

# One million Indian bank workers take strike action

Arun Kumar  
18 August 2011

More than a million bank employees across India took strike action on August