

# BANK FLAG

Monthly Organ of All India Bank Employees Association

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65 Pages

HAPPY  
**78TH FOUNDING DAY**  
Greetings to All Members



**ALL INDIA BANK EMPLOYEES' ASSOCIATION**

Founder Editor - in - Chief : Late Tarakeswar ChakrabortiF  
Editorial Board : Kamal Bhattacharyya, Rajen Nagar, C.H. Venkatachalam, Sonali Biswas

**AIBEA is a philosophy.**

**AIBEA is an university that widens our knowledge and understanding of the society in which we live.**

**AIBEA makes us to fight against injustice.**

**AIBEA makes us to be concerned about other workers.**

**AIBEA makes us to think about our country, our economy and our people.**

**AIBEA makes us responsible and patriotic.**

**AIBEA is a way of life.**

**That is why we love AIBEA.**

**The socio, economic and political situation before us is unfriendly. Attacks are increasing.**

**The challenge is to work in this challenging situation.**

**For this we need to be united and militant.**

**Hearty welcome to the Mumbai Conference.**

**Let us make the Conference a memorable and historic one by taking decisions that will take our beloved AIBEA to greater heights.**



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# EDITORIAL

Recent Oxfam report on India's growing economic disparity should give a jerk to the planners of economic development. While major chunk of wealth is in the hands of a few rich, the poor are becoming poorer and swelling the rank of BPL. The social and political situation of our country are getting murkier day by day. Political diatribes, jibes by the people who are close to the powers that have made a section of the people of the society vulnerable. Society is being polarised on the basis of religion. Muscular nationalism is the buzz word today. Any body differing with the Govt is branded as anti-national. History is being re-written. Gandhi, Azad, have no place in Indian history. Pseudo Science is projected as Science. Myth is projected as Indian history. Science and research have taken a back seat. Instead of looking forward we are asked to crawl backward. All the economic decisions of the Government are aimed at helping its cronies and flatten their coffers. A handful of families are controlling the economy. Former Dy Governor of Reserve Bank of India said that these families should be dismantled to loosen their grip on economy. In our front, the Government's design is quite clear to us. Dismantling of Public sector banks are on cards. Space is being created for the private sector. While Public sector Bank Branches are being closed, private sector branches are being opened. While Public sector Bank Branches are suffering for want of staff, private sector employees are more in number today. It's a deliberate ploy of the Government so that customers get disillusioned with public sector banking.

We have to fight. Fight we shall and the 29th conference of AIBEA is going to take a call on this.

## Mumbai awaits to create milestone yet again

Mumbai is getting ready to receive all of us in the 29th National Conference of our AIBEA. We are going to meet in this Conference after six years. Because of lockdown restrictions and corona pandemic, we could not hold our Conference earlier.

We are happy that Maharashtra State Bank Employees Federation has accepted to host this Conference. This will be the fourth occasion that Maharashtra will be hosting AIBEA Conference. Earlier in 1955, 1968 and 2000, AIBEA Conference was held in Maharashtra, two in Mumbai and once in Pune.

It is just two weeks to go before the curtain raises for the mega event to unfold. As per reports reaching us in the Central Office, the response is enthusiastic and the participation is expected to cross 3000 delegates and observers many of whom will be young employees and women employees. Very importantly, for the first time, participants will be there from all the States including from Nagaland, Mizoram and Arunachal Pradesh.

35 foreign Delegates from 11 countries – Brazil, Bangladesh, Egypt, Cyprus, Syria, Mauritius, Malaysia, Nepal, Sri Lanka, Palestine, Denmark – will be participating in our Conference.

The Reception Committee is making all necessary arrangements to make the Conference a memorable success.

Apart from massive participation and full-scale arrangement for the conference, the issues to be discussed in the Conference are very important. Threat of privatization of Banks, continued loot in the name of huge write offs and haircuts, deliberate reduction in staff and non-filling up of vacancies, trend of officerisation, attempts to outsource permanent jobs on contract, etc. are major challenges facing us today.

Continued struggles and militant actions on these issues to thwart these dangers is the need of the hour. Our Conference is expected to take decisions and give the clarion call for struggles and strike actions from the conference.

To implement these action programmes, we need our organization to be more united, more stronger, more vibrant and more militant. Thus, ensuring a stronger organization at all levels will be the task before our conference.

Politically, climate is unfavourable. Government labour policy is hostile. Attitude of Bank managements is changing, some of them are becoming vindictive.

Message is clear. Nothing can be taken for granted. We have successfully travelled so far all these years due the magical unity of our rank and file membership, their unfailing loyalty and magnificent militancy.

Mumbai Conference is yet another occasion to manifest our strength and capacity to rise to the occasion. Let us meet in Mumbai.

C.H. Venkatachalam





# 29<sup>th</sup> NATIONAL CONFERENCE ALL INDIA BANK EMPLOYEES ASSOCIATION

13<sup>th</sup> - 15<sup>th</sup> MAY, 2023 @ MUMBAI





# ALL INDIA BANK EMPLOYEES ASSOCIATION

We cordially invite you to attend the  
Inaugural Session of our 29th National Conference

## Welcome address

### Shri. P. Sainath

(Ramon Magsaysay Awardee for journalism)  
Chairman, Reception Committee

## Inauguration

### Com. Amarjeet Kaur

General Secretary, All India Trade Union Congress  
Vice President, World Federation of Trade Unions

## Chief Guest

### Com. Pambis Kyritsis

General Secretary, World Federation of Trade Unions

## Special Guests

### Com. Sukhdev Singh

Farmers' Leader

### Com. Sanjeev K. Bandlish

Convener, United Forum of Bank Unions

## Presided over by

### Com. Rajen Nagar

President, AIBEA

at 4-00 PM on Saturday, the 13th May, 2023

at **Com. Suresh Dhopeswarkar Manch**

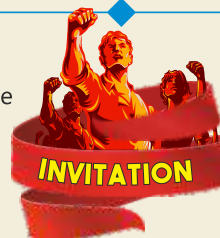
Sri Shanmukhanand Chandrasekarendra Saraswathi Auditorium  
Com. Harbanslal Marg, (Flank Road), Sion East, Mumbai- 400 022

### D.R. Tuljapurkar

Secretary, Reception Committee

### C. H . Venkatachalam

General Secretary



## SPECIAL GUESTS

<b>Mrs. Supriya Sule</b>	Member of Parliament (NCP)
<b>Shri. Kumar Ketkar</b>	Member of Parliament (INC)
<b>Com. Binoy Viswam</b>	Member of Parliament (CPI)
<b>Shri. Arvind Sawant</b>	Member of Parliament (Shivsena)

### **Fraternal Greetings by**

Leaders of United Forum of Bank Unions  
All India Bank Officers Association  
General Insurance Employees All India Association  
All India LIC Employees Federation  
All India Bank Retirees Federation

### **Greetings by Fraternal Delegation from**

	Bangladesh		Mauritius
	Brazil		Nepal
	Cyprus		Palestine
	Denmark		Sri Lanka
	Egypt		Syria
	Malaysia		

## PROGRAMME

### 13th May, 2023 – Saturday

09-30 am	: Flag Hoisting
10-00 am	: Delegate Session
01-30 pm	: Lunch
03-00 pm	: Delegate Session
04-00 pm	: Inaugural Public Session
07-30 pm	: Cultural Programme and Dinner

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### 14th May, 2023 - Sunday

10-00 am to 7-30 pm	: Delegate Session
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### 15th May, 2023 - Monday

09-30 am	: Delegate Session
5-00 pm	: Conclusion

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Greetings & Messages to :  
**Secretary, Reception Committee,  
29th Conference of AIBEA**  
Email : aibeacnf2023@gmailcom

### **All India Bank Employees Association**

Singapore Plaza, 164, Linghi Chetty Street  
Chennai - 600 001

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Host :

### **Maharashtra State Bank Employees Federation**

Dadyseth Building (Rear), Nanabhai Lane,  
Fort, Mumbai-400 023



## COM. DHOPEHWARKAR IS NO MORE



Com. S.D. Dhopeswarkar, former President of AIBEA on the afternoon of 8th April, 2023 in a Mumbai hospital where he was admitted for treatment of brain hemorrhage. He was aged 81.

Com. Suresh Dhopeswar was born in 1942 in Mumbai and had his education also in Mumbai. At a very young age of 15, he joined a garment company for work. He had his initial baptism in trade union there. In 1962, he joined Bank of Maharashtra. With his trade union background, it was only natural that he started to be active in the trade union in Bank of Maharashtra also.

Soon he became the General Secretary of the Mumbai Union in his Bank. But this was only a stepping stone. With his keen involvement in union activities coupled with his dedication, conviction and ideological clarity, he soon became a popular leader and became the General Secretary of All India Bank of Maharashtra Employees Federation.

After Bank of Maharashtra was nationalised in 1969, he was appointed as AIBEA nominee Workman Director on the Board of the Bank. In discharging this unique role also, Com. Dhopeswarkar excelled and shone well and thus played an effective role to reflect the views and standpoints of AIBEA in the deliberations of the Board.

Those were the days when senior leaders like Com K K Mundal, Com P K Menon, Com. D.P. Chadha, Com. N.S. Puro were leading our movement in Mumbai. Com. Dhopeswarkar was closely associated with them and their guidance and inspiration immensely benefitted him and shaped him up as a leader of Maharashtra State Bank Employees Federation in which he became the General Secretary in 1989.

At the national level, in 1985 he was elected as Joint Secretary in our Bangalore Conference when he was one of the young faces of AIBEA. When AIBEA

founded All India Gramin Bank Employees Association for the Regional Rural Bank employees, he was elected as the President of AIGBEA. For the 7th BPS, Com. Dhopeswarkar was the Convener of our Wages Sub-Committee. In January, 2001, in our Mumbai Conference, he was elected as the President of AIBEA.

Com. Dhopeswarkar was deeply interested and involved in the social, political and economic struggles of working masses in Maharashtra and our country. Thus he was a participant in the peoples movements like Samyukta Maharashtra Movement and Goa Liberation Struggle and came in contact with great leaders like Com. S. A. Dange, S. M. Joshi, Senapati Bapat, Krishna Mense etc.

With his understanding as to the role of financial sector in the overall economic spectrum of our country, he was involved and integrated with the movement of employees in RBI, LIC and GIC. Thus he came in contact with and was a part of stalwarts of the moment of Mumbai in the financial sector.

Com. Dhopeswarkar was close associate of Com. Dada Puro and Prematai Puro and their family. He had association with Annapurna Mahila Mandal, Mumbai since 1975-1976. On his retirement he became a Trustee of Annaapurna Parivar and greatly contributed to the arduous work undertaken by Dr. Medhatai Puro Samant for the empowerment of downtrodden slum dwelling women entrepreneurs with Micro Credit, Micro Family, Health and life insurance and more.

Com. Dhopeswarkar was always admired by the comrades for his intellectual analysis of events and his ability to co-relate them to our organizational understanding and perception. He was always optimistic about the inherent strength of AIBEA to rise to any occasion and build resistance movements.

Com. Dhopeswarkar was a unique leader and comrade of our organization with total clarity and conviction about the role of bank employees in the emerging scenario. He was abreast of every development taking place around us. In the recent Conference of MSBEF, he was there and he addressed the delegates eloquently.

His long years of contribution to AIBEA in particular and the general social-political movement will make him an unforgettable leader. We dip our banner in his memory and pay our respectful homage. We convey our deeply felt condolences to his family.

**Com. Dhopeswarkar will always live long in our hearts.**

**RED SALUTE TO COM. DHOPEHWARKAR**

## 29TH CONFERENCE OF AIBEA

### Mumbai chalo 29th National Conference of AIBEA 13th to 15th May, 2023

Mumbai comrades are getting ready to receive all of us in the 29th National Conference of AIBEA being held from 13th to 15th May, 2023. Count down has started and it is only 20 days more when all of us will meet in Mumbai in our Conference.

**Reception Committee** of Maharashtra State Bank Employees Federation is on its job and all arrangements are under way. MSBEF has made the following Reception Committee.

PATRON	1. DR. RANGALAL BANDOPADHYAY, FORMER DIRECTOR, NATIONAL INST. OF BANK MANAGEMENT	
CHAIRMAN	2. P. SAINATH RENOWNED JOURNALIST	
VICE CHAIRMEN	3. DR. BHALCHANDRA KANGO MEMBER OF NATIONAL SECRETARIAT, CPI	
	4. MR SANJEEV CHANDORKAR ASSOCIATE PROFESSOR, TISS MUMBAI	
	5. COM. SHYAM KALE, AITUC	
	6. COM. VIVEK MONTEIRO, CITU	
	7. COM. RAMESH BHATT, LIC	
	8. COM. LALIT SUVARNA, GIC	
	9. COM. AVINASH DOUND, STATE GOVT.	
	10. COM. RANJAN DANI, BSNL	
	11. COM. AJIT SUBEDAR, AIRBEA, RBI	
	12. COM. SANJAY WADAWKAR, HMS	
	13. COM. NANDKUMAR CHAVAN, MSBEF	
	14. COM. C. M PATEL, MSBEF	
	15. COM. BALKRISHNA SAWANT, MSBEF	
	DEPUTY CHAIRMAN	16. DR MEDHA SAMANT, MANAGING DIRECTOR, ANNAPURNA PARIWAR
		17. GEETA CHADDHA, PROF. OF SOCIOLOGY, MUMBAI UNIVERSITY
18. COM. LALITA JOSHI, MSBEF		
DEPUTY CHAIRMAN	19. COM. N. SHANKAR, MSBEF	
	20. COM. PRALHAD PATIL, MSBEF	
	21. COM. ANIL PRABHU, MSBEF	
	22. COM. SUMITH NAMBIAR, MSBEF	

SECRETARY	23. COM. DEVIDAS TULJAPURKAR, MSBEF
	24. COM. MAHENDRA PRABHULKAR, MSBEF
	25. COM. RAJENDRA GADVI, MSBEF

Various Sub-Committees are also formed to be in-charge of different tasks like receiving the delegates and observers at the railways stations, airport, transporting the comrades to the concern hotels/stay places, transporting the comrades from their stay places to the Conference venue and back, food arrangements, regulating the seating arrangements in the conferenced hall, publicity, etc.

Those State Federations who have not yet informed the Reception Committee about their arrival-departure details should provide these details without any further delay.

Comrades, we are meeting in our Conference after six years since we could not Convene the Conference earlier due to corona pandemic situation. We need to take important decisions to meet the multiple challenges and in tune with the emerging scenario. Hence, we seek the utmost co-operation of all our unions and participants to make the Conference a memorable success.

### Onward to 29th National Conference of AIBEA 13th to 15th May, 2023 at Mumbai Details of Inaugural Public Session

We have already informed our Units that our Conference will begin on 13th May (Saturday) morning with hoisting of AIBEA Flag at 9-30 AM at the conference venue. Delegates' Session will commence at 10-00 AM. Inaugural Public Session will be at 4-00 PM. Delegates' Session will continue on 14th and 15th and our Conference is expected to be concluded by around 5-00 pm on the 15th May.

## INAUGURAL PUBLIC SESSION

Presided over by	Com. Rajen Nagar, President, AIBEA
Welcome Address	Com. P. Sainath, Chairman, Reception Committee (Ramon Magsaysay Awardee for journalism)
Inauguration by	Com. Amarjeet Kaur, General Secretary, AITUC
Chief Guest	Com. Pambis Kyritsis, General Secretary, World Federation of Trade Unions (WFTU)
Special Guests:	Com. Sukhdev Singh, Farmers' leader Com. S.K. Bandlish, Convener, United Forum of Bank Unions
Special greetings by:	Mrs. Supriya Sule, Member of Parliament, NCP Shri. Kumar Ketkar, Member of Parliament, Congress Party Com. Binoy Viswam, Member of Parliament, CPI Shri. Arvind Sawant, Member of Parliament, Shiv Sena (T)
Fraternal greetings by	Leaders of United Forum of Bank Unions All India Bank Officers Association General Insurance Employees All India Association All India LIC Employees Federation All India Bank Retirees Federation

### Delegation from foreign countries:

It is a matter of honour that the General Secretary of World Federation of Trade Unions, Com. Pambis Kryitsis will participate in our Conference as our Chief Guest.

We are happy that in addition to him, delegations from the following countries have accepted our invitation to participate in our Conference.

1. Bangladesh
2. Brazil
3. Cyprus
4. Denmark
5. Egypt
6. Malaysia
7. Mauritius
8. Nepal
9. Palestine
10. Sri Lanka
11. Syria

We are happy that these delegations will come from the continents of America, Europe, Middle East/Arabic Region and from Asia. These leaders from abroad will be greeting our Conference on 13th and 14th May, 2023.

Thus, the Inaugural Public Session will be an interesting and educative session with various eminent and prominent speakers addressing our Conference.

**AIBEA @78**

**Celebration of 78th Founding day  
on 20TH April, 2023  
With magical unity and  
magnificent militancy  
AIBEA IS OUR HARBINGER**

**C. H. Venkatachalam**  
General Secretary, AIBEA

**20th April, 2023** marked the completion of 77 years of AIBEA and the **78th Founding Day** of our beloved organisation.

Looking back at the path covered so far, it has been very tough, challenging, and zigzag but at the same time very exciting, inspiring and very satisfying.

It has been a continuous path of organising, mobilising and uniting the bank employees under

the protective umbrella of trade union movement. All along, it has been an incessant path of unremitting struggles and endeavours to ameliorate the economic conditions and living standard of bank employees.

In between the journey, we have seen attacks of the various Governments and managements on many occasions but with our magical unity and magnificent militancy, we have overcome all these obstacles.

Envy, jealousy, animosity and there were attempts of disruption to weaken our organisation but hats off to the Niagara-like ever flowing love and loyalty, affection and dedication, conviction and commitment, our members have defeated all these attempts and kept our organisation ever-shining.

Above all, our leaders and founding fathers were embodiment of sacrifice, guided by their vision to espouse the cause of bank employees and mission to build up this mighty edifice, have virtually turned mud into gold.

They have achieved the impossible for us – from anarchy to regulated and secured service conditions, from slavery to dignity, from beggary to collective bargaining, from paltry wages to better wages and impressive service conditions today.

Our AIBEA also has the unique distinction of having launched bitter struggles and finally achieving nationalization of major private Banks, a watershed event in our country's political history.

We are conscious that we are typical middle-class employees with all our inhibitions, vacillations and hesitations. But yet our founding fathers adopted the working class form of organisation, the trade union. Hence we have our strong AIBEA today.

We are mindful that we are typical middle-class employees with all our inconsistencies, self-centeredness and contradictions. But yet our founding fathers adopted the working class method of organisation, the path of militant struggles. Because of this we have achieved many rights and benefits.

Similarly, our founding fathers have always emphasized that we should adopt the working class ideology, and to fight for an exploitation-free society, to secure justice, equality and fraternity, when we get the due share of the wealth we all workers create.

We all know that it is the workers who with their blood, sweat and toil create wealth. But we are passing through times when the people in power glorify the Corporates as wealth creators and shower all concession to them while the workers and masses continue to suffer from deprivations.

We are also amidst the situation where public sector which has been responsible to build our modern India is under attack. Privation, disinvestment or monetization, are one and the same aimed to surrender national assets to the Corporates.

Banks which handle the huge and precious savings of the common people are sought to be handed over to profit greedy private vested interests.

Today there are increasing attacks on our labour rights, on our jobs, on our job security, on our future.

Our founding fathers, great leaders, and predecessors fought many battles and got us all that we enjoy today. It is our duty today to continue the struggle and safeguard the future of the present young generation of bank employees.

Let this Founding Day be yet another occasion to renew our pledge and deepen our resolve to continue our efforts and endeavour to fortify the organisation to meet the aggressively increasing challenges.

As our great leader and architect of AIBEA late Com. Prabhat Kar used to say,

**Without an organisation, we are armless,**

**With our organisation, we are an army.**

**Struggles are our weapons, unity is our shield.**

**Reminisce the past – Reverberate the future**

Let us strengthen our Unions and strengthen ourselves.



## ऑल इंडिया बैंक एम्प्लॉईज एसोसिएशन के 78 वे स्थापना दिवस

वी के शर्मा

(महासचिव मध्य प्रदेश बैंक एम्प्लॉईज  
एसोसिएशन)

एआईबीईए की स्थापना आज से 77 वर्ष पूर्व 20 अप्रैल 1946 को कलकत्ता में हुई थी। किसी भी संगठन द्वारा अपना 78 वां स्थापना दिवस मनाना अपने आप में महत्वपूर्ण है। बैंक कर्मचारियों का यही एक ऐसा संगठन है जिसका अपने संघर्षों एवं ढेर सारी उपलब्धियों का इतिहास है। इसके पदाधिकारियों की निस्वार्थ सेवाओं, संघर्षों एवं कुर्बानियों से संगठन के इतिहास के पन्ने भरे मिलेंगे। सभी राजनैतिक विचारधाराओं, धर्मों, जाति एवं क्षेत्र के व्यक्ति इसके सदस्य हैं। इस संगठन की ताकत, गौरव, एवं सम्मान का मुख्य कारण इसके सदस्यों की इसके प्रति अटल निष्ठा, भरोसा, प्यार, स्नेह, दृढ़- विश्वास, प्रतिबद्धता एवं समर्पण है। ये संगठन एक सेना है जिसके सिपाही सम्पूर्ण देश में फैले हुए हैं एवं जो संगठन के साथ हर समय खड़े हैं। हाल ही के वर्षों में नई पीढ़ी के लाखों युवा साथी संगठन से जुड़े हैं तथा वे संगठन के हर कार्यक्रमों में बढ़ चढ़ कर भाग ले रहे हैं। इन्होंने संगठन को और अधिक मजबूती प्रदान की है। सही मायने में ये संगठन का भविष्य है। इस महान अतुलनीय संगठन के सदस्य होने पर हमे गर्व है। बैंकिंग उद्योग में ट्रेड यूनियनों की स्थापना, बैंकों का राष्ट्रीयकरण, द्विपक्षीय समझौता वार्ता प्रणाली, बैंकों के निदेशक मंडल में कामगार निदेशक की नियुक्ति, मूल्य सूचकांक से जुड़ा महगाई भत्ता, पेंशन एवं बैंक कर्मियों को प्राप्त हो रही अन्य सुविधाएं इस महान संगठन की देन है। बैंकिंग उद्योग

में बैंक कर्मियों के अधिकारों एवं सुविधाओं को प्राप्त करने तथा बैंकिंग उद्योग की बेहतरी के लिए सबसे ज्यादा राष्ट्र व्यापी हड़तालें करने का रिकार्ड भी इसके नाम है। यह बैंक कर्मियों की एकता, संघर्षों, उम्मीदों, आकांक्षाओं एवं उपलब्धियों का प्रतीक है। आज हम उन सभी नेताओं को सलाम करते हैं जिन्होंने संगठन को वर्तमान उंचाइयों तक पहुंचाया है।

\*आज हम सभी बैंक कर्मियों को शपथ लेनी चाहिए कि हम\* - एआईबीईए के बैनर तले एकजुट रहकर यूएफबीयू एवं श्रमिक संगठनों की एकता को मजबूत करेंगे, बैंक कर्मचारियों के हितों को बढ़ावा देने के लिए सभी संघर्षों के लिए तैयार रहेंगे, नौकरियों तथा नौकरी की सुरक्षा पर होने वाले हमलों के विरुद्ध संघर्ष करेंगे, सार्वजनिक क्षेत्र की बैंकिंग की रक्षा करेंगे, ग्राहक सेवा को और बेहतर बनाकर बैंक के ग्राहकों को बेहतर, त्वरित एवं उत्तम ग्राहक सेवा प्रदान करेंगे, निजीकरण तथा अन्य कथित बैंकिंग सुधारों का विरोध करेंगे, मजदूर विरोधी श्रम सुधारों को रद्द कराने के लिए अन्य श्रमिक संगठनों के साथ मिलकर संघर्ष करेंगे, लोगों के लिए बैंकिंग को मौलिक अधिकार के रूप में प्राप्त करने के लिए संघर्ष करेंगे, जीवंत भारत बनाने के लिए जीवंत बैंकिंग नीतियों की लंबित मांग के निराकरण के लिए संघर्ष करेंगे, मजदूर वर्ग के साथ एकजुटता बनाए रखेंगे, इंसान के द्वारा इंसान के शोषण की व्यवस्था के खिलाफ संघर्ष करेंगे, एक मजबूत और आत्मनिर्भर अर्थव्यवस्था के लिए संघर्ष करेंगे, बैंकों के खराब ऋणों की वसूली के लिए कठोर एवं कारगर कदम उठाने की मांग के लिए संघर्ष करेंगे, बैंकों में जमा धन आम आदमी का है इसकी रक्षा के लिए सजग रहेंगे, बैंक कर्मियों की लंबित मांगों के निराकरण के लिए संघर्ष करेंगे।



## CELEBRATION OF 78TH FOUNDATION DAY OF AIBEA



Members of Madhya Pradesh Bank Employees Association observing 78th foundation day of AIBEA at Bhopal on 20 April, 2023



A partial view of gathering



Leaders of MPBEA addressing on the occasion



Com. V. K. Sharma speaking in the general meeting organised to celebrate 78th Foundation day of AIBEA

### **AIBEA Completes 77 Years of Glorious Existence Reassures its Pledge to Continue with same legacy On 78th Foundation Day**

**Nihar Ranjan Basu**

(Former Assistant Secretary, BPBEA)

The Gentle Small Breeze having omnipotent credentials to ignite fire, that got generated on 20-04-1946, has turned into a Great Thunder or in other words – little drops of water have step by step made the Mighty Ocean with heyday of striking tides coupled with turbulent struggles bringing forth enormity of achievements with cascading successes and now finally enters into the 78th footstep on 20-04-2023 burgeoning the much cherished maturity of the glaring glory of remarkable existence smacking off many a social changes paving for the path of egalitarianism and establishing milestones of emancipation and empowerment of working class in general and bank workers in particular ushering in a better tomorrow in the country – and it is none other than AIBEA, the largest Trade Union of Bank Employees, the formidable force, a pace-setter and path-finder in the spheres of Working Class Trade Unionism in both national and international arena.

