



CHAPTER XIII

Bipartite Settlements - BEFI's Approach and New Features

It has already been discussed in the previous chapter how BEFI, despite its existence at the time of bipartite talks on 4th & 5th Settlement, was unduly denied participation in the talks by IBA because of vehement opposition of the negotiating Unions particularly AIBEA. It would, therefore, be out of place to mention the analytical views of BEFI on the 4th and 5th Settlements and also on the subsequent settlements.

4th Settlement -

As already stated before, the Foundation Conference of BEFI formulated a charter demanding 25% increase in pay & D.A. to compensate the erosion in wages over the years besides other allied demands. It was a comprehensive charter covering all points and was circulated among the employees, backed by explanatory campaign among the bank employees to highlight its salient features and the new approach, compared to AIBEA. In the face of the bankers' recalcitrant stand on wage revision, their moves for computerization and vindictive transfer of employees, agitation was launched culminating in one day's strike on 6th September 1983. AIBEA and NCBE were approached for united action, but it fell on the deaf ears of their leaders who not only remained aloof from the path of struggle but manifested their capitulatory role by conceding the bankers' demand on automation and mechanization in the 8th September 1983 settlement as a pre-requisite to wage negotiations just two days after BEFI's strike action. While in other public-sector industries like Coal, Steel etc and also in Port & Dock, the employees by their united struggle secured wage increases ranging from 17% to 20%, setting at naught

the BPE stipulation of wage-increase to be limited to 10% and linked to productivity, no such united struggle materialised in the banking industry due to the anti-unity policy of the leaders of AIBEA/NCBE. They collaborated with the bankers to arrive at a settlement with wage-increase around 10% which were far below the bank employees' legitimate entitlements and expectations.

In this background the fourth bipartite settlement was signed by AIBEA/NCBE and INBEC on 17th September 1983 after surrender to the bankers on the issue of automation, which, they possibly hoped, would soften the bankers' attitude and fetch better wage deal. But it did not work. Bank employees were again made to suffer on merger in basic pay which was with 86.4% neutralization (instead of 90% as proclaimed), ceiling on D.A. continuing. Simultaneously also there was another settlement in RBI. But taking a bold and courageous approach the AIRBEA could clinch merger at real 90%, and no ceiling on D.A. Apart from D.A., the differential in basic pay between RBI and Commercial Banks further went up by 2.5% consequent to merger at higher percentage in RBI and bank employees had to undergo financial loss which naturally became a gain to the bankers. Reasons were not far to seek why BEFI was denied entry into the wage negotiations, both by IBA as well as AIBEA/NCBE leadership, despite its representing much larger number of employees, compared to INBEC/INBEF, and enjoying majority position in some States.

5th Settlement

The 4th wage settlement expired on 30 June, 1987. Well before its expiry, the General Council of BEFI met in Madras on 6-7 May 1987 to decide its approach and again formulated a comprehensive charter of demands. The basic approach was to reconstruct the scales of pay and allowances at 660 points of working class consumer price index (1960=100) with full

neutralization and restoration of the erosion that has taken place in the clerical wages due to less than full neutralization in revision of pay scales after the 1st bi-partite settlement.

In respect of sub-staff, higher pay scales were demanded elevating the starting basic pay to reflect the existing wage differential with the starting basic pay in the clerical scales and raising the minimum-maximum ratio from 1:1.85 to 1:2.04.

The pay scales thus arrived at were Rs.1245 to Rs.3700 for clerks and Rs. 1030 to Rs. 2100 for sub-staff.

As Dearness Allowance, full neutralization of the rise in cost of living index above 660 points was demanded in line with the norms evolved by the 4th Pay Commission.

The other demands included increase in the number of stagnation increments with reduced frequency; enhancement of house rent and other allowances; improved medical facilities; introduction of family allowance; bonus for all; improvement of leave rules, fringe benefits and other service conditions; repeal of provision of 'discharge simpliciter' in Para 522(1) of Sastry Award and other anti-employee provisions in the existing Awards and Settlements.

As superannuation benefits, P.P. contribution @ 10% on both pay and D.A., better Gratuity provision and pension as 3rd retirement benefit were demanded.

The charter was submitted to IBA on 5 June 1987. This time both AIBEA and NCBE made their demands specific more or less on the above lines. This was a noticeable departure from their previous practice of keeping the demands vague and that because of the approach contained in BEFI charter. Their leaders had to reckon with this position to keep their members satisfied with more information on the line introduced by BEFI.

IBA started negotiations with AIBEA and NCBE and separately with INBEF, a newly born splinter organization formed with microscopic membership with the blessings of INTUC. But BEFI and other organizations were excluded. IBA was not ready to adopt the norms followed in other industries such as Insurance, Coal, Steel, Shipping, Port & Docks, Jute, Textiles etc, where all apex-level unions are included in industry level negotiations. Obviously they were precluded from doing so more for reasons of dogged opposition of AIBEA/NCBE leaders than their own.

Faced with such a situation, BEFI launched agitation and gave a call for strike on 2nd September 1987. AIBEA and NCBE were approached for joint movement. But they spurned the idea. Instead, to avert such struggle, they tried to strike a deal with, IBA not only giving up principled position on the employees' demands but even conceding some of the counter demands raised by the bankers.

BEFI went ahead with its preparation for strike on 2nd September, 1987. Subsequent developments leading to intervention of the Chief Labour Commissioner (Central), failure of conciliation talks due to non-participation of IBA on the second date, strike on 27th November, 1987 at the call of BEFI, closure of the conciliation proceedings by CLC(C) by submitting a failure report on 4.1.1988, Writ Petition filed by BEFI before Calcutta High Court, and ad-interim injunction granted by the High Court restraining IBA from holding bilateral negotiation with other organizations, have been narrated in the previous chapter. But IBA supported by AIBEA/NCBE succeeded in getting the injunction lifted. In this background, BEFI's Central Committee met at Bhubaneswar on 24-25 July, 1988 and decided to launch a programme of intensified agitation including observance of another day's strike, preceded by dharnas all over the country and Central Dharna in Delhi on 26.8.1988.

AIBEA and NCBE leaders possibly hoped that by concentrating their fire against BEFI instead of developing a joint front against the bankers' adamanty, they would be able to have an easy settlement. They also toned down their demands substantially and even agreed to accept some of the counter demands of the bankers. But they were soon disillusioned as IBA, taking full advantage of the division in the ranks caused by sectarian position of AIBEA/NCBE leadership, offered a wage packet which was too low. Finding no other way open to them, they were also forced to give a call for strike on 28 September, 1988. However, there was no change in their sectarian approach in favour of building up a united struggle. BEFI decided to remain with the employees in the midst of struggle and advanced its strike call decided earlier to synchronise it with the call made by AIBEA/NCBE and thus make the action on 28 September 1988 total against the bankers' adamanty. It was made clear that BEFI did not subscribe to the stand taken by AIBEA/NCBE in the negotiations and its association in the strike for the sake of a concerted action was on its own demands different from the diluted demands of AIBEA/NCBE.

The unprecedented success of the strike embracing all sections of bank employees created great enthusiasm and urge for united action as the only means to have a fair deal from the bankers. BEFI renewed its appeal to AIBEA/NCBE leaders to develop such struggle. But they continued to avoid such path with the sole objective of monopolizing bargaining status even though it resulted in sacrificing the collective interest of employees.

After much dillydallying some understanding was initialled by them with IBA on 4 December 1988 which was modified on 15 Dec. and re-initialled. But the leaders of the negotiating unions faced an unprecedented outburst of employees'

resentment against the understanding so arrived at. The sustained campaign and struggle of BEFI has had impact upon bank employees irrespective of affiliation. The dissatisfaction in the ranks of AIBEA/NCBE reached the stage of some of their affiliated units passing resolutions against the accord or withdrawing their affiliations. In States like U.P., United Sangharsh Samittees comprising units of BEFI, AIBEA and NCBE were formed to demonstrate their wrath against the accord. Faced with such a situation, AIBEA/NCBE leaders approached IBA for some improvement, better offer wrested by LIC employees from their management helped them in seeking such changes. A settlement was signed on 23.2.1989 followed by another settlement on 10 April, 1989 in amplification of the former one. Although there was some improvement here and there over December 1988 understanding, the settlement was far from satisfactory due to its adverse features as follows:-

1. Pay scale revised at 600 index point which though stated to be after merger of DA with 90% neutralization was not so. Merger with real 90% neutralization would have given a pay scale of Rs. 935-3025 instead of Rs. 900-2835 as agreed upon.
2. An unfavourable three-tier DA formula was introduced for the first time with 100% neutralization upto pay of Rs. 1650 (that too raised from initially agreed Rs. 1500/- to bring it at par with the offer extracted by AIBEA from LIC/GIC management). Instead of depending upon their combined bargaining power, they had to borrow sustenance from other's settlement.
3. A pot-belly pay scale for clerical cadre with lower rate of increment at the highest stage, preceded by a hump increment at the 18th stage, unheard of in any wage

revision anywhere before. This was done consciously to deprive the employees of the higher rate of stagnation increments which, without hump increment, should have been Rs. 165/- instead of Rs. 120/-. This shows the extent of deprivation caused by hump increment to employees after reaching the maximum even in respect of stagnation increments which were payable at an interval of 2 years in respect of subordinate staff and 3 years for clerical cadre and that too, with a stipulated maximum. In other words, even without hump increment, it would have caused a negligible increase in the wage-load. Yet the experienced negotiators succumbed to the IBA's dictates in the matter.

4. Subordinate staff have been given a more raw deal.
5. Increments for graduation withdrawn and replaced by a consolidated allowance, thereby taking away the benefit of DA on them.
6. Demand for deconsolidation of clerical special allowances to treat it as 'pay' earning DA as in the past was given up. These allowances were raised only by 15% to remain static till the next settlement irrespective of price rise, whereas in the 4th bipartite settlement consolidated allowances were fixed on the basis of 100% merger at index point 332 plus DA payable thereon at 536 point.
7. Provision for part-time employment in clerical cadre introduced for the first time in the industry, though the need for it was imaginary, as no such appointment appeared to have taken place in the industry.
8. Bankers were given absolute power to increase banking hours.
9. Watch & Ward staff was debarred from trade union right to strike.

10. Inclusion of further items for mechanization/computerization.
11. Settlement made effective for a period of 5 years from 1.11.1987 and the employees had to forego the benefit of revised wages for 4 months from July to October, 1987.

Characterising the settlement as a gain to the bankers and loss to the employees, BEFI carried on its campaign and agitation. This had a direct impact upon the bank employees in general. On June 9, 1989 All India State Bank Staff Federation arrived at a supplementary settlement whereby SBI management agreed to provide one additional increment and also some improvements in allowance for their employees. It was no doubt reprehensible that in arriving at the settlement, AISBSF had conceded more mechanization. But it exposed at the same time the hollowness of the plea of 'incapacity to pay' put forward by IBA. Naturally mounting dissatisfaction was added in the minds of the bank employees. Faced with acute unrest and dissatisfaction and having lost face before the employees AIBEA leadership was forced to reopen the issue and gave a call for struggle including strike in the name of preserving 'the sanctity of industry-wise settlement'. But the employees were not enthused by the negative slogan.

The General Council of BEFI met in Calcutta on June 23-24, 1989 and demanded improvement in the 5th bi-partite wage components including restructuring of pay-scales, higher minimum-maximum ratio in sub-staff pay scales, better dearness compensation formula, restoration of graduation increments, restoration of index linked special allowances, extension of medical benefits etc. Demands were repeated as regards Pension as 3rd retirement benefit and bonus for all, repeal of various anti-employee provisions, withdrawal of ban

on recruitment, halt to massive unwarranted mechanization/computerization. Agitational programme was released and a call for strike on August 11, 1989 was given by BEFI. AIBEA also gave a call for strike on the same day on their demands like maintenance of sanctity of industry level settlement, pension and conveyance allowance.

The concerted action and the issues raised by BEFI influenced and enthused the bank employees to such an extent that AIBEA leaders were compelled to change their demand on BEFI's line, i.e. improvement instead of 'maintenance of the sanctity of the settlement. But they were not yet prepared to wage united struggle with BEFI. BEFI also staged a dharna programme on October 26, 1989 in important banking centres all over India on their demands.

Meanwhile the wage settlement in RBI was concluded by AIRBEA on August 29, 1989 without any condition of quid pro quo or anything like that, securing increase of 16.25 to 18%. Revised pay-scale of Rs. 1155 to Rs. 3245 exactly on real 90% merger was achieved. Breaking the barrier of the parameter set in the 5th bipartite settlement in respect of DA, AIRBEA succeeded in securing 100% neutralization up to the pay level of Rs. 2500 (as against Rs. 1650 in the industry wise settlement). There was no hump increment and the increment in the last stage was what it should be i.e. Rs. 175 with stagnation increments at the same rate unlike Rs. 120 in the 5th bipartite. All types of special pay were retained and revised with real 90% merger with all consequential benefits including DA thereon.

By the time officers under AIBOC leadership clinched a better deal compared to that of the 5th bipartite for award staff. Insurance employees also got a better start in wages under leadership of AIIEA.

On February 10, 1990 IBA offered same rate of DA as had been clinched in RBI. But with regard to other important demands IBA remained quite silent. As against this BEFI held a massive dharna in New Delhi and other State capitals on March 16, 1990. AIBEA also came forward, called for strike on May 15, 1990 and this time they approached BEFI officially in a written letter for participating in the strike on BEFI's own demands. They realized the futility of their anti-BEFI stance and the need and reality that in the then scenario it was no longer possible to go alone and clinch issues. This move brightened the path of joint movement. At the call of both BEFI and AIBEA the strike was a tremendous success.

The necessity of broader united approach seemed also to be felt by NCBE and AIBOC. A joint strike call by BEFI, AIBEA, NCBE and AIBOC was given on June 12, 1990 on respective demands of the organizations, while withdrawal of ban on recruitment was the only common demand. But the preparations received an unexpected turn when following some understanding with IBA on June 6, 1990 AIBEA and NCBE withdrew their call, throughout the country. It was apparent that to wean away AIBEA and NCBE from the joint struggle, IBA had made an offer of another settlement. The leaders of AIBEA/NCBE fell prey to it and signed another settlement on June 29, 1990 with some marginal improvements, but sidetracking the question for proper restructuring of pay scales. But BEFI and AIBOC remained unmoved by this development and went ahead with the strike on 12th which was a magnificent success despite the last-minute withdrawal of the other unions, as stated above.

Employees of Unit Trust of India and National Bank for Agriculture and Rural Development also made significant wage settlements on the lines in Reserve Bank.

6th Bipartite

-A marked departure with a new outlook with inclusion of BEFI in the process of negotiations -

The impact of BEFI's struggles exhibited with tremendous fighting spirit and determination for long 12 years since inception and the effective tactics evolved by it for bringing the other Unions in joint forum of struggle made IBA realize the utter futility of ignoring BEFI's rightful place in the negotiating forum any longer. But to restrain its struggles they tried from 1987 onwards to make BEFI agree to a pre-condition to accord its consent to all the past Bipartite Settlements retrospectively, particularly the computer settlements. This proposition was rejected by BEFI and it pursued its demands for recognition perseveringly and militantly. Finally it was agreed through mutual discussion that BEFI will give a letter to IBA accepting the realistic position that all the past settlements having been already implemented there was no scope of reopening the same and that our representative character should be recognized by IBA for all purposes regarding Bipartite negotiations or other matters including future discussions on computers. BEFI's letter on the above lines was given on October 5, 1993 and BEFI was invited to the Industry level joint meeting on October 29, 1993 for signing two settlements one on pension and the other on computers. However, BEFI did not sign the settlements, as negotiations on pension issue were conducted by the leaders of AIBEA on the one hand and later on by Com. R.N. Godbole (the then General Secretary of AIBOC) alone on behalf of both AIBOC & NCBE unauthorisedly on behalf of the Joint Action Committee on Pension, on the other, keeping the other partners in the Committee in the dark, while negotiations on computer settlement were conducted separately by AIBEA on the one hand and NCBE, on the other. BEFI had no opportunity to

take part in the negotiations on any of the two issues and were asked to sign the agreements as fait-accompli. Besides, it was a surprise to its representatives to be told that both the agreements had to be signed together. It, therefore, refrained from signing the settlements. Moreover, the office-bearers who were present there had no authority to sign any settlement on computer without prior discussion and approval of the Central Committee.

Under the circumstances its Central Committee Meeting was held in Madras on December 4-5, 1993. Everything was discussed threadbare, - impediments and limitation and taking everything into consideration the Central Committee empowered the leadership to take appropriate decision to establish bipartite relation with IBA. On January 7, 1994 an understanding was arrived at whereby representative character of BEFI was recognized by IBA and BEFI gave its consent to endorse both the industry level settlement dated October 29, 1993 on retiral benefits and computerization. The understanding dated January 7, 1994 was formalized in a settlement signed on June 23, 1994.

In the 6th bipartite settlement that followed the above development with BEFI taking part in it jointly with others, it was agreed between the two sides that the basic pay would be restructured at 1148 points of the All India Working Class Consumer Price Index (1960 = 100). The first phase of the discussion subsequently ended with an agreement reached on 08.10.94 to the effect that the major items of wages, i.e. basic pay, special allowances, D.A., HRA, CCA, conveyance allowance, medical aid/reimbursement of hospitalization expenses, provident fund, etc., would be revised within an increase of 10.5% of the total wage bill of Rs. 3695 crores. As regards distribution of the total amount among the various items of wages, further discussion lingered for a period of

about 4 months intercepted by spells of deadlock and, ultimately, the 6th bipartite settlement was signed on 14.2.95. Main provisions of the settlement, i.e. basic pay, DA, HRA, CCA were to take retrospective effect from 01.11.92, (considering the fact that the last settlement expired on 31.10.92), some from 01.11.93, some from 01.11.94, one from 01.2.95 and the rest from 14.2.95. (Details of the issues given different dates of effect should be better be given).

