



One million bank workers strike across India

MUMBAI: ASIA NEWS CHANNEL



The two-day strike led to tens of thousands of bank branches downing their shutters

Around one million bank employees went on strike across India on Wednesday (May 30), a union representative said, demanding better pay and a government crackdown on companies who wilfully default on loan payments.

Some 5,000 workers chanted slogans and waved banners at a protest in the financial capital Mumbai, union boss Devidas Tuljapurkar said, as they claimed they were paying the price for India's mountain of bad debts.

The Asian giant's troubled lenders have some of the highest levels of debt in emerging markets, weighed down by billions of dollars of non-performing assets (NPAs) also known as bad loans.

The two-day strike, which ends on Thursday, led to tens of thousands of branches of public sector and commercial banks downing their shutters, paralysing operations in some parts of the country.

The strikers are unhappy with a proposed two percent wage rise which they have been offered, noting that it is well below India's inflation rate of around 4.5 per cent.

"Bankers justification in offering the meagre wage rise is losses to the banks," Tuljapurkar, convenor of India's United Forum of Bank Unions, said in a statement.

"(However) ... It is big corporates who are attributable for losses to the banks. But for no fault on their part ordinary employees and officers are being denied their due share in profits," he added.

India's bad loan problem received national attention in March 2016 when beer and airline tycoon Vijay Mallya fled to the UK to avoid paying nearly US\$1 billion in loans that he owed banks.

Earlier this year the government said banks' bad loans were worth more than US\$120 billion.

High debts mean banks are stretched too thin to lend funds for fresh investments, holding back economic growth.

The government is trying to help state-owned banks clean up their books and in October approved a US\$32 billion recapitalisation plan for struggling lenders.

It has also given India's central bank greater powers to intervene in cases of bad loans, and to order lenders to deal with their debts under new bankruptcy laws.

"We have been consistently demanding that the government should come down heavily against those big corporates (who default on payments). Without which Indian banking cannot be revived," Tuljapurkar told AFP.

The union boss said bank employees' workloads had increased since Prime Minister Narendra Modi was elected four years ago and implemented a number of economic initiatives.

A sudden move in late 2016 to devalue 86 percent of India's currency sparked long lines at ATMS and chaotic scenes at banks.

Many poorer Indians, reliant on cash, were left scrambling to buy basic necessities as their meagre savings evaporated in an instant.

A million bank employees in India are on strike over their paltry raises



Up in arms. (Reuters)

Nupur Anand May 30, 2018 Quartz India

A million Indian bank employees have declared a two-day strike on May 30 and May 31, bringing the country's financial nervous system to a grinding halt.

Bank and ATM transactions across the country are likely to be affected and participating employee unions are aware of the implications. They plan to intensify the stir if their demands are not met.

The employees are angry over a mere 2% hike they received in 2018 (effective November 2017) as part of the five-year cycle that sees their salaries getting adjusted for inflation periodically. In the last round in 2012, the employees got a 15% bump, and in the round prior to that, the hike was 17.5%.

The All India Banks Employees' Association (AIBEA), India's oldest and largest bank employees' union with around 500,000 members, is leading the protest with support from eight other unions.

"We have not quoted a percentage as of now because 2% is too small to even argue about it. We are ready to negotiate till they can come up with something more reasonable," CH Venkatachalam, general secretary of the AIBEA, told Quartz.

The unions have been negotiating with the lenders' lobby, Indian Banks' Association (IBA), the labour ministry, and the finance ministry since May 05 when the wage revision was first offered.

The banks, on their part, have cited the rising pile of non-performing assets in their books and a series of frauds that have left the industry in the doldrums over the past few years as reasons for the poor raise.

At the end of December 2017, Rs11.90 out of every Rs100 in outstanding loans was at risk of not being recovered, denting banks' profitability. "We are in the industry that faces lot of risks and right now unfortunately banks are in a bad position, so we can't offer raises like earlier times," said VG Kannan, CEO of the IBA.

However, the employees are not buying that line of reasoning.

"At an operating level the banks are still making profits, just that they had to take a hit because of NPAs. But employees can't be blamed for that," Venkatachalam said.

The unions have also argued that the annual wage expenditure for banks has come down from 14% in 2012 to 11% in 2017. That, they say, shows that fewer employees have shouldered the rise in work burden caused by

expansion of the lenders' operations; and the staff must be rewarded adequately.

The IBA has also said that lenders won't negotiate with the unions for hikes at the senior management level. This is another cause of concern as the unions believe this can lead to a loss of transparency. "It will be unfair if the senior management and top executives are getting way higher hikes compared to the staff. This will lead to disparity. For that reason, and to ensure clarity, we want the details to be disclosed which the banks are not willing to," said Venkatachalam.

Bank strike on day one 'total success' : AIBEA

Hyderabad, May 30 (UNI)

The 48-hours strike called by the United Forum of Bank Unions (UFBU) was a 'total success', All India Bank Employees Association (AIBEA) claimed on Wednesday evening.

The strike has paralysed the banking operations across the country, after it is called by nine unions, an umbrella body of UFBU, on the demand of wage revision settlement for employees and officers, which is due from November 1, 2017.

However, ICICI Bank, HDFC Bank, Axis Bank, YES Bank and IndusInd Bank have not participated in the strike. These five banks have no trade unions, All India Bank Employees Association (AIBEA) General Secretary Ch Venkatachalam told UNI.

About 10 lakh employees and officers from 21 Public Sector banks, 12 Private Sector Banks and seven Foreign Banks took part in the strike.

Mr Venkatachalam said as per reports reaching us from various States and centres like Mumbai, Delhi, Kolkata, Chennai, Bengaluru, Hyderabad, Ahmedabad, Jaipur, Patna, Nagpur, Jammu, Guwahati, Jamshedpur, Lucknow, Agra, Ambala and Thiruvananthapuram, the employees have enthusiastically participated in the strike in all Banks and in all Branches.

He said most of the branches remained closed and no banking activity could be undertaken. Cash transactions, Clearing transactions, money market operations, Government treasury account operations, import and export bill processing, sanction of loans or repayment of loans, etc. were totally affected.

In many ATMs it was 'Cash Dry' situation, he added.

In clearing of cheques, the AIBEA General Secretary said, in the Southern Grid in Chennai, around 12 lakh of cheques worth about Rs. 7,000 crore were stagnated while in Mumbai Grid, it was 17 lakh of cheques worth about Rs. 8,800 crore and in Delhi Grid, it was 10 lakh of cheques worth about Rs. 5,900 crore.

Similarly cheques, on Thursday too, may remain uncleared, Mr Venkatachalam said.

Mr Venkatachalam said, Bank Employees and Officers held demonstrations and rallies in every town and city all over the country expressing their resentment over the stand of the IBA and demanded early wage revision with adequate increase in their wages commensurate with price rise and inflation.

In addition, he said, bank employees and officers are compelled to undertake so much of non-banking business and all the burden of doing various Government schemes have fallen on the shoulders of the bank staff.

Mr Venkatachalam said, everyone is aware of the increasing stress under which bank staff are working in the Bank Branches and adding salt to the wound, such a meager hike of 2 per cent in wages is offered by IBA. "It is totally unfair and unacceptable", he added.

When inflation is uncontrolled and when prices go up unabated, can wages be depressed. Is it fair to deny reasonable wage increase?, he questioned.

On the further programmes, the top Union leader said if Indian Banks' Association (IBA) call us for negotiations and settle the demands amicably, the UFBU will cooperate to expedite the settlement.

Otherwise, we may have to intensify our struggle, Mr Venkatachalam warned.

Bank strike: Services hit, impact to continue tomorrow

Banking operations in the country were hit today as 10 lakh employees, primarily from PSU banks, went on 2-day strike to protest against a "meagre" 2 percent salary hike offered by Indian Banks Association (IBA) -- the management body.

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Banking operations in the country were hit today as 10 lakh employees, primarily from PSU banks, went on 2-day strike to protest against a "meagre" 2 percent salary hike offered by Indian Banks Association (IBA) -- the management body. The strike, also supported by employees of

some old generation private sector banks and foreign banks, will continue tomorrow.

Operations in the new-generation private banks like ICICI Bank, HDFC Bank, Axis Bank were however almost normal, barring few activities including cheque clearance.

There were reports of disruption in banking operations in various states. The impact of strike in certain states like Kerala, West Bengal, Bihar and Jharkhand was more severe compared to other states.

Nearly 10 lakh employees, working in various branches of 21 public sector banks, 13 old generation private sector banks, six foreign banks and 56 regional rural banks across the country went on the strike as IBA offered them a nominal wage revision, All India Bank Employees Association (AIBEA), affiliate of UFBU said in a statement.

Since the strike coincides with the month-end, salary withdrawals from branches are likely to get affected. Some ATMs went dry by the evening.

Operations like deposits, FD renewals, government treasury operations, money market operations were hit by the strike.

A RBI official said some digital banking work was done through electronic systems like the RTGS but the functioning of banks' servers was hit.

Digital banking comprises about 5 percent of the total operations, the official said.

Reserve Bank of India remained operational though the trade unions offered moral support for the ongoing strike, a RBI Trade Union leader said.

As several rounds of talks between banks and the unions of their employees did not make any headway, the United Forum of Banking Unions (UFBU), an umbrella body of nine bank unions, has gone on strike against the proposed wage hike of 2 percent as against 15 percent given last time, All India Bank Employees Association (AIBEA), general secretary C H Venkatachalam said.

In the last wage revision in 2012, the bank employees got a raise of 15 percent.

“It is kind of an insult to the employees of public sector banks...to be offered this kind of meagre hike. We had no other option but to go on strike, forgoing two days' salary,” All India Bank Officers' Confederation (AIBOC) joint general secretary Ravinder Gupta said.

Success of all government schemes like Mudra, Jandhan and demonetisation were ensured by public sector bankers but the reward is just 2 percent hike, he said, adding that it is gross injustice to bankers who have worked very hard for nation building.

Employees are participating in the nation-wide strike as part of "our democratic right" by forgoing our salary, Venkatachalam said and hoped that good sense would prevail.

IBA has asked the six banks including SBI, Oriental Bank of Commerce, Union Bank and Bank of Baroda to reconsider their decision and allow IBA to settle wages for bank employees up to scale seven instead of up to scale three employees.

There are about 85,000 branches of 21 public sector banks across the country having business share of about 70 percent.

Most of the banks, including SBI, PNB and BoB, have already informed their customers about functioning of branches and offices due to strike.

Industry chamber Assocham said the two-day nationwide bank strike may affect customer transactions worth up to Rs 20,000 crore.

It also urged the government to come up with a stimulus plan for restoring the health of PSU banks.

State-owned lenders are grappling with high levels of bad loans and as per reports their losses for the quarter ended March 2018 are set to hit a record Rs 50,000 crore which is more than double the losses of Rs 19,000 crore in preceding quarter ended December 2017, Assocham said in a statement.

Bank strike impacts transactions over Rs 21,000 cr on day one(Roundup)

IANS | Chennai/Agatala/Bengaluru May 30, 2018

Business Standard

Banking transactions worth about Rs 21,700 crore could not be put into effect across the country as more than 10 lakh bankers struck work on Wednesday to demand wage revision.

"The strike call evoked good response. About 85,000 bank branches, including that of State Bank of India (SBI) and some private banks, spread across the country were closed," C.H. Venkatachalam, General Secretary, **All India Bank Employees' Association (AIBEA)**, told IANS.

The United Forum of Bank Unions (UFBU), an umbrella body of nine bank unions, called for a two-day strike starting Wednesday.

The day saw bankers across the country holding demonstrations to push for an early conclusion of wage negotiations.

Queried about the value and volume of money instruments that would not be cleared by the bank's clearing houses, Venkatachalam said: "On an all-India basis, clearance of 39 lakh instruments with a value of Rs 21,700 crore per day would be impacted. The above value and volume were the averages of last 15 days clearance of instruments."

Venkatachalam said the unions had requested the Indian Banks' Association (IBA) to come up with better offer than the mere two per cent hike offer, so that the strike could be averted.

He said the IBA was also asked not to delink the wage negotiations for bank officers in the Scales 4-7. The IBA did not do anything.

At the conciliation meeting on Monday, the Chief Labour Commissioner (CLC) asked the IBA not to raise new controversies like delinking the wage talks for officers in the 4-7 scale, he said.

"Though the CLC tried its best to sort out the strike issues, there is no positive developments. Hence the strike on May 30 and 31 stands," All India Bank Officers' Confederation (AIBOC) General Secretary had said earlier.

According to Venkatachalam, with regard to the coverage of officers from Scale 4-7, the IBA said it did not get the mandate from six banks as they opted to cover officers up to Scale 3 level.

However, 14 banks have given the mandate for covering the officers up to Scale 7 in wage negotiations as was done in the previous wage settlement negotiations, he said.

Franco told IANS: "Six banks -- SBI, Punjab National Bank, Bank of Baroda, Union Bank of India, Oriental Bank of Commerce and Indian Bank -- are not in favour of including Scale 4-7 officers under the wage negotiations."

Wage revision in the banks is due from November 1, 2017.

According to Venkatachalam, the Central government had been advising the IBA to conclude the wage issue before November, 2017.

Unions had submitted the Charter of Demands in May, 2017 and discussions commenced with them that month. But even though several rounds of discussions had taken place in the last one year, the IBA did not come forward to make any offer.

On May 5, 2018, the IBA made an offer to hike the wages by two per cent, quoting poor financial condition of the banks as a reason. This offer was not acceptable to the unions.

On Wednesday, leaders of the striking employees said the response of the strike was good across the country including in the eight northeastern states.

"About one lakh bank employees, including officers, stayed away from work across Karnataka," All India Bank Officers' Confederation (AIBOC) General Secretary Y. Sudarshan told IANS in Bengaluru.

Admitting that banking operations have been affected, Sudarshan said the onus was on the IBA and the government.

"In which way are we different from other government employees to be denied what is due for us... we also contribute to the development and growth of the economy," he said.

Rejecting the IBA's contention that banks were unable to bear the burden of huge losses as loans or advances turned into NPAs, he said: "Over 80 per cent of bank loan defaulters are corporates whose funds are cleared by boards and executives."

National Confederation of Bank Employees (NCBE) Tripura unit Secretary Swapan Modak told the media: "Around 4,000 bank employees belonging to about 500 nationalised bank branches in Tripura took part in the strike..."

Government and foreign exchange transactions were also affected due to the shutdown while the ATM machines were being loaded with additional cash.

"We have loaded ATMs with cash of around Rs 15 lakh which would take care of the average cash dispensation for four days," V. Balasubramanian, President, Financial Software and Systems (FSS), told IANS.

Chennai-based FSS manages ATMs for several banks in the country.

Bank of Maharashtra MD and CEO Ravindra P. Marathe urged his customers to make the maximum use of digital banking services as the strike might disrupt normal banking services at the branches.

Meanwhile, industry lobby body ASSOCHAM urged the UFBU to call off the strike as it might affect customer transactions worth up to Rs 20,000 crore.

Public sector banks (PSBs) are grappling with high levels of bad loans and as per reports their losses for the quarter ended March 2018 are set to hit a record Rs 50,000 crore which is more than double the losses of Rs 19,000 crore in preceding quarter ended December 2017.

"Considering such a precarious situation, we at ASSOCHAM would urge the government to come up with a stimulus plan which must include restoring the PSBs to health," ASSOCHAM's Secretary General D.S. Rawat was quoted as saying in a statement.

However, bank unions say the losses are due to provisions for bad loans issued to corporates and "not real losses".

Union leaders say that if corporate members of lobby bodies pay back their loans or service their loans on time, the bank books would not be in the red.

2ND DAY OF BANK STRIKE

**DO NOT PASS ON THE BURDEN
OF CORPORATE BAD LOANS AND
CONSEQUENT PROVISIONING
ON THE SHOULDERS OF BANK EMPLOYEES AND
ON BANKING CUSTOMERS**

ALL INDIA BANK EMPLOYEES' ASSOCIATION

AIBEA THIS DAY MAY 309	
1957	General Strike by working class in Bengal on price rise –BPBEA participates.
1994	AIBEA Central Committee meets at Calcutta.
1998	Dr. Bishambar Nath Pandey, Founder, U P Bank Employees Union, veteran leader of our movement, great parliamentarian and former Governor of Orissa passes away.



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