The way our whole countrymen of 1946 was



surcharged with the upheavals to free India from the yoke of brutal British imperialism became the eye-opener to the then bank employees having been completely under the whims and caprices of the high-handed bank management to take recourse to a desperate bid to build Union for thwarting the unabated onslaughts on them at the great risk and peril of master's mercy oriented service. From this era of eerie uncertainty, gradual footings of Unionism under the banner of AIBEA got established through hard battles involving far-reaching sacrifices whereby the service condition and the process of collective bargaining for upward wage revision through series of Bipartite Settlements, giving good-bye to the obnoxious cobwebs of protracted tribunalisation, for the bank employees were achieved. The dimension of AIBEA being attributed as the sea-changer in the National Trade Union arena reached the zenith of its command at its gigantic fight and victory for nationalisation of Banks in our Country against the class represented by strong monopoly house who had been so far enjoying class banking looting peoples' money. By this, AIBEA earned reputation from all quarters of the positive minded progressive forces who consider AIBEA also a militant fighter for the cause of common man's emancipation.

The need of the hour is to combat, by clinging to grim struggle with grit determination, the menace of move for privatisation at the behest of our Central Government, which tries hard to turn the history created by AIBEA completely anti-clockwise.

We feel it a Great Pride to be the witness of this momentous occasion while simultaneously cherish that our beloved AIBEA, in its process of transforming the white collar middle class bank employees into a potential force to pave for its desired goal through pursuance of the path of unity, struggle and ideological orientation carrying on the legacy of leadership like Com. Pravat Kar, Parwana, K.K.Mundal, Tarakeswar Chakraborty, D.P.Chadda and so on shall continue to maintain its glory in the future days ahead of us propelling the flow of our Union River to cross its birth Centenary and more adhering to

the policy – “ Educate, Organise, Unite and Agitate” .

## CELEBRATION OF 78TH FOUNDATION DAY OF AIBEA



*Flag hoisting by Com. Kamal Bhattacharyya, Chairman, BPBEA on the occasion of 78th foundation day of AIBEA on 20April, 2023 at BPBEA office*



*Com. Kamal Bhattacharyya, Chairman, BPBEA, speaking on the occasion*



*A partial view of the gathering*

## BOOK RELEASE BY AIBEA

### On the eve of our Conference - Publication of Book “Towards transforming Banks as public utility institutions” By

**Dr. R. Bandyopadhyay,**  
former Director, NIBM

We are happy to inform our unions and members that on the eve of our 29th National Conference being held in Mumbai, People's Publishing House is publishing a Book titled “Towards transforming Banks as public utility institutions” authored by Dr. R. Bandyopadhyay, former Director, National Institute of Bank Management.

Dr. R. Bandyopadhyay is a noted progressive banking academician and has been associated with AIBEA for the past fifty years, right from the time of Com. Prabhat Kar, and later during the time of Com. Tarakeswar Chakraborti and Com. D.P. Chadha. When he was the Director of NIBM, he had greatly helped AIBEA to organise training courses, workshops, etc. to equip our leaders, particularly our AIBEA nominee Workman Directors.

He has authored the Book in great detail. The book is of 620 pages. It deals with all issues connected to the challenges facing public sector banks and social orientation of Banks.

At a time when the agenda of the ruling dispensation is to privatise and hand over our nationalized Banks to private Corporates, this Book is an appropriate response to the various questions raised against the relevance of public sector Banks.

The Book launch function has been organised at 6-00 PM on 12th May, 2023 in Mumbai ( in the Conference venue ).

On the occasion of the Book release function, a panel discussion has been arranged with the following participants:

**Dr. Dilip Nachane**, Prof. Emeritus, Indira Gandhi Inst. Of Development and Research, Mumbai

**Dr. Rupa Rege Nilsure**, Group Chief Economist, L&T Finance Holding Ltd., Mumbai

**Dr. T.T. Rammohan**, Visiting prof., IIM, Ahmedabad, Member, Economic Advisory Council of the Prime Minister

**Com. C H Venkatachalam**, General Secretary, AIBEA

The book is bound to be of immense use to our Unions in understanding the various facets of the developments in the Banking industry that necessitated the nationalisation of Banks in those days and the reasons why the Government is wanting to privatise the Banks at present besides answers to all questions that are being repeatedly debated to advocate privatisation

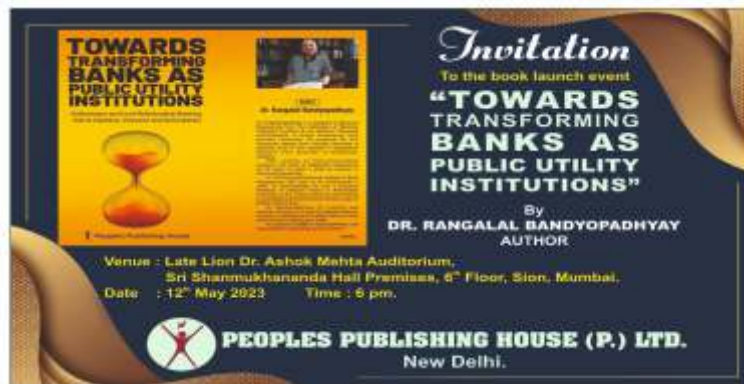
of Banks.

This book will be available for sale during our Conference at a special concessional rate.

With greetings

Yours Comradely,

**C.H. VENKATACHALAM**  
GENERAL SECRETARY





*[Excerpts from the book 'Towards Transforming Banks As Public Institutions' written by Dr. Rangalal Bandhyopadhyay. The book will be released by AIBEA on 12 May, 2023]*

### **PRIVATISATION, DEMOCRATISATION, ROLE OF UNIONS, HR ISSUES, INTEGRATION**

**R. Bandopadhyay**

*[Former Director NIBM, Pune]*

**Privatisation:-** The word “privatisation” became a buzz word during the Reagan – Thatcher era. After second world war, throughout the world we saw growth of welfare state with dominant economic and productive activities were guided towards welfare of the community as a whole under public ownership, where the business model followed was not “maximization of profit” but maximization of welfare of the community as a whole subject to earning reasonable surplus. This gave more power to unions. After the oil crisis certain fault lines were observed and stress was put in policy circles on “disciplining” the workers and bringing earning profit in the forefront of business philosophy. During the neo-liberal reform era aggressively advocated by Reagan – Thatcher governments, efforts were made to withdraw from various productive economic activities engaged by the state-owned enterprises and handing over those activities to private ownership. This process of conversion of state ownership into private ownership was called privatisation. For making role of government relatively less significant, making market more effective in disciplining firms and above all to discipline labour curbing its growing influence, privatisation was proposed, in developed economies of the west and most notably in U.K. UKs efforts towards privatisation it was claimed was to improve the productive efficiencies of the firms. The privatisation experiences in UK were declared as grand success and similar attempts towards privatisation were undertaken in other countries including many developing and emerging economies.

In India, after independence, based on industrial policy of 1948 the commanding heights of the

economy were with the state ownership, this was mainly because private capital was averse to take risk and was not forthcoming in adequate amount for such investment. The importance of the public sector was further emphasized in industrial policy resolution of 1956 excluding private sector from certain basic heavy industries, steel, power etc. Thus India had a dominant public sector in various important and strategic economic activities. With the spread of doctrine of privatisation there was a pressure towards privatizing some of the state owned enterprises. This pressure became more prominent after adoption of radical reform measures and the model of neoliberal reform agenda based on Washington Consensus, privatisation and disinvestment became important policy concerns.

Initially, at the time of independence most of the banks and insurance companies were under private ownership. It catered to the financial needs of a very select section of the community. Many in the society had practically no access to services and products of banks and insurance. To cater to the growing needs of small scale industries, small businesses and non-metropolitan urban consumers Government of India in 1955 took over the ownership of Imperial Bank of India and formed it as “State Bank of India”. Because of various scams, life insurance companies were taken over by Government of India in India and were made into Life Insurance Corporation of India. Efforts were made to make banking and insurance products and services more easily available for all, but all efforts for social control to regulate flow of credit so as to finance agriculture, small industries, small entrepreneurs and others did not produce any significant results. Major private sector banks were therefore nationalised in 1969 (14 Banks) and later on in 1980 another six private banks were nationalised. Thus, by 1980 significant section of financial institutions were brought under public ownership.

However, from the outset certain groups of people, academicians, economists, businessmen, bureaucrats and political leaders were advocates of private ownership of state enterprises, they were keen that state should withdraw from business / economic activities. Moreover, it was

felt that by selling state owned enterprises government's fiscal problems would improve considerably. There was a consistent clamour for privatizing nationalised banks to improve their productivity and efficiency. In spite of all these, there has been no real progress towards privatisation of nationalised banks. However the clamour continues and the pressure (relentless) for privatisation creates unnecessary and dysfunctional uncertainties in the minds of executives and employees of these institutions. It is therefore necessary to examine in depth the conceptual logic for and against privatisation in general and privatisation of banks and financial institutions. We should also examine the available empirical evidence in various countries, on the basis of all these we should arrive at firm conclusions for guiding policies in the future.

In his excellent research study Prof. T. T. Rammohan has examined all these aspects. We shall learn from his research and also our own experiences in this respect (Rammohan, 2005).

Initially privatisation in India was advocated because it was felt that private sector organisations perform in a superior manner in terms of productivity, overall efficiency of resource use and thereby enjoys higher level of profitability. However no systematic study has been conducted to establish the validity of above assertions. On the other hand in India general public have not viewed with favour idea of selling profitable state-owned enterprises to bolster profits of private businessmen. Generally, business class had not been considered very responsible and were considered as unethical and greedy.

State owned enterprises had several objectives to be fulfilled apart from earning reasonable financial returns on investment made. Removal of interregional disparities, ensuring locational balance and also acting as a model employer were some of the objectives well recognised by all and SOEs performed quite well on all these considerations. However, Central Governments started realising more pressures in its public finances. At that stage, it was felt that ensuring better financial returns on investments made in public sector enterprises would considerably ease financial problems of the Central Government. Thus, in addition public purposes, there was a

renewed focus on improving returns on investment and therefore idea was to get more financial returns out of the existing State-Owned Enterprises rather than making fresh investments.

Better performing state owned enterprises (NAVRATNAS and Mini NAVRATNAS) must not only contribute to more dividends but they must contribute more to the exchequer. Quite clearly this could only happen if government decided to sell some of its shares in SOEs to private individuals or businessmen. This was the main motivation of 'disinvestment'. To many this policy of disinvestment was equivalent to selling family silver to overcome a difficult crisis. This principle had no conceptual foundation and was not a sustainable strategy. It is a policy of desperation. Thus efficiency argument not always valid, the argument in favour of dilution of ownership to bridge financial deficits is clearly non sustainable in the long run.

Towards the end of 1990's persons and groups in favour of privatisation came out with a strong ideological argument. It was stressed that governments getting involved in running commercial and business units were inconsistent with the basic role of the government which was to focus in providing social and physical infrastructure. Running of business and commercial units should better be left with the private sector. This argument was not that performances of the public sector was not as good or better than similar activities in the private sector, but argument was that the state should not be involved in such activities in the first place. Again this argument is not very weighty. There were sectors in business activity where there was need for investments, but no private investment was flowing in and state had to step in to fulfill the void. The argument above creates the most disproportionate and unequal development of economic activities. So here again the argument in favour of state withdrawing from all business activities, have to be carefully assessed taking various factors into consideration.

Case of privatisation was built with the so-called success of privatisation in UK. In effect the success of privatisation in UK is unduly over advertised. In fact privatisation in UK apart from telecommunication not a pure, unmixed blessing.



Privatisation of telecommunication sector was a great success but as studies after studies prove such success was more due to technological innovations than due to change in ownerships.

Empirical studies in various countries do not conclusively prove that private sector organisations perform better than similar organisations in the state sector.

As Prof. T. T. Rammohan observes any sweeping generalization based on a few isolated instances of success is simply not acceptable. Impact of privatisation on developing economies and emerging markets is much less convincing compared to impacts made in developed countries.

The entire stress is on the flawed assumption that private ownership will automatically provide for superior performance under every condition. Existence of a strong financial market and an effective legal system are essential conditions for success of privatisation efforts. In developing countries in most cases capital market is not well developed, and the legal system is not quite upto the mark. As a result, in such situations experiments on privatisation are very unlikely to be successful.

Thus, on a primary examination there is no conceptual and empirical evidence to prove that privatisation is superior to state ownership. We can reexamine them further towards the end of this section.

Let us now specifically examine the case for and against privatisation of Public Sector Banks in India. We have already discussed that nationalisation of major private sector banks was absolutely essential to ensure equitable flow of credit and ensure harmonious development of the economy and as private sector banks did not (even after repeated efforts by the government) fulfill the role of inclusive development of banking, the state was left with no other alternative and had to take over the ownership of banks. From the date of first phase of nationalisation, there were a demand for privatisation of nationalised banks either fully or partially (through government, diluting ownership stake).

The demand for privatisation became more strident after the neoliberal economic reform of

1991. The demand for privatisation were based on the following assumptions.

**(a) Private sector banks are more productive and therefore will perform better in the emerging competitive world.**

**(b) Private banks have better quality assets and therefore they would not require taxpayers funds for bailing them out.**

**(c) Private sector banks can achieve better benefits by employing available technological innovations. (d) Private banks can operate independently and autonomously without being influenced by government bureaucracy.**

**(e) In case of private banks all credit allocation will be based on scientific analysis of risk and relevant commercial considerations without being influenced by political and other considerations.**

**(f) Private sector banks have a clear business goal and can therefore act in an effective manner for achieving the goals.**

**(g) Remuneration of executives of private sector banks are linked to performance and thus better performance is adequately incentivized. This helps in achieving sustained growth in efficiency and effectiveness.**

**(h) Performance of private banks are assessed by the board and any failure to achieve result is punished by the market. Markets act as disciplinary factor without affecting 'innovativeness, experimentations and creativity'.**

We shall examine all these aspects and assess their validity in case of Indian Private and Public Sector Banks.

We have repeatedly examined the claim of improved productivity and better efficiency of private sector banks in comparison to PSBs. However there was no conclusive evidence were found to validate these perceptions. Based on standard measures of productivity and efficiency PSBs on average are as productive and efficient (if not better under certain conditions) as private sector banks. Moreover in the first two decades after nationalisation of major private banks in 1969, PSBs were eminently successful in achieving various developmental and social goals

(like expansion of branch network throughout the length and breadth of the country, achieving high levels of deposit growth, creating awareness of need for adopting banking habits particularly in rural and semi-urban areas). In addition what change was not achieved through social control policy, by means of nationalisation of banks that change was achieved. That change was the fundamental change of flow and structure of credit for inclusive development of productive economic activities throughout the country. This structural change of credit allocation in the desirable direction was a major achievement by PSBs which could not be achieved by Private Banks. (Rammohan 2005, Bhattacharjee et al 1997).

Recently clamour for privatisation had been based on the argument that the inefficient risk management and bad governance strategies of PSBs have created the most difficult 'NonPerforming Assets' problem. Private Sector Banks are much better placed in respect of NPA problem. Thus Nayak Committee claimed that this was due to public ownerships of PSBs. Quite clearly this was a flawed logic. NPA problem of PSBs had nothing to do with ownership issue.

It has to be realised that the Indian Economic Boom of 2004 – 2008 was primarily driven by private investments especially private investment in infrastructural project. The investment fund for such investments were mainly given by PSBs and this resulted in the accelerated growth of Indian Economy to about 9 percent.

Now during this period private banks took very little loan exposure in infrastructural projects. They shifted their loaning activities to less risky opportunities, which were plentifully available in India. However, the accelerated growth would not have taken place without investment in infrastructure. This was the structural flaw of Indian economic environment and PSBs were bold enough to come forward to bridge the gap by extending most essential and beneficial lending for the economy. PSBs NPA arising out of such lending cannot be attributed to their inadequate risk management or project management capability. Structural flaws of the economy cannot be attributed to PSBs. Thus, to argue that asset quality of PSBs are of inferior quality compared to Private Bank is quite erroneous as private banks

did not allocate their credit where the need was most relevant.

While comparing performance of PSBs and Private Banks during last 3/4 years the points mentioned above should be kept in mind.

In fact, it may be worth mentioning that deterioration of performance of PSBs in the field of NPA management cannot anyway take away the attention from the basic trend towards improved performance in all areas by PSBs during the major part of the post reform period (Rammohan 2013, Sridhar 2016). Third point about utilization of technology does not merit any discussion. All banks whether public or private have upgraded their technology to comparable levels. It is felt that PSBs are better equipped to use technology more innovatively, provided they devote allocation to demand driven creative innovation as against supply driven adaptive innovations practiced both by Private Sector Banks and PSBs.

The idea that private banks are more independent and more professionally administered is not always true. Owners often vitiate professional decision making. Further to assume that private banks and private owners cannot be influenced by influential powerful bureaucrats and crafty politicians is quite erroneous. What we stated so far in respect of (d) is also relevant in case of (e). Private bankers decisions can also be influenced by powerful bureaucrats and crafty politician. In fact in case of private banks such influences operate more smoothly as hiring and firing in private organisations are relatively easy compared to public sector jobs.

In case of PSBs professionalism and adherence to ethical decision making is quite possible against bureaucratic pressures and political interference. In public sector honest banker working sincerely can tackle the menace of illegitimate pressure by bureaucrats and political masters. However, if the pressure is legitimate and genuinely needed for the good of the society, such pressures should be welcome.

Here again the ownership is not the issue, but bank executives (whether Private / Public Sector employment) behave is the issue. If executives work professionally, ethically and honestly all undue pressures can be avoided through collective action of professional bank executives.

Here again there is no case for privatisation for inculcating professionalism.

The idea expressed in (f) in support of privatisation strikes at the very root of role of banking and finance. As stressed by Shiller banking and finance have multiple roles to fulfil. Basically banking and finance must work to achieve multiple goals in their roles of stewardships of society's assets. Activities of Banks must be directed towards (a) democratizing banking, (b) promoting freedom and prosperity in an inclusive fashion (c) promoting equality, and (d) ensuring economic security. Thus modern-day banking cannot and should not be guided by sole goal of maximization of profit. There is absolutely nothing in Banking and Financial theory that says that banks and financial institutions should be solely focused on making money (maximizing profit) to the exclusion of all other goals mentioned above (Shiller 2010).

In a multi criteria decision making focus should be on 'inclusive' development of the society. In that case Public Sector Banks are better equipped to use Banking and Finance for the good of the society.

The argument that because private banks have flexibility in rewarding their top leaders based on performance, these banks can attract and retain better talent and adequately incentivize better performance. This point requires some in-depth examination. At the outset, it must be stressed that the links between high remuneration coupled with high powered financial incentives are not well established. Often financial rewards may not be reflective of the performance of the executive in highly competitive markets but may be due to the power and influences those executives exert in the board room.

In fact, more often than not high-powered financial incentives may act as generators of perverse incentives that encourage high illogical risk taking. Scale of such risk taking can be quite large and on failure can result into destroying the organisation.

Time has come to completely rethink and reexamine the efficacy of pecuniary incentives. We should deemphasize pecuniary incentives and consider the incentive system more broadly where pecuniary incentive should be a part of the total package of incentives that include both pecuniary and nonpecuniary incentives. Considering the

remuneration and incentive question in this integrated fashion, it may be quite clear in such situation public sector organisation may not be under any serious disadvantage. Remuneration (financial) + other facilities (financial and nonfinancial), job security, postretirement benefits, social esteem all taken together PSBs executives are not really at a great disadvantage. The point under (h) stresses the importance of market in disciplining Private Sector Banks. It must be understood that in case of large corporations and large private banks (even in developed capital markets), markets control and ability to discipline the errant behaviour appeared to be rather weak. In case of developing and emerging markets where the capital markets are not that well developed, to expect market to discipline large corporations and large banks is quite flawed.

Quite clearly, when we consider private sector organisations as superior in performance over organisations under public ownership, we take it for granted that organisations are working under a highly competitive market and there is a highly efficient market. In case of most developing countries these assumptions do not hold. Further in case of India many large private corporations are family managed businesses with large shareholdings. Many state enterprises may have varying degree of institutional and retail shareholding. Thus to classify private sector as superior to public sector on conceptual and theoretical grounds would not be proper. Our empirical experience suggests that there are efficient Public Sector organisations and some of these perform equally efficiently (if not better) compared to efficient private sector organisations. As we have explained and argued earlier Indian PSBs, have performed quite well and efficiency / productivity wise they compare very favorably with good efficient Private Banks.