At least two aspects of the settlement made it a bit different from the earlier 3 settlements. One was that the major portion of the increase, i.e. 5.91% out of 10.50%, was effective from the day very next to the day of expiry of the earlier settlement (5th). The other was that, reversing a provision common to the 3rd to the 5th bipartite settlements, special allowances payable to clerical employees for special functions were deconsolidated and made to attract D.A.

The settlement dated 14.2.95 was presented to the employees by different organizations with different degree of eulogies, BEFI, however, thought it fit to exercise restraint in this regard. After all, an allocation of only 1.38%, out of the total 10.5% for basic pay was not logical and the ignorable increase in minimum-maximum basic pay ratio from 1:1.87 to 1:1.89 in case of subordinate employees was far from satisfactory. Be that as it may, not even 5 months passed before it was deemed necessary by all the workman organizations, parties to the settlement, to demand a revision in the settlement. The reasons was that IBA had, on 23.6.95, signed a joint note with the officer Organisations, conceding, as per declaration made by both the sides, 10.50% increase, but in reality, much more, by fudging the cost factor on account of HRA, thereby making a departure from the customary and assured relativity in wage increase between the officers and the workmen. It was actually a fraud on workmen's entitlements by suppressing the actual

increase in the case of officers. In view of the IBA's obstinate stand against reopening the issue and making appropriate increase, commensurate with the increase in the case officers, the 4 signatory workmen's Organisations, BEFI/AIBEA/NCBE/INBEF, formed a Joint Struggle Committee (JSC) and took recourse to a united movement.

IBA took the plea that after signing the final settlement on 14.2.95, the Unions were not competent to reopen the settled issues which, as it was prohibited by Industrial Disputes Act and a punishable offence, as the strike was illegal. Accordingly they also instituted criminal cases against four signatories to the strike notice in a Court of law in Bombay. But this failed to deter the leaders or the ranks. After a chain of events such as strikes for as many as 3 days (31.8.95 & 26-27.9.95), a call for indefinite strike (not materialized) and tripartite meetings at the intervention of the Dy. CL.C/CLC(C) of the Union Labour Ministry, followed by bi-partite meetings with the Banking Division of the Union Finance Ministry, a 3-member Fact Finding Committee, having a nominee each of the JSC and the IBA and headed by the Government nominee, Shri T.L Shankar, was appointed. The report submitted by the FFC on 3.5.96 vindicated the JSC's allegations. On examining the huge materials submitted by the Unions, the Committee came to the conclusion that the workmen were given at less wage-increase than officers. IBA, however, tried to dodge their obligation on the basis of their own interpretations. It took some more tripartite and bipartite meetings and announcements of organizational actions by JSC to compel IBA to enter into a supplementary settlement on 14.12.96. IBA agreed to shoulder an additional yearly load of Rs. 85 crores and the JSC agreed to surrender 50% of the Conveyance Allowance of Rs.100/- per month as provided in the settlement of 14.2.95 - the amounts thus available was utilized for introduction of a graded

Special Pay as part of the basic pay, with effect from 1.7.96. This is a unique after-settlement achievement ensuring additional wage increase of substantial amount. The relativity movement might have created a bit of temporary strain between the workmen's and officer's unions, which, however, withered away upon formation of the United Forum of Bank Unions (UFBU) of 5 workman Unions, viz; BEFI/AIBEA/NCBE/INFEB/NOBW, and 4 officer Organisations i.e. AIBOC/AIBOA/INBOC/NOBO on 13.2.97 under compulsion of a worse situation that followed.

Subsequently, for settlements of residual issues not covered by the B.P. Settlement dated 14.2.95, a Joint Note dated 23.6.95 containing demands was placed before IBA. This pattern of leaving residual items for settlement later became the practice on earlier occasions and generally took a long time. For realization of these demands, the Forum launched an agitation, in the course of which strikes were observed by the officers and the workmen on 4.7.97 and 28.8.97 and a call for further strike on 3-5.12.97 was issued. The last call was, however, withdrawn, though BEFI had reservation, upon signing 2 MOUs one between IBA and the workman Union - on 10.11.97. These were converted into settlements on 28.11.97. The main issues settled on 28.11.97 were Compensatory Allowance, Split Duty Allowance, compensation on transfer. Though at one stage of the discussion tentative understanding had been reached on the demands for increase in the Washing Allowance and Cycle Allowance, IBA regretted their inability to concede them at the final stage. The other outcome of the UFBU movement were scrapping of the strike clause from the Pension Regulation, 1995, improvement of the housing loan quanta and cold-storing of the anti-employee Mahalik Committee Report on wages in the Regional Rural Sank. The demand for improvement on gratuity payment lost its relevance in view of the amendment to the Gratuity Act favourable to the employees.

Settlement of the residual issues to the 6th B.P. Settlement came exactly 28 days after the date of expiry of the latter.

7th Bipartite

In terms of a provision of the 6 BPS, workman Unions were to submit their Charter of Demands for the 7th bipartite settlement 6 months before its expiry and the negotiation to commence before the last months of the settlement period. In May-June 1997, the workman Unions (the 4 mentioned earlier and the newly recognized NOBW) submitted to IBA their respective Charters of Demands, but IBA failed to honour the agreed time frame for commencement of the negotiation. This and the experiences gained in relation to the issues resulted in preparation of a common Charter of Demands. The common charter was submitted to IBA on 28.11.98 and immediate commencement of negotiations was requested.

In the common Charter of Demands, to BEFI's satisfaction, stress was laid on restructuring of the basic pay scales with adequate increase. The demand in this regard was for fixation of the basic pay at the average price index for the quarter ending September 1998 (now we know, it is 1768). To ensure a real increase in the basic pay at that point, 120% and 115% neutralization of the points beyond 600 in case of the subordinate staff and the clerical employees respectively and a further increase of 30% in case of both the cadres were demanded. BEFI suggested improvement on the starting-to-maximum ratio from 1:1.87 in case of subordinate employees, which was very low, compared to 1:3.10 in case of clerical employees. BEFI particularly stressed this point in view of the fact that in the Tribunal Awards and successive bipartite settlements this point was not properly considered which resulted in low increment rates and low maximum affecting retirement benefits of subordinate staff adversely. A consensus was reached among the Unions that the suggestion would be kept in mind while framing the pay scales at the appropriate stage of the bipartite discussion.

IBA did not start negotiations even after a lapse of more than six months. In the meantime Committee on Banking Sector Reforms, better known as Narasimham Committee II, submitted its report to the Government on 22.04.1998 inter alia recommending bank wise, not industry based as had hitherto been the practice since the days of Awards till the 6th Settlement. IBA invited workmen's and officers' organizations for discussions on 18.05.1998 and 20.05.1998 respectively.

At the very first meeting with the workmen unions on 18.5.1998, IBA proposed reclassifications of the banks on the basis of their financial condition and confinement of the industry level settlement to basic pay and dearness allowance. It was also suggested by the IBA that some of the banks, party to earlier BPS might drop out from the negotiation process. They also made it clear that there would be no further settlement on the use of computer whereby they meant total liberty for wide scale computerization as per their choice, unhindered by any agreement, and also there would have to be free mobility of the employees. The Unions rejected the proposals and demanded discussions on their common charter of demands. Same was the case with the meeting between IBA and officers organizations. UFBU took a uniform stand against the IBA proposals and decided to fight them out jointly. Two rounds of the discussions on June 16 and August 12, 1998 with workmen organizations and on June 17 and August 11, 1998 with officers' organizations took place but the discussions failed as IBA stuck to their original stand. Hectic activities began - UFBU met Union Finance Minister and the Chairmen of the respective banks, demonstrated before IBA office and released agitation programme including proposal for 1 day strike on September 18, 1998. But before the strike was scheduled to take place the Regional Labour Commissioner (Central), Mumbai, intervened on September 8, 1988 and both sides agreed to resume

discussions with open mind resulting in deferment of the strike. A series of discussions thereafter took place but IBA went back on the spirit of the understanding and proposed reclassification of the banks into three categories on the basis of profit and loss:- (A) banks making both operating and net profit, (B) banks making operating profit but net loss, and (C) those making both operating and net losses. On the wage bill they offered increase of 9%, 8% and 7% for the respective three classes of banks. However, further discussions were held on November 27, 1998 with the workmen unions and December 7, 1998 with the officers' organizations. In the meetings IBA offered a fresh proposal for uniform increase as low as 8% for all the banks with prospective effect. IBA's plea was mainly on the three points - (1) excessive NPA of the banks (2) increase in 30 slabs of D.A. effective from November 1998 and (3) enormous cost of computerization. Counter arguments also followed in the meetings. The proposal being completely unacceptable UFBU announced a day's strike on January 12, 1999 and also decided to meet together on January 15, 1999 to chalk out further course of movement. However, the date was rescheduled on January 19, 1999. Conciliation proceedings held on January 9, 1999 ended in a failure and the banking industry including the RBI was completely paralysed. The minimum demands of the organizations were-

- (1) Restructuring of basic pay at 1768 point of the price index with a real increase of 20% in the total wage bill.
- (2) Improvement in the minimum-maximum basic pay ratio in case of the subordinate employees.
- (3) Retrospective effect of the settlement from 01.11.1997.
- (4) The increase should be uniformly applied to all the earlier 56 banks, in the 5th settlement.

- (5) Computerization should be within the confinement of the settlement dated October 29, 1993 and transfer of services of the employees should not be effected as a matter of routine.

Incidentally, it may be pointed out that in contrast to the earlier inimical position there had been a marked improvement in the understanding amongst the organizations, gradually cemented by the first forum of joint movement 'Committee against privatization of banks' formed in August 1991 and prior to this, successful joint strike on June 12, 1990, at the call of BEFI & AIBOC on the common demand of withdrawal on ban on recruitment. All this enhanced the urge for greater unity amongst bankmen, both officers and workmen.

UFBU again decided for 2 days strike on February 25-26 1999 and naturally the Labour Conciliation Machinery intervened. Prior to this the leaders also met the finance minister which yielded no positive response. However, on February 24, 1999 in the course of the conciliation proceedings IBA offered 11% wage increase from their earlier stand of 8%. At this point there were some vacillations among the organizations within the UFBU as to whether to accept or reject the offer. BEFI and a few unions took a stand for rejection. Ultimately, all joined in the strike on February 25-26, 1999 and this paved the way of a Memorandum of Understanding that was signed at midnight of March 11, 1999. In the said MOU bankers agreed to a wage increase of 12.25% effective from October 1, 1997. It took further 1 year to continue discussions for distribution pattern of the agreed amount of increase under different heads. Ultimately the officers' organizations signed the joint MOU on December 14, 1999 and three out of 5 workmen unions signed the final 7th bipartite settlement in respect of the workmen on March 27, 2000. BEFI and NOBW did not sign the settlement, though on different grounds. BEFI's reasons were the following:-

- 1) The settlement contained a provision for rescheduling of the payment of arrears in UCO, United and Indian Banks.
- 2) The provisions relating to pension benefits was such as good inflate the cost while there would actually be a cut in the amount of pension. (To be recast as the meaning is not clear).
- 3) BEFI was denied its say in the matter of determination of the redeployment policy even in banks where it had membership strength of 10% or more of the workman.
- 4) IBA regretted its inability to recommend to the Government for 1 more opportunity to opt for the pension benefit.
- 5) The bankers were allowed absolute right to decide the geographical and business coverage of computerization.

The deviation from the MOD of March 11, 1999 in respect of the employees of the UCO, United and Indian banks encouraged the government to instruct the management of these banks not to introduce the new scale of wages until further instructions. BEFI all alone issued a call for strike in the three banks on April 18, 2000 and in all the banks all over the country on July 12, 2000. The unions were of the view that payment of revised wages in these banks was guaranteed by the law of the land and therefore there was no need for strike. The strike on April 18, in the three banks was successfully implemented. And while preparation for the July 12th strike was going on, AIBOC also announced its decision to go on strike during middle of July. In view of the possibility of a joint movement the government cleared introduction of revised pay scale in the three banks w.e.f. 01.07.2000. But at the same time the government imposed a moratorium of 2 years on payment of the arrears for the period from 01.11.1997 to 30.06.2000. Finally, all the unions joined together for

industry-wise strike on July 4, 2001. Another all India strike was also convened on July 17, 2001 and prior to which labour conciliation machinery intervened, an understanding was reached for payment of the arrears by installments and the strike call was withdrawn.

8th Bipartite

In terms of the 7th Settlement which expired on October 31, 2002, the workmen's unions were to submit charter of demands six months in advance and Indian Bank Associations to commence negotiation three months in advance. BEFI submitted its charter to IBA on May 11, 2002. A common charter of demands was framed by workmen's organizations in Mumbai on May 29, 2002. This was for the first time that IBA sat in a negotiation on 8th Settlement six days in advance before expiry of the preceding settlement. The IBA for the first time had sent to the unions a counter charter containing 18 demands. At the outset of the meeting IBA representatives tried to explain that public sector banks in particular have been passing through a very bad time due to capital adequacy ratio and prudential accounting norms set by the Basle Committee of BIS, on one side and stiff competition from the highly computerized new generation private banks and foreign banks on the other. So, they demanded productivity and profitability to enhance adequately to meet the challenges. Actually what they meant were unlimited computerization, replacement of the bankwise agreements on redeployment by an industry level settlement, extension of business and working hours and doing away with so called 'restricted practices'. They also made it clear that discussions on the issues of both the sides should go simultaneously. The workmen's unions pointed out that acceptance of their charter would mean winding up of the employees union and that they had come for negotiations on wage increase and not for a decrease. However,

the discussion was very brief and it ended with an understanding that a Small Committee would be constituted with representatives of IBA and five unions to hold discussions whenever necessary, in between full-fledged discussions. The committee was formed with three representatives from IBA and seven from the unions - two each from AIBEA and NCBE and one each from the other three unions. The first meeting of the Small Committee was held for just an hour on December 20, but without any progress. After several rounds of discussions over a period of 10 months, both the officers and workmen's unions realized that no satisfactory settlement was possible without struggles. They jointly unleashed a programme of agitation culminating in an All India Strike on August 24, 2004. There being no development UFBU again called for another set of programme including 2 days' strike on October 5 & 6, 2004. But before the call was implemented, conciliation proceedings started and it was given to understand that a settlement might be reached by October 2004. On November 23, 2004 an agreement was reached between IBA and UFBU whereby IBA agreed to a total wage rise of Rs. 2200 crores - Rs. 1288 crore for the workmen and Rs. 912 crore for the officers. In terms of percentage it was of the order of 13.25%, 1% more than the previous settlement. Thereafter also a series of discussions took place for giving final shape to the settlement. Ultimately, two settlements were signed one between IBA and five workmen's unions and another between IBA and four officers unions on June 2, 2005. The settlement had retrospective effect from November 1, 2002. Some of the allowances were, however, given effect to on different subsequent dates.

BEFI played a significant role in securing the highest ever increase in the settlement. The special features of the settlement were (1) one more stagnation increment (2) full neutralization of D.A. although the scales of pay and (3) restoration of

pension payment to the norms agreed upon bilaterally in 1993 and incorporated in the Pension Regulations 1995. As regards redeployment and computerization in case of the workmen IBA took a very firm stand on their demands. Many bank employees including BEFI members, and members from outside took a critical view of the settlement on account of the two chapters computerisation. However, there was satisfaction among the employees in general over the rest of the settlement.

As regards the issue of another option for pension, the provision of the settlement was definitely an improvement over that in the 7th bipartite. In the 7th settlement IBA just agreed to forward the demand to the Government of India and the matter rested there unresolved. In the 8th, however, both the parties agreed to discuss alternative proposal. However, IBA's alternative proposal was rejected by the unions.

9th Bipartite

Common Charter of Demands by the unions was submitted on October 29, 2007 and the settlement was signed on April 27, 2010 after several rounds of talks spread over almost two and a half years. The increase this time was the highest and 17.5% over the wage bill as on March 31, 2007. However, the progress was not smooth as IBA started with 10% offer. So many hurdles had to be crossed to pull up this offer of 10% to the level of 17.5%. In between there were strikes on February 25, 2008 and August 6-7, 2009 along with other agitational programme. The 2 days' strike was held because of a sudden unpleasant situation created by IBA as they went back to 13% at one stage from their own offer of 17.5%. In the face of the determined solidarity and anguish express by bank employees all over the country in the 2 days strike, the government and IBA had to retrace the retrograde step.

Though there were positive features, at the same time the settlement had some shortcomings too. Higher percentage

increase was realizable, part time employees on consolidated pay could be regularized on scale wages, LFC entitlement for subordinate staff could be improved, ratio between first and last stage of pay of subordinate cadre could have been better, special pay minus enlargement of duties, HRA for rural areas etc could be achieved. Banker's proposal for unfettered right to-contractualise and outsource all normal banking works for incorporation in the settlement could be totally thwarted.

BEFI played a significant role in the talks on distribution of the quantum of additional annual wage load for Rs. 2577 crore. On BEFI's intervention the lacunae in the load distribution sheets prepared by IBA could be rectified. As a result, revised dearness formula after merger at 2836 point of price index was changed from 14% to 15% increase of D.A. per additional slab of price index. It was BEFI's intervention that could fetch benefit of Rs. 323 crores approximately for distribution under different heads and consequentially higher loading on basic pay after merger, higher rate of HRA, 7th stagnation increment, higher transport allowance etc could be achieved.

10th Bipartite

Due to be effective from 01.11.2012 common Charter of Demands by five workmen's organizations and four officers' organizations under the umbrella of UFBU were respectively submitted to the IBA on a common date 30.10.2012.

The hurdles that came in the way-

The initial discussion between IBA and The constituents of UFBU, except NOBW because of their prescheduled programme, took place on April 22, 2013. During the talks, IBA presented data relating to wage bill of all public sector banks as on 31.03.2012 amounting to Rs. 56.292 crores for workmen and officers taken together.

IBA also presented separate lists of management issues for discussion -

Officers -

1. Introduction of cost to company concept
2. Introduction of Performance linked Variable Pay
3. Restrictions of applicability for wage revision.

Workmen -

1. Introduction of cost to company concept
2. Introduction of Performance linked Variable Pay
3. Deployment of staff as per Sastry Award superseding provisions of 8th BPS
4. Rationalisation of Special Pay posts
5. Continuation of post retirement departmental proceedings
6. Premature retirement on completion of 55 years of age or 30 years of service whichever is earlier
7. Simultaneous conduct of disciplinary and judicial proceedings.

On behalf of UFBU it was demanded that long pending issue of appointment on compassionate grounds be resolved on priority basis. The problem faced by employees and officers due to unilateral withdrawal of scheduled holidays for introduction of CIS in cheque clearing operations was also raised by UFBU. UFBU further decided to have a full fledged meeting before the next round of negotiations to decide its approach.

In the meantime two-day countrywide General Strike participated by the bank employees on February 20-21 to put pressure on the Government as was reflected in the speech of the Prime Minister accepting justification of the 10-point demands of the General Strike.

On May 24 talks held between UFBU and IBA the issues put forward by UFBU were - i). Expeditious and time bound wage revision, ii). Increase in number of representatives of participating Unions during talks with IBA. iii). No change in the pattern of negotiation between UFBU and IBA. iv). Compassionate ground appointment without any further delay, v). Problems related to introduction to cheque truncation system, vi). Introduction of 5 day week. vii). Restoration of normal industrial relation in SBI. viii). Strict adherence to KYC norms.

Next round of negotiation with IBA, preceded by talks amongst UFBU constituents, was held on June 7, 2013 where 3 specific points were raised by UFBU - (1) Effective date of settlement should be 1st November, 2012, (2) Merger of D.A. should be at 4876 points of price index i.e. Average figure of July to September 2012 quarter, (3) IBA should make their offer on percentage increase of wages. IBA made no commitment on the issues raised excepting that they suggested merger at index figure of last quarter of 2009.

During the talks UFBU further contended that cost on pension, other superannuation benefits and reimbursement of hospitalization expenses should not be included in the load for wage revision.

In the talks held on August 12, 2013 two issues were clinched - i). Date of effect of the 10th Bipartite. Settlement to be from November 1, 2012, ii). On merger of D.A. IBA first modified their earlier proposal of November, 2009 to that of November, 2010 and after much deliberations they finally rose to November, 2011 i.e. 4.400 points of price index. With regard to specific offer for increase in wage load IBA this time also remained non-committal. Thus only two hurdles could be overcome within ten months from the expiry of the previous settlement.

In this meeting also IBA tried to push through their agenda to introduce cost to company and variable pay concepts. UFBU strongly opposed both and no conclusion on them could be arrived at. IBA further proposed to introduce a mediclaim policy with cashless treatment facility up to Rs. 2 lacs, 3 lacs and 4 lacs for subordinate staff, clerical staff and officers respectively per year in replacement of hospitalization scheme. UFBU refrained from expressing their immediate stand; rather they wanted time for consideration of the proposal. On compassionate ground appointment scheme IBA informed to have already recommended to the Central Government for introduction of the scheme available to the employees in Central Government services.

Next round followed on October 11, 2013. Initiating the talks IBA queried the view of UFBU on proposed introduction of Health Insurance Scheme replacing the existing provision of reimbursement of hospitalization expenses. UFBU's reply was in favour of retention of the existing scheme with further improvements.

UFBU proposed for change of D.A. formula based on consumer price index of 2001 as 1960 base year figures are no more published and are reachable only by conversion of 2001 series. UFBU further clarified that with this change over, if finalized, D.A. has to be calculated on monthly variations of index figures. IBA assured to examine the proposal. IBA also agreed to examine the demand of UFBU for 'exclusion of cost on superannuation and welfare measures from cost of wage revision.

UFBU wanted introduction of 5 Day Week as this is the common global feature now and this demand has come up in big way from the International forum of Trade Unions for introduction wherever it is yet to be implemented. IBA stated that they will examine the matter.

UFBU expressed in clear terms that Cost To Company (CTC) and Variable Pay concepts as put through by IBA are not acceptable to them. They also demanded for continuance of the existing practice of covering up to Scale VII officers, instead of Officers up to Scale III as proposed by IBA, of the benefit of wage revision. UFBU also expressed their deep anguish over Curtailment of Holidays declared under N.I. Act by respective State Governments on the plea of introduction of common holidays within the areas of common grid of Cheque Truncation system (CTS). IBA, however, assured of taking remedial measures.

On the vital issue of Increase of Wage Load IBA pleaded their inability to commit anything concrete in absence of mandate from appropriate authorities.

ALL INDIA BANK STRIKE ON 18th DECEMBER 2013 - In view of undue delay in wage settlement UFBU decided to launch a powerful united movement, including strike action on 18th December, 2013 demanding (i) Expeditious Wage Settlement and (ii) Stoppage banking Sector Reforms. The Strike was a tremendous success.

Failing to evoke positive response UFBU further decided to go for Strike in the industry again on January 20-21, 2014. In this background discussions by IBA with UFBU took place on January 17, 2014.

