed out.

He referred to the contribution made by nationalised banks and LIC for the development of villages. Bank nationalisation has changed the face of economic condition of the country, changed the future of the country. Villages are getting drinking water because of public sector. Overhead tanks were built with the help of public sector. No one can afford to forget all these great contributions of our public sector Banks.

India was importing wheat during 1967-68. Today **we are self-reliant in food grains because of financial support at low rate of interest from nationalised banks**. If the banks will be privatized, you can imagine what the effect would be.

He explained that Banks are run with savings bank accounts that is with the savings of the ordinary people. Further, nationalisation provided credit facilities to the kisans. If banks are privatised rural and semi urban branches would be closed. The issue of Kisan Cards is great boon to the villagers. He proudly recalled that the facility of kisan card was introduced when veteran CPI leader Com Chaturanan Mishra was the Agriculture Minister. **Only nationalised banks issued kisan credit cards and the contribution of private banks in this regard is zero.**

While making frontal attack on Bank loan defaulters, he stated that defaulters have abused the banking system and have looted the hard-earned savings of the common man. He hailed the role being played by All India Bank Employees Association in exposing the bank loan defaulters.

Com. Atul Kumar Anjan further stated that the present government on the one side, **nationalised the losses of Global Trust Bank** by merging it in Oriental Bank of Commerce and on the other side, **it is privatising public sector Banks** which amounts to nationalisation of losses of private sector at the cost of public sector. He further stated that merger of banks has led to large-scale closure of branches including in rural areas. And further, if banks are privatised, it will ultimately result in dismantling rural banking which will have a disastrous effect on agriculture and rural population of the country. The village handloom sector and cottage industries will collapse if banks are privatised, he remarked.

He stated that the best way to defend public sector banking is to make the common man satisfied about the services in the nationalised banks. Inside the banks we should provide good customer service and outside the banks we should fight Privatisation. Improvement in customer services will help us to build new relations with them and their support would be very vital in this struggle against privatisation. Nationalised banks are providing yeomen service to the village masses. Banks have big role in nation building. Nationalised banks only provide credit facilities to MSME and farmers.

With privatization of banks, rural economy will not be "ATMA NIRBHAR" but dependent on corporates. They will loot the Gramin India. Private banks will be for the private corporate houses only. Private corporate defaulters have already raped the rural economy of our country. Hence we must oppose privatisation of banks in the interest of rural India.

He said that public sector banks have generated huge employment, both direct and indirect. He compared it with the present policies of commercialization of education and privatisation of PSUs which have not helped to generate employment in the country. So one can clearly see the benefits of public sector.

Com Anjan said that to get adequate support to our struggles, **we should have more pro-worker, pro-public sector people in the Parliament.** Hence our task is also to see that more of such people who support public sector get elected to the Parliament. This also needs to be kept in mind by the bank employees. In a situation where there are open efforts to push our country from centre to the right which is the reason for these policies of privatisation, etc., it is necessary for **trade unions to educate our young cadres and create political awareness** about the need to have politics of centre to left.

He also cautioned that while every individual has the right to be religious, we should be careful to see that religion does not interfere with economics and politics.

Com Anjan explained the agitation by the farmers in Delhi for the past seven months who are fighting for their cause, against the detrimental farm laws that have been forcibly and undemocratically enacted by the Government. Supporting their struggle is a support to strengthen agriculture sector and rural economy.

He said that strong nationalised banks are the need of a big nation like India. Nationalised banks are the true trusted friend of the people. He appealed to all the employees to unitedly fight against privatisation.

He acknowledged and appreciated, the efforts being made by All India Bank Employees Association in resisting government's policy prescription of privatization of public sector Banks. He referred to the more than 40 strikes observed by bank employees under the banner of AIBEA to defend public sector banking and made an appeal to the government to revisit their policy of Bank Privatization.

He called upon the bank employees to demonstrate their commitment to country's economic freedom which will be possible if we ensure a vibrant banking sector with social orientation and a vibrant economy. He said that together we all need to create a new India in which public sector banks have a great role. Hence we need to save our public sector banks.

While concluding his speech he assured that Kisan Sabha and Communist Party of India will stand by AIBEA by giving all out support to our fight against Bank privatisation.

Com. M.M. Rai, Vice President of AIBEA and General Secretary of Uttar Pradesh Bank Employees Union co-ordinated the Webinar and proposed the vote of thanks.

Yours comradely,



**C.H. VENKATACHALAM
GENERAL SECRETARY**



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**CIRCULAR NO. 28/377/2021/101
TO ALL UNIONS AND MEMBERS:**

30-7-2021

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 29
By COM. RAJESH KUMAR, GEN. SECRETARY, ALL INDIA LIC EMP. FEDERATION**

**There is no justification to allow private capital in LIC – Rajesh Kumar,
Trade Union leader from LIC**

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **COM. RAJESH KUMAR, GEN. SECRETARY, ALL INDIA LIC EMP. FEDERATION** to give a lecture on the topic "**DON'T KILL LIC**".

Gist of his lecture:

Com. Rajesh Kumar started his lecture by thanking AIBEA for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the anniversary of Bank Nationalisation with month-long webinars.

Com. Rajesh Kumar congratulated AIBEA for being one of the most vibrant trade unions amongst the middle-class trade union movement in India. He referred to AIBEA as a pioneering organisation right from its inception in 1946. He recalled the sacrifices and contributions of the stalwart leaders who led the movement of AIBEA in the past and who were responsible to building the mighty edifice of AIBEA.

Com. Rajesh Kumar expressed his deep condolences over the demise of so many bank employees during this covid pandemic and commended the bank employees all over the country for continuing to extend banking services during this challenging period despite all odds and risks to their lives.

He stated that politics determines the life and liberty of workers. But, many of us consider politics as a taboo. We are also divided by caste, creed, religion but these things do not help the cause of workers at all. But, these divisions help the employers and their cause, enable politicians to frame their policies and facilitates the government for framing the policies against the working class and in support of the Corporates. That is why, we should be careful while we are fighting against the privatisation, labour law reforms, liberalisation policies.

All of us know what is happening in the country now. Workers' benefits are being snatched away, permanent jobs are coming down, the wages are getting reduced. These are symptoms of the bigger problem or the root cause of the evil designs. So,

if you have to fight the cause or the problem, we should ensure that we not only erase the symptoms but also the root cause of the issue or the problem or the disease and for that, we have to politicise ourselves.

We have seen in India that the labour's share in the National Income is falling down and it has been going down for a number of years now. This is despite the productivity getting increased but unfortunately, the wages of the workers are coming down. The profit sharing is steadily shifting from the workers to the employers and shareholders. It is because the workers are not organized, not only organizationally but also politically.

The multinationals, who are investing in our country, are increasingly driven by profits and hence the axe is falling on the workers and their earnings. For example, in UK, only 10% of the profits was given to the shareholders about 20 years ago, but today, it is a whopping 70% of the profit enjoyed by the shareholders. In India also, presently, the profits to the tune of 50% are being enjoyed by the shareholders but the workers are being suppressed. It is because the corporate's objective is to maximise the profits to the shareholders at all cost and the primary and foremost aspect is cost-cutting, which results in the reduction of wages to the workers and affecting the job security and contractualisation of jobs.

If we want to understand the problems of the Working Class, we should understand the politics of the working class. We are in a trade union and we speak and agitate about the problems we are coming across in our work on a day to day basis due to the policies of the government getting implemented to the detriment of our industry and our jobs. But when we get the opportunity to elect the government that will support the workers, peasants and common man, we do not think about our problems but we think in terms of caste, creed, religion and vote for wrong people and end up facing the threats that we are facing today.

19th July, 1969, when the banks were nationalised, it transformed the scenario from class banking to mass banking. It was a Red letter day. At that time, there was a bank branch for every 75000 citizens of the country whereas it is now reduced to 18000. Meaning for every bank branch, we are serving 18000 citizens instead of 75000 way back in 1969. This is because of the expansion of the public sector banks after nationalisation in 1969 and we should be proud of it. Viral Acharya, former Deputy Governor of Reserve Bank of India, in an interview, stated that majority of the Corporate Sector have shifted their accounts to the public sector banks from the private sectors. If the private banks are so good, why even the Corporate Sector is banking with the Public Sector Banks. This is the crux and truth. For serving the common people of the country and the rural sector, public sector banks should play a major role and it should be in the hands of the government and should not be privatised.

When the sub-prime crisis hit the US banking sector, which were ruled only by the private sector banks, it was bailed out by US Government by infusing \$ 70000 Crores. But, in India when recapitalization is done by the Government for the Public Sector Banks, all Corporates are shouting from the rooftop that it is a waste of tax payer's

money. Who is responsible for lack of capital in the Public Sector Banks. This is the diabolical game played by the Corporates.

