



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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TO ALL UNITS AND MEMBERS:

Dear Comrades,

- As expected, the danger is now knocking the door**
- Govt. proposes privatisation of IDBI Bank + 2 more Banks**
- Privatisation means attack on public's sector**
- Privatisation means handing over people's savings to private hands**
- Privatisation means attack on jobs and job security**
- Get ready for bitter struggles and prolonged strikes**

Banking reform policies of the Government are not new to us. We all know that the Government has been pursuing these policies. We also know that these are part of their agenda. That is why we have been campaigning against these measures and highlighting the same in all our struggles. In the All India Strike on 26th November, 2020 also, we made the issue of privatisation of Banks as one of the points in our strike notice.

One cannot forget the fact that in those days when all the Banks were in private sector, these Banks never bothered about our economy, its progress and development. Many private Banks also collapsed due to mismanagement. That is why from the inception in 1946, AIBEA demanded that Banks in India should be nationalised and brought under Government's control. That is why AIBEA was fight for two decades and we are proud that the struggle of AIBEA created compulsions for the Government to nationalise major Banks in 1969 and thereafter another 6 Banks in 1980.

The contribution and role of these public sector Banks in the last five decades has been phenomenal and remarkable. They have become the custodians and guardians of people's hard-earned savings. They have become the locomotives of broad-based economic growth and development. Public sector Banks have changed the character of our Banks from class-banking to mass banking. Banking has become accessible to the common man.

- 1) At a time when the country's economy is sagging and growth rate is sluggish, what is required is to further strengthen public sector banks. It is an irony that instead, the Government is proposing to privatise and hand over the Government owned Banks to private corporates, most of whom are defaulters of huge bank loans.

- 2) Government talks of creating more jobs. But privatisation of Banks would result in reduction of permanent jobs and employment of more and more contract labour. Existing reservations for SC/ST, Ex-servicemen category employees will be stopped because in private Banks, reservation policy is not applicable. Hence the move is against jobs and job security of these sections of the employees.
- 3) When the Government has to admit that all their earlier measures like Debt Recovery Tribunals (DRTs), Asset Recovery Companies (ARCs) and Insolvency and Bankruptcy Code (IBC) have not yielded the desired results to recover the bulging bad loans in the Banks, what is required is to tighten the recovery laws and legal provisions including taking criminal actions on the wilful defaulters, but it is an irony that the Government wants Bad Bank to be set up to whitewash the Balance Sheets of Banks to favour the corporate defaulters.
- 4) IDBI was a DFI – Development Finance Institution. Government changed it as a retail commercial Bank and DFI role was abandoned. It is an irony that now IDBI is sought to be privatized and new DFIs are announced to be set up.

There are many other adverse, anti-people announcements in the Budget. LIC is targeted for disinvestment. One Public Sector Insurance Company is proposed to be privatised. FDI in insurance sector is being increased from present 49% to 74%. Many public sector undertakings will be sold away. Like tis, there many such decisions and announcements in the Budget.

Comrades, there come moments when we need to rise to the occasion to fight back. We need to fight back with all intensity and strength. Such a moment is emerging before us.

We are happy that the response to the demonstration programmes yesterday all over the country has been overwhelming and massive. Their remonstrations and rejection, anger and annoyance, disapproval and displeasure, criticism and condemnation, were visible. We are particularly happy that the young employees have come out in large number realizing the dangers ahead. UFBU is meeting at Hyderabad on 9th instant to decide programmes of action. Let us await. **But, be ready and be prepared.**

With greetings,

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY