CHAPTER-IV

UNIONISM IN PUBLIC SECTOR BANKS IN INDIA

"To lead People, always walk behind them",

TRADE UNION MOVEMENT IN BANKS:

Historical Background-

Trade Union Movement in Banks has taken deep roots only after independence. Before the II World War (1939-1945), there was no strong trade Union organisation in India to protect the interests of Bank employees. The main reason was that the banks were small and the simple law of ordinary Master and servant guided employees. Further, Banking was a state subject. Every state Government has its own laws. Managements had a great say in the Industrial Relations and the employees, being white collared, they were subservient to managements. Many employees were shy of trade union for they were of the opinion that the trade unions were for only uneducated and illiterate workers and not for white collared employees. Further, the unions at that time were living in isolation, hardly having the character and quality of the modern trade unions.

After the II World War, higher cost of living and rise of prices of essential commodities caused economic restlessness in India. The economic factors
and unsympathetic attitude of the management brought cohesion, awareness and solidarity in the rank and file of Bank employees.

Isolated unions and associations of each Bank have realized the importance of a strong central trade union. In 1946 a union on All India basis was formed viz., All India Bank Employees Association (AIBEA) and soon all bank's association were affiliated to it. In no time it became a strong trade union in India and continues to enjoy the same status in almost all banks.

Bank employees can never afford to forget two days viz. the 13th October' and the 3rd November' every year. It was on 13th October'1910 and the 3rd November'1923 the two architects of the bank employees’ movement under the banner of AIBEA [formed 20-4-1946] viz., Com. Prabhatkar and Com. H.L. Parwana were born. These persons were statesman, philosopher, politician and teachers. Com. H.L. Parwana remained unmarried and devoted himself for the cause of his fellowmen after his bitter experience in the bank where he was employed, that was how he dedicated himself sacrificing his life for the union movement in the Banking Industry in the 1940's. All the bank men have gratitude to them for making their life safe and secure through their union movement. Today they enjoy a life of job security, job satisfaction, job enrichment and contentment because of their life dedication to the union movement. Monthly magazine of AIBEA is named as “Prabhat Herald” to commemorate his great sacrifice for the Union Movement. The employees of banks observe these two days as union movement days.

Formation of trade unions of clerical and subordinate staff began in the banking industry in the 1940's. by mid-sixties they had established themselves well. About that time the unions of bank officers began to
emerge, and a decade or so later these too had become a force to be reckoned with. Thus, the three decades since independence witnessed the unionization of the bank staff in India.

**CHARACTERISTICS OF BANK UNIONS:**

The main characteristics of the unionization of bank employees merit mention here: these are,

1. It is a movement of white collar, middle class men engaged in labour intensive service jobs.

2. The movement was a united one for about a decade and a half after formation. Its fragmentation started thereafter.

3. Because of the 'workmen'[clerks & Sub-Staff] and 'non-workmen' [Officers] distinction prevalent in banking industry (as in other industries), two distinct movements of workmen and non-workmen have developed, with an initial time gap of about two decades.¹

4. The unification of Unions for fighting against exploitation and protection of common interests of all collective unions has taken place during 1997" 14th February, i.e. through United Forum of Bank Unions[UFBU]

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The Bank Employees:

The bank employees stand divided into two distinct classes, viz., Workmen or Award Staff and Officers [non-workmen staff]. This distinction has its roots in the bureaucratic, hierarchical organisation of personnel in banks. The legal provisions contained in the Industrial Disputes Act 1947 have further strengthened it and separate unionization of the two classes of staff. Section 2 of the said Act defines the term 'workmen' and the Act is applicable to workmen of industries covered by the Act. Banking is one such Industry. While the clerical grade employees and the subordinate staff [popularly known as 'sub staff'] are covered by the definition of 'workmen', the officers of banks are excluded from it. Hence, the clerical grade employees and substaff are workmen but the officers are not.

The terms of employment or conditions of service applicable to workmen of banks have been settled by Awards of Tribunals appointed by the Government of India to adjudicate the industrial disputes between the banks and their workmen. The base Award has been given by the All India Industrial Tribunal [Bank Disputes], appointed by the Government of India in January' 1952. Justice S. Panchapagesa Shastry was the Chairman of the Tribunal and its award is popularly called as the "Shastry Award". The

said award is operative substantially to date since subsequent awards and bilateral settlements have only amended its various provisions. Not being workmen, the terms of employment of officers are not governed by these Awards. Hence, workmen are also referred to as 'Award Staff'; Officers are 'Non- Award Staff'. The unions of workmen are, therefore, called as "Workmen's Unions" or "Award Staff Unions" or simply "Unions". The unions of Officers are referred to as "Officers' Associations" or simply as "Association".

At present there are **NINE UNIONS** of Employees in Banking Industry having all India base, their membership comprises Employees of different member banks and are Registered under the Indian Trade Unions Act' 1926. All the Employees who sign their attendance on first day after joining the bank service will automatically become members of the Employees Union at bank level after expressing their faith in particular Union which in turn has state level and National level participation. As such **98%** of the total Bank Employees are Members of one or the other Union and **2%** who are non-members are the Officers Grade-IV and above Scale who form the part of Management are not the members of any Union. An employee getting promotion of Grade-IV and above will automatically relinquish the membership and has to sacrifice his association with the Union and cannot

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opt to continue as member of any Union. Each bank level organisation also has affiliation to regional level, at state level and at national level Office of the Union for participation; the election to the Office bearers takes in the same line of hierarchy. All these Unions have state level apex body called Karnataka Pradesh Bank Employees Federation (KPBEF). Similarly, these 9 Unions together form the **United Forum of Bank Unions (UFBU)** at national level. It is a significant development in the Nineties of the coming together of various award staff unions and officers associations in the industry. Primarily the political ideologies of unions kept these employee organisations separate which also led to union rivalries and the difficulties associated with it. **On 14th Feb’ 1997 Five Award Staff Unions and Four Officers’ Associations collectively formed an industry level joint forum known as the United Forum of Bank Unions [UFBU] cutting across ideological lines.** This new forum of Bank Unions has been taking up issues at the Industry level although there are occasional differences in approaches of the leaders on certain issues like pension. However, UFBU has been sphere heading the struggle against privatisation and public sector disinvestments processes. This formation is a major development in Industrial Relations in the Banking Industry in the recent years⁴. **Thus 100% employees’ solidarity is expressed through the UFBU.**

Earlier to formation of UFBU there used to be clashes of leadership on political interests, opinions and principles, etc., resulting into inter union and intra union rivalries which was detrimental in the democratic functioning of unions and smooth functioning of the Banks. The ill effects of ‘Multiple Unionism’ that were prevailing have been done away in the Industry through UFBU and may further consolidate to one strong Body in the years to come.

These Nine all India Unions are as follows:[Chart-IV.6]

**Workmen Unions: [ Non Officers ie. Clerks and Sub-Staff]**

1. ALL INDIA BANK EMPLOYEES ASSOCIATION (A I B E A. formed on 20-4-1946] it is supported by AITUC [All India Trade Union Congress formed in 1920]

2. NATIONAL CONFEDERATION OF BANK EMPLOYEES ( N C B E’ 1970 was earlier State Bank of Baroda and Indian Overseas Bank employees federation known as National Union of Bank Employees-NUBE )

3. BANK EMPLOYEES FEDERATION OF INDIA ( B E F I’ 1982, supported by Centre for Indian Trade Unions-CITU banking wing )

4. INDIAN NATIONAL BANK EMPLOYEES FEDERATION ( I N B E F affiliate of INTUC )

5. NATIONAL ORGANISATION OF BANK WORKERS ( N O B W formed on February’1965], it is supported by BMS [Bharatiya Mazdoor Sangh a labour wing of Bharatiya Jana Sangh
Officers Associations: [Officers ie. Grade-I to IV only]
[Officers Grade-V to Grade-VII are non unionists]

6. ALL INDIA BANK OFFICERS CONFEDERATION (A I B O C )

7. ALL INDIA BANK OFFICERS ASSOCIATION (A I B O A’ 1978 affiliate to AIBEA)

8. INDIAN NATIONAL BANK OFFICERS CONGRESS (I N B O C, 1978 affiliated to INTUC)

9. NATIONAL ORGANISATION OF BANK OFFICERS (N O B O affiliate of NOBW 1978 and the BMS –Bharatiya Mazdoor Sabha )

Thus Unions have a wide base of members coming from all the Banks in the Indian Banking Industry and form the strong might for Collective Bargaining on any matters affecting their interest during their service. Therefore, it is but natural solidarity of the fellow members and also of the Unions Collectively on all the matters interfering in the Industry in general.

COMMON OBJECTIVES OF THE UNIONS:
[Functions of both types of Unions in Industry]

a. Service and salary concerned:

1. negotiating for Salaries and Allowances

2. perquisites and other facilities

3. promotion policy of management

4. transfer policy matters
b. to help in disciplinary Action by:

1. Guiding in submission of replies by employees
2. providing service of Defence Representatives

c. Welfare Schemes:

1. Benevolent Fund Scheme
2. Co-Operative Credit and Consumer Societies
3. Long term and Emergency Loans facilities

d. Welfare Schemes at Bank Level:

1. to represent employees in the welfare Committee for forming the welfare schemes.
2. co-operating with bank functions and branch responsibilities.

e. Publication of Magazines and journals:

1. like Bank men, Prabhat Herald, Bank Flag, In-House magazine, Officers voice, Bank -men mentor, Mission, Bank-o-Voice, Connecting Link, on periodicity of Monthly, Bi-monthly, Fortnightly, Monthly etc.,
2. Conducting pre promotion classes for both clerical and Officer cadres
3. Book for use of employees For Eg. Service Conditions.
4. Promotion Test Materials etc.,

f. 1. Redressal of individual grievances
2. Promoting individual relationships
3. Improving interpersonal relations
g. On Legal Matters:

1. To stop unilateralism and violation of agreed policies.

2. To safeguard the interests of the workmen and officers collectively.

h. To uphold the dignity, self-respect and status of the employees

i. To improve protection to the employees against favoritism, victimization and vindictive action.

j. To struggle to maintain the sanctity of settlements and Policies and to protect the interests of the employees within such purviews.

k. Maintaining Guest Houses at Tirupati, Hyderabad, Ahmedabad & Bangalore etc., depending on their requirements and availability.

l. Considering opening & maintenance of school, Colleges, hostels, Hospitals, Charities etc., for the general welfare of the society.

m. Conducting various community services like Blood Donation, Health Check-ups, Lectures, Seminars, Yoga camps, Meditation camps, public prayers for social causes, encouraging meritorious children by awarding Medals, Scholarships, etc.,

n. Donations to social causes like Old Age Homes and Orphanages. etc.,

Rights of the Unions:

Basically, Unions commonly have objective of better bargaining, protection of the employees interest against the anticipated harassment by the employer/management, promoting and protecting the Industrial harmony
and co-ordinating the achievement of objectives of the banks. In this regard
Unions have following rights for the better discharge of their functions:

a. right to raise any dispute connected with the employment, non-
   employment, terms of employment and conditions of labour or any
   persons employed in the Banks.

b. Deliberating Collective and Individual grievance to the managements
   and entering into agreements, collective bargaining on behalf of the
   employees whether they are members of the union or not.

c. To collect membership fees and subscriptions from the workmen within
   the premises and have facility of check off if they desire so.

d. It is entitled to hold meetings of the employees periodically or otherwise
   at suitable place to discuss the demands of the union particularly of
   wage demands and facilities.

e. To have managements consultation with the union before implementing
   any decision affecting the interest of the workmen.

f. To display union notice board for the members at all the branches and
   administrative buildings.

g. It can nominate its representatives on statutory or non-statutory
   committees like welfare committees, canteen committees, housing
   committees etc.

   p.470 Blue Print India Financial Services Pvt Ltd., Hyderabad.)
EARLIER TRIBUNAL AWARDS:

In Bombay, Bengal and United provinces, the unrest became active and the state Governments came forward to give some relief to the bank employees. They referred the disputes for the adjudication.

The history of early awards was mentioned in Shastry Award which is mainly of historical value.

In 1946, at Bombay, Justice H.U.Devatia was appointed as an adjudicator in the dispute between Bank of India Ltd., and its employees and the award given by him was published in the Bombay Government Gazette dated 15-8-1946. Immediately after the award, in the dispute between thirty Banking Companies Operations in Bombay, Shri Devatia was appointed as adjudicator and his award was published in the Bombay Government Gazette extraordinary date 9th April’1947 which is popularly known as “Devatia Award”.

In the United Province i.e., present Uttar Pradesh State, the dispute between forty specified Banking Companies and their workman was referred to shri B.B.Singh for adjudication. He gave his award on 11-3-1947 and it was known as “B.B.Singh Award” which was enforced to forty Banks operating in the state of United province.

In Bengal one shri.R.Gupta was appointed as adjudicator by the State Government to settle the dispute between the Imperial Bank of India and its
Workman and the award was published in Calcutta Gazette dated 4-8-1947. Which is known as "Gupta Award". Not only Imperial Bank, several other banks operating in Bengal adopted "Gupta Award" voluntarily.

With regard to certain clarifications of Gupta Award a reference was made to Shri. S.C.Chakravorthy who was again asked to adjudicate in the dispute between Imperial Bank of India, Bengal Circle and its employees in respect of certain issues which were not covered by Gupta Award and it was published in the Calcutta Government Gazette dated 22-12-1948.

To adjudicate upon the dispute between Central Bank of India Ltd., and its employees, in Calcutta, West Bengal Government appointed Mr.S.K.Sen. and the award was published on 22-12-1947. He was again appointed as adjudicator in the dispute between the Central Bank of India Ltd., and its employees in West Bengal outside Calcutta and his award was published on 10-7-1948.

BANKING INDUSTRY CAME UNDER THE CONTROL OF CENTRAL GOVERNMENT:

Till April 1949, Banking being the state subject, the appropriate Government was the respective state Government. The formation of All India Bank Employees Association in 1946 has emerged as a strong trade Union in the Banking Industry. Both Unions and Management were of the opinion
that to have a cohesion and uniformity, 'BANKING’ should come under the control of Central Government. The Central Government realized the necessity of taking banks under their control.

The Central Government, being also of the same opinion passed the Industrial Disputes (Banking and Insurance Companies) Ordinance (Ordinance No: VI of 1949), on 30th April ‘1949. The ordinance was replaced by the Act passed by the Parliament known as Industrial Disputes Banking and Insurance Act (LIU 1949). It applied to all provinces of India and came into force at once. Banking Companies having branches or other establishments in more than one province thus came under the jurisdiction of the central Government for the purpose of the Industrial Disputes Act’1947 (XIV of 1947) and the powers of the local Government over them were taken away by that Ordinance.

SEN AWARD:

On 13th June'1949, the Central Government Ministry of Labour constituted an industrial tribunal consisting of three retired Judges of High Courts to adjudicate upon the Industrial Dispute between several banking companies and their workmen. On the same day, they referred the industrial dispute to the Tribunal by a separate order. The tribunal was presided over by Shri.K.C.Sen, President of the Industrial Court, Bombay and a retired Judge of the Bombay High Court. For the first time an All India Industrial Tribunal
was constituted and the various disputes relating to the banking industry were referred to it. Their award which was given after an exhaustive enquiry was published in the Gazette of India on 12th August 1950. That award has been referred to as the "Sen Award".

Some of the leading banks, being dissatisfied with the award applied to the Supreme Court. On 9th April 1951, the Supreme Court, by a majority judgment, declared the Sen Award as void altogether for the reason that the constitution of the Tribunal offended against the provisions of the Industrial Disputes Act 1947. The Court held that the award was void in total for want of Jurisdiction and did not go into the merits of the award with respect to any of the matters dealt with therein. In consequence of this decision, the dispute in the banking industry remained unresolved.

Soon after there were some strikes consequent on certain actions taken by some of the banks. The result was Government had to take steps afresh to settle this long-standing dispute which, for one reason or other, had not received a final and satisfactory determination. Attempts at settlement of the dispute, thus revived though the machinery of conciliation having failed, the Central Government was obliged to passed a temporary Act (Act XL of 1951) freezing certain provisions of the Sen Award for the time being. It referred the dispute again for adjudication to new tribunal. The attempts of Bank Employees, Union of Federations to have the Sen Award legalized by legislation did not succeed.
In July'1951 an Industrial Tribunal was again formed with Mr. Justice H.V. Devatia, a retired Judge of the Bombay High Court as Chairman and two others as members. Bank Employees persisted that Banking Companies in Part-B States (excepting the State of Jammu and Kashmir) should also be included in the adjudication. The Central Government agreed with this view. Rule for qualification of membership of the Tribunal were also made and published.

**SHAISTRY TRIBUNAL:**

Thereafter on 5th January'1952 the Shastry Tribunal was constituted and the Central Government referred to it for adjudication of the disputes between various banks including banks in Part-B states and their workmen as per the terms of the notification of 5th January' 1952, S.R.O.36.

It is popularly known as ‘Shastry Tribunal Award’, consisting of Shri.Panchapagesava Shastry as Chairman and two other members viz., Shri M.L.Tannan and Shri.V.L.D'souza. It is a comprehensive award dealt with almost all the service conditions of Bank Employees. The tribunal pioneered a new pattern of thinking and has given a new depth and dimension in the Banking sector and the tradition of liberalism adopted by their award continued to influence the thinking.
LABOUR APPELLATE TRIBUNAL:
The Shastry Tribunal gave its award in March'1953. But the unions were not satisfied with its recommendations and went for an appeal before Labour Appellate Tribunal and the decision was given by the Labour Appellate Tribunal on 28th April' 1954. Although, Bank employees were satisfied with the decision of Labour Appellate Tribunal, Bank Management was thoroughly dissatisfied and appealed to the Government not to give effect to the Labour Appellate Tribunal decision. After obtaining the views of Reserve Bank, Government of India came to the conclusion that it would be inexpedient in public interest to give effect to the whole of the decision of the Labour Appellate Tribunal and modified Labour Appellate Tribunal decision in certain respect. The interference of the Government was widely criticized and the then Labour Minister Mr.,V.V.Giri resigned from Union Cabinet over the issue of Modification of Labour Appellate Tribunal's decision.

BANK AWARD COMMISSION:
Immediately, Government of India appointed a Bank Award Commission with Shri Rajadhyaksha, as Chairman on 17th September'1954. Soon after his appointment Shri Rajadhyaksha died and in his place shri.P.S.Gajendragadkar who was at the time a judge in the Bombay High Court and Later on became Chief Justice of India, was appointed. He
submitted his report on 25-7-1955, based on the recommendation of Justice Gajendragadkar, Government of India passed an act called Industrial Disputes (Banking Companies) Decisions Act' 1955. By section-4 of said act, it was provided that the award of the Sastry Tribunal as modified by the decision of Labour Appellate Tribunal, as further modified by the recommendations of the Bank Award Commission, would remain in force till 31-3-1959.

Based on the recommendations of Bank Award Commission, the Government of India appointed the Travancore-Cochin Bankers Enquiry Commission consisting of Shri.K.L.Ramani Menon as Chairman and Dr.P.J.Thomas and Prof. M.L.Santwara as members to study the problems of the Banking system in the Travancore-Cochin state. The Commission submitted its report on 3rd August' 1956.

Taking into consideration the recommendations made by the Travancore-Cochin Banking Industry Commission, the Central Government enacted another Act, “The Industrial Disputes(banking companies)Decision Amendment Act" (70 of 1957) making certain changes in the provisions of the “The Industrial Disputes(banking companies)Decision Act"(41of1955).

Thus the original Shastry Award was modified by Labour Appellate Tribunal decision and as further modified by two Act, “The Industrial Disputes(banking companies)Decision Act” 1955 and 1957 and finally known as the “Shastry Award as modified”. This was in operation till 31st March'1959.
DESAI AWARD :

Immediately after the period of operation of 'Shastry Award as Modified' employees under the banner of All India Bank Employees Association (AIBEA) served notices of termination of the Award and submitted charter of demands. The All India Bank Employees Federation also submitted their charter of demand. Government of India Constituted a National Tribunal under the Chairmanship of Justice Kantilal Desai, Chief Justice of the High Court of Gujarat on 21-3-1960.

Shri Desai gave his award on 7-6-1962 and it was in operation till 1964. When Government of India extended the period of operation of Desai Award for a further period of one year, employees unions opposed the action of the Government. Despite their opposition, the Desai Award was in operation till 30-6-1965.

FIRST BI-PARTITE SETTLEMENT: (Dated 19-10-1966)

By that time in many industries collective bargaining has taken deep roots in the country and bilateral relationship between Management and the Union as an alternative to compulsory Adjudication by Tribunals was replaced. Referring disputes to adjudicators has given place to direct negotiation between employees and the Unions.
Government of India encouraged employers represented by 'Indian Banks Association' and Employees represented by All India Bank Employees Association and the All Bank Employees Federation to have direct talks and arrive at a settlement. After protracted negotiations, a settlement was signed on 19th October 1966, which was hailed as a historical landmark for the development of bilateral relationship in the Banking Industry. Since then Bi-partite settlements have become a common feature and bilateral relationship between Management and Unions have taken deep roots in the Banking Industry not only at All India Level but also at every Bank level.

SECOND BI-PARTITE SETTLEMENT: (Dated 12-10-1970)

The first Bi-Partite settlement was in force for a period of three years as agreed in the settlement and it came to an end on 31-12-1968. The talks were held between All India Bank Employees Association (AIBEA) representing majority of Bank Employees and the Indian Banks Association (IBA) representing the Employers and an agreement was signed on 12-10-1970. Which is known as second Bi-Partite Settlement. This settlement was in operation for three years and expired on 31-12-1973.

THIRD BI-PARTITE SETTLEMENT: (Dated 1-9-1978)

When the negotiations were in progress between IBA and AIBEA, emergency was proclaimed in India in 1974; till it was lifted the negotiations could not
take place i.e., until January’1977. After lifting of the emergency the talks were resumed, and in the meanwhile State Bank of India joined Indian Banks Association and their majority of the Workmen belonged to another Union viz., “National Confederation of Bank Employees”, (NCBE) so the discussions were also held along with the AIBEA and a settlement was reached on 1-9-1978.

The Indian Banks Association had also talks with the National Organisation of Bank Workers (NOBW) and also with Indian National Bank Employees Congress (INBEC) and signed the same settlement with them.

The Third Bi-partite settlement was in operation till 31-8-1982.

In the Third Bi-partite settlement, agreement on certain matters could not be reached and it was decided to refer certain specific issues to the Board of Arbitrators. When the arbitration proceedings were in progress, a question was raised as to the Authority of the Arbitration Board and finally the Arbitration Board was dissolved on 11-5-1981. Immediately, after the expiry of the Third Bi-partite Settlement AIBEA and NCBE submitted a common Charter of Demands on 31-3-1983 to the Indian Banks Association.

IBA insisted that the issues, which were unresolved by the Arbitration Board, should first be settled mainly on computerisation. If a settlement could not be arrived by mutual discussions, it will be referred for adjudication and also the charter of demands will also be referred for adjudication. The Unions were against adjudication, as it would lead to unnecessary and unending legal complications.
A settlement was reached on 8-9-1983 mainly on the use of computers in the Banking Sector. In this connection, the efforts made by Shri Vogul, the then Chairman of Bank of India are to be remembered for their suggestions and contributions in resolving the same.

FOURTH BI-PARTITE SETTLEMENT: (Dated 17-9-1984)

Immediately after the settlement on 8-9-1983, discussions were held between IBA and Unions represented by AIBEA and NCBE, IBA also presented a Charter of Demands on the Unions mainly on productivity and better customer service in Banks.

Finally a settlement was reached on 17-9-1984 which is known as Fourth Bi-Partite Settlement and the operation of the Settlement was given retrospective effect from 1-7-1983 and was in force for a period of four years i.e., till 30-6-1987.

After the stipulated period of operation of IV Bi-Partite Settlement was over i.e., on 30-6-1987 Unions have submitted their charter of demands. The two major unions in the Banking Industry, which are, recognized Unions, as on today are AIBEA (All India Bank Employees Association) and NCBE (National Confederation of Bank Employees). Bank Managements were represented by IBA under the leadership of Mr.R.Srinivasan, Bank of India and his team ably assisted by shri A.K.Bakshy, Personnel Adviser.
IBA also submitted counter demands on the union such as enhancement of working hours etc., It is an important step to protect the interests of the Managements which has become imperative in view of the falling working standards at branches. At the time of negotiations of III and IV Bi-Partite settlements also, Managements have put-up their demands over the unions, but in V Bi-Partite settlement, the demands were counter aggressive to the Union demands. A new dimension was added and it has led to anxious movements over the fate of finality of the Settlements.

The present Union leaders of both the unions are well matured as they have got more thirty years of consistent experience in the Trade Unions and they understood the under current of the demands made by IBA which are solely aimed at improving the productivity of the entire Banking Industry and indeed after Nationalisation of Banks, the Unions themselves advocate for higher productivity and higher profitability of the Banks.

Unions adopted a strategy with a touch of realism with a proper understanding of each other's position and restrain on their part and appreciate the genuineness of the demands of other sides, both IBA and Unions played a matured role giving importance to Collective Bargaining. There was a sense of relief all over the country when a settlement was reached with utmost cordiality.
The V Bi-Partite Settlement was in force for a period of five years with retrospective effect from 1-11-1987 although the actual settlement was done on 10-4-1989.

**SIXTH BI-PARTITE SETTLEMENT:** (Dated 14-2-1995)

[The Banking Scenario prevailing at the time]

Since 1990 lot of changes have taken place in the Indian Economic scenario, high inflation, low growth rate, no or low productivity in every public sector undertaking, huge losses, No capital to Government to invest in Public Sector Undertakings, Banks are also no exception. Many Banks started showing losses; Customers vehemently condemn the poor customer service. Ever since Shri Manmohan Singh taken as Finance Minister of Government of India, a substantial change has been visible deviating the traditional importance given to Public Sector Undertakings. The Scam Scandal tarnished the image of the P S C B's and many heads were rolled down. New thinking advocated by Shri Manmohan Singh, i.e., Liberalisation, Privatisation and Globalisation (L P G) has taken deep roots. Public Sector Undertakings were asked to stand on their own legs. Collapse of Communism in Russia has great impact on the left wing parties mainly on the labour Unions. There is a perceptible change in their outlook. They were more concerned for the success of Public Sector Undertakings.
It is in this background that the negotiations for Sixth Bi-Partite Settlement started. Unions have become very responsive and openly came in support of Banks Management. They always cherish public sector undertakings. They vehemently oppose privatisation of Public Sector Undertakings. They adjusted themselves to the dynamics of the changing times by realizing the ground realities.

During negotiations of Sixth Bi-Partite settlement the prevailing economic scenario has influenced the thinking of the Unions and at the same time Banks Management under the banner of IBA Under the able guidance of its Secretary, shri A.K.Bakshy, has taken a pragmatic view and many thorny issues were solved in an atmosphere of give and take.

SIXTH Bi-Partite settlement will be in force till 31-10-1997. It is effective from 1-11-1992. although the agreement was signed on 14-2-1995. There is a possibility that in future a separate agreement may have to be entered at individual banks level making a difference between loss making banks and profit making banks and also taking into account their capacity to pay.

Sixth-Bi-Partite Settlement may be the beginning of the end of Industry wise Bi-lateral negotiations in the Banking Sector.

However, there was an opposition from the workman Unions on the ground that on many aspects it has done injustice to the workman staff when compared with the service conditions offered to the officers, although in the past it was distinctly considered for award staff and officers.
SEVENTH BI-PARTITE SETTLEMENT:  (Dated: 27-3-2000)

Which is currently in force for the Wage and Salary payable to PSCBs Employees

The IBA decided to confine industry level negotiations only to the basic pay and dearness allowance (DA) and leaving all other components of wage and other service conditions to the respective Bank Managements, to fix by duly considering the productivity and profitability of the respective Banks. The Unions resisted it, as strong Banks will get a better deal while the employees of weak Banks will receive a raw deal from the Management and this can perpetuate displeasure, unrest and anarchy in banking industry. There was contrary opinion of the IBA that in the process of liberalisation the profitable banks should be given the freedom to reward their employees for higher productivity, while the weak banks should not be forced to pay more, which in turn may worsen the financial position of the latter.

If it was considered industry level settlement for all the components of wage/salary, some weak banks establishment charges will increase substantially and will affect their profitability. If not the disparity in wage structure will be an inspiration for employees of weak banks to improve their productivity and profitability. *IBA felt that there is no such existing system to link between the productivity and payments in the banking field.* Such proposal of settlement of one part of wage at Industry level and another part at bank managements level will have disturbing results, such
an agreement will eventually disturb the unity and solidarity of unions in different public sector banks.

It was at this situation all the NINE Unions came together and collectively demanded for negotiations between IBA and Unions for all the components of their Wage comprising Basic Pay, D.A., C.C.A., H.R.A., P.F., and Gratuity. After discussions and deliberations finally it was agreed for the settlements for all the components of the wage between Unions and the IBA on 27-3-2000 and will be in force till 31-10-2002, which will benefit 4,43,334 clerical staff, 1,96,267 Subordinate staff and 2,42,988 officers in the PSCBs.

PROFILE OF TRADE UNIONS IN KARNATAKA:

There are around 45000 staff in all cadres in all the banks in Karnataka. As much as 95% of them are organized and present themselves in the form of strong Bank Level, District Level, Zonal Level [Regional], State Level and National Level Union Organisations, and all of them are Registered Unions.

The officers will be around 12400 i.e. 80% of them are organized under the banner of All India Bank Officers' Co-ordination Committee [AIBOC]. This is also the majority trade union for all officers in the entire industry in India.

The next will be the All India Bank Officers Association [AIBOA], the sister union of All India Bank Employees' Association [AIBEA]. This will be representing around 25000 Officers in Karnataka. At the All India level
also, this is the second major trade union. The rest are all very minor groups belonging to National Organisation of Bank Officers [NOBO], Indian National Bank Officers Congress [INBOC].

Regarding workman staff, Karnataka Pradesh Bank Employees’ Federation [KPBEF] will be representing around 80% in all the banks. These are covered by All India Bank Employees’ Association [AIBEA]’ National Organisation of Bank Workers (NOBW)’ Bank Employees’ federation of India (BEFI) and other very minor groups. The same percentage of representation is broadly reflected at the All India level. There is another organisation known as National Union of Bank Employees (NUBE). This represents near exclusively the workman staff in State Bank of India, Indian Overseas Bank, Bank of Baroda and is having very small representation in other banks. The other unions are Indian National Bank Employees’ Federation [INBEF], National Confederation of Bank Employees [NCBE].

Broadly speaking, AIBEA (KPBEF) will cover around 70%, NUBE will cover around 20% and the rest will be around 10%.

In all public sector banks, through Labour Department verification, Government appoints Directors once in three years representing workman staff and officers on the basis of their majority.

Out of 27 public sector banks, in 23 banks, AIBEA nominees are workman Directors. In 4 banks NUBE Directors are there.
Some Common factors of industrial unrest in India:

1. Politicisation of Unions.
2. Intra union rivalry.
3. Unions believe that only strike pays.
4. Failure of present legal framework on certain aspects to solve workers problems promptly.
5. Lack of trust between Management and Employees.
6. Feeling that strikes help unions in bringing pressure from the Government.
7. The belief that a strike enables equalization of power between capital and Labour, tailored with different objectives and policies of Unions.
8. Absence of appropriate grievance redressal system and lack of attitude on the part of employers to settle the issues.
9. Wages do not keep pace with price increase.
10. Communication gap and lack of understanding between the managements and the unions.
11. Industrial workers are too much pampered.

The following Institutional methods can be expected to improve the industrial climate.

1. Better understanding of the social obligations of the organizations.
2. Regular bargaining agreements in the industry.
3. Providing better welfare measures irrespective of legal concurrence.
4. Encouragement of single Union and abolishing of multiple unionisms.
5. Wide-ranging scope for workers participation and better motivational schemes by the organizations.

6. Adopting of fair personnel policies by the Managements and involvement of employees on the Management with due scope for meaningful participation.

7. Human considerations in handling disputes rather than only economic considerations.

8. Recognizing the Industrial intelligence system to predict strikes, disturbances and better forecasting to take effective preventive measure.


It is thus, that, mere Remunerations Management by employer and mere remuneration orientation in employee will not help, unless attitude in the every individual in the organisation is directed towards collective & common welfare motivated by the collective well being and performing of the objectives.
UNIONISTS STRIKE, ANY TIME, BUT ALL INDIA BASIS.

AGITATING FOR THEIR RIGHTS AND PROTECTION OF THE PUBLIC SECTOR BANKING THROUGHOUT COUNTRY ON 15-11-2000