In 1956, when Life Insurance Corporation was born on 1st September, that started mobilizing the people's money to the country and providing social security to the underprivileged and backward people. The insurance companies were brought under public sector through two Ordinances and due to which 154 Indian private insurance companies, 16 Non-Indian Insurance companies and 75 Societies were taken over by the Government of India. When LIC came into being, it had 4 zonal offices, 33 divisional offices and 212 branch offices.

Now, LIC functions with 8 Zonal Offices, 113 Divisional Offices, 2048 fully computerised branches, 1408 satellite offices and around 1500 mini-offices. The expansion has taken place after the LIC was brought under Government control. The funds are mobilized and invested for the people and community at large. The funds have been utilised for the sectors such as Housing, Power, irrigation, sewerage, railways, ports and many more, which are infrastructure investments and for the benefit of the nation. Investments in LIC is around Rs.30,69,942 Crores. The primary goal of the Life Insurance Corporation of India was and is to serve the public. When LIC has been the biggest contributor in nation-building especially when no private investment is coming forth for the infrastructure, the disinvestment is not at all necessary.

If the disinvestment takes place, how LIC will change and how the policy holder will be affected is to be understood. The policy holders are eligible for 95% of surplus in the form of bonus that is being distributed now and this will undergo a change after the disinvestment. After the IPO is brought about, the 95% surplus that is being given to the policy holders will come down to 90%. If LIC IPO comes about, who will invest in the infrastructure, which have long-term gestation period and returns are also slow and less. The private corporates, who will subscribe to the IPO will definitely get the investments of LIC away from infrastructure.

The Honourable Finance Minister gave four reasons for disinvestment in LIC viz., 1) it will discipline LIC's functioning, 2) LIC will be able to access more capital, 3) it will benefit the retail investors, and 4) LIC will become more transparent. This is apparently hypocritical and misleading. Com. Rajesh Kumar exposed the fallacies and claims of the Finance Minister as the justification for disinvestment in LIC.

If listing of a company will make the company more disciplined, why did the listed Yes Bank failed, why did the listed DHFL fail and many more such listed companies failed. Hence, the claim that it will discipline the functioning of LIC is untenable and LIC is definitely disciplined and no major problems of functioning are prevalent even today.

As on date, the annual income of LIC is Rs.6 lakh crores and total asset of LIC is Rs.32 lakh crores and therefore, the reason that LIC requires capital is also cannot be the real. LIC is adequately capitalised.

Our country's population is 130 Crores and out of which, only 18 million in India are investing in stock market. When LIC gets disinvested, only 18 million will be

benefitted as retail investors and not all the 130 Crore people. Hence, that the retail investor will be benefitted also does not hold water.

As far as transparency is concerned, LIC is adhering to all the guidelines issued by the Regulators and Authorities and is already more transparent than any of the private firms. Hence, this is also cannot be taken as a reason.

The real intention seems to be to benefit the private people who will buy the share of LIC and also to meet the Government's target for disinvestment.

If public sector is going to be disinvested, inequality will increase, social unrest will increase. If LIC is going to be disinvested by the decision of the Government of India, it will betray the commitment given to the people at the time of nationalisation of LIC and will be a violation of the Constitutional commitment about the social security to the common people.

At the initiative of AIBEA, CCBIFU has been formed. We have had programmes on the attacks of the financial sector viz., banks, life insurance sector, general insurance sector etc. We should give more programmes and we should create the impact by organizing more struggles.

The government is going ahead but we are also carrying forward our struggles. But what is required is that unity of not only the public sector but also the working class at large and through our struggles, we will be able to defeat the policies of the government. We shall be able to oppose not only the privatisation of the public sector banks, disinvestment of LIC, privatisation of General Insurance Companies, but also selling away of other public sector units. This is nothing but selling the national assets.

In conclusion, Com Rajesh Kumar said that we should fight and struggle against these anti-people policies and we should defeat their designs.

Com. Y.P. Singh, President of Jharkhand Pradesh Bank Employees Association coordinated the programme and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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**CIRCULAR NO. 28/378/2021/102
TO ALL UNIONS AND MEMBERS:**

1-8-2021

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 30
By Dr. Ravi Raman, State Planning Board, Govt. of Kerala**

Beware of emerging politics to save democracy – Dr. Ravi Raman

All India Bank Employees' Association is holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited **Dr. Ravi Raman, Member, State Planning Board, Govt. of Kerala** to give a lecture on the topic "**Finance Capital, Politics and Emerging State in India**".