Recently those who are in favour of privatisation have started arguing that PSBs are periodically suffering from NPA problem because of their bad and incompetent risk and credit management and taxpayer money is used to recapitalize them from time to time. This according to them is clearly not acceptable because common public is being penalised because of the inherent inefficiency of PSBs. Again this question requires unbiased



examination. We have already discussed the issue while discussing recapitalisation. Some of the important points are worth reiterating in order to make our discussion on “privatisation” complete. Supporters of privatisation consider PSBs as inefficient and corrupt. They periodically require tax-payers money to bail them out. So they along with established media (both electronic and print) suggest that PSBs have to be reformed and the most effective cure of all ills of PSBs is privatisation. Contrary to the prevalent narrative by supporters of privatisation including mainstream media, PSBs have been found to be equally efficient performer (if not better) compared to similarly placed private banks. Moreover as we have observed after Great Financial Crisis of 2008 that the losses arising out of failures of banks (mostly in private sector) ultimately became an urgent social obligation to be fulfilled by tax-payers money irrespective of ownership structures of such banks. In India also many banks in the private sector during difficult time were either bailed out through merger with an efficient public sector bank or through other methods of bail out by using tax-payers money. This is universally true. We have seen that Korean Banks in late 1990's and Japanese Banks in the late 1980's which happened before 2008 were also rescued by using tax-payers money. Thus the private losses were socialized. Thus we find that Banking losses (whether banks are private sector or under public ownership) generally always tend to be nationalised. In view of this there is little merit in the argument of making profit private. Thus the logic of having banks in the private sector becomes very tenuous. For supporters of privatisation who have unshakable faith (without giving attention to facts and reality) in efficiency and effectiveness of private ownership such process of nationalisation of losses and privatizing profit may be viewed as bold reform; to the common public this proposition would be really difficult to sell and therefore would be unacceptable politically. Thus, we find that most of the arguments in support of privatisation cannot be logically justified, such arguments have little economic validity further it is politically likely to be unpopular. (Mukherjee 2018, Rammohan 2016). Off late, supporters of privatisation argued that justification of nationalisation of private banks to ensure democratisation of banking and helping

banks to spread throughout the length and breadth of the country have been accomplished by now and therefore the remaining work of financial inclusion can be effectively achieved by Micro Finance Institutions, NBFCs and Small Finance Banks. Therefore nationalised banks are no longer required, and they should be privatised to make them more productive and efficient. Such arguments again miss the basic point. Under no condition performance data of PSBs support the assertion that these banks are less efficient than private sector banks. Regarding 'financial inclusion' being done by MFI / NBFCs and Small Private Banks they tend to ignore the basic purpose of 'financial inclusion'. Basic objective of financial inclusion is to ensure inclusive socio-economic development of all households especially poor, marginalized households. To make them economically self-reliant on a sustainable basis there has to be constant handholding so that every household become revenue generating and capable of repayment of loan obligation. MFIs disburse loans and ensure recovery but is seldom get involved in ensuring help and continuous assistance in making their economic activities a reasonable success. The 'originate and sell' model as practiced by these Institutions cannot in effect produce such result. It is therefore essential that nationalised banks (PSBs) must be responsible to coordinate all activities undertaken by MFIs, NBFCs and Small Private Banks. Involvement and commitment are essential for success of 'financial inclusion' programme. This can only be achieved by PSBs. It is essential that we should stop creating avoidable confusion in this matter.

We have tried to discuss the merits of privatisation in general and privatisation of public sector banks in India in particular.

Prof. Rammohan after exhaustive studies including studies on performance based on input – output quantity has come to the conclusion that study results did not enable researchers to sustain the proposition that efficiency was lower in PSBs compared to private and foreign banks. Further, privatisation has produced poor result in many cases.

There are two more factor that should be considered in case of PSBs of India. The Indian

experience uptill now provide some convincing ground in support of the proposition that public (government) ownership helps in arriving at a meaningful trade-off between stability and efficiency in banking at the same time being able to meet social objectives (Beirn and Colomeris, 2001).

Globally it was found that after liberalisation a situation was created that exposed the banking system suddenly to a certain rush of foreign capital. This in its turn triggered a lending boom. This boom was not long lasting, it subsequently collapsed. (World Bank, 1997).

It is important to note while the above was true in most cases, in case of India this was not true. India is a atypical example in this case. Public ownership of banks in India was the main factor. It is indeed quite remarkable to note that even after some years of liberalisation Indian banking sector was not facing any issues and was quite stable.

The high probability of financial crisis normally associated in case of post financial liberalisation was not valid in case of Indian Banking System, because its majority of public ownership provided both stability and efficiency to the banking system (Demirguc and Detragiache 1999).

It must be acknowledged that the most striking aspect of Indian Banking System is that even after two decades of deregulation, the banking system remained relatively free from any serious crisis, though recently there is some evidence of stresses.

Government ownership ensures confidence of the public regarding the safety of their hard-earned savings. This fact acts as a stabilizing factor in times of broader economic distress. This also helps as a stabilizing factor when public sector banks are in a stressed situation.

Thus, we have clearly established there is no valid case for advocating of even divestment and dilution of ownership state for Indian Public Sector Banks. To remove all confusions and raising the bogey of privatisation thereby creating uncertainty, it is essential to make a simple policy statement, which clearly commits the state to adhere steadily (without any vacillation) to the complete public ownership at least for next 10 years. This will help PSBs without being disturbed by extraneous

conditions like threat of privatisation / divestment, to concentrate on the activities to meet the socio-economic goals as enunciated at time of nationalisation of 1969.

While there is very little justification in privatizing existing PSBs, in view of the recent experiences after Global Financial Crisis of 2008 there is a strong and valid case of bringing the entire banking and financial system under public ownership.

Today banks are becoming large and complex in character. Banks are important socio-economic institutions and failure of banks can have contagion effect resulting in the failure of the system. No responsible state can allow this to happen. This gives rise to the basic concept of "Too Big to Fail" (TBTF). This basically means that the society (state as representative of society) has to socialize risks of banking and financial system. Quite clearly it points out to the fact that if we have to socialize the risks of the financial system, it is only proper, just and fair that we should be prepared to socialize control and management of the banking and financial system.

Case for nationalisation of Banking and Financial System.

So far we have discussed why idea of privatisation of public sector banks to solve some of their problems (mainly bad assets or NPA) is a bad idea, having no factual basis and logic. We have also found that even at efficiency comparison PSBs have performed equally well. Thus debate regarding privatisation of PSBs should end and in effect a time has come particularly after the devastating experience of Great Financial Crisis of 2008, to critically examine the proposition that entire banking and financial system should be under democratic social control of the state and in achieving that goal public ownership of banks and financial institutions will be made desirable. We shall in this sub section discuss this proposition in further details.

Historically over the years banking has evolved as a public utility service. There was constant effort towards democratizing banking thereby stretching banking away from its original role of meeting the financial needs of the wealthy and influential groups of the community. From this role banks are democratizing their role and are making serious



efforts to serve all in an inclusive fashion. This initiative is clearly indicative of the fundamental role of finance and banking in the stewardship of society's assets. (Shiller, 2008).

However, experience clearly suggests that profit maximization business model of private banks make them quite deficient in performing the role of serving society's financial and banking needs in an inclusive, just, fair and equitable way.

After the Great Financial Crisis of 2008, Banks in UK and Europe were saved from total meltdown by state takeover (temporary nationalisation for a limited period). In case of USA it was a backdoor takeover of major banks and financial institutions. In all these cases this was nothing but a desperate attempt to restrict financial meltdown of private players. These private players enjoyed unfettered freedom to pursue profits through any means (including speculation) to the exclusion of all other goals. Analysis of history clearly suggests that the private banks and financial institutions are fundamentally fragile and create periodic instability and crisis. Conceptually it is quite clear that accumulation of risks and creation of a financial / economic crisis is inevitable in a private led deregulated financial and banking system. This happens because all these institutions give more stress on short termism, practice the business model of profit maximization and often in pursuit of profit tend to throw caution to wind, increases their risk appetite to an unsustainable level and also tend to neglect ethical considerations for sake of profit. These things tend to increase fragility and volatility and ultimately result in a major crisis if allowed unchecked. It may be appropriate to explain these a bit more. We have stressed that private ownership encourages shortertermism. Shortertermism basically means that executives managers responsible for making decisions regarding, investment and other financial decisions may have a tendency to under invest in long gestation projects which are likely to be highly profitable and productive in the long run.

Simultaneously, there is likely to be a trend towards underinvestment in activities related to improvement of productivity and in improvement of skill and relevant knowledge of employers to effectively deal with emerging challenges. Thus, with these there may be an undue urge towards

overinvestment in projects and activities that generate high short-term profits but may also have large possibilities of large, long run risks of losses. It is unfortunate that incentive system of top executives is linked to short term performance which encourages taking unsustainable risk which may prove disastrous for the institution in the long run. Because of the proneness to periodic crisis in case of private banking and financial system (which tend to extract heavy cost periodically) it is felt in certain circles that private banking and financial system perhaps was more costly to capitalism than it was worth (Aldo et al, 2016).

Private banking system after GFC of 2008 was nationalised and was nurtured back to health, but again there is a trend towards moving through a system of new financial innovation that will inflate finance and its products without having any link with the real economy. We have already mentioned that the incentive system encouraged undue risk taking. Thus what was meant to incentivize better performance became an incentive to speculate. Pursuit of more and more profit not only encourages speculation, but it also drives credit growth to unsustainable levels.

The allocation of credit and flow of credit tend to increase the inequality of the system. A small proportion of the population corners more and more of the national income – aggregate demand stands to decrease; under such conditions it is necessary that credit can be used as an instrument to influence growth. Thus, we have an unequal society which becomes credit intensive and the system tends to become increasingly unstable (Turner, 2016).

Thus, excess credit need to be curbed to tackle inequality (even if partially). It is essential that credit should go to right sector in right amount, it must not be skewed towards certain sector or regions (say real estate or largely developed regions). Credit needs for underdeveloped sectors and regions must be met. This will improve demand, increase welfare, and reduce inequality.

In fact Global Banking Crisis of 2008 puts a significant question mark on the claim by Neo-liberal groups that liberalizing markets will ultimately lift all boats simultaneously meaning; that liberalisation will bring prosperity to all in an inclusive fashion and as a corollary they argue that

introduction of dominant market principles in public services will make all such services more efficient and effective. Further, it is stressed that financial regulation and new financial innovation will enhance economic stability by optimally spreading risk. It is also claimed dependence on market will help in spread of democracy, freedom and equality. All these claims in reality have been found without any validity. Many of the claims are mutually contradicting and in real practice without any validity. Moreover it was felt that various norms, guidelines, capital adequacy ratios etc., will ensure stability and avoid recurrence of crisis. In practice these have not been very effective in checking the crisis. The problem therefore is more fundamental. In case of capital adequate, risk weight, assesses risk to the bank but the weights do not reflect social costs involved. The present trend suggests that finance and banking is rapidly becoming no more than high flying speculation. Such speculations are generally wasteful and of course unsustainable in the long run. These observations are valid for banking in western Developed Countries dominated by models followed by USA. India has a substantial part of banking under public ownership and had not faced the problems arising out of the crisis to a large extent. But even here there is a growing trend, towards following western US dominated model of banking.

As we have observed in this section, following USA and models of banking and finance as prescribed by developed western countries will be detrimental to long term growth and development. It will also not be conducive to financial stability and sustainability. If these observations are valid then there is a fundamental question that we must seek answer to. The question is “What is the alternative system that we have in mind and how do we implement the same under the present conditions of dominant neo-liberalism”. To start with to search for alternative, we must constructively reformulate the roles of banking and finance.

Banking is a 'public utility' service and as demanded by Unions of Bank Employees and Officers associations of Banks in India access to banking services and products should be recognised as fundamental right of all citizens. This will help in making bank 'inclusive' in true

sense of the term. Our discussions so far have clearly demonstrated that private ownership of banks may inevitably generate problems of instability. There is an urgent need for a democratic agenda of reform of banking and finance. This democratic reform agenda must examine the case for extra market governance over banking and finance, simultaneously it must examine the need for scaling back governance of finance over markets. Banking and finance must act more responsibly in the business of pooling savings of the community, spreading risk and ensuring appropriate investment in real economy as per need (no over investment or under investment).

Today the concept of “Too Big to Fail (TBTF)”, moral hazard and characteristics of 'public goals' in connection with banking and finance are being widely discussed and debated. In fact, there is an environment, that is supportive of the view that banking is a public utility. In view of this, it is legitimate to think (as many banking unions with AIBEA as leader) that as banking system is basically a public resource, it should be brought under democratic control of the state. This has assumed urgency because of the need to break the inadequately increasing power and influence of finance capital over the rest of the economy. It is true that in India (thanks to the presence of dominant share of PSBs) the influence of finance capital has not yet become that dominant. However, we must admit that there is a discernible trend in that direction. It will therefore be pertinent and appropriate to examine the validity of the suggestions of bringing the rest of the banking sector (exclusive of foreign banks) under public ownership and control.

It is suggested that a high-power committee of experts and policy makers should examine this suggestion in detail, of course, we may require a mix of banking and financial institutions – general purpose commercial banks, along with more specialized financial institutions dealing with long term project funding for infrastructure, housing projects for ecologically sustainable energy transformation (green transformation). These institutions collectively will cater for social and economic needs for all.

The basic idea is to focus on primary social and

economic activities placing the most basic and essential needs of the people (country as a whole) and the environment over earning profit.

If the economy is passing through a stagnation phase, the solution clearly lies in providing more jobs for the unemployed and underemployed and food for the hungry and reasonable decent housing for the homeless. These along with appropriate health care facilities combined with opportunities and access to decent education and skill improvement programmes should be a part of the democratic development agenda to be supported by the catalyst action of formal credit wherever needed.

In the future scenario all these need to be done on an environmentally sustainable basis. Banks under public ownership hopefully are better equipped to fulfill these roles compared to profit oriented, short term dominated strategy led private banking and financial institutions.

Under democratic state control banks and financial institutions will be guided by an urge to achieve important public purposes. To illustrate we have briefly mentioned a few of these public purposes. Nation's savings should be optimally allocated to achieve all the above and other human and community objectives. Achievement of such goals should be the highest priority by allocating equitably the nation's surplus. The idea would be to achieve harmonious, equitable socio-economic development for all and there will be no disparities based on sector, caste, religion, region, gender etc.

The urge for maximizing profit by allocating credit in more profitable projects in the short term must be curbed in deciding optimal credit allocation, sectorwise, regionwise and purposewise.

Public ownership will not be supportive of the view that encourages profit maximization principle thereby helping the principle of infinite accumulation for the benefit of very few. These principles will increase 'inequality' to unsustainable level thereby encouraging dysfunctional social tensions. Public ownership of banks and financial institutions must therefore replace the above policies by policies that attempts to give 'enough for all' extending the reach to entire community.

We are thus advocating transforming the whole financial sector as 'public utility' under public ownership. The expert committee may like to examine the usefulness of this suggestion.

In this connection following remarks by William Butler, a former member of Bank of England's Monetary Committee of UK may be worth noting – (Butler, 2016). He wanted to transform the whole financial sector into a public utility. “There is a long-standing argument that there is no real case for private ownership of deposit taking banking institutions because these cannot exist safely without deposit guarantee and / or lender of last resort facilities that are ultimately underwritten by the tax payer. The argument that financial intermediation cannot be entrusted to the private sector can now be extended to include the new transaction-oriented capital marketbased forms of financial capitalism. From financialisation of the economy to the socialization of finance. A small step for the lawyers, a huge step for mankind.”

It will now be pertinent to list the main benefits of public ownership of financial sector as a whole and of banking sector. It must be emphasized that public ownership is not enough. If PSBs follow the same business model and processes of private banks, public ownership will be useless. We require public purpose oriented transformative business model and processes for being increasingly relevant for the economy.

Public ownership enhances public confidence in the safety of the deposits. This is a stabilizing factor at the time of crisis.

PSBs perform as well if not better in traditional banking activities. However these banks are more stable. Public ownership therefore helps in striking a proper balance between stability and efficiency.

Public sector banks are under constant vigilance and therefore comparatively less prone to malfeasance.

In difficult times it is difficult for private banks to infuse capital. However, state can infuse capital into public sector banks from its budget. This helps as a source of stability.

Public ownership facilitates subordinating profit motive to fulfilling socio-economic objectives. It helps in cross subsidization, which in turn allows public owned banks to direct credit despite higher



transaction and risk costs to targeted sectors and to disadvantaged sectors of the community at differential interest rates based on the principle of what the traffic can bear. This helps growth of inclusive finance and significant reduction in financial exclusion.

In fact government can use public sector banks as lever to dynamically propel its development efforts. State can play a positive constructive role in influencing the process of financial intermediation. Here, care must be taken to avoid bureaucratic control by the state and allowing the bank executives to take appropriate decision that is professional, ethical and just. State only plays a facilitator's role.

As we have stressed again and again, the multifaceted roles of public sector banks allow the banks to formulate policies aimed at preventing fragility that help in warding off failures and combining such policies with policies aimed at achieving broad based inclusive development of the community.

Directed credit at differential interest rate can lead to productive economic activities in chosen sectors, regions, segments of the population. It is possible for public sector banks to design strategies to build a financial structure in anticipation of real growth of economic activities in undeveloped, underdeveloped, unbanked and underbanked regions of the country. Thus public ownership helps in undertaking effective "supply leading role".

On a more basic way public ownership of banking and finance tends to alter the institutional foundation of power.

It results in socialization of finance thereby shifting the balance of power in society.

It must be mentioned here that making banking a public utility would require democratisation of the broader economy and the state. Planned credit allocation and distribution along with differential interest rates may sound as moves towards bureaucratic control by the state. This tendency must be checked at all costs. Planning must be decentralized and more participative and should be as a process of social mobilisation and not for narrow political and electoral gains. Various institutions like DCC, SLBC, Lead District Plan are

already in place. If in addition, we have a committed public sector banking coordinating and cooperating the various actors in the integrated network of multilevel planning and action. We are most likely to achieve our various goals of sustainable and inclusive development.

Technology should be used to innovate products and services that are more transparent and thereby helping the customer in assessing proper risk.

In India, based on our discussion so far, we have strong case for further nationalisation of private banks and finance institutions. Policy makers must deliberate on this option. However, no confusion should be created and focus on development objectives shifted by periodic talk of privatisation. Privatisation no longer merits any further debate.

## **DEMOCRATIZING AND REFORMING MANAGEMENT AND DECISION MAKING PROCESSES AND PRACTICES IN INDIAN PUBLIC SECTOR BANKS.**

Our discussion of evolution of Nationalised Banking over the period of last 5 decades clearly bring out the basic fact that employees, officers and staff of Public Sector Banks did reasonably efficiently and effectively perform in delivering on the socio-economic objectives as specified at the time of Nationalisation. However, it is painful to note that in spite of these remarkable achievements, in many economically and politically influential levels there is very scant appreciation of this performance. Instead after liberalisation of 1991, there was a trend towards denigrating the roles played by the Public Sector Banks. Staff, Officers, and employees of PSBs were treated as main culprits in the so called bad / under performance of Public Sector Banks. Many claimed that PSB employees were paid relatively high wage in spite of their low productivity. Further, these groups also claimed that most of the PSBs suffered from over manning, low levels of profit and very low levels of productivity. Therefore bold steps towards large scale downsizing were advocated as a solution. Further, with the advent of IT, there would be significant reduction of staff to make investment in technological upgradation useful. As we have seen in our detailed reviews most of these views are not valid and would not be able to stand the scrutiny of the objective analysis

of data on performance of PSBs. It is this mindset that suggested reform measures without treating employees, officers, and staff as partners in the decision-making process and in their implementation in practice. They treated them as main targets of reform.

This situation created two significant consequences: -

(i) An adversarial environment was created in every bank where decision making and implementation of decisions so made were never objective and smooth. Efficiency and effectiveness of the organisation suffered as a result.

(j) Mutual trust between different members of the organisation was lost and team spirit, involvement and motivation suffered as a result.

Employees Unions and Officers associations objected to proposed reform measures. Management / Executives did not attach much importance to their views, results were therefore not as per expectations as wholehearted support of the organisation was not available.

We require a fundamental reform to change this. Banks are social and economic institutions, and it has to work for the good of the society. It must earn a surplus to sustain itself (profit) but it is just one of the objectives among the many goals that banks as institutions are called upon to fulfil. Using public funds most effectively for benefit of the public in general and for the poor and marginalized are the predominant objectives to be achieved by Public Sector Banks. This cannot be achieved in a satisfactory manner unless the entire organisation works as a well organised team with a focus to fulfil public purpose with complete professional commitment by all (employees, staff, officers, executives, top management, policy makers, others). This calls for restoration of trust at all levels, ensuring participative decision making, belief in interdependence, learning from each other and helping each other in a synergetic fashion to achieve the goals.

In short, we require democratizing the decision-making process of banks at various levels of decision making.

At one stage, it was expected that as major stake holder's employees should be legitimately

consulted or would be taken into confidence about the contemplated changes in the Banking Industry. However, in reality such consultation never took place because of the Executive's mindset described earlier and large trust deficits that exist between Unions and Management, there is no faith in a consultative process. Thus, the model followed is command and compliance. Decisions are made at the top and pushed down the line through hierarchical power of authority and command. This model is dysfunctional and bound to create strong resentment and dissonance that simply act against synergetic team spirit!

Two reform measures are needed in this connection:

Democratizing Decision making processes at various levels.

Formalizing the processes and systems of consultation among various stake holders.

Let us examine the first reform measures: -

Democracy suggests equal participation by all. Everyone is treated as equal and with due respect. Different people have different experiences and perspectives. In understanding various aspects of a complex issue confronting us, it is necessary to have the patience to hear attentively views and perspectives of different groups involved and in arriving at a reasonable, agreed consensus that takes care of all concerns, and the solution is enriched by the richness of information possessed by different individuals and by their experiences and perspectives. This is the process of consultative dialogue. In a democratic decision-making process it is necessary not to have debate on issues, where we have winners and losers instead, we should have joint exploration of the issues based on different perspectives, so that the issues are formulated taking all aspects into considerations. Process of dialogue requires careful listening of views of others and having faith and trust in such views. This mutuality is important. For proper commitments and success we require complete understanding of each other's viewpoint and efforts are made to enrich the final solution through constructive deliberations where various solution options are weighted and deliberated through logical reasoning. The process of dialogue and deliberation are essential aspects of participative decision making in democratic way.



(Moir, 2007, 2017).

Dialogue and deliberations are the important softwares of democratic processes in decision making and management in organisational context. It must be understood that democratic culture in any organisation can only thrive in the constant and continuous processes of interaction. In these interactions main aspect is to have patience to listen respectfully and with due seriousness other people's views and to reflect on them constructively. Along with respectful reflection on other people's views, perspectives and experiences which may be quite different and opposite one should be able to offer one's own perspectives, experiences and views to arrive at a constructive consensus acceptable to all.

In a genuine dialogue it may be possible to arrive at a common truth resulting from a shared vision and a solution which is accepted through consensus. Thus, this process of dialogue and deliberations is truly synergistic, and this principle of dialogue applied appropriately will create an organisational capability of collaborative decision making. Such decisions are likely to be better implemented because everyone is involved and committed in making such a process a success.

As explained earlier, dialogue is not for process of judging and assessing or decision making. Dialogue is meant to dispel stereotypes and dysfunctional conventions. Dialogues help in building trust and enables people to open their minds (without any bias) to different opinions, perspectives and experiences which are quite contradictory to their own. It is this process of respectful and trustful listening that makes dialogues unique and totally different from a good debate. In a debate there is a winner and a loser, and somebody's opinions are rejected. In a dialogue everybody's perspectives are treated with equal importance and an integrated synergistic picture of the truthful solution is presented (such a picture is acceptable to all concerned).

Deliberations as a related process. Deliberations promote critical reasoning and logical arguments that may help in making decisions in a situation specified by dialogic processes.

Such a decision-making process by its very nature is participative. Here the decision making is not

influenced by hierarchy, power, command and coercion. In this process stress is on critical examination of facts and various arguments for and against in case of different options. In such cases decisions are arrived after analysis and synthesis of various beneficial and non-beneficial consequences of various options available and selecting the option that is best for all under the given conditions and likely future conditions.

The process presupposes trust and mutual understanding and respect. Trust and mutuality are developed during the dialogic process.

It may be proper to mention here that we require to improve the quality of organisational decision making. It is our case that democratizing the process through active participation of all concerned via constructive dialogue and deliberation we will achieve significant improvement in the overall effectiveness and quality of organisational decision making. This moving from hierarchical power-based decision making to participative, democratic, dialogue and deliberative decision making is very important for future excellence of organisational performance.

However beneficial participative and democratic management maybe it will be quite difficult to introduce such democratic culture in organisation with deep seated belief in hierarchical power, bureaucracy and command and compliance cultures.

Best way to introduce such fundamental changes in management and decision-making culture, must be to start with making planning process more participative. Once participative planning process is internalized in all levels of organisation, more radical changes in all types of decisions and processes where democratic principles of participation, equality, trust, mutuality are given precedence can be introduced.

In case of Public Sector Banks after nationalisation of 1969 a system of bottom-up planning process was introduced first in State Bank of India and later in Bank of Baroda. Performance Planning and Budgeting system was introduced in 1972 in these two Banks. Later, after 1975, Performance Planning and Budgeting System was introduced by all Public Sector Banks. In fact some private sector banks also introduced this system. Performance Planning and Budgeting system

became an integral part of annual corporate planning process. Later this process was further strengthened through introduction of Long-Term Planning processes. Today most of the PSBs have such planning system. Technical qualities of plan documents produced are quite good, but the processes of such planning are flawed and lack in commitment and participation of all concerned. The entire exercise has tended to become routine and non-inspiring. As we have explained the process advocated initially was bottom up and participative. It was felt that subjective and objective analysis and synthesis of environment should be done by all concerned at different levels, so that different views, perspectives, and visions of the future can be synergistically integrated, and a consensual vision can be arrived at. Such a planning process will be highly effective where all employees, officers and executives actively participate in understanding the future and in specifying business strategies that would fit with the consensual vision of all. This will ensure commitment and success of the planning process.

The process is a process of organisational mobilization. It synergistically mobilizes all talents, perspectives and experiences **of --- employees**, subject experts and specialist in creating a coherent and effective strategy for excellence and growth of the organisation.

Once this participative democratic process is internalized in PSBs, we shall then be able to extend the democratic process in all areas and levels.

Let us understand the basic ingredients of this process. Following aspects are important for democratizing management process.

- (a) Respect for each other's views.
- (b) Basic trust that everyone is committed to achieve excellence for the organisation as a whole.
- (c) Giving adequate attention to diverse views and perspectives. Respectful listening and unbiased dialogues.
- (d) Employees, officers, staff, executives and top management are all members of the same organisation and have specified roles to play to achieve goals of the organisation.

They all must work together to create synergy.

Thus the idea that Unions, officer's associations are different from senior executives and top-level management, and they are adversaries in practice is simply not valid.

This flawed idea has generated mistrust and mutual misunderstanding between so called management / executives and employees / officers associations.

To start with, we must have complete faith in non-adversary relationships between management and employees Unions and officer's associations. All must coordinate and cooperate to achieve excellence in business and achieve the visionary goals specified by the organisation as a whole.

Entire organisation must work like well-oiled machine without any hitch or friction. In such a situation, adversary relationships, jealousy has no place. We must work together as a team, everyone performing his / her assigned role to the best of his / her ability. Wherever help and cooperation are needed from others, members of the team must ensure that such cooperation and help are given in adequate manner.

Thus, review meetings of teams should not be used for criticizing or blaming each other but for ascertaining progress, assessing hindrances the review meeting must assess help and assistances etc. needed. The meeting should then take steps in arranging necessary assistances and help without being critical. Such meetings must be organised to enhance trust, mutuality, and interdependence. There should not be any display of hierarchical power in such meetings, where employees, officers, executives together form effective teams. All such team meetings must be conducted democratically, with all participants being treated as equal irrespective of their position of power in the organisational hierarchy.

Often such meetings turn into forum for mutual blame games. This must be avoided at all costs. Every discussion must be constructive. Analysis of failures have to be done with a view to remove hurdles in order to achieve success in the future. Thus team members should be used to enhance "organisational learning" and making more realistic decisions for future success based on the lessons down from past successes and failures.

- (e) The planning process must help in creating a

shared vision of the future of PSBs in India. Such a vision must also be consistent with specified goals of nationalisation. All in the bank should be passionately committed towards achievement of "shared vision". Such passionate commitment to a shared vision will help in speeding up the process of desirable change. We must accept that creating a shared vision is the first step towards bringing change but this in itself is not enough. It is necessary to challenge the prevalent theories and processes that help maintaining status quo. We must find novel ways of accelerating the desirable change processes that will help us to move towards achievement of the shared vision.

'Shared Vision' springs from within. This may arise from aspirations, from caring for a specific cause. It may also arise from a passionately desiring a change in the existing situation within an organisation which one deeply care for.

The nature and content of the vision is not important. What is important in case of a vision is what it achieves. This achievement makes a significant difference to the spirit of the organisation. The very purpose of having a vision is to generate inspirational commitment to strive for achievement of it.

It is a standard and routine practice to prepare a "Vision" statement for corporate plans. Such vision statements are nicely worded and mostly platitudinous. Such visions are mostly driven by a desire to enunciate a highly desirable vision that creates respect and awe. However, such "Visions" are driven by a spirit of compliance rather than by deep commitment by all concerned.

Deep commitment by all within the organisation will only arise from a deep love and caring. Such commitments can never come from a stress on command, control and compliance model of management.

All employees, officers and executives and their Unions and associations have deep commitment to the objectives of "Bank Nationalisation". Thus vision of the future will be generated from the "Vision of Nationalisation". The basic purpose of such a vision of the future will be to inspire deep commitment to goals of nationalisation. This will also strengthen the resolve to remain undisturbed despite numerous hurdles and difficulties. PSBs in creating visionary organisations must answer the

basic question, what is the role of a public sector bank and how best the role can be fulfilled.

Apart from creating a 'shared vision' in formulating the corporate plan, it must be appreciated that the success of the planning process will depend on the quality of participation. The quality of planning process will depend on its level of inclusiveness and mutual trust and respect among all participants.

The planning process should be able to elicit participation of a wide variety of stakeholders. Such a process will result ultimately into a more robust and practical plan. Practical feasibility of the plan ensures timely implementation of various planned activities, schemes, reforms and projects.

Participative planning is the most important step in democratizing management processes of PSBs. We must understand the basic principle of participative decision making. The basic principle is the principle of organisational power sharing. In view of this basic principal power should be divided at lower levels. This will mean that at lower levels skills and processes of consensual decision making are mustered at all levels of decision making. Today most of our organisations are manned by decision makers who have mustered the skills of hierarchical bureaucratic decision making. They have very little experience or faith in participative consultative decision-making processes. Thus a large programme of awareness of democratic decision making through participative processes must be launched in every bank. This will give the right attitude of trust and spirit of interdependence and respect of various viewpoints. Such efforts to generate an environment of trust, mutuality, interdependence, and richness through variety are essential for future excellence in management. In this endeavour authorities / management and Unions and association must play their constructive role adequately.

We mentioned about formalizing the system and processes of consultations among various stakeholders apart from stressing on democratizing decision making at various levels. We now briefly discuss about formal institutional arrangement for interaction and consultation.

**Formal system of Consultation:**



At present at board level for all PSBs there is one director as representative of employees and another director as representative of officers. Apart from this there is no systematic formal arrangement of interaction between management and employees and officers at Bank level. At industry level there is a consultative mechanism with Indian Banks Association for wage negotiation (which takes place once in every five years). Apart from that there is no formal system of consultation. All planning processes in banks though initially talked of participative bottom-up planning process, has over years had degenerated into a routine technical exercise. We need to change all these. Chandrashekhar and Ghosh observe "As of now there is no formal industrial relations structure in banks or in the industry. Whenever there is an IR crisis, firefighting is undertaken by the banks themselves or at the intervention of the government".

It may be noted despite this, bank Unions have always worked with adequate responsibility. Apart from organising strikes to protest significantly flawed larger policy issues, Unions have not encouraged work stoppages, pen downs etc., on minor issues.

Experts suggest introduction of a formal IR council. The council can periodically (period being fixed jointly by management / unions) meet to discuss and streamline the process of bipartite discussions at bank level. The IR council should have representatives of unions. The council will thus help in the process of establishing trust between management and employees and a spirit of collaboration of effort to achieve common goals hopefully may emerge.

Banks have large number of talented officers and employees. Every officer or senior employee have rich invaluable experiences and expertise. These experiences and expertness should be captured and utilised to improve performances. There is a suggestion to set up Business Advisory Council in each Bank. These councils should have representative of unions. At the apex level the council should discuss strategic issues (like formulation of business strategy, launching innovative banking products and services, innovative methods of financial inclusion, turnaround strategies, visions, and goals of the

organisation).

Such a Business Advisory Council will improve mutual understanding and create a positive response in favour of participation by employees. This in turn will help in commitment to make implementation

We endorse the views above. However, we strongly feel employees and officers together take initiative in designing a formal structure of regular participation at all levels of decision making. We are more interested in improving the image of PSBs. It is essential that PSBs must be more committed to public purpose and suggest improvements in banking products and services which are more inclusive. Participative management model of PSBs can become a shining example of democratic bank management, which may act as a model for global banks for their management system.

At this stage it may be pertinent to reiterate that Unions, employees, and officers must play constructive non adversary roles. Management and owners of PSBs (political masters) must also treat representative of them and officers' association as partners. Both groups should work together for the good of the organisation. If organisations like Public Sector Banks thrive all their employees and officers will also thrive and more importantly since PSBs are committed to public purpose with the growth of PSBs community as a whole will derive immense benefit. Such a growth will be all pervasive and inclusive.

There are several unions and associations. All of them have agreed to cooperate for a common purpose. That common purpose is inclusive growth of socio-economic conditions of the community. successful. (Chandrashekhar and Ghosh, 2018).

In a wider sense democracy basically is a process / system where rights of people are the central concern. Applications of democratic principles in business organisations usually takes the practical form of working relationships lead to the formation of a "corporate community". In this connection it is important to appreciate the reality that all business organisations are socioeconomic institutions. Thus it is quite imperative that Banks in general and Public Sector Banks should shift their focus from maximizing profit to maximizing welfare,



improving the quality of all bank customers (existing and potential in an inclusive sense community as a whole).

The process of democratic collaboration results in collaborative working relationships between public sector banks and their customers (existing and potential). The process tends to benefit both parties.

We have already mentioned that democratic decision making will involve participation. It may be mentioned that in this age of Information Revolution the purpose of participation in an organisation is twofold: -

(a) Participation helps in engaging knowledgeable parties more effectively to manage the organisations. This results in sharp focus on problem solving and accountability for performances.

(b) Participation has a democratic dimension. All members of the corporate community expects that outcomes reflect their interests. This democratic dimension demands a need to listen carefully to one another and also to focus on reflecting on the basis of our own wisdom. (Hallal, 1995).

From a practical point of view however, most of the PSBs face a number of hurdles in the path of participative management. Unions and top management today views each group as adversaries.

Quite often union leaders feel that management is not interested in the real development of the institutions they manage. Similarly management often feels that union leaders are not interested in real development of the institutions where they work. These stereotype ideas of both groups need to be changed. A series of workshops organised for union leaders and leaders of officer's associations, it was possible to convince all that they should play constructive non adversary role and take part actively in planning, strategy making and making operational, logistical and control decisions at every level of organisational hierarchy. They should take constructive proactive steps in this direction and try to convince others about the utility and benefit of such a system of collaboration and participation.

Success of these workshops prompt us to suggest the following: -

Workshops of union leaders and leaders of officer's associations (either jointly or separately) should be organised. In these workshops participants should discuss ways and means of improving the overall impact, image and performance of the organisation, through better coordination, planning and strategic management.

A joint team of employees / officer's representatives and of top management should then discuss the framework for strategy formulation to take the organisation forward. Creative inputs in this process from all sides are thankfully acknowledged and incorporated to the extent possible.

A programme of implementation is drawn up in consultation with unions / officer's associations. The process is acted upon with sincerity and commitment of all.

The committee should meet every quarter to assess and monitor progress and suggest corrective actions if needed. This committee is formed with the sole purpose of taking the organisation forward and therefore no bilateral matter can be brought up in any of its meetings.

So long, we discussed about formal institutional arrangement internally within a bank, we have not discussed about institutional arrangements to have mechanism for meaningful interactions and participation with the customers (existing, potential), community in the locality and various organisations involved in the development and welfare work of the community.

Formalization of interaction process on regular effective way is rather tricky but extremely important in extending banking as an effective public utility organisation where improvement of welfare of the community in a sustainable way is given utmost priority in guiding strategic and operational decisions. Formalization of interaction between Banks and Community:

Banks being a public utility service must be able to appreciate social needs to ascertain how banks products and services can be optimally used to serve the needy of the community.

Whole idea of continuous interaction is not selling but serving. It is necessary that process of interaction and establishing relationships of trusts and interdependence should not be sporadic and

routine. It is to be 'institutionalized'; so that the system of such relationships and interaction are internalised and sustainable.

The basic idea of such interaction is to establish a sustainable relationship between bankers and the local community. Public sector bank employees should endeavor to become an integral part of the local community. They therefore become active and useful participants in the social, cultural, and normal day to day life of the local community. This helps bankers to better appreciate local potentials, possibilities and the local constraints and hurdles. It basically helps the bank to understand its customers (existing and potential). The present KYC norms helps in knowing the identity but is quite inadequate in understanding the customer (his / her needs, his / her problems, his / her strengths, and weaknesses). Thus, the process of knowing the customer has been routinized, which is not quite functional because banker-customer relationship should be a broader concept than knowing the identity, it has qualitative, quantitative, and emotive aspects and more intimate interaction with customers are therefore called for.

How best to formalize such methods of interaction should depend on specific local situation and therefore it would not be proper to provide standard models for such interaction. However, a few guiding principles may be suggested here: -

The public sector banks have an obligation to explain to their customers and the local community (within the command area) the role that public sector banks are playing in socio-economic development of the community and way the bank can be helpful in improving the quality of living of the community in an inclusive manner with special stress on improving the quality of livelihood of the poor and marginalized. The second objective of the interaction process will be to appropriately appreciate social and economic needs of the community and how banks can make their contributions through financial, technical, and advisory services to fulfill such needs.

Another important objective of such interactions will be to create a sense of trust and truthfulness between banks and the community. This will help in removing the information asymmetry between banker, depositors and borrowers.

Objective above cannot be properly addressed

unless bankers obtain a fair knowledge of the area, quality of resources, potential resources and various socio-economic development plans of the area by various development agencies, NGOs, local, state and central governments. Thus, bankers must initiate constructive dialogues and interactions with various development agencies, NGOs, other financial institutions and local, state and central government representatives at the local level. Bankers must interact with local political / social activists and representatives. All these will help in creating better public awareness about the role that public sector banks are playing improving the overall quality of living of the community as a whole in an inclusive way.

Further, such interactions apart from better appreciation of needs, resource availabilities and constraints will also provide insights about feasible programmes, services that can be usefully launched in that area.

Such interaction will help in having better cooperation and to coordination among various agencies in the development process of the area. There will emerge clearer ideas of infrastructural developments needed to make proposed economic activities successful. Banks can keep all these in mind in proposing tailor made banking products and services. However, individual banks through their meetings, formal interactions can gather important insights about likely feasibilities of various proposed activities and risks involved. These insights should not be confined at the level of the individual bank employees, such knowledge of the area and the people should be an integral part of the organisational memory of the bank at the local level. This is an important aspect of a continuous system of organisational learning.

Thus we suggest (a) regular interaction with community members (how regular, how often, manner of meeting to be decided by bank by considering local situations); (b) periodic meeting with other various development agencies, NGOs, and government agencies to identify various socio-economic development (including social / economic infrastructural development) undertaken and in the pipeline. It may be possible that new activities can be and should be initiated. In all these what roles banks can play may also be specified and manner of coordination, cooperation

needed from other agencies to make efforts of the bank more effective and successful can also be specified. All these can be recorded in the computerized organisational memory of the branch of the bank.

Interactions between all groups will help in making consultative reviews of progress made and in initiating constructive, cooperative, corrective measures wherever needed.

It is strongly felt that banks must formalize institutional arrangements for continuous friendly and constructive interaction as suggested above. This will help tremendously in risk assessment and creating proper impression in public mind regarding important role being played by PSBs.

All that we have suggested so far requires committed bankers running affairs of the bank. Thus the personnel policies and management processes followed are important aspects. We have already discussed these but some more aspects should be discussed. We therefore reexamine the various issues related to 'Management Processes and Personnel Policies' in the next section.

#### Management Processes and Personnel Policies of Public Sector Banks.

Since nationalisation of banks in July 1969 it was expected that Public Sector Banks would follow innovative methods of non-hierarchical, non-bureaucratic system of management and personnel policies. Such processes would be significantly more humane, effective, and participative. Bringing banks under public ownership was not adequate it was essential that PSBs rejected the 'Business Model' of profit maximization and abandon to the extent possible the paternalistic hierarchical model of management based on the principle of command, control and compliance. In addition, globally the industrial age was getting transformed due to the advent of Information Revolution Age. Further in science and technology, there was a discernible change in approach from mechanistic, Newtonian model to holistic systems thinking where all organisation was considered as a living organism. Method of problem solving in the industrial age was based on the principle of reductionism, where parts and elements are studied in detail and the elements studied are integrated to improve the

whole. This idea was replaced by holistic thinking, where it was accepted that the behaviour of the whole is not wholly determined by the behaviour of individual parts constituting the whole. Whole is more than the sum of parts and its behaviour is influenced by the scheme of arrangement of parts and the interrelations between these parts. It also must be understood that while individual parts can be quantified and measured. Relationships and flow of interaction cannot be quantified and measured but must be appropriately mapped to understand them. Synthesizing the parts and relations to understand the effective change in the whole is very essential. Thus in the changed context we require people of different capabilities and mindsets to be effective in the future.

Tomorrow's organisational excellence will depend on knowledge and innovativeness of people in the organisation and less on capital that the organisation can gather.

Further, since the Great Financial Crisis of 2008, the faith on profit maximization model of business is under scanner. Contrary to the belief that business organisations are meant for value extraction; the present concept is that business organisations should formulate strategies not for value extraction but for value creation. Thus, in an Information Age employees' talent, their knowledge pools and entrepreneurial capabilities are more important than capital and other resources.

Thus, an organisation will perform better and more effectively not because of superior technology (because all business organisations will be having similar and comparatively effective technology). The level of excellence and effectiveness will be surely based on the quality of people serving the organisation. These people are important not in spite of technology but mainly in view of the technological advance.

Further, if banks are to be effective public utility institutions, they have to have more participative style of management. The employees must have the humility to learn from anyone to assess social needs and to design tailor made products and services. These principles of management that they should follow are based on principles of co-operation, coordination, interdependence and mutual trust. In designing personal policies these



aspects have to be kept in mind. Further, in the new information age the concept of people working in an organisation is undergoing change. Under the neo classical economic idea human employees were considered as resources. This idea of commodification of human individuality and effort is rejected. Further, many modern management experts consider employees as strategic resource. Even this idea should be rejected outright. In fact we can consider employees in organisations as 'voluntary investors'. Shareholders of corporate organisations invest financial capital in a corporation with a view to earn both a regular income (in the form of dividends) and also growth in the value of capital with the passage of time. In a similar way, employees invest their human capital with the dual expectation of earning a regular income and also a growth in the value of the human capital invested over a period of time (Ghoshal and Moran, 2005).

Thus, the organisation becomes responsible to ensure providing fair and just compensation for the human capital invested and also it must ensure that employees continuously add value to their human capital by adding relevant experience useful knowledge and skills. Employees on their part are obliged in this scheme of new relationship to sincerely learn on a continuous basis and make adequate efforts to perfect and enhance their human capital. They should be ready to use their entrepreneurial skills to enhance and create new values. In this process they help in improving the performance of the organisation. Which in turn also helps in improving the welfare of the community in an inclusive fashion. Further, public sector organisations in general and public sector banks accept the principle of service to people over earning more and more profit. Public sector organisations change their focus to serving shifting from selling.

In designing management process and personnel policies the conceptual aspects discussed so far must be kept in mind. Further, if these aspects are given due importance, then metrics of evaluation of excellence of performance must also be changed suitably

PSBs are institutions that value public purpose over earning more and more profit. Management

and decision-making processes should be more participative, and model of management should be based on mutual trust and co-operative relationship. Hierarchical paternalistic or bureaucratic systems should be effectively rejected. PSBs should be given the autonomy to decide personnel policies and manpower planning strategies internally through active participation of all stakeholders and arriving at workable consensus.

Thus the act of setting up a committee on Human Resources Management (CHRM) of Public Sector Banks was not quite welcome. As we have explained earlier the very fact of treating employees as human resources (commodification) and treating as an input for earning surplus is not in line with the modern idea where employees are to be treated as voluntary investors of human capital. Unions and forums of bank unions have consistently objected to many so-called reform measures like restricting recruitment, improving employee's productivity through downsizing, allowing VRS to reduce the total staff. However, policy makers have consistently refused to listen to the voice of reason, because they have been guided by the reform measures followed by Western Developed Economies without looking carefully at the conditions prevailing in our socio-economic environment. It is indeed very difficult to understand the logic of maximization of labour productivity in a labour surplus economy. For inputs that are scarce, it makes perfect sense to devote attention in maximizing productivity of the scarce resources. But for resources that are plentifully available the stopping rule to maximize return should be the marginal cost in providing additional input resources should be less than the marginal revenue earned by adding this units of resource. This basic law of economics is totally ignored when we try to maximize labour productivity under Indian conditions of surplus labour (even highly talented educated labour). Thus these blind following of norms followed by developed economies where labour is scarce labour productivity maximization makes a sense. However, our conditions are completely different and most of the reform measures in respect of human resources had not produced any beneficial result. VRS resulted in large out flow of funds and



organisations also lost a large number of talented executives, many of whom have joined the private sector and helped them to gain competitive advantage in view of their rich experience and familiarity with the various conditions prevailing in the country. Thus, we must today totally rethink our strategies of management processes and personnel policies of Public Sector Banks.

Banks must shift focus from selling to service. Unfortunately, we find though western model of banking of changing from originate and hold to originate and sell had produced disastrous consequences as evident from Great Financial Crisis of 2008, we have not fully rejected securitization and attention to derivatives. Banking as a public utility service is based on trustful long term relationships between bankers and depositors and bankers and borrowers. Today model of banking advocated by western banks completely snap this relationship. We in India (though we have not fully adopted this model) are slowly but surely moving towards adopting the banking model of “Originate and Sell” as advocated by banks in developed countries. In this connection basic question that arises is at the present stage of our economic and banking development does the model originate and sell has any practical relevance for the equitable development of the real economy and in turn to the growth of banking and finance for the good of the community as a whole in an inclusive fashion.

While it will be premature to totally reject securitization, it may be necessary to critically examine this particularly in case of 'micro – credit' that we are practicing now. It will be quite in order to have a thorough examination of effects of accepting the model for our economy. Idea of discussing this model while discussing manpower planning can be rightfully questioned. This discussion is relevant because nature of talent pool that we require will depend largely on the model of banking that we follow. If we give more priority to relationship banking and also bankers role as friends, philosophers and guide to their customers (depositors, borrowers and others depending on other banking services) the requirements of employees (both quality and quantity) will undergo significant changes. We strongly feel that for the next 10 / 15 years (if not

indefinitely) the relationship banking that advocate 'Cradle to Grave' banking should be accepted and practiced by all concerned with full vigor and dynamism. Once we accept this proposition, then following suggestions in respect of management and personnel policies become highly relevant and worth serious consideration.

The most important task of a good corporate governance and an effective management and HR System is to generate an excellent unassailable image of trust, efficiency, responsibility and sincerity and dynamism about the institution in the public mind. Unfortunately public perception regarding the above attributes is not quite satisfactory in respect of PSBs particularly in urban metropolitan areas where PSBs face stiff competition from newly formed Private Banks and also foreign banks. Public perception as is prevalent may not (often it is true) be based on any valid data or real data on performance. There is a group of articulate people who are convinced that it is an axiomatic truth that private organisations are better in performance in comparison to public sector organisations. This perception may not be fact based and may be purely based on erroneous theories and ideologies but unfortunately public sector organisations in general and Public Sector Banks have not taken any public awareness drive / initiative to counter this wrong perception. Thus in the age of social media, this negative perception about PSBs (inspite real data on important performance parameters) persists and spreads widely causing lot of damage to the reputation of PSBs and thereby strengthening the demand for privatisation either fully (by strategic sale or other means) or partially through strategy of divestment.

As we have observed repeatedly that on traditional performance parameters, the PSBs have done equally well (if not better) when compared to Private and Foreign Banks. In spite of that there is a negative perception about PSBs in public mind. First important task of a good management HR strategy is to create effective talent pool who can successfully counter this erroneous perception and create a positive image about the effectiveness and usefulness of PSBs which they rightfully deserve. Two things are needed for this transformation (a) Top executives, all members of the board and large sections of employees and

officers must have a positive perception about the efficacy of PSBs in fulfilling the important roles assigned to them by the society. More importantly top management and members of the Governing Board must be convinced that PSBs are good for the society and can be made model banking institutions for serving public effectively and efficiently with financial products and services needed and, in the process, can also generate economic surplus for long term viability and sustainability of the institution. Unfortunately, many top executives and members of board are ambivalent in these matters; some of them are outright believer of greater efficiency and effectiveness of private players. With the top not being convinced and firm, any strategy formulated is normally halfhearted and bound to fail.

If someone does not have abiding faith in public sector banks, such individuals should not take over the leadership position of PSBs. They have no conviction and courage of confidence to guide PSBs to a level of dynamism and excellence surpassing its private sector and foreign counterparts.

Of course, professional behaviours of such executives appear contradictory and hypocritical. They should not try to do certain things about the efficacy of effectiveness of which they are not quite convinced.

Therefore first requirement for creating a good, committed management team is to build the team with persons having reasonable faith in need and efficacy of PSB. How to translate this requirement in practice is a challenge to the policy makers. However, even a recognition of need for such conviction may improve matters considerably. In trying to improve public perception regarding PSBs a well-designed strategy of public awareness should be launched. Meetings, workshops interacting with customers (existing and potential) using both print and electronic media along with positive utilization of social media must be considered in designing the total strategic package. In this endeavor everyone of PSB should be involved. All people should work sincerely to design and implement the strategies formulated. This will create great synergy through participative action and will motivate and create extraordinary dynamism to face competitions in all

sectors but specifically in urban / metropolitan sectors.

It has been claimed that since 2014 PSBs are rapidly losing market share and particularly during the 2018 to 2019 their share of incremental growth of business has declined sharply, this trend has to be effectively reversed. It can only be reversed by sustained committed team work by all. Since participative management and leadership will provide synergistic renewal of PSBs, care must be taken to build effective teams, recruitment and selection process must take these aspects of participative and team building while making decision regarding recruitment, selection, training and orientation.

To reduce cost there is a trend now towards outsourcing of jobs. This indirectly affects relationship banking and quality of services offered to customers. The outsourcing does not ensure quality and commitment and entire process of banker-customer relationship today tend towards reutilization losing the most essential human touch. In a developing economy like India where large sections of population are still to enjoy the full benefits of banking products and services, what is needed is more commitment and more devoted delivery system of banking products and services which are tailor made, fitting the financial needs of an individual or household. Such tailor made individual specific services and products cannot be effectively provided by outsourcing. Apart from this, though superficially outsourcing appears to be alright as a cost saving exercise, the process has wider implications in respect of union-management relationship. Outsourcing weakens union's power of bargaining, and it becomes less effective as counterforce to arbitrary decision making by top management. It helps dominance of corporate power in deciding fate of labour. This in its turn in the name of encouraging competition helps in creating concentration of market power, which ultimately helps in dominance of profit over wage. It is a basic question whether PSBs in their strategy should support this trend. Objectives of nationalisation clearly specify the importance of improving the socio-economic conditions of all bank employees. Thus 'outsourcing' of important banking activities / roles is in reality against the spirit of bank nationalisation. The gain in cost

reduction in the short term has to be compared with the long term effect of loss of quality of service provided.

Similarly banks today have 'Bank Mitra's', Banking Correspondents etc. In deciding personnel policies of bank, we have to seriously consider whether these persons / arrangements have to be absorbed within the normal banking employment. These groups have to be properly trained and oriented to provide the tailor-made banking products and services that are absolutely essential for ensuring financial inclusion as discussed earlier. This has significant implications both in terms of costs and benefits and ultimately effects of banking as a force of social good. In the short term, the process may appear not very cost effective but in the long term it will help in develop a strong sustainable market for banking products and services, which will be of great value to the inclusive development of the community. Policy makers have to make a conscious decision in this area, whether they will prefer short term cost reduction gain and sacrifice long term gains in the foreseeable future is a matter to be seriously debated and discussed. It is our view that banks must not dilute quality of banking services by having part time contract employees and also through outsourcing. The banks should have well trained groups of people working as networks of teams completely devoted and committed to the philosophy banking as a force of social good. This is achieved through provision of banking products and services with the principle of cradle to grave banking. In deciding policies of recruitment, training of bank employees our basic objective should be (a) recruit and retain talented and committed people and (b) to retain and nurture talent and help their continuous growth. These conditions can guide HR policies and strategies of bank.

It is important to note that it is the responsibility of the organisation to ensure just compensation to the employees of the organisation and opportunities of constantly add value to the human capital by enhancing the repertoire of useful knowledge and skills. This knowledge accumulation and skill formation will be significantly aided by having a fair and transparent system of career progression within the

organisation. While PSBs compensation levels at junior levels are comparable and better compared to private sector banks. At the higher-level executives PSBs compensation package is relatively less attractive. The matter should be suitably addressed because PSBs cannot afford to lose talented executives and leaders simply because of a badly designed compensation system. The quality of compensation system should be judged not only by financial compensation, but long term (post retirement) benefits, prestige and social recognition enjoyed by PSB executives.

In the information age, we have two types of labour (Castell, 1988); One is called generic labour and the other is called self-generating labour. Generic labour is large in number, but they do job activities which can be mechanized and can be done by machines (AI / robots). Whether such labour will be replaced by machines will depend on specific condition pertaining to a specific sector in a particular country. However, if machines are used (without other considerations) because they are cost effective compared to human labour, many persons (mostly unskilled or semi-skilled) will be rendered unemployed or underemployed creating enormous social tension and misery. State has to proactively mediate with various corporate organisations to decide what will be in the best interest of the society and also for long term sustainability of organisations. Here the state has to act proactively and not reactively after the event.

Self-generating labour can adjust continuously with the demands of the changing environment. This requires continuous upgrading of skill and education and generating abilities to continuously learn.

In case of PSBs for the foreseeable future we feel we require more and more self-generating labour. There may be certain routine jobs that should be taken away from the self-generating labour, who should be more creative and innovative, in ensuring creation of tailor-made products and services and in ensuring continuous improvement of banker-customer relationships and bringing necessary changes continuously without any hitch. Commitment and devotion needed for self-generating labour would be highly facilitated by allowing routine decisions to be taken by generic



labour or by machines (AI / Robots). In what proportion these tasks should be done by generic labour or by machines should be decided by the policy makers taking into consideration the various aspects that we have mentioned earlier.

It is quite clear that the quality of self-generating labour will be largely decided by levels of education and capacity of accessing higher levels of education. Self-generating labour should be capable of educating themselves from the embodied knowledge and information. Here we must distinguish between education and skills. With rapidly changing technology skills can quickly become obsolete. However, education is the process by which the people in this case self-generating labour is equipped with the capability of continuously reprogrammed to perform effectively in the changed socio-economic and technological environment. This calls for reexamination of specific educational requirements at entry level and careful designing of post entry orientation, training and educational programme of banks. At present most of our training / educational programmes are basically skill oriented.

It is therefore necessary that initial post entry orientation training and educational programmes should be broadly designed not narrowly confined to existing working technology and management systems and processes, but stressing on fundamentals, creating a spirit of enquiry and desire to initiate beneficial changes.

It should stress on creativity, innovation, learning to learn and mastering concepts of techniques of effective team building, co-operation and co-ordination and participation.

While we enumerate the broad philosophy of training and educational programme, details have to be worked out by each individual bank depending on its specific conditions. However, such design and details should be finalised after wide ranging consultation and deliberations with all concerned and also with experts in the field of professional education and training.

Before nationalisation, banks training and educational infrastructure was quite inadequate. Given the challenge of rapid expansion of training and educational infrastructures of PSBs, we find such challenges were met. Training and

educational infrastructure was expanded and modernized. However, similar significant improvements were not forthcoming in training contents, case studies etc. Thus we have today adequate infrastructure but training software in terms of course material, case studies have to be built adequately without losing much time. Similarly stress must be given to distance education and training and delivery of training and education modules 'on line' (if not fully / partly).

We have also to workout correct mix of contact sessions and 'on-line' sessions to maximize overall effectiveness of training. Appropriate assessment of training and educational needs must be undertaken annually to cater to needs of manpower as required for successful and effective implementation of corporate plan of the bank.

Training, education policy should be carefully drawn. The policy should meet the needs of the organisation's various business and other objectives, but it should also meet the requirements of creating a learning organisation and increasing total knowledge pool of the organisation. The policy must consider individual's need for generating, acquiring, and accessing more and more relevant knowledge and sharing the same with others in the organisation. It is important to note that knowledge when shared expands and creates better benefit to all. Thus, our training and education policy must consciously include aspects of knowledge creation and creativity. Training needs must be justly and equitably assessed. Everyone should get his / her deserved share of training and education and should have equal access to knowledge and organisational facilities for creative learning. Now this area has been relatively neglected. Training is considered on a routine way and placement after training is often not done to utilize the full benefit of training.

Transfer and promotion policies if not properly and justly formulated and implemented can often generate many dysfunctional consequences. For creating well motivated and committed team of employees we should design such policies which should be totally transparent and fair.

Coming to recruitment, immediately after nationalisation, recruitment system was made more scientific and purely merit based. Thus, for all



PSBs 'All India' level tests were held at the entry point. BSRBs were responsible for organising those tests and IBPS was to provide the technical support and conduct various tests in a totally objective and fair manner. After the reforms of 1991 slowly but surely BSRBs were abolished, and each bank conducted their own recruitment tests. Candidates thereby had to take multiple tests conducted by different banks. Recruitment costs for the PSBs also have increased.

As suggested by some well-intended experts in the field, case of introducing one admission test for PSB, may deserve serious examination and institutions like BSRBs can be revived, this will be beneficial to the aspiring candidates and also to PSBs. (Chandrashekhar, 2008).

Efforts should be made to bring transformational changes in respect of management and personnel policies. We have already indicated certain changes in personnel policies. In respect of management one fundamental change that we propose is to change the shift of focus of management from selling to serving. So the whole attention undergoes changes. Banks design banking and financial products and services and then try to sell them to their existing and potential clients. Instead banks must try to understand the social needs of banking products and services by different types of clients (businessmen, individual units, MSMSs, agriculturist, rural households etc.,) and then design suitable products and services to fulfill these identified needs effectively. Thus, the focus shifts from selling to serving the customer. In this type of change interaction with the customers providing necessary advice and providing required handholding become essential.

The success of the entire exercise is based on mutual trust and truthfulness which can only be expected from committed and motivated bankers. Outsourcing such activities are neither desirable nor feasible. This is another reason why outsourcing of banking services and casualization of banking activities should be strictly discouraged because success of banks and activities undertaken by banks depends solely on complete trust and mutual sharing of responsibility of making every banking project successful.

Further, it has to be understood that Public Sector Banks are needed not only for promoting public

ownership, but clearly public sector banks fulfil certain important social needs and objectives which private sector banks were not willing to undertake. Thus, it will not be fair to judge PSBs and Private Banks by same conventional criteria of profit.

It is necessary metrics for assessing performance must change and instead of concentrating only on financial returns we should take holistic view of the favourable outcome which included financial return as one (not necessarily the most significant) aspect of the whole.

Further, within PSBs it is better not to indulge in inter-bank comparison of performance. This deters mutual co-operations and often such comparisons are not fair and based on sound logic. Each organisation depending on the talent pool available, organisational cultures and values and the spread of influence of the bank in areas where the bank operates, a reasonable achievable programme of accomplishment of various business / development goals can be drawn up and the performance of each bank can be assessed on the agreed plan of achievement and actual achievement. Review should be constructive and helpful, identifying the gaps and hurdles and ensuring help and co-operation to bridge gap, to surmount hurdles and achieve expected results. This attitude will help co-operation and co-ordination and PSBs together will function as a well co-ordinated team with synergistic effects. At present this picture is not discernible, though the PSBs are jointly working to achieve the public purposes as specified by the elected government.

The confusion of expecting PSBs to function as Private Banks should be discarded forthwith. PSBs are meant to fulfil public purpose, earning profit in the form of surplus is a secondary objective necessary for long term survival. Public Sector Banks are meant for fulfilling needs of public, with the help and co-operation of public and guided by the purposes and interests of the public.

Thus, conventional metrics for performance appraisal should not be applied in case of PSBs. Since by and large Private Banks are interested in maximizing profit, they are only marginally interested in public purpose banking and effective financial inclusion. In view of this future

requirement of effective and constructive spread of banking and effective and real demand for financial inclusion, many staff are likely to be needed in near future. As we have explained earlier such staff must be accordingly oriented with the missionary zeal and commitment for achieving the public purpose as outlined above.

This type of Cradle to Grave Banking where bankers are interested in constant handholding with their customers for achieving ultimate success will need large number of mission oriented devoted professional bankers. Only such teams can make the goals of nationalisation achieved in full within the next 10 years.

Public Sector Banks must ensure that their organisation serve as a force for good. All policies related to people within the organisations and community and clients external to the organisation must be based on this basic principle. Today's PSBs require complete transformations, organisational renewals in respect of management processes, professional culture and orientation.

To start with, we must build our strategic renewal on the sound basis of good professional culture. In fact, it may be noted that one of the important objectives of nationalisation of banks was to embed nationalised banks in sound and good professional culture. Professionalization at the level of individuals demands certain norms of behaviour and adherence to certain values and codes of conduct which are non-negotiable. Unfortunately it is our view that banking globally especially in India has not developed a sound professional culture. Bankers in India have to evolve as sound professionals. It is felt that PSBs should take initiative in this respect and create conditions that help PSB bankers as sound and efficient professional bankers. At individual level some bank executives in India had demonstrated extra ordinary professional commitment irrespective of consequence. Late Shri R K Talwar's professional stand taken in case of 'Jaipur Udyog' case is an excellent example. However, bankers as a professional group did not take a principled stand in support of Shri Talwar and this weakness of the bankers not to act jointly to preserve ethicality and professional integrity, helps self-seeking bureaucrats and power-hungry

politicians to attempt to enforce their choices (often unethical, unprofessional and corrupt) on bank executives.

It is essential that bankers must strive to grow as sound professional where certain norms and values can never be negotiated. Once bankers can convey this message successfully to others (who want to impose non-professional decisions on banks in the public sector because of their political positions and administrative power) uncalled for political interference / intervention would cease and autonomy of banks and bankers to take sound professional decisions would be restored. However, this require strong professional will by the entire banking profession

Now let us discuss some general aspects of Professional Culture. In effect professional cultures are bodies of collective knowledge. Such bodies of knowledge will help individual professionals to deal with uncertainties of applying explicit and well-formed knowledge of a real messy world. Good professionals tend to absorb and use this body of knowledge in order to recognise and identify (including diagnosis of causes) the character of the reality (which appeared messy and uncertain) in the way that would be in accordance with the views of their professional peers. (Abbot 1988, Cassell 1991).

Today specifically in India banking has yet not developed as a profession like law and medicine. However, for the nation, development of banking as a full-fledged profession devoted to creating good for the community is an urgent necessity so that savings of the community can be optimally allocated (without undertaking undue risk) to maximize community's wealth. In this professional endeavor PSBs must take a lead.

Public sector bankers have to thrive in a world of constant massive changes. To be successful they must build their strategic management initiatives on the foundation of new management principles. Such principles are based on creating an organic organisation on the foundation of corporate community. Such an organisation would be able to combine the power of top-down leadership and widespread participations. It would encourage continuous learning at unit level (say all team members in a branch of a bank) and undertaking voluntary planning everywhere. The entire system

must constantly adapt to change. This cannot be done by using authority and by using models of command, control, and compliance. This should be replaced by co-ordination, sharing and caring. Adapting to massive changes is only possible by completely draining out enormous talents possessed by team members. Thus, in the changed context where we are talking of recovering the lost market share in urban and metropolitan centres and in case of constituencies of High Networth Individuals (HNI), the entire organisation must learn to work together. PSBs must work together, they should confront the difficulties they are facing in a constructive spirit. All members in the organisation should be engaged in constant dialogue (Hallal, 1995).

Such constructive dialogues must be encouraged among various groups, labour union leaders / representatives, top executives, community leaders, NGOs, other bankers and financial executives, officials, executives from central, state and local governments, representative of local business, local level politicians, various activists. The conduct of dialogue and deliberations should be done on the spirit of co-operation, co-ordination, mutual trust and help.

### **Changes in Process – Bench Marking**

In a conventional sense any change in system and process must be done to get maximum advantage in a competitive business world and thereof. Because of two centuries of colonial occupations most of us suffer from colonial hangover. For many of our managers, best practices of everything must be in western business organisation. Thus, there is a tendency to follow the so called 'best practices' followed by banks in the developed western countries. We consider adopting those best practices is a significant part of our new management reform thereby strengthening further the old management of hierarchical control and philosophy of command and compliance. We have been adopting new methods of democratic management.

It will be quite appropriate to critically analyze the best practices followed abroad. The conditions under which they produce best results may not be present in our situation. We must therefore deeply reflect on what our requirements are in our own business environment and reflect whether the

'best practices' adopted from advance countries will fulfill our requirements and will be equally effective in our environment. We can of course draw significant lessons from such reflection and analysis. After that, we should decide our best practices and benchmarks which would cater to our needs and also will be useful making us globally competitive. We must innovate processes and products that are not supply driven and imitative but those that are demand driven and creative.

We have broadly covered various issues and challenges faced by PSBs during the period 2004 – 2019. We have also briefly sketched about the future steps needed to be more effective. Following aspects are worth reiterating before we briefly discuss of trade union's role during this period.

Democratisation of corporate organisation is the need of the hour. PSBs can and should take lead in this direction. Democratic processes should be encouraged at all levels of decision making.

NPA problems require urgent resolution. Immediate steps towards recapitalization (preferably in one go) along with simultaneously taking turnaround strategies should be initiated without any delay.

In future, it should be noted that making project successful and revenue generating on a sustainable basis should be a joint responsibility of lending banks and the borrowing units. Public sector banks cannot and should not be guided by the business models of value extraction (instead of value creation) through maximization of profit initiatives. Public sector banks should not be solely assessed by criteria of profit. Infact criteria of judgement of success or failure of PSBs should be different and should be based on broader considerations. We have to restore public purpose for public sector banking. This basically means conducting responsible banking and finance demands that banks and other financial institutions operate on the values that uphold human rights and social and environmental responsibility. In so doing through effective use of credit such banking wants to improve the quality of living of all in an inclusive fashion and also in a sustainable way. In doing so it may strive to earn a reasonable surplus (profit) required for long term



sustainable survival of the institutions. Profit goals are secondary. Public purpose is the primary objective of PSBs. In this connection transparency and accountability are of utmost importance. It is absolutely essential that public sector banks are transparent about where they are investing the depositor's hard-earned money. In ensuring optimal allocation of nation's savings for optimal growth of community's welfare, there should be quite clear channels of accountability. PSBs should be given full autonomy in making decisions without being unduly interfered by bureaucrats and political masters. They should be given full freedom to take right professional decision; however, they should be of course subject to democratic oversight including being accountable to the parliament.

Management processes and personnel policies should be guided by new management principles based on democratic values and participation with the objective of creation of values as against appropriation of value. It is essential to reiterate that once the focus is shifted towards value creation, facilitating co-operation among people becomes more dominant and valued than extracting obedience and ensuring compliance through command and control.

This changes the role of participative leadership the conventional role of leadership thus gets defined away from institutionalizing control to focusing on embedding trust. There is also a shift from leadership's role of maintaining organisational equilibrium by maintaining status quo to imposing fundamental change. The convention of theory of leadership being concerned with strategy, structure and system must be replaced by a new management theory which evolves around, purpose, processes and people. (Ghosh and Moran 2005).

Ethicality, trust, mutual collaboration, and collective coordinated actions are essential aspect of good management of an organisation. These are basic foundations for ensuring organisational renewal.

In a radical way PSBs must adopt ways of managements and leadership that help in finding ways of taking advantages of each employee's unique knowledge and individual talents and competencies. Creation of sound organisational

memory and a system of learning organisation become highly important in this connection. Modern IT based technologies and information of internal system and processes within the organisation along with details of relevant external environmental information should be important aspects of such organisational memory and organisational learning. It must be stresses in this connection inspite of widespread use of IT and computers in our banks for more than 3 decades, nothing much has been done in terms of generation of organisational memory and in creating an effective learning organisation. It is essential that we appreciate the power of modern IT and computer and use of them optimally to improve organisational effectiveness and managerial and executive productivities instead of only concentrating our attention to improve clerical productivity.

It is necessary to create a work environment in our PSBs that stimulates valuable human talents of the organisation to be more committed, motivated, and creative and entrepreneurial. Only when PSBs liberate their people, motivate them, and make them mission oriented, so that they can leverage their knowledge, expertise, and missionary zeal to achieve the public purposes pursued by PSBs then they will be in a position to create a dynamic self-renewing organisation. Under such conditions, it will not be difficult to achieve the goals using banking and finance for inclusive socio-economic developments of the community and also to successfully recapture the space lost to private and foreign banks in urban / metropolitan areas and in High Net worth Individual customer segments.

In this chapter we have briefly assessed developed countries models of banking and finance. It is observed that following US and developed countries models of finance and banking will be highly detrimental to long term growth, financial sustainability. Fortunately as yet we have not adopted these models in totality, but there is a growing trend towards blindly (without appropriate critical evaluation) adoption of such models. It is therefore essential we should exercise abundant caution in adopting such models in the name of modernization and reform. Such a step will be dangerous. We must develop



our own models of banking and finance which will ensure banking being used for good of the society. Banking and financial system are used as aiding the growth and development of the real economy and not the other way where real economic growth needs are dictated by the logic of growth of financial capitalism.

Thus, there is a need to re-embed banking and finance into a socially responsible system. Such a system will be engaged in pooling society's savings, spreading risks and financing investment of the real economy to optimize inclusive equitable growth of the economy as a whole.

We have seen those risks of bank failure (irrespective of ownership public or private) become the burden of the state, it is therefore logical that public should also have the ownership right of such institutions. Such public ownership adds stability to the financial system. Further, only public sector banks can be entrusted to fulfill the objectives of equitable and inclusive development, reduction of inequality and ensuring removal of inter-regional disparities to the extent of possible. Private sector banks will in no case be interested in fulfilling these objectives.

It is imperative that policy makers must reexamine the original objectives announced during bank nationalisation, some of these have been achieved either in full or in part, some still remains to be achieved. After taking a detail analysis of the existing situation, policy makers should specify the public purpose role expected of PSBs in next 10 years along with the expectation that PSBs will create a healthy stock of asset in a sustainable way. Having specified the desirable vision of the future in constructive consultation with all stake holders, the policy makers should give firm commitment of not raising the question of privatisation, major structural changes or dilution of stake through disinvestment for next 10 years. PSBs should then be asked to fulfill the objectives and visions as specified in the most professional mission-oriented way. They should be given complete autonomy in deciding their business strategies in achieving the goal.

This is essential, because today every now and then the bogey of privatisation is raised. Experts without finding any valid reason to justify privatisation even suggest that goals for which

banks were nationalised have been achieved and therefore banks should no longer remain in the nationalised sector. They fail to realize that lot of work as desired in nationalised is still to be achieved. Further, the recent events clearly show that accumulation of risk and manufacture of crisis are inevitable in a private led and not strictly regulated banking and financial system that gives more importance to short term profit maximization. In fact strictly speaking there is strong case to put the entire banking and financial system under public ownership and at the same time ensuring ethical, professional and democratic management of these institutions. Such a change if brought about will help enormously in ensuring the equitable / inclusive growth of community as a whole.

In the next sub section we shall briefly discuss the role that Trade Unions of banks have played so far. In the concluding chapter, we shall discuss the important future role of Unions of banks in further detail. Before we move to our discussion of trade union, one more aspect needs to be stressed.

Public sector banks must derive their legitimacy and support through widespread support by the public. At the moment, there is a large group of publics who are the silent majority but they seldom express their views. There is a minor group of articulate people who along with motivated media are always critical of public sector undertaking in general and public sector banks. Interestingly many of these critics in actual case keep their savings in PSBs and enjoy services of PSBs.

We have however to recognise that there is anti-public sector perception in public mind. PSBs must dispel this perception by public awareness programmes, interaction with various groups within the community, explaining to them the roles played by PSBs in ensuring safety of their savings and also in ensuring equitable growth of the economy. Interaction with all types of public, believers, non-believers, ideologically committed to private enterprises, every group, every section should be contacted and repeated attempts should be made to explain the role that PSBs have played and are likely to play in the future. These efforts of public contact / meetings should not be sporadic but should be well planned and well extended covering every locality, every group. In

this effort both management and employees should put their efforts / ideas together to generate adequate synergy and motivation.

### **Bank Union's Role: -**

We have seen that in the case of white-collar unionism in India unions of Bank employees played a very significant role. Bank employee's union especially AIBEA had played a significant role in improving the working conditions and remuneration of bank employees. Apart from this they played an illustrious role in advocating nationalisation of banks. Their constant efforts were of enormous importance in convincing the political leadership in accepting the need for such a fundamental change. Because of their efforts, workmen and officer's representatives were put on as members of the 'Governing Board' of banks. Initially leadership of unions took great pains in organising orientation programmes for their representatives who were selected as members of the boards of banks. Efforts were also made to create a culture of participative management at each level of banking hierarchy. Punjab national Bank along with the union, executives was committed to develop a culture of participative management in the bank. This was the beginning of the acceptance of the idea of non-adversary relationships between union and management.

However these experiments were not expanded, and the spirit of co-operation was not absorbed in organisational culture of banks. Later, apart from bipartite deals unions got interested in broader issues of development, regarding formulation of banking policies. They wanted the policy makers to give attention to these matters but without much success. Periodic strikes to put their objections to certain policies or in favour of introducing certain policy changes, did not quite impress the policy makers in Delhi. Representatives of Unions and Officers Associations in Bank Boards made feeble efforts to change the nature of working and style of decision making. Unfortunately they were not backed up with solid research work on agenda items to raise relevant critical and tough questions and also to suggest alternatives. Most of the objections / responses were reactive

Regarding NPA problem, contractualisation of labour, outsourcing, consolidation / mergers and divestments and privatisation Unions made their views quite clear and they effectively reached with some degree of success. But they did not achieve the desired response in many areas. They made effective representations of their viewpoints regarding various reform measures to various expert committees and also to various statutory parliamentary committees. After the neoliberal reform and Reagan / Thatcher era, trade unions globally lost their power. The share of profit in the total surplus and share of wage were stagnant or less. Unions started losing their bargaining power. Thus management tended to be more authoritarian as unions were not able to act as a counteracting force.

Bank unions in general and AIBEA during the period 2004 – 2019 acted vigorously towards opposing fraudulent behaviour of certain corporates and their nexus with certain bank executives. They insisted on naming and shaming the willful defaulters. Their insistence against various measures created to tackle NPA were all commendable. They argued solidly against privatisation and the manner of financial inclusion practiced by bringing more and more players and creating dilution of focus. They made representations to parliamentary committees against the present policy and some of the proposed undesirable changes. However, they were always constructing and never disturbed the normal working without very sound logical reason. They were reasonably successful in ensuring good acceptable deal for their members in terms of working conditions, pay, terminal benefits. In spite of all these, AIBEA and all other Bank Unions have singularly failed in transforming PSBs management model as ideal of bank management to be emulated by the entire banking community, particularly in developing countries.

Indian economy and political system are looking for fundamental desirable change. Unions of financial system and banks in general and AIBEA must broaden their scope of activity to play the most important role in this process of change. They should start providing research backup to

improve board level decision making of banks. They should democratize management in their own union organisation and empower their rank and file to suggest new strategies and option for bringing desirable change. They should also create a desirable framework for participative decision making for PSBs at every level of organisational hierarchy. Performance planning and corporate planning should be participative, and they should insist on such participation. In case management does not agree to introduce participative / democratic management system unions must act proactively to suggest a participative framework that should work in actual practice and try to convince wider groups including public regarding the desirability and efficacy of such democratic participative models. Unions on their own if feasible with the collaboration with bank management, policy makers, enlightened public and expert groups prepare vision of public sector banking for next 7 to 10 years. If collaborations from some groups are not forthcoming, unions / associations can formulate the vision on their own with the cooperation and support of willing collaborators. Vigorous public interactions of such visions to get these approved by public will be important step in the fight about democratisation of PSBs.

If this attempt is successful, the efforts can be made to convince corporates to democratize their management. Public sector unions must collaborate with all other unions even those in the private sectors, sound activist organisations, NGOs, political parties to effectively convey their ideas and framework for change.

Agricultural unions / associations, student organisations must also be included, organisations of small / medium industrial employees and even unions of unorganized sector may be approached. Bank unions cannot keep their activities confined to wage negotiations and improvement of working conditions of their members, they must be united in bringing wide ranging socioeconomic and political systems changes to create a more equitable, just, and sustainable society. Bank unions must act as leader in bringing the change process.

## ORGANISATIONAL NEWS

### CC Meeting held at Nagpur on 12th and 13th April, 2023

The Central Committee Meeting of AIBEAA was held at Com. Parvana Bhavan at Nagpur on the 12th and 13th April, 2023. The meeting was presided over by Com. Rajen Nagar, President, alongwith Vice-Presidents, Com. J. P. Sharma, Com. Nandu Chavan and Com. M. M. Rai.

The meeting observed a minute's silence to pay homage to Com. S. D. Dhopeshwarkar, former President, AIBEAA, Com. Manoranjan Bose, former Treasurer, AIBEAA, and various leaders and personalities, who had passed away during the period.

Com. B. S. Rambabu, Secretary, AIBEAA, read out the minutes of the previous CC meetings held on 28th and 29th September, 2022, and 22nd February, 2023, and the same were approved by the meeting.

The General Secretary reported about the various developments that have taken place in the banking sector and informed that the Budget Session of the Parliament has concluded few days ago and the Government has not attempted to introduce the Bank Privatisation Bill. He, however, cautioned that this should not make us complacent and we should remain alert since the agenda of the government is well known to all of us.

He also reported on the developments in the discussions with the IBA on our various pending residual issues. He reported on the details of the discussions held with the IBA on 31st January, 2023, and 28th February, 2023, in the aftermath of the strike call given by UFBU. The meeting noted that tentative understandings have been reached with the IBA on the extra timings in working hours in lieu of introduction of 5-day banking. The meeting also noted that discussions have started on the demand for updation and improvement in pension. The meeting also took note that IBA has agreed to take up our demand of switchover from NPS to



OPS during the ensuing wage revision negotiations. He said that IBA has informed that some of the banks have submitted their mandate to them and others are in the process of submitting the mandate but the UFBU has, however, demanded that the negotiations on our charter of demands should be commenced without further delay.

The General Secretary congratulated all our unions and members for their preparedness to implement the call for strike on 19th November, 2022, against the attacks in various banks. He reported on the developments in the various banks in this regard. He also informed that as agreed before the Chief Labour Commissioner (Central), DFS, Ministry of Finance, has advised all the banks not to violate the provisions of Trade Unions Act and the Industrial Disputes Act. The meeting noted that there have been some developments to restore normalcy in most of the banks but we need to be on guard against such violations and unilateral actions of bank managements.

The meeting noted that Regional Labour Commissioner (Central), Kochi, has clarified that Com. Sumith Nambiar, Vice-President of Federal Bank Employees' Union, is a protected workman and the management should not have served the termination order without the specific permission of the Regional Labour Commissioner (Central), thus vindicating the stand of AIBEA. The meeting noted with regret that despite this clear communication from the RLC, the management has not revoked the illegal termination order served on Com. Sumith Nambiar.

The meeting adopted the draft report of the General Secretary to be presented at the 29th Conference of AIBEA being held at Mumbai from 13th to 15th May, 2023. The meeting also approved the Statement of Accounts for the years from 2016 to 2022.

The meeting further approved the resolutions to be presented before the ensuing AIBEA Conference. The meeting also decided on the amendments to the rules and bylaws of AIBEA

for being submitted to the Conference for its approval.

Discussing the arrangements being made by Maharashtra State Bank Employees' Federation for our conference, the meeting was happy to observe that there is enthusiastic response from our units and members to participate in the ensuing AIBEA Conference. MSBEF reported on the details of the arrangements being made by them and requested for the cooperation of all the State Federations to make the conference a success.

In conclusion, the CC adopted the following resolutions arising out of the discussions in the meeting.

1. Demanding the management of Federal Bank to revoke the termination of

Com. Sumith Nambiar immediately.

2. Demanding the reinstatement of Com. Mohammed Shahabuddin, General Secretary of Sonali Bank Employees' Union.

3. To challenge the recent judgement of the Supreme Court regarding outsourcing of armed guards.

4. Demanding adequate recruitment to fill up all the vacancies in the banks.

5. Early commencement of 12th Bipartite wage negotiations.

6. Resolving the demand of updation and improvement in pension scheme.

7. Switchover from new pension scheme to DA-linked old pension scheme.

8. Early introduction of 5-day banking.

9. Demanding a thorough Parliamentary probe on the allegations raised by

Hindenburg report on Adani group companies.

The meeting concluded with the profuse vote of thanks to Eastern Maharashtra

Bank Employees' Association for the nice arrangements made for the smooth

conduct of the Central Committee meeting.

*[We reproduce hereunder the UFBU'S letter dated 15/4/2023 to Sr. Advisor- HR & IR, IBA in connection with bipartite negotiation]*

To  
**Shri. Brajeshwar Sharma,  
Sr. Advisor – HR & IR,  
Indian Banks' Association**

Mumbai.

Dear Sir,

**Reg: Commencement of discussions and negotiations on the Charter of Demands – delay causing concern and anxiety**

You are aware that the Charter of Demands for wage revision which has already become due from 1st November, 2022 have since been submitted respectively by Workmen Unions and Officers Associations.

Since no steps were being taken up by the Indian Banks' Association on the Charter of Demands, UFBU served the Strike Notice dated 13-01-2023 and our demand for “Immediate commencement of negotiations on Charter of Demands for wage revision” was one of the prominent issues.

On 20-01-2023, vide their communication to all the Banks and IBA, the Government had advised that they may initiate the process of negotiations for the next wage revision due from 1-11-2022.

In the conciliation meeting held before Dy. CLC, Mumbai on 27-01-2023, IBA informed that on “receipt of the communication from DFS, letter has been addressed to the banks seeking mandate and initiate the process of negotiations.”

This was one of the main reasons for UFBU deferring the proposed strike.

In the bipartite discussions held on 31-01-2023, we raised this issue and IBA informed us

that already the Banks have been requested to submit their mandate to IBA.

In view of this, we suggested that the date for the formal commencement of the negotiations may be fixed at an early date with a view to complete the process as early as possible and avoid undue delays. IBA agreed with our views and informed us that they would discuss amongst themselves to further move in the matter.

In the bipartite discussions held by on 28-02-2023, we again raised the issue and urged upon IBA to commence the discussions on the Charter of Demands. IBA assured to finalise the date for such a meeting.

But, so far, we are yet to hear any thing from the IBA in this regard. Six months have lapsed after the submission of Charter of Demands and the discussions on the demands have not yet commenced even though the Government has clearly advised the Banks and IBA to go ahead with the process.

It is needless to bring it to you attention that the delay is causing anxiety and creating restlessness amongst the employees and officers at large. Hence we urge upon the IBA to expedite the process of fixing the date for the formal commencement of negotiations on the Charter of Demands pending receipt of mandate from all the Banks.

Thanking you,

Sd/-

(Sanjeev Bandish)

Convenor

Copy to: Chief Labour Commissioner, New Delhi

## Press Statement by C H Venkatachalam, General Secretary, All India Bank Employees Association

### Chennai. April 28: Derecognition of Postal Unions unjust and unfair

We are bewildered by the sudden derecognition of National Federation of Postal Employees and All India Postal Employees Union Group C by the Department of Posts, Government of India. This action is totally unwarranted, undemocratic, draconian and destructive. Extending physical and financial support by one Union to another, to the workers and toiling masses and organisations is quite natural not only in India but everywhere in planet Vasudha. Derecognising a Union for this reason is unheard of and hence unwarranted. Such solidarity actions are part of organisational constitution and collective democratic decisions of any Union. Derecognising a Union for this reason is un-democratic. Allying donation of an amount of Rs 4935/- to a Political Party-CPI-M, donating Rs.30,000/- to Confederation of Central Govt. Employees and Workers and Rs.50,000/- for CITU, a recognised Central Trade Union; all these donations for the purpose of Farmers Movement, Kisan Morcha, DoP-Gol derecognising a Union is utterly draconian. This action of derecognition, quoting certain rules framed by the Dept/Govt, not any laws, is aimed at destroying a trade union having the support of vast majority of Employees and fighting for safeguarding Postal Services against privatisation. DoP-Gol must therefore immediately reverse its unjust and unfair decision of derecognition and restore normalcy. AIBEA extends solidarity to NFPE and AIPEU Group C and joins with the demand for withdrawal of the de-recognition of Postal Unions



C H Venkatachalam  
General Secretary, AIBEA

## Recruitment of Clerks for the year 2023-24

IBPS has released the results of the clerical recruitment process for the year 2023-24. As per the Indents placed by the Banks, IBPS has allotted 6615 candidates to the various Banks as under:

1. PUNJAB NATIONAL BANK	1640
2. UNION BANK	1260
3. CENTRAL BANK OF INDIA	1000
4. INDIAN BANK	793
5. BANK OF INDIA	557
6. UCO BANK	533
7. INDIAN OVERSEAS BANK	328
8. BANK OF MAHARASHTRA	300
9. CANARA BANK	200
10. BANK OF BARODA	4
11. PUNJAB & SIND BANK	Nil
	<b>6615</b>

The Statewise allocation for each Bank is furnished overleaf. All of us aware that these recruitments are not at all adequate when compared to the overall requirement of the Banks.

There are conscious attempts to reduce clerical staff strength in the Banks. In substaff cadre, the situation is still worse. Thousands of vacancies are deliberately kept unfilled with an agenda to outsource these posts.

Hence our struggle for adequate recruitments in the Banks is a priority issue before us.

**From our ensuing AIBEA Conference being held in Mumbai on 13-15, May, 2023, we shall give the call for a sustained and prolonged agitation on this issue including strike actions. In each Bank also we must build up struggles on this vital issue.**



<u>STATE</u>	<u>BOB</u>	<u>BOI</u>	<u>BOM</u>	<u>CANARA</u>	<u>CBI</u>	<u>INDIAN</u>	<u>IOB</u>	<u>PNB</u>	<u>UCO</u>	<u>UBI</u>	<u>TOTAL</u>
UP	0	47	16	36	131	253	3	475	46	162	1169
MAHARASHTRA	0	165	65	4	157	15	10	91	40	221	768
TAMILNADU	0	15	10	40	46	226	165	59	26	87	674
WEST BENGAL	0	15	10	2	90	115	10	77	58	39	416
DELHI	0	35	12	8	22	5	3	150	18	85	338
MP	0	61	20	10	75	30	1	64	11	49	321
KARNATAKA	0	13	15	60	16	10	8	25	17	156	320
GUJARAT	0	34	18	2	76	15	4	75	19	52	295
ANDRA	0	21	15	1	44	20	36	9	3	133	282
BIHAR	0	33	7	0	78	0	1	30	43	10	202
RAJASTHAN	0	7	6	4	38	5	2	103	16	21	202
KERALA	0	5	18	0	19	0	47	57	17	25	188
TELANGANA	0	11	12	0	5	10	10	35	3	96	182
HARYANA	0	9	9	5	21	0	4	100	8	16	172
ODISHA	0	16	8	5	17	0	10	40	38	37	171
ASSAM	0	3	10	0	44	25	0	26	26	8	142
HP	0	1	0	0	17	4	3	80	31	5	141
PANJAB	0	20	10	0	17	16	2	11	32	22	130
JHARKAND	0	27	10	0	32	10	5	0	13	15	112

## Protected Workmen

Industrial Disputes Act, 1947 provides for Protected Workmen and restrictions on management in altering their service conditions or giving punishments like dismissal, etc. during pendency of any dispute to such protected workmen.

### Section 33 (3) of I.D. Act provides as under:

“Notwithstanding anything contained in sub-section (2), **no employer shall, during the pendency of any such proceeding in respect of an industrial dispute, take any action against any protected workman concerned in such dispute –**

(a) **by altering, to the prejudice of such protected workman, the conditions of service** applicable to him immediately before the commencement of such proceedings; or

(b) **by discharging or punishing, whether by dismissal or otherwise,** such protected workman, save with the express permission in writing of the authority before which the proceeding is pending.

Explanation - For the purposes of this sub-section, a “protected workman”, in relation to an establishment, means a workman who, being a member of the executive or other office bearer of a registered trade union connected with the establishment, is recognized as such in accordance with rules made in this behalf.

### How many are eligible to be notified as Protected Workmen –

#### Section 33 (4) of the I.D. Act:

In every establishment, the number of workmen to be recognised as protected workmen for the purposes of Sub Section 3 shall be **1 % of the total number of workmen** employed therein subject to a **minimum number of 5 protected workmen** and a **maximum number of 100 protected workmen** and for the aforesaid purpose, the appropriate Government may make rules providing for the distribution of such protected workmen among various trade unions, if any, connected with the establishment and the manner in which the workmen may be chosen and recognised as protected workmen.

## Industrial Disputes (Central) Rules, 1957, Rule 61 (1):

Every registered trade union connected with an industrial establishment, to which the Act applies, shall communicate to the employer **before 30th April every year**, the names and addresses of such of the officers of the union who are employed in that establishment and who, in the opinion of the Union should be recognized as “protected workmen.” **Any change** in the incumbency of any such office bearer shall be communicated to the employer by the Union **within 15 days of such change.**

### Rule 61 (2):

The employer shall, subject to Section 33 (4), recognise such workmen to be protected workmen for the purposes of sub-section (3) of the said Section and communicate to the union, in writing, within 15 days of the receipt of the names and addresses under Sub Rule 1, the list of workmen recognized as protected workmen (for the period of 12 months from the date of such communication).

**What our Unions should do:** It is observed that some of the units are not aware of these provisions and hence are not in the practice of informing the management of the union's list of names of Protected Workmen. While it is true that the real strength of the union depends upon our unity and militant capacity to fight against possible instances of victimization, at the same time we should not lose sight of the provisions available under law.

Hence all our All India Bankwise Unions / Federations should submit to the management **(before 30th April every year)** the list of names of office bearers/ Committee members as per the entitlement according to their membership ( 1% of membership – Min. 5 – Max. 100 ) to be notified as Protected Workmen. **Acknowledgement should be obtained from the management for receipt of this letter.** As and when Conferences are held, the changed list should be submitted within 15 days.

**For the current year i.e. 2023,** all our bankwise Unions - All India Bankwise Unions are to submit the list of Protected Workmen to their management before the end of April, 2023.