IBA this time insisted on their issues like CTC, Mediclaim scheme etc and also suggested for assurance on withdrawal of the strike call. This stance of IBA being strongly protested IBA gave their revised (?) offer of 8% first, and then went up to 9.5% in the face of arguments and counter arguments. This 9.5% offer was on pay slip components which was Rs. 31.503 crores as on 31.03.2012 that includes BP, DA, Special Pay, CCA, HRA, Conveyance Allowance paid with salary, FPP,

Annual Medical Aid. Responding to this UFBU said that this could be the basis of further negotiation and for that immediate date for next talks should also be fixed by IBA to-day itself. IBA agreed to hold next talks on January 27, 1914. In this context UFBU decided to defer the strike call on January 20-21, 2014.

In the next round, as decided earlier, talks were held on January 27, 2014. IBA reiterated their issues like CTC, Variable Pay, Mediclaim scheme, Officers scale iv and above outside B.P.talks etc. All the issues were outright opposed and UFBU asked for further offer taking cue from the gesture shown in the last round of talks by deferment of strike call. After much debate IBA came out with an offer of 10% increase in pay slip components, just a paltry addition of 0.5%.

In the face of IBA's stand UFBU again sat together and decided for revival of the deferred strike call and implement the same on February 10-11, 2014 and also hold demonstration programme throughout the country preparatory to the strike. The strike saw a resounding success this time also.

Further talks were held on March 3, 2014. IBA regretted their inability to improve upon their earlier offer of 10%, they, however, insisted on UFBU spelling out their counter offer/expectations. Rejecting the contentions of IBA UFBU insisted that counter offer could only be spelt out after IBA spelled out their demands/issues already tabled, like introduction of 5-day week, defined working hours for officers, improvements in pension scheme like periodical updation, uniform D.A. rate for all pensioners, revision in Family pension formula, switching over from New Pension Scheme to Defined Benefit Pension Scheme for the new recruits from 2010, 100% reimbursement of entire hospitalization expenses of the employees/officers/family members, housing facilities for all

employees and officers, etc. The IBA informed that they were scheduled to meet the Finance Minister on March 5, 2014, and that on insistence by UFBU they assured to fix the next date in about 10 days.

Talks on March 14, 2014 - Actually there was little progress over which discussions were held on March 3, 2014. There was neither any new offer beyond 10% increase.

After a gap of about three months, another round of talks were held on June 13, 2014 in Mumbai. Apart from wage related issues, concern over other developments centering round the new bank licenses issued to private houses, pernicious recommendations of P.J. Mayak committee, accumulation of huge IMPA, contemplation about merger of PSBs, dilution of Government holding in PSBs etc. was also expressed by the Unions. This time IBA gave a revised offer of 11% which was refused by UFBU. On insistence by IBA, UFBU expressed their expectation of 25% increase on pay slip items excluding retirement and other benefits like LFC, reimbursement of hospitalization expectation etc. IBA pleaded their inability to concede.

On pension related issues, IBA stated that they were hopeful of getting clearance for some improvement in family pension and uniform DA rate for all past retirees.

In order to cross over the impasse a nine member delegation representing all the nine constituents of UFBU met Sri Arun Jaitley, the Finance Minister on June 29, 2014 and submitted a memorandum for expeditious wage settlement. He said that he would call for detailed reports on the development of wage talks with IBA from the Departmental Secretary and give suitable advice in the matter.

But neither the IBA nor the Government appeared to be keen in settling the reasonable issues of the bank men.

Stalemate continued. In order to show flexibility UFBU even came down to 23% from 25% on their original demand with a request to the IBA also to show their reasonableness and raise the offer. But the ice did not break. IBA stuck to their position of 11%. Followed memoranda to the Finance Minister and the Bank managements reiterating the demand for an expeditious settlement. This also did not yield favourable response. Under the situation Bank employees and officers observed one day strike in the industry on November 12, 2014 and also relay strikes for four days on December 2 to 5, 2014. Both the all India and Zonal strikes evoked widespread response. But things did not progress.

Further all India strike calls by UFBU were given for January 7 and four days from January 21 to 24, 2015. It was also decided by UFBU to go for strikes on an indefinite period, if satisfactory solution to the issues remained unsettled. Under such a situation the CLC © again sat on a tripartite meeting at New Delhi on January 5, close on the heels of the January 7 strike call. In the meeting UFBU explained their position as how the strike was thrust upon them because of a total recalcitrant attitude of the IBA. This time IBA assured the leaders that they had no intention to complicate the matter and expressed their eagerness to resume negotiation on the next day i.e. on 6th January. In the meeting at Mumbai on 6th, after much bargaining IBA agreed to raise their offer to 12.5% from 11% on pay-slip components. While making it absolutely clear that this offer fell much short of their expectation and as such not acceptable, UFBU demonstrated its further flexibility by revising their demand to 19.5% increase. IBA while expressing their willingness to continue further talks on 7th also, requested for withdrawal of the strike programme. In view of some improvement in the talks, UFBU decided to defer the strike on 7th January, 2015.

During the negotiations on 7th UFBU again insisted on IBA to improve their offer. IBA expressed that they wanted some more time on the issue. On insistence by UFBU for negotiations at regular intervals to avoid further delay IBA also responded in a positive manner and expressed their willingness to conclude the process by the end of February, 2015. It was further decided to form Sub-Committees for expeditious resolution on the contentious issues like reimbursement of 100% Hospitalisation Expenses, Regulated working hours for officers, 5-day week, Pension related matters etc. Now it is to be noticed if things progress in the desired direction within the time frame as indicated by IBA.

Compassionate Appointment Issue clinched - A decade long demand by UFBU for restoration of Compassionate Appointment in banks could be achieved. Department of Financial Services, Government of India, through its communication to IBA dated 7th August, 2014 directed all Public Sector Banks, effective from 5th August, 2014 as follows

1. To open the Compassionate Appointments on lines of Central Government

And

2. Discontinue the provision of ex-gratia in lieu of Compassionate Appointment.