Gist of his lecture:

Dr. Ravi Raman started his lecture by thanking AIBEA for inviting him to address in the webinar series organised to commemorate the 52nd anniversary of Bank Nationalisation and congratulated AIBEA and its members for celebrating the anniversary of Bank Nationalisation with month-long webinars.

He said that the audience of today is well aware of the political situation and members of AIBEA are politically enlightened. He congratulated AIBEA for fighting for the welfare of the people and the betterment of the banking industry for the past 75 years.

All of us understand that finance capital affects our life every day. Every day financialisation has become a part of our life. We see how politics and State interact. When we say politics, it is an infinite form of society, State and its accountability. The economic policies have been dominated by the business interest and in the recent years, it was benefitting the Corporates. Both Congress and BJP have been pampering the business class. The State cannot be adequately described. A State may be defined as a combination of institutions and its power relations between the institutions controlled by the State and the Corporates.

In 1910, the book "Finance Capital" was written by Rudolf Hilferding, the then Finance Minister of Weimar Republic, Germany. When Com. Lenin defined Finance Capital, he stated that the meaning of finance capital will be complete only if it is integrated with politics.

Nowadays, on day-to-day basis financialisation takes place. During the cycle of circulation of finance and financialisation, finance capital multiplies and the financial assets also increase. It is growing at a rate as fast as the economy itself. These are made possible by various products of the finance capital. There are many products and services introduced after 1991 like bonds and other financial and debt instruments.

Who benefitted from this expanding scale of finance capital. There is a big productivity gain in the finance sector and the finance capital. It has been demonstrated that the share of finance capital increased and its productivity has also increased since liberalisation. But, in the financial sector including banks, employment opportunities fell during the post-liberalisation period and more so in the Banks, both in public and private sector. The distribution of profits is skewed. The vast expansion of finance capital benefitted the owners of the financial institutions including banks, big corporate houses etc.

As far as the bad loans are concerned, even though there has been a demand for disclosure of the names of the defaulters, it was first released by AIBEA several years ago and Dr. Ravi Raman congratulated AIBEA for such a feat and on several occasions, it repeated the release of defaulters' list. It took 4 years for RBI to comply with the Supreme Court order to disclose the defaulters' list. There has been a massive increase in bad debts since 2008 and economists opined that the bad loans under NDA era is more than the previous regimes. The banks have been writing-off the loans of the big Corporates since several years.

In order to know what happens when we go for recapitalisation of banks, let us quote an example, when the Greek government recapitalised the private banks instead of nationalizing those 4 banks. But, in our country, the government is hesitating to recapitalise even the public sector banks citing that it is wastage of tax-payers' money even though the damage is done by the bad loans given to the private Corporates and the hue and cry is raised only by such Corporates on such recapitalisation by the Government to the Public Sector Banks.

In India, there is nexus between the Corporates and the banks frequently influenced through the Government and banks have been closely associated with the Corporates and their finance.

Prior to 1991, 14.2% MPs in Parliament belonged to the business class but it rose to 26% by 2014 and many of them are from BJP and Congress party. The State is increasingly dominated by the business class and the corporates. There has been unholy alliance between the banks on the one side and the Corporates and the Government on the other. Not less than 60% of the companies' directors are BJP ideologues. Even the RBI is under pressure because of the pressure from the government to make the policies of RBI to benefit the Corporates. The corporate capital influences the policy-making of the government to suit their needs.

Whenever capitalism is in crisis, government will support them or recapitalise them and the crisis will be passed on to the workers like reduction in wages, loss of jobs etc. But, when capitalism prospers, the profits are not transferred to the workers, their wages are not increased commensurate with the profit or job generation is not done to the expected levels. For example, in the pandemic period, the capitalist class extracted work from the labour and increased their profits without contributing to the welfare of the workers or the public at large.

The nationalisation of banks in 1969 gave India the control of finance and expansion of banks was unparalleled after nationalisation. It has been agreed by the Nobel Laureates like Amartya Sen, Abhijit Banerjee etc. After the introduction of the liberalisation policies, the hold of the State is gradually coming down in the financial sector especially in banks. There are attempts to expose the public sector banks to foreign direct investment and global capital. Public Sector Units are getting diluted. They want their hands off the government sector totally.

After the Second World War, in the United Kingdom, Labour Government was elected and nationalisation of railways and other industries were made. Mrs. Margaret Thatcher denationalised all the public sector units and more than 40 State owned have been privatised and 6 lakh public sector employees were put in the hands of the private sector. By the time Mrs. Margaret Thatcher laid down her office, the damage was already done and Britain, because of these actions, became the sick man of Europe.

Think of India. Now, privatisation of aviation, tourism and other industries are being planned by this present government. The present government is planning to sell the profit-making government sector units. For purchase of the government industries such as aviation, Adani, Ambani and other Corporates are generating resources not from within the country but from outside India and exposing these sectors to foreign financial capitalists.

If the banks are privatised, there will be deprivation of credit to the priority sector, loans would become expensive and profits will be gobbled up by the private hands instead of the government. Common man would not get the banking services as he is getting it now from the public sector banks.

Did the mergers benefit the banks and public at large? For example, the CD ratio of State Bank of Travancore was 70% in Kerala State before the merger with State Bank of India but now, in Kerala, as far as State Bank of India is concerned, the CD ratio is hardly 40%. The mergers did not help develop the socio-economic objectives of the nation.

Within India, at present the property tax is around 0.2% of GDP as compared 3% in developed countries. This has not been increased as it would not benefit the Corporates and the business class. Inheritance tax was imposed in India till 1985, which was abolished subsequently. It is time to re-introduce the inheritance tax. There is a necessity for large-scale investment in Education and Health Sectors by the Government of India.

The Corporate capital class is willing to sacrifice democracy in the time of crisis. In India, there is devaluing of wages of workers, disowning of peasants and farmers, labour laws are being suspended in several States to suit the corporates and the list is endless. The intertwining of politics and religion, populism in the form of nationalism of Hindutva are all leading the country towards fascism.

Changing nature occurs on two levels in the Indian context. The interest of corporate capital, with predatory interests, is being accommodated more and more at the expense of people's interests. As well, it is accommodating the interests of Hindu nationalists with a plurality of elites. We see the emergence of a corporate Hindu state at the end of the day. My hope is that AIBEA continues to fight against the growing *corporate Hindu state*.

Com. K.S.Krishna, Joint Secretary of AIBEA coordinated the programme and proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY



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**CIRCULAR NO. 28/379/2021/103
TO ALL UNIONS AND MEMBERS:**

2-8-2021

Dear Comrades,

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign – Concluding Webinar Lecture 31**

**Build a strong movement to resist privatisation of Banks, it is a patriotic task –
AIBEA General Secretary**

All India Bank Employees' Association has been holding month-long webinar programmes to commemorate the 52nd anniversary of bank nationalisation. As a part of this series of lectures, AIBEA invited many eminent personalities from the political field, trade unions, academicians, legal profession, Members of Parliament, etc. who addressed on various important topics. The concluding lecture in the Webinar was given by the General Secretary of AIBEA Com. C.H. Venkatachalam. He spoke on the challenges ahead and the need to build a strong national movement to resist the attempts of privatisation of Banks taking it as a patriotic task of bank employees.

The concluding webinar was presided over by Com Rajen Nagar, President of AIBEA. In his introductory remarks, Com. Rajen Nagar expressed his satisfaction that the month-long webinars have been well received by our unions and members and the lectures of the eminent personalities and scholars were of immense benefit to all of us to understand the various facets of the present-day challenges.

Com. Rajen Nagar recalled how AIBEA fought for the nationalisation of banks, which transformed the banking scenario from Class Banking to Mass Banking and also the bank branches moved from cities to villages and hamlets. He also referred to the change in the scenario, when from 1991, after the liberalisation policies were introduced, there has been a consistent attempt against the public sector banks to privatise the banks. Now, this Government is very aggressive and are making attempts to privatise not only the public sector banks and general insurance, they are also trying to sell the public sector units. He said that in AIBEA, public sector banking is an article of faith. Now that we are completing the month-long webinars, we should carry forward the campaign further. We are meeting in the General Council of AIBEA, and we shall be taking decisions to carry forward the campaign and also to plunge into action should the government move forward with their attempts to privatise the public sector banks. He exhorted all our unions and members to be in preparedness for the ensuing struggle.

Com C.H. Venkatachalam started his lecture by deploring the attempt of the Government to privatise the Banks even at the hour of pandemic situation in the country when bank employees are facing extreme difficulties in attending to their duties risking their lives. He stated that AIBEA's priority now is the safety of the bank employees as more than 1500 employees and officers have lost their lives due to infection of covid-19 virus. But unfortunately, Government's priority seems to be different as they are seriously pursuing their plans of privatisation. He remarked that it looked as if it is business as usual for the Government. Because one can observe the Government's attempts to push their agenda one by one. He referred to the introduction of the Bill in the Lok Sabha regarding privatisation of general insurance companies.

He said that our country has been developing and progressing in the last seven decades after independence of our country but the growth and economic development

is not that adequate. Hence there is nothing wrong if some economic reform measures are taken to boost the economy and its development. But the question is whether these economic policies being pursued by the Government in the name of reforms have benefitted our country or not. We can welcome these reform policies if they are good for our country's growth and development.

But our experience has been that for the past three decades of such economic reforms agenda in our country, one could only experience that the benefit of such policies are not benefitting the majority of the masses and in fact, their condition has become worse than before. These policies have not been helpful to develop our economy at all. The economy has been facing crisis after crisis. Adding fuel to fire, measures like demonetisation, faulty GST, etc. have also aggravated the economic problems. After this, the lock-down in the country due to the pandemic has further added to the problems.

We see a lot of measures being announced by the Government in the name of relief and these measures have not yielded any positive results. On the other hand, the economic situation has further worsened. Millions of people have lost their jobs, production level has come down, prices are soaring and there is no light at the end of the tunnel. Many experts and economists have been suggesting that it is wrong measure to try to boost the supply end, and rather Government should concentrate on the demand side to boost consumption, which in turn will boost demand, production and lift up the economy to some extent.

Thus the economy continues to be in doldrums and since banks and the economy are inter-linked, Banks also face the problem. Actually, there is a need to help the Banks to grow further by strengthening them. But regretfully, Government is choosing to privatise our public sector Banks instead of strengthening them.

First of all, we all need to understand that bank privatisation is not an isolated agenda of the Government. They want overall reforms. They want economic reforms, labour reforms, banking reforms and land reforms. That is why we see that the Government is pushing all these issues simultaneously. All these measures are not warranted as none of these policies are going to be helpful, rather they are detrimental. All the steps would only benefit the capitalists and Corporates, which we are also already witnessing. So, we need to fight against all these policies, not just against privatisation of banks. This means that we have to be part and parcel of the common struggles against these overall reform policies. Hence AIBEA believes that, we, as bank employees have to fight against privatisation of our banking sector and at the same time, we should also take part in the common struggles of the entire trade union movement against the anti-people, anti-worker policies of the Government. We can't say that we would fight against privatisation of banks and that we will not bother about other measures of the Government. We must remain integrated. This should be kept in mind by all of us.

Then, coming to the issue of privatisation of banks, there had been enough of discussion and debate whether these measures are good or bad. By now, all of us are fully convinced that privatisation of banks is not good. In our webinars, all the eminent people who have spoken have also stressed this point. So we need not spend further time on this issue.

Then, when we all feel that we need to fight this policy of privatisation of banks, what do we need to understand? First of all, we need to maintain high degree of unity within our AIBEA. We should ensure this, because, in a struggle against government, this is a pre-requisite. So, all of us have to work hard to maintain our unity. Then, we know that we are not alone. There are other unions in the banking sector. We already have the United Forum of Bank Unions. We must do everything to maintain the unity under the banner of UFBU. As a major unit of UFBU, we have special responsibility to see that UFBU also remains united to fight the issue of privatisation of Banks. Then, all of us know that as a trade union, we are confronted with so many issues. For different set of people, different issues will be felt as important. But we need to work out our priority.

As far as AIBEA is concerned, we are very clear that our priority today is our struggle against privatisation of Banks. Why we oppose privatisation of banks, we all know.

Privatisation of Banks is against people-oriented economy, against social banking, against rural economy, against the poor, the youth, and the unemployed, against farmers, as well as against employees, their jobs and job security, also against the reservation policy. It is glaringly against the interest of the young employees who have joined the Banks in a large number in the recent years. So we shall have to fight back against the privatisation of banks.

When we say that we should fight on this issue as a priority task, we also know that there are many questions coming up from employees here and there. Some employees feel that straightaway we should give the call for indefinite strike, then only government will change their stand. Some people feel that we cant fight this issue, because privatisation is a global phenomenon and so it is bound to happen. Some feel that we cannot succeed because the Government in power now has majority in the Parliament.

There are people who feel that privatisation is a political issue and so trade unions are not to fight on such issues and it is for the political parties and MPs to take up the issue. Why we should fight from a trade union on a political issue because union should not be in politics. Then you see, there are people who feel that we are fighting this issue because we are against the BJP Government. Some others feel that we should negotiate with the Government and get some financial benefit and then allow privatisation. In a democratic trade union set up like AIBEA, all such views and opinions are bound to be there. We need to answer these questions and take the struggle forward.

Let us take the issue of indefinite strike. Is AIBEA afraid of giving the call. People should know that in 1954, AIBEA gave the call for indefinite strike against Nehru Government. Again, AIBEA gave the call for indefinite strike in 1979 against Morarji Desai Government. Later, UFBU also gave the call for indefinite strike on the issue of one more option to join pension scheme. So AIBEA knows when to give the call for indefinite strike. With 75 years of experience and history behind AIBEA, our members need to have faith that AIBEA will give such a call when it is warranted.

Then, let us discuss the issue of global phenomenon. It is true that throughout the world, many governments want privatisation of public sector. In many countries they have implemented also and public sector has been privatised. But, after bitter experience, it has been re-nationalised also. In many countries, trade unions have fought and stopped privatisation of core sector. Wherever people have fought, there have been some results. There is no need to concede that privatisation cannot be stopped.

Again, the issue of political nature has been discussed time and again in the past. Whether bank privatisation is a political issue. Yes 100% it is a political issue because, the political party running the Government is deciding this. So it is pure political issue but having economic implications. If bank privatisation is a political issue, then bank nationalisation was also a political issue. AIBEA fought on this issue and achieved bank nationalisation in 1969. Yes, it was again the political decision by the then Indira Gandhi Government. If AIBEA had not taken up that political issue and fought, banks, perhaps, would not have been nationalised at all. But all of us know how our country got benefitted by bank nationalisation. Lacs of young people got jobs in Banks only because of nationalisation and resultant branch expansion. So, the question is, even if it is a political issue, trade union has to welcome it, if it is good and oppose it if it is bad. Trade unions cannot ignore and avoid political issues. Trade unions are after-all, operating within the given political system.

We also need to answer whether AIBEA is opposing privatisation of Banks because we are against the BJP Government. Is there any truth or validity in such a criticism? All of us know that it is not true. First of all, not only AIBEA, all the bank unions are opposing this. Entire UFBU is opposing this, even BMS unions are opposing this. In

Defence sector, BMS unions are also opposing the move of corporatisation and privatisation.

So our opposition is not because it is the decision of BJP Government. When the same policy was pursued by Manmohan Singh Government, we have gone on strike opposing this move. AIBEA has fought all Prime Ministers when their governments had done something against bank employees or workers.

We fought against Nehruji, Lal Bahadur Sastry, Gulzarilal Nanda, Indira Gandhi, V.P, Singh, A B Vajpayee, Deva Gowda, I K Gujral , Manmohan Singh and now Mr. Modi's Government. AIBEA is duty bound to fight anything against the employees by any Government. If Modi Government would announce that they will not privatise any Bank, we will garland them. If they say that they would privatise the banks, we have to oppose them. This is the working class politics of AIBEA. This should be clear to all of us.

So, the point is that all types of views will come, and it is our job to talk to them, convince them and prepare them for the struggle.

So, when we say that we have to prepare ourselves for the struggle, it is also important that we ensure the support of others for our struggle. For example, customers are important. Whether they will support us if our service to them is not upto the mark. So better customer service is part of our efforts to get their support. Then, Government repeatedly says that public sector banks are not efficient like private banks. They also say that Government banks are not that profitable and so they want to privatise the Banks.

We know it is not factual. But we need to explain to the public the truth and actual facts. Because all our Banks are in profits and only because of provisions for bad loans and NPAs, some banks are in loss.

Public should be explained all these things. For example, in 2015-16, in PSBs, the total Operating profit was Rs. 136,000 crores but the provisions for NPA, etc. was Rs. 155,000 crores that is more than the entire profits. Like this, in 2016-17, against total operating profit of Rs. 159,000 crores, the provisions were Rs. 170,000 crores. Again, in 2017-18, when the total operating profits were Rs. 155,000 crores, the total provisions were to the tune of Rs. 270,000 crores. Similarly, in 2018-19, the operating profits of PSBs were Rs, 149,000 crores and the provisions for bad loans, etc. were Rs. 216,000 crores. Same was the case in 2019-20. Total Operating profits were Rs. 174,300 crores but the provisions were Rs. 200,000 crores.

If these facts and figures are told to the people, they will understand why some banks are not in profits.

Again, what is the efficiency of private banks. Is it really true that they are more efficient? If it is so, then why so many private Banks collapsed in last few decades. Bank of Thanjavur, Bank of Tamilnadu, Bank of Cochin, Nedungadi Bank, Global Trust Bank, Bank of Karad, Hindustan Commercial Bank, Lakshmi Commercial Bank, Benares State Bank, Purbanchal Bank, Kashinath State Bank, United Western Bank, etc, etc., the list can go on. Everyone knows that all these private banks failed because of mismanagement. This itself is an answer to the so called efficiency of private banks.

Again, we talk of provisions towards bad loans, we all know that the big private corporate companies are the main defaulters of bank loans. If these loans are recovered, banks will be in super profits. That is why, we must keep in mind that our fight against privatisation and fight on the issue of bad loans, NPA, IBC, etc. are both interlinked. Recently, we hear the news about haircuts in Banks. When bad loans are referred to NCLT under IBC, these bad loans are resolved. What we want is recovery but IBC talks of Resolution. And, what is the recovery under these resolution processes. That is where the haircut comes. See the extent of haircuts in the following cases of bad loans.

| Borrower | Loan amount | Resolved for | Haircut % |
|--------------------------------|--------------------|---------------------|------------------|
| Essar | 54,000 | 42,000 | 23 % |
| Bhushan Steels | 57,000 | 35,000 | 38 |
| Jyothi Structures | 8,000 | 3,600 | 55 |
| DHFL | 91,000 | 37,000 | 60 |
| Bhushan Power | 48,000 | 19,000 | 60 |
| Electrosteel Steels | 14,000 | 5,000 | 62 |
| Monnet Ispat | 11,500 | 2,800 | 75 |
| Amtek | 13,500 | 2,700 | 80 |
| Alok Industries | 30,000 | 5,000 | 83 |
| Lanco Infra | 47,000 | 5,300 | 88 |
| Videocon | 46,000 | 2,900 | 94 |
| ABC Shipping | 22,000 | 1,200 | 95 |
| Sivasankaran industries | 4,800 | 320 | 95 % |

So, we can see how the recovery rules are helping the corporate defaulters and how banks are losing in each loan account. It is a tragedy that when the banks are facing problems because of these private sector borrowers, the Government is wanting to sell our Banks to the very same private sector.

Therefore, everything is clear before us. So we need to get ready for serious action to oppose privatisation of banks. On the one hand, we should prepare our organisation and members. On the other hand, we need to mobilise support from others. If you want to get the support of others, we should support others when they are in difficulty. We should support them when they are fighting against such attacks. Similarly, we need to gather political support of various political parties. They supported our strike in March, 2021. We should contact them again and ensure their support. We should educate all our members about the political nature of our struggle.

We should also mobilise the support of other sections of employees who are working in the banks like contract employees, outsourced employees, Bank Mitras, and others. They are in large number and they have their problems. We should take up and fight for their issues so that they also fight along with us.

One thing we should be clear in our mind. This struggle will be bitter and sustained. It will not be a one-day match. It will be prolonged because we are directly confronting the Government's policy. Hence, we should be ready for sacrifices and there is no short cut method to fight this issue. But if we fight with determination, we are bound to get results.

In our history of 75 years of AIBEA, we have seen so many attacks and so many struggles. This time too we shall fight and succeed. If people want overnight results, it is not possible. AIBEA demanded nationalisation of Banks in 1946 and achieved it in 1969 after 23 years. AIBEA demanded pension in 1952 and achieved it in 1993. Same way, successive governments have been wanting to privatise the banks from 1991. For 30 years we have been fighting. Now also we need to continue the struggle.

Unity, militancy, conviction, courage, determination and clarity is very important in our struggle. We all understand that banking is for the people. Banks' money belongs to the people. Hence our struggle is for the welfare of the people. Bank privatisation is anti-people. Bank Nationalisation is pro-people. Hence defending public sector banking and opposing privatisation is a patriotic struggle. In a country where the majority are poor people, we need to undertake this patriotic fight. In AIBEA, we feel it is our patriotic duty. Fight, keep fighting, success will be yours.

Yours comradely,

C.H. VENKATACHALAM
GENERAL SECRETARY