### कॉमरेड हरबंस लाल परवाना को उनकी 48 वी पुण्यतिथि पर याद करते हुए

[M.P. Bank Officers' Association  
AIBOA M.P. State Committee]

कॉमरेड हरबंसलाल परवाना जन्म 3/11/1923 को पंजाब के एक मुदूर गाँव में एक मध्यमबर्गीय परिवार में हुआ था। 16 साल की उम्र में मैट्रिक पास होने के बाद उन्हें पंजाब नेशनल बैंक, लाहौर में नौकरी मिल गई। उनके बड़े भाई एक कपड़ा मिल के ट्रेड यूनियन कार्यकर्ता थे। परवाना ने देखा कि कैसे यूनियनों के प्रयासों से श्रमिकों की समस्याओं को कम और हल किया जा रहा था। परवाना ने लाहौर में पंजाब नेशनल बैंक में यूनियन स्थापित की। लेकिन इस -- अपराध-- के परिणामस्वरूप बैंक ने उन्हें 1944 में बर्खास्त कर दिया। फिर उनसे भारत बैंक लिमिटेड में अवैतनिक प्रशिक्षक के रूप में काम शुरू किया। उनकी कार्यकुशलता और कड़ी मेहनत के कारण, उन्हें जल्द ही पर्यवेक्षक और फिर से अधीक्षक के रूप में पदोन्नत किया गया। पिछले नियोक्ता द्वारा उत्पीड़न के कड़वे अनुभव से प्रभावित हुए बगैर, उन्होंने जल्द ही भारत बैंक, दिल्ली में एक यूनियन गठित की।

उनसे 1946, 1947 और 1948 में हड़तालें आयोजित की और यूनियन ने प्रबंधन द्वारा मान्यता सहित शानदार उपलब्धियाँ हासिल की। उनसे 8 मार्च, 1949 को रेलवे कर्मचारियों के समर्थन में एक दिन की हड़ताल का आयोजन किया, जिससे श्रमिकों की बंधुत्व और एकजुटता उदाहरण समने आया। प्रबंधन ने तीखी प्रतिक्रिया व्यक्त करते हुए 527 कर्मचारियों में से 450 को पुलिस द्वारा गिरफ्तार करवा दिया। कॉमरेड परवाना ने इन दमनों के खिलाफ लड़ाई लड़ी और 21 दिनों तक हड़ताल की। प्रबंधन ने कॉमरेड परवाना सहित यूनियन के 35 सदस्यों को बर्खास्त कर दिया। बज सेन ट्रिब्यूनल नियुक्त किया गया तो उसने भारत बैंक के 35 कर्मचारियों की बर्खास्तगी पर भी सुनवाई की। पीडित कर्मचारियों की और से परवाना ने खुद केस की पैदवी की। बैंक का पक्ख प्रख्यात वकील सीतलवाड ने रखा। ट्रिब्यूनल ने सभी 35 कर्मचारियों की बहाली का आदेश दिया लेकिन बैंक ने सुप्रीम कोर्ट में अपील की और स्थगनादेश प्राप्त किया और अंततः सुप्रीम कोर्ट ने परवाना समेत इन कर्मचारियों की बहाली पर मुहर लगा दी।

लेकिन परेशानियाँ यहाँ खत्म नहीं हुईं। मार्च 1951 में भारत बैंक ने

पंजाब नेशनल बैंक को खरीदने का फैसला किया और चालाकी से भारत बैंक को भंग कर दिया, जिससे 1300 कर्मचारी बेरोजगार हो गए। कॉम, परवाना ने कॉमरेड पी. एल. स्याल की मदद से पंजाब नेशनल बैंक में एक यूनियन का गठन किया। यूनियन ने भारत बैंक के फैसले के खिलाफ हड़ताल की। बैंक प्रबंधन ने 159 कर्मचारियों को बर्खास्त कर दिया। इस मुद्दे के एक ट्रिब्यूनल को भेजा गया था जिसने भारत बैंक के सभी कर्मचारियों को पंजाब नेशनल बैंक में समाहित करने का आदेश दिया। प्रबंधन ने सुप्रीम कोर्ट में अपील की। 12 साल की कानूनी लड़ाई के बाद, 1963 में कर्मचारियों की जीत हुई और कॉमरेड परवाना सहित सभी कर्मचारियों की बहाली के आदेश हुए। मगर तब तक कॉमरेड परवाना आंदोलन में इस कदर डूब चुके थे कि उन्होंने बहाली को स्वीकार नहीं करने का फैसला किया और पूरे समय ट्रेड यूनियन के लिए काम करते रहे। यह कॉमरेड परवाना का एक अद्वितीय आयाम के रूप में उभरे। कॉम परवाना ने 1950 के दशक के दौरान विभिन्न बैंकों में ट्रेड यूनियनों का गठन किया। 1951 में, उन्हें एआईबीए के उपाध्यक्ष और 1954 में सहायक सचिव के रूप में चुना गया। 1962 में, वे एआईबीए के साचिव चुने गए उयह इस पद पर वे 1975 में अपनी मृत्यु तक रहे।

काम परवाना हमेशा अपनी कड़ी मेहनत के लिए जाने जाते थे। एआईबीए आंदोलन जितना अधिक बढ़ता गया, उन्होंने उतनी ही कठिन और लंबी अवधि तक काम किया। चाहे वह 1950 और 60 के दशक में शास्त्री और देसाई ट्रिब्यूनल से पहले की लड़ाई हो, चाहे वह 1965-66 में द्वितीय समझौता हासिल करने की लड़ाई ही या 1960 से बैंकों के राष्ट्रीयकरण के लिए निरंतर संघर्ष, कॉम परवाना अपनी मांगों को हासिल करने के लिए जनीनी स्तर पर कार्यकर्ताओं को तैयार करने के लिए हर संभव प्रयास कर रहे थे। इस जबरदस्त तनाव का उनके स्वास्थ्य पर विनाशकारी प्रभाव पड़ा और 1966 में उन्हें दिल का दौरा पड़ा। लेकिन डॉक्टरों की सलाह के विपरीत, उन्होंने एआईबीए कार्यालय में काम करना शुरू कर दिया। प्रथम द्विपक्षीय समझौता वार्ता दौरान ब्यस्त गतिविधियों ने उनके स्वास्थ्य को और प्रभावित किया। 1970 में उन्हें दूसरा दौर पड़ा। थोड़े ठीक होने के बाद, वे फिर से अपने नियमित काम में लग गए। 1973 में उन्हें तीसरा अटैक आया। अंततः उनका बलिदान और संघर्ष का जीवन असमय ही 18/4/1975 को समाप्त हो गया।

मेरा आशियाँ जला है तो मुझे हुई है, कि कुछ रोशनी बढी है, कुछ कम हुआ अंधेरा।



## बैंकिंग जगत का कभी नहीं थकने वाला क्रान्तिकारी नेता का० हरवंश लाल “परवाना”



(03-11-1923 – 18-04-1975)  
(Vice President AIBEA – 1951 - 1954)  
(Asst. Secretary AIBEA – 1954 - 1962)  
(Secretary AIBEA – 1962 - 1975)

### मुहम्मद जनीक अंसारी “गाजी”

[लेखक यूनिनयन बैंक स्टाफ एसोसिएसन, पश्चिम बंगाल के उप-सभापति हैं]

साथियों। अप्रैल का महिना का० परवाना के इस संसार से चले जानेवाला महिना है। इसी महिने के 18 तारीख को 1975 ई० में आपने इस दुनियाँ से सदा के लिए विदाई ले ली। उस समय मैं कलकत्ता शहर के तालतला इलाके में अपने लिए नौकरी की तलाश में व्यस्त था। जब मैं 1978 ई० के दिसम्बर महिने में यूनिनयन बैंक ऑफ इण्डिया में नौकरी (टाईपिस्ट) पाई तथा यूनिनयन के कार्यक्रमों में भाग लेने लगा तब अपने बड़ों से का० परवाना के बारे में सुनता था। का० प्रभात एवं का० परवाना की प्रारंभिक बैंकिंग जिन्दगी एक जैसी ही गुजरी है। इन दोनों ही नेताओं को यूनिनयन बनाने एवं उसके संचलान के अपराध में अपनी नौकरी से हाथ धोनी पड़ी थी। दोनों नेताओं को आजाद भारत में प्रताड़ना झोलनी पड़ी थी। एक लम्बी कानुनी लड़ाई के बाद दोनों ने अपना हक हासिल किया था परन्तु स्वेच्छा से नौकरी नहीं करने का फैसला किया। दोनों ने ही अपनी पुरी जिन्दगी, बैंक कर्मचारियों के भलाई के लिए, AIBEA को दान कर दिया था। यही वह निर्णय है जो का० प्रभात कर एवं का० परवाना को बैंक कर्मचारियों की नजर में महान बना दिया। का०

परवाना के 48 वें मृत्यु दिवस पर कान्तिकारी ऋद्धांजलि पेश करते हुए उनके संबन्ध में अपनी जानकारी को नये पीडी के बैंक कर्मचारियों के लिए पेश कर रहा हूँ।

मैं 1982 ई० में यूनिनयन बैंक में संगठन के दुसरे विभाजन के बाद अपने प्रान्त “पश्चिम बंगाल” के यूनिनयन बैंक स्टाफ एसोसिएसन का साधारण संपादक बना। उस समय यूनिनयन बैंक के सर्व भारतीय संगठन, AIUBEA जो AIBEA से संबन्धित था, का भार भी नये एवं युवा नेताओं, का० जे. एस. कामदार (दिल्ली, अध्यक्ष एवं का० एम. के. मंडल (बम्बई), साधारण संपादक, एवं का० ओ०ए० अजीज (मद्रास), संगठन मन्त्री के कंधों पर था। उनके मार्गदर्शन के लिए AIBEA के तत्कालीन साधारण संपादक का० तारकेश्वर चक्रवर्ती ने का० पी.एस.सुन्दरेसन, उपाध्यक्ष AIBEA को सलाहकार के तौर पर मनोनित किया था। वह AIUBEA के प्रत्येक बैठक में शामिल रहते थे। 1950 ई० दिल्ली सम्मेलन में मुझे AIBEA का सहायक सचिव एवं 1987 में Negotiating Team के सदस्य के रूप में सामिल किया गया। उसके बाद यूनिनयन बैंक के प्रबन्धन ने मुझे कार्य-मुक्त कर दिया। अब मेरे अधिक समय BPBEA (AIBEA की पश्चिम बंगाल स्टेट कमिटी) के ऑफिस में बितने लगा। इसी कारण उस समय के BPBEA के साधारण संपादक का० अजीत बनर्जी से मेरी नजदीकियाँ बढी तथा उनसे बहुत कुछ सिखने एवं सुनने को मिला। इन्हीं दिनों में मुझे का० अजीत बनर्जी से का० परवाना के संबन्ध में जानकारी मिली थी।

का० अजीत बनर्जी ने बताया कि 12 वर्ष की कानुनी लड़ाई के बाद Bharat Bank के सभी छटनी ग्रस्त कर्मचारियों की नौकरी की बहाली का आदेश सर्वोच्च न्यायालय द्वारा आने के बाद का० परवाना ने खेच्छा से बैंक की नौकरी में नहीं जाने का फैसला किया था। उन्होंने अपना पुरा समय संगठन के कामों के लिए AIBEA को समर्पित कर दिया। वह अब अपना पुरा समय AIBEA के चाँदन चौक दफ्तर में बिताने लगे। वह दुसरे नेताओं की मदद से Delhi के बैंकों के अलावा दुसरे विभाग के श्रमिक संगठन को भी परामर्श देते थे। उसी समय एक कारखाना के श्रमिक यूनिनयन एवं प्रबंधन के बीच संघर्ष चल रहा था। उस संस्था का नाम तो मुझे याद नहीं है। घटना क्रम में का० परवाना ने यूनिनयन एवं प्रबंधन के बीच मध्यस्थता की

और मामला सुलझ गया। दोनो पक्ष समाधान से संतुष्ट थे। याद रहे कि का० परवाना को आमदनी का कोई श्रित नहीं था। यह जानकारी उस संगठन को भी थी। संगठन के पाधिकारियों ने अपने प्रबन्धन को इस बात के लिए राजी कर लिया कि का० परवाना को “कार्मिक अधिकारी” के रूप में उस संस्था में रख लिया जाय। प्रबन्धन के स्वीकृति के बाद उन नेताओं ने का० परवाना को इस आसय की सुचना दी तथा उनसे स्वीकार करने का आग्रह किया। उस प्रस्ताव को का० परवाना ने साफ इंकार कर दिया। उन्होंने उन साथियों से कुछ इस प्रकार कहा था --- “साथियों आप को हमारी चिन्ता है। यह मैं अच्छी तरह जानता हूँ। इसके लिए आपलोग धन्यवाद के पात्र है। मैं यह फैसला पहले ही कर चुका हूँ कि अब नौकरी नहीं करूँगा। मैं संगठन की सेवा करूँगा। दुसरी बात यह कि “कार्मिक अधिकारी” को प्रबंधन एवं यूनियन के बीच एक पुल की तरह काम करना पड़ता है। इस क्रम में कभी कभी नहीं चाहकर भी कुछ ऐसे निर्णय लेने पड़ते हैं जिससे प्रबन्धन एवं यूनियन के बीच संतुलन बना रहे। हो सकता है उस समय आपको यह महसूस होगा कि आपका शुभचिंतक भी प्रबन्धन का समर्थक हो गया है। इसलिए साथियों मैं यह काम नहीं कर पाऊँगा”। का० परवाना ने अपने उन साथियों को परिस्थिति से अवगत कराया ताकि उन्हें दुःख नहीं पहुँचे। इस प्रकार का० परवाना अपने फैसले पर अटल रहे तथा मरते दम तक संगठन की भरपुर सेवा करते रहे।

एक दुसरी घटना के बारे में भी का० अजीत बनर्जी ने ही हमें बताया था। वह भी का० परवाना से ही जुड़ी है। एक फैंजदारी केस में बैंक का ही कर्मचारी फँस गया था। उस केस का एकसाल गवाह उस क्षेत्र का दारोगा था जो अंग्रेज था। यह घटना आजादी के बाद की है। ऐसी अवस्था में उस साथी को तो सजा होनी तय थी। उस समय जज भी अंग्रेज ही हुआ करते थे। यह भी बात सब जानते थे कि बैंक कर्मचारी में इतनी आर्थिक क्षमता नहीं थी कि किसी वकील की सेवा ले सके। अतः इस तरह के सभी केसों में का० परवाना ही कर्मचारी का पक्ष रखते थे। का० परवाना कभी भी नाउम्मीद नहीं होते थे तथा अपने काम में थोड़ा भी लापरवारी नहीं बरतते थे। इस केस में भी उन्होंने उस गवाह के कमजोरी को पता लगाना प्ररंड कर दिया। उस पुलिस अधिकारी की हर बात पर नजर रखने लगे। इसी क्रम में उन्हें जानकारी मिली कि उस अधिकारी को पुलिस विभाग ने 2 दिन पहले आर्थिक हेराफेरी (करप्सन) के आरोप में सस्पेंड कर दिया था। यह जानकारी उस केस के लिए बहुत ही अहम था। का० परवाना को एक उम्मीद की किरण नजर आने लगी थी। वह उम्मीद कर रहे थे

कि वह अधिकारी अब गवाही देने नहीं आयेगा। परन्तु ऐसा हुआ नहीं। सुनवाई के दिन वह अधिकारी अपनी वदी में कोर्ट में पेश हुआ था। का० परवाना ने कोर्ट से उस केस की पैरवी करने की अनुमति लेकर आगे बढे। एक वकील ने उनको अपना काला कोट (गाउन) देते हुए कथा कि इसे पहन कर बहस करें ताकि कोर्ट की गरिमा कायम रहे। का- परवाना ने ऐसा ही किया। गवाह को जिहर के लिए कटघरे में बुलवाया। वह पुलिस अधिकारी शान से खड़ा था गवाही देने के लिए। आप सभी को पता होगा कि विरोधी पक्ष का वकील कुछ इस प्रकार के प्रत्र पुछने हैं ताकि गवाह उन्तेजना में कुछ गलती कर बैठे। इस केस में भी का० परवाना का प्रयास बी यही था। पुछताछ के क्रम में उस पुलिस अधिकारी से यह कहलवाने में सक्षम हो गए कि - “वह एक पुलिस अधिकारी है और अधिकारिक तौर पर एक थाना प्रभारी की हैसियत से यह गवाही दे रहा है।” वह अधिकारी यह भूल गया कि भारतीय समाज के एक पढे-लिखे तबके से उसका पाला पड़ा है। का० परवाना अपने प्रयास में सफल हुए। गवाह के जवाब के बाद का० परवाना जज साहब की तरफ अपना रुख करते हुए जोरदार शब्दों में कहा - “माई लॉर्ड, यह व्यक्ति झुठ बोल रहा है।” “Mr. Parwana ! आप क्या कह रहे हैं? जज ने आश्चर्यचकित होते हुए पुछा। “जी हाँ। माई लॉर्ड। इस व्यक्ति को पुलिस विभाग ने ‘करप्सन’ के चार्ज में विभागीय तदन्त के लिए ‘सस्पेन्ड’ कर दिया है। आज की तारीख में यह व्यक्ति पुलिस अधिकारी नहीं है।” का० परवाना अपनी पुरी बात रखी थी। जज साहब ने उस पुलिस अधिकारी से पुछा ; “Mr. .... क्या यह सच है? वह पुलिस अधिकारी अपनी जुबान से तो कुछ नहीं कहा परन्तु अपना सर झुका लिया था जो इस बात का संकेत था कि बात सत्य है। फिर जज साहब ने उस अधिकारी का नाम लेकर कहा था ; “Mr. .... Very Bad ! Very Bad !! आपकी गवाही कोर्ट को मंजूर नहीं है। आप जा सकते हैं। फिर जज साहब उस कस में फैसला सुनाने तुत्र कहा - “गवाह के अभाव में यह केस खारिज किया जाता है।” इस प्रकार का० परवाना अपने साथी की नौकरी बचाने में सफल हुए।

एक और ऐतिहासिक घटना बैंक कर्मचारी आन्दोलन का जो शायद ही किसी को याद हो। मैंने खुद का० प्रभात कर से AIBEA के दफ्तर 3B, लाल बाजार स्ट्रीट, कोलकाता में सुना था। यह भारत के प्रथम प्रधानमंत्री श्री पंडित जवाहर लाल तेहरु के समय की घटना है। दिल्ली में सरकार की दृष्टी आकर्षित करने के लिए बैंक कर्मचारियों

ने “मशाल जुलुम” प्रधान मंत्री आवास होते हुए निकाला था। जब इसकी खबर पंडित जी मिली तो अपने P.A. को कहा कि – उनके नेता को बुलाओ। का० प्रभात कर पहुँचे तो पंडित जी ने कहा “अगर गोली चल जाती तो क्या होता?” प्रभात दा ने जवाब दिया था “हम मर जाते, सरकार वैसे भी हमें मारना ही चाहती है।” “सरकार की ऐसी कोई संसा नहीं नहीं है। फल सुबह 11 बजे अपलोग अपनी माँग एवं उससे सम्बन्धित दस्तावेज लेकर “फाइनेंस सेक्रेटरी” से मिलिए। पंडित जवाहर लाल नेहरु ने कहा था। इससे AIBEA के नेतागण काफी खुश थे। उनका मकशद ही यही था – “प्रधान मंत्री का ध्यान आकर्षित करना”। दुसरे दिन का० प्रभात कर एवं का० परवाना और कई नेताओं के साथ “फाइनेंस सेक्रेटरी” से मिलने पहुँच गये। साथ में एक जुट बैग में पुराना फाइल यँही भर लिया था। खरब मिलते ही “फाइनेंस सेक्रेटरी” खुद आया प्रभात दा को ले जाने के लिए। जुट बैग को देख कर पुछा ; “उस बैग में क्या है?” प्रभात दा ने उसे बताया कि – “हमारी माँगों से सम्बन्धित कागजात हैं।” रि उसने कहा था – “इतना सब देखने का समय हमारे पास नहीं है। आईये और मुझे संक्षेप में बातें बताईये”। यह कहते हुए नेताओं को अन्दर ले गया। का० प्रभात कर एवं का० परवाना ही अन्दर गए थे। पहुँचते ही का० प्रभात कर ने का० परवाना द्वारा तैयार किया हुआ “संक्षिप्त नोट” उस सेक्रेटरी के तरफ बढ़ा दिए। सरसरी तौर पर देखने के बाद उसने कहा था – “आप लोग जाईए।” उस संबन्ध में आवश्यक निर्देश सम्बन्धित विभाग को बहुत जल्द भेज दिया जायेगा।” इस कार्यक्रम में का० परवाना का अतुलनीय योगदान था। वह का० प्रभात कर के साथ डटे रहे जब तब जिन्दा थे। हमारे दिल में एक कसक रह गई कि हम उन्हें देख नहीं सके। जब तक बैंक एवं बैंक कर्मचारी रहेंगे तबतक AIBEA रहेगा। का० परवाना को उनके संगठन के प्रति अवदान के लिए हमेशा याद किया जायेगा। उनको संघर्षपूर्ण घटनाओं को याद करके आगे आनेवाले चुनौतियों का सामना बैंक कर्मचारी का आन्दोलन करता रहेगा। आईये। का० परवाना के हरबंश लाल से “परवाना” बनने तक की कुछ घटनाओं को याद करते चलें।

का० हरबंश लाल “परवाना” का जन्म 3 नवम्बर 1923 को पंजाब राज्य के एक गाँव के गरीब परिवार में हुआ था। आपने अपनी प्रारंभिक शिक्षा “राजपुर भट्टी” से आरंभ की। अपनी हाईस्कूल की पढाई “वार्डन” के एक स्कूल से पुरी की जिसकी दुरी उनके गाँव से 10 कि० मि० थी। आप रोजाना पैदल ही स्कूल जाया करते थे। उस

समय भारत में आजादी की लड़ाई जोर पकड़ रही थी। पंजाब के “जालियाँवाला बाग” की घटना ने आपके साफ सुथरे दिमाग को झकझोरकर रख दिया। वह स्व० लाला लजपत राय तथा स्व० भगत सिंह से काफी प्रभावित थे। उनका झुकाव सामाजिक जीवन एवं उनको आकर्षित करने वाले साहित्य के तरफ होने लगा था। वह उर्दू साहित्य से बहुत ज्यादा प्रभावित हुए थे जो उस समय आम लोगों के जीवन के कठिनाइयों को उल्लेख करने में सक्षम था। उन्होंने उर्दू में ही अपना लेख लिखना प्रारंभ कर दिया और अपना कलामी नाम (उपनाम) “परवाना” रखा। अपने लक्ष्य के लिए मरमिटने वाला प्राणी ही “परवाना” कहलाता है। परवाना की जिन्दगी तो जलने में ही है। का० परवाना ने अपनी जिन्दगी अपने उपनाम के अनुसार ही व्यतित की। आप ने पुरी जिन्दगी AIBEA रूपी “शमा” पर निछावर कर दिया।

आप ने अपनी स्कुल की (मैट्रीक) परिक्षा प्रथम श्रेणी से पास किया। घर की आर्थिक स्थिति को ध्यान में रखते हुए उन्हें अपनी बढ़ाई रोकनी पडी। का० परवाना उस छोटी उम्र में ही रोजगार की तलाश में लग गए। इस क्रम में उनके एक दोस्त की सिंफारिश के माध्यम से पंजाब नेशनल बैंक में “दफतरी” की नौकरी हासिल करने में सफल रहे। नौकरी पाने के बाद उनके अन्दर शिक्षाग्रहण की प्रवृत्ति फिर जाग उठी। उन्होंने फिर पढाई शुरू की। पंजाब युनिवर्सिटी से उर्दू साहित्य में ऑनसे के साथ स्नातक की परीक्षा पास की। इस बीच वह अपने बड़े भाई के पास जाया करते थे जो एक कारखाने में काम करते थे तथा कामगार यूनियन से जुड़े थे। का० परवाना ने यूनियन करने की प्रेरणा उन्ही से पाई थी। उन्होंने ने कुछ ही समय में बंजाब नेशनल बैंक, लाहौर में यूनियन गठन किया। उनके इस कार्य से बंजाब नेशनल बैंक का प्रबन्धन नाराज हो गया और उन्हें 1944 ई० में नौकरी से निकाल दिया गया। का० परवाना ने अब अपनी जीविका की तलाश में दिल्ली का रूख किया। यहाँ भी अपने एक दोस्त के माध्यम से भारत बैंक में नौकरी पाने में सफल रहे। काम के प्रति निष्ठा एवं लगन से वह बहुत कम समय में ही “सुप्रीटेंडेन्ट” के पद पर स्थापित हो गए। परन्तु कर्मचारियों पर प्रबन्धन द्वारा किए जा रहे अत्याचारों से वह बहुत दुःखी रहते थे। कर्मचारियों की भालाई के लिए उन्होंने भारत बैंक में भी यूनियन कायम किया और कई महत्वपूर्ण लड़ाईयाँ तथा सफल भी हुए। उनके संगठन के प्रति निष्ठा एवं प्रयास के कारण उनका जनप्रियता बढ़ने लगी।

8 मार्च 1949 को का० परवाना ने रेलवे संघर्षरत कर्मचारियों के



समर्थन में “भारत बैंक” में एक दिन का सांकेतिक हड़ताल का आह्वान किया था जो पूर्णतः सफल रहा। भारत बैंक के प्रबंधन को यह अच्छा नहीं लगा। इसी अपराध के कारण उन्होंने अपने 527 कर्मचारियों में से 450 कर्मचारियों को पुलिस द्वारा आरेस्ट करवा दिया। का० परवाना ने इस अन्याय का डटकर मुकाबला किया। भारत बैंक में 21 दिनों तक ऐतिहासिक हड़ताल रही। प्रबंधन ने अपना आक्रमक रूप दिखाते हुए के 35 सक्रिय कार्यकर्ताओं को नौकरी से निकाल दिया। उन में का० परवाना भी शामिल थे। का० परवाना फिर सड़क पर आ गए। सरकार द्वारा गठित **Sen Tribunal** ने इस समस्या की भी सुनवाई की। उस **Tribunal** के सामने कर्मचारियों का पक्ष खुद का० परवाना ने रखा जब कि प्रबंधन का पक्ष मशहूर वकील श्री शीतल वाद ने रखी थी। सेन ट्राइबुनल ने 35 कर्मचारियों के पक्ष में फैसला दिया। प्रबंधन उस आदेश के खिलाफ सुप्रीम कोर्ट से स्थगन आदेश ले लिया। दोनों पक्षों को सुनने के बाद सुप्रीम कोर्ट भी सेन ट्राइबुनल के आदेश को बहाल रखा। का० परवाना एवं उनके साथियों की प्रताड़ना यहीं स्वतंत्र नहीं हुई। मार्च 1951 में भारत बैंक के प्रबंधन पंजाब नेशनल बैंक को खरीदने का फैसला किया। इसी बीच का० परवाना ने का० पी० एल० सयाल की सहायता से पंजाब नेशनल बैंक में यूनियन का गठन किया। भारत बैंक के प्रबंधन ने पंजाब नेशनल बैंक को खरीदने का बाद भारत बैंक को बन्द कर देने की घोषणा कर दिया। भारत बैंक 1300 कर्मचारी बेकर रही गए। इसके खिलाफ आरंभ हुई कानूनी प्रक्रिया जो 12 वर्षों तक चली। इस बीच पंजाब नेशनल बैंक की यूनियन ने भारत बैंक को बन्द करने के खिलाफ हड़ताल का आह्वान किया। कर्मचारियों के प्रतिवाद से नाखुश होकर पंजाब नेशनल बैंक के प्रबंधन अपने 159 कर्मचारियों को बर्खास्त कर दिया। का० परवाना ने दिल्ली तथा उसके आस पास दुसरे बैंको में यूनियन गठित करना प्रारंभ कर दिया। उनके संगठनात्मक क्षमता को देखते हुए उन्हें 1951 में **AIBEA** का उस-सभापति बनाया गया। याद रहे कि कानूनी प्रक्रिया के बाद 1963 में भारत बैंक के सभी कर्मचारियों को पंजाब नेशनल बैंक में बहाल किया गया। का० परवाना ने नौकरी नहीं करने का फैसला किया और पुरा समय संगठन को देने लगे।

का० परवाना ने अब अपना पुरा ध्यान संगठन पर कर दिया। अपनी स्वास्थ्य की परवाह किये बिना संगठन के कार्य में जुटे रहे। वह लगातार शास्त्री ट्राइबुनल के सामने यूनियन का पक्ष सक्षम तरीके से रखने में व्यस्त रहे। उनकी कार्य कुशलता को देखते हुए 1954 में उन्हें

**AIBEA** का सहायक सचिव बनाया गया। कर्मचारियों के उज्वल भविष्य के लिए चलाए जा रहे आन्दोलन “**No More Tribunal**” या “**Nationalise All Banks**” में बढ़ चढ़ कर भाग लेते रहे तथा आन्दोलन संगठित करते रहे। उन्हें 1962 ई० में **AIBEA** का सचिव बनाया गया जिस पर वह मृत्युकाल तक बने रहे। उन्होंने अपने स्वास्थ्य का ध्यान नहीं रखा। फलतः 1966 में पहला “हार्ट अटैक” हुआ। वह चिकित्सकों की राय को अनसुना करते हुए **Hospital** से वापस आ गए तथा **AIBEA** कार्यालय में कार्य संभालना प्रारंभ कर दिया। प्रथम द्विपाक्षिक समझौता के लिए **IBA** के साथ होनेवाले वार्ता में अपने को पूर्णरूप से वसस्त रखा। संगठन के अन्य नेताओं के सुझाव को भी ध्यान नहीं रखा और आराम करने से मना कर दिया। यही कारण था कि उन्हें 1970 में दुसरा ‘हार्ट अटैक’ हुआ। धोड़ी सी राहत मिलते ही फिर संगठन के काम में जुट गए। 1973 में उन्हें तिसरा ‘हार्ट अटैक’ हुआ। उनके बिगड़ते स्वास्थ्य को देखते हुए चिकित्सक काफी चिंतित थे। उन्हें सावधानी बरतने को कहा परन्तु वे कहाँ मानने वाले थे। उन्हें का० प्रभात कर के दिल्ली आवास में लाया गया जहाँ उनका स्वयाल एक छोटे भाई की तरह रखा जाता था। अच्छी चिकित्सा के बावजूद उनकी तबियत 13 अप्रैल 1975 को ज्यादा खराब हो गई। उन्हें तुरंत हस्पताल में भर्ती कराया गया। अच्छी चिकित्सा सुविधा के बावजूद कभी नहीं थकने वाला बैंक कर्मचारियों का यह नेता 18 अप्रैल 1975 को सुबह 10.45 बजे इस दुनिया से सदा के लिए विदा हो लिया। पुरे भारत के बैंकिंग जगत में यह खबर आग की तरह फैल गई कि निम्नलिखित पंक्तियों से बैंक कर्मचारियों को उत्साहित करने वाला नेता का० एच. एल. परवाना अब इस दुनियाँ में नहीं रहे।

कुछ इस तरह ताशीर उन कुए-कशों के साथ भी।

आँचियाँ आती गईं और आसियाँ बनता गया।।

मैं अकेला ही चला था जानिब-ए-मंजिल मगर।

लोग साथ आते गए और कारवाँ बनता गया।।

का० परवाना अमर रहे। का० परवाना जिन्दाबाद।

## Banking system headed for more turmoil, Raghuram Rajan warns

Raghuram Rajan — the former International Monetary Fund chief economist who predicted the global financial crisis more than a decade ago — warned that the banking system is headed for more turmoil after the rescues of Silicon Valley Bank and Credit Suisse. Rajan, who was also governor of Reserve Bank of India, said a decade of easy money and a flood of liquidity from central banks has caused an “addiction” and a fragility within the financial system as policy makers tighten policy.

“I hope for the best but expect that there might be more to come, partly because some of what we saw was unexpected,” Rajan said in an interview in Glasgow. “The entire concern is that very easy money (and) high liquidity over a long period creates perverse incentives and perverse structures that become fragile when you reverse everything.”

His comments add to warnings that the troubles at SVB and Credit Suisse are indicative of deeper underlying problems in the financial system. While IMF chief economist in 2005, Rajan gave a prescient warning on the banking sector ahead the global financial crisis in a Jackson Hole speech that prompted former US Treasury Secretary Larry Summers to call him a “luddite.” Rajan, now a professor at University of Chicago Booth School of Business, also won acclaim for his handling of the Indian economy while leading its central bank from 2013 to 2016.

Bank shares slumped following the crises at SVB and Credit Suisse but central banks have pushed ahead with policy tightening to rein in inflation. Rajan said central bankers have been given a “free ride” as policy makers rapidly reverse the ultra-accommodative stance taken in the decade following the financial crisis.

“This sense that the spillover effects of monetary policy are huge and aren’t dealt with by ordinary supervision has just escaped our consciousness over the last so many years,” Rajan said. He said banks are vulnerable to unwinding after central banks “flooded the system with liquidity.” “It’s an

addiction that you’ve forced into the system because you flood the system with low return liquid assets and banks are saying, ‘we’ve got to hold this, but what do we do with it? Let’s find ways to make money off it’ and that gives makes them vulnerable to the withdrawal of liquidity.”

## ECONOMY

### Spectre of stagflation: On the overall macroeconomic outlook

The Hindu

The latest global financial developments and recent economic data in India are together raising fears that several major economies worldwide, including India’s, may be headed for a spell of debilitating stagflation. Last week’s retail inflation reading for February from India’s NSO, at 6.44%, clearly belies the RBI’s most recent forecast for Q4 inflation of 5.7%. With January having logged CPI-based price gains of 6.52%, prices will have to soften so sharply in March as to drag the headline number down by more than 230 basis points to about 4.1% for the RBI’s projection to come true. A look at the components driving inflation shows that core inflation, which strips out the impact of food and fuel prices, still remains stuck at 6.2% for a third straight month, and continues to hover almost at or above the 6% level since May 2021. That core inflation remains persistently elevated despite the RBI having raised its benchmark interest rate by 250 basis points since last May reveals the difficulty monetary authorities are facing in tamping down on price gains by increasing credit costs so as to dampen demand. Governor Shaktikanta Das and the RBI’s two other members on the Monetary Policy Committee all cited the worrying persistence of core inflation at their last policy meeting in February as justification for deciding to continue tightening monetary policy.

Queering the pitch further is price gains across the food basket too showing disconcerting trends despite a marginal deceleration of five basis points last month in the composite food price index. Prices of four key categories in the food basket that together account for more than a fifth of the

Consumer Price Index continued to register significantly high year-on-year inflation, as well as sequential hardening. If the key staple of cereals and products saw inflation accelerate to 16.7% in February, the headline reading for milk and products quickened to 9.65%, that for fruits surged to 6.38% (from January's 2.93%), with only the reading for spices slowing a tad to 20.2% (from 21.1%). With the prediction of a likely El Niño this year, the outlook for food prices is hardly reassuring. While policymakers will, therefore, need to stay focused on containing inflation, the rising uncertainty about the growth momentum sustaining in the face of the heightened risks of a recession in advanced economies raises the risk that higher credit costs may further dampen consumption. Yet, failure to engender enduring price stability could lead to stagflation. Unless supply side measures such as GST rationalisation and fuel price cuts are expedited, the overall macroeconomic outlook appears worrying.

## UNO'S POPULATION REPORT

### India is now the world's most populous country, surpassing China: UN report

Stella Dey

India has surpassed China in population and is now the most populous country in the world, according to a United Nations Population Fund (UNFPA) report titled 'The State of World Population Report, 2023'.

The report indicates that India's population is 1.4286 billion while China's stands at 1.4257 billion, making a difference of 2.9 million. It is the first time since 1950 when the UN started to collect population data that India's population has overtaken China's.

Experts believe that India's demographic advantage, its young population, in a consumer-driven economy will be a significant factor in driving the country's development and will present an enormous opportunity for the country's economic growth. Andrea Wojner, UNFPA's India representative, notes that the

country's young working-age cohort will not just provide an abundant supply of labor but that rising domestic consumption should help the nation tide over any external shocks.

### Most populated cities

**New Delhi is the most populated city in India with 30 million inhabitants in and around NCR. Delhi could have been the 50th most populated country in the world if it were a nation. Delhi is followed by Mumbai (20 million), Kolkata (15 million) and Bengaluru (12 million).**

### Age group

The report shows that 25% of India's population falls within the age group of 0-14, 18% in the age group of 10-19, 26% in the age group of 10-24, 68% in the age group of 15-64, and 7% above the age of 65. Conversely, 17% of China's population falls within the age group of 0-14, 12% in the age group of 10-19, 18% in the age group of 10-24, 69% in the age group of 15-64, and 14% above the age of 65. China is doing better than India in the context of life expectancy. For instance, the life expectancy for women in China is 82, and that of men is 76, while for India, it is 74 and 71, respectively.

According to the report, India's demographic diversity among states provides unique opportunities to reap the benefits of demographic dividends. The different states are in various stages of demographic transition, and an aging population in southern India can meet its labor demands from the greater proportion of the youthful population in the northern and eastern parts of the country through favorable policies on inter-state migration.

It is worth noting that India's demographic strength is much more significant than China's, according to Huang Wenzheng, a Chinese demography expert. Although India's population growth rate has been declining since 1980, India has twice as many new babies as China, with a total fertility rate twice that of China. This factor means that India's population will be much more substantial than China's in the long run.

### India needs to grow 8% for 3 decades to provide jobs for the world's largest population, economists say

Meghna Mittal

With India surpassing China to become the world's most populous country with 1.428 billion people, it needs to grow an annual pace of 8 percent for the next three decades to ensure jobs for people of working age, economists say.

The country also needs to invest heavily in skilling its workforce to become a global repository of human resources, they say.

India's population has China's 1.425 billion people, according to the UN's World Population dashboard, and is expected to touch 1.668 billion by 2050. China's population is expected to contract to about 1.317 billion.

The United Nations Population Fund's State of the World Population Report 2023 estimates India's mid-year population at 1.428 billion and China's at 1.427 billion.

"India surpassing China in population is only an event. What is more important are the challenges and opportunities it will bring," said NR Bhanumurthy, vice-chancellor of the Bengaluru-based Dr BR Ambedkar School of Economics, told Moneycontrol.

"Challenges are going to be much more in terms of providing employment to the working age population. We need to grow at 8-9 percent for a long time, i.e. 2-3 decades, to provide employment and social security measures. Compared to other countries, India has grown at an average of 7 percent in this decade," he said.

#### Half the population aged under 30

India has 254 million people in the 15-24 age group, the world's largest young population. This year, 25 percent of India's population will be in the 0-14 year bracket, 18 percent between 10-19 years of age and 26 percent between 10-24 years old. Sixty-eight of India's population is in

the 15-64 age group, and only 7 percent above 65. That means half the population is under the age of 30 in India.

"GDP is linked to productivity and skill enhancement for which structural reforms are needed. China has done the same to focus on growth by enhancing skill sets. We are already in the direction to focus on skillsets. If reforms in land, labour market can be addressed, productivity will go up," Bhanumurthy said.

"Unemployment is a dynamic concept and is a problem everywhere, not only in India. Way to address it is to enhance economic activity and GDP, which will create jobs. We need to shift focus of economic activity from service-led to manufacturing as it is labour-intensive. Share of manufacturing needs to increase from 16 percent to 25 percent of GDP, then we can absorb a lot of people. China's 10 percent growth was heavily dependent on manufacturing. Because India's service sector share is more, we are having skewed growth," Bhanumurthy said.

Instead of adopting an alarmist view towards population it is important to understand the progress made in containing the explosion by managing fertility. India's growth rate (in fertility) has declined to 1.5 percent per annum, he said.

#### Demographic dividend

"What is needed is adequate investments in education and market-ready skill building. Government needs to focus on technology and digital skill sets. It's about a targeted approach towards creating the right combination of opportunities and skill sets and investing in the demographic. Growth rate of the population has steadily declined. To progress economically, investment in the younger population is a must so that they can contribute productively to the workforce. Investment in human resources leads to economic development and progress. China invested in health, education, investment in the young demographic dividend that has led to it becoming a superpower," Sanghamitra



Singh, Lead - Policy and Programs, NGO Population Foundation of India, told Moneycontrol.

As the population of most developed countries declines, India can provide the skills to other countries. India can be the repository of human resources.

“We need to celebrate the substantive decline in infant and maternal mortality. We have managed to bring fertility levels to replacement levels. We need to make a strategy specific to inter-regional disparity as there are pockets where fertility rates are high. Going forward, employment may be a challenge, but first we have to address the huge mismatch, as there are jobs but not enough market-ready population. So many positions are vacant in rural hospitals and clinics. First opportunities need to be capitalised on,” Singh said.

The total fertility rate of India is 2.0 and life expectancy at birth is 71 for males and 74 for girls. This population phenomenon needs to be looked at in the backdrop of population control policies, demographic transition and growth of the economy in India and China over the years.

“India, now with a high working-age population, can reap benefits of demographic dividend, conditional upon high state capital expenditure on health, education and employment programs. With artificial intelligence and other technological advancements, the government should also focus on skill-based job-creating areas. So, job replacement can be turned into job displacement,” A Sri Hari Naidu, economist at the National Institute of Public Finance and Policy, said.

### **Transition phase**

As far as India goes, if the annual rate of population increase remains constant as of 2023, it would take 75 years for the total population to double.

“Did India cross China or is it because China's

population growth declined over the years but India's population growth is declining slowly? After a level of industrialisation, India directly transitioned to the service sector. India's death rate and birth rates have gradually fallen over this transition,” Naidu said.

Just eight countries will account for half the projected growth in global population by 2050 — the Democratic Republic of the Congo, Egypt, Ethiopia, India, Nigeria, Pakistan, the Philippines and the United Republic of Tanzania; two thirds of people now live in a country where lifetime fertility corresponds to zero growth, according to The United Nations Population Fund's State of the World Population Report 2023.

China moved very quickly from a traditional to an industrial economy. Contrary to the demographic theory, both death rates and birth rates have fallen in China. Recognising the working population decline and high dependency ratios, China relaxed its one-child policy. This is to maintain high economic growth and high consumption.

### **Next factory to the world?**

India established the first national programme to control population growth through family planning in 1952. This achieved limited success in slowing birth rates.

“India becoming the world's most populous country creates a huge demographic dividend. Most of the developed world is dealing with an ageing population. Meanwhile, India, with one of the youngest workforces, equipped with smartphones and perpetually connected with high speed data, can fill the gap. With demographic dividend on its side, India can easily become the factory to the world. This offers a window of reform to create a convergence of land, labour, capital and entrepreneurship to create jobs at scale,” Rishi Agrawal, co-founder and CEO of digital compliance company Teamlease Regtech, told Moneycontrol.

*Courtesy: Moneycontrol*

## WORKERS' STRUGGLE AROUND THE WORLD

### German unions, employers reach public sector pay agreement

Special Correspondent



German public sector workers have agreed on a wage deal with employers, Interior Minister Nancy Faeser said after a fourth round of talks concluded on Saturday in Potsdam, outside of Berlin.

The deal ends a wage dispute that has brought disruption to Europe's biggest economy.

Faeser called the agreement "good and fair."



Before the meeting, Faeser said she believed that a timely agreement was possible.

"The employees perform a good service in the general interest of all of us, and times are very difficult, so we must also pay them appropriately," she said.

Struggling municipalities, which were engaged in talks with the trade unions on behalf of the federal government, also had to be taken into account, she said.

"The municipalities are not doing so well at the



moment either, and we are talking about public tax money here," the minister said.

What is in the wage agreement?

The agreement for around 2.5 million workers in the sector follows arbitration. Employees will receive a €3,000 (\$3,330) inflation payment and as of March 2024, incomes will rise by at least €340.

The agreement, which lasts for two years, largely followed the arbitration recommendation published a week ago.

In recent months, Germans trade unions had **paralyzed public transport, day-care centers, hospitals and refuse collection** with strikes across the country in the pay dispute.

"This compromise would not have been possible without the many warning strikes and protests over the last few months," said Ulrich Silberbach of the DBB public sector employee union.



## CONFERENCE OF DIFFERENT STATE UNITS & ALL INDIA BANKWISE UNITS OF AIBEA



**Com. C. H. Venkatachalam, General Secretary, AIBEA inaugurating 29th Conference of Madhya Pradesh Bank Employees Association on 3 April, 2023**



**Conference elected a new team of Office-Bearers with Com. M. K. Shukla as Chairman, Com. D. R. Shirma as President and Com. V. K. Sharma as General Secretary.**



**Mr. Jagmohan, IPS, DGP, Com. Rajen Nagar, President, AIBEA, Shri Sukhendu Sekhar Roy, MP, Com. C. H. Venkatachalam, General Secretary, AIBEA lighting the lamp in the Conference of AI India UCO Bank Employees Federation held in Kolkata on 7 April, 2023**



**Shri Sukhendu Sekhar Roy, MP & Chairman of the Reception Committee welcoming the delegates & observers**



**Com. Rajen Nagar, President, AIBEA, General Secretary, BPBEA, inaugurating the conference**



**Com. C. H. Venkatachalam, General Secretary, AIBEA, deliberating the key note address to the conference**



## CONFERENCE OF DIFFERENT STATE UNITS & ALL INDIA BANKWISE UNITS OF AIBEA



**Com. C. H. Venkatachalam, General Secretary, AIBEA addressing the 3rd State Conference of Jammu Province Bank Employees' Federation held on 9 April, 2023**



**6th Conference of Madhya Pradesh Grameen Bank Employees Association held on 16 April, 2023 at Indore. The conference elected new team of office bearers with Com. M. K. Shukla, Com. Suresh Sen and Com. Omendra Singh as Chairman, President and General Secretary respectively**



**13th Conference of Punjab Bank Employees' Federation held on 16 April, 2023 in Ludhiana**



**Com. C. H. Venkatachalam and the elected office-bearers of Punjab Bank Employees' Federation. The Conference elected Com. S.P.S Virk, Com. S. K. Gautam and Com. P. R. Mehta as Chairman, President and General Secretary respectively.**



**Com. C.H.Venkatachalam addressing in the 32nd Conference of Rajasthan Pradesh Bank Employees Union 22-23 April, 2023 in Jaipur.**



**A view of the participants of the Conference**



**WE ARE PROUD OF YOU DEAR COM. MADHAV**

On the occasion of 78<sup>th</sup> Founding Day of AIBEA on 20<sup>th</sup> April, 2023, MSBEF organised Blood Donation Camps in many centres.

In Lattur also a camp was organised. Com. Madhav Gitte ( Bank of India ) who is 100% visually handicapped donated his blood.

We are proud that he is activist of AIBEA.



Com. Madhav may be blind. But we are proud that he is not blind to the cause of donating blood to save someone's precious life.

Hats off to Com. Madhav. We are proud of him.

He is a real inspiration to others.



To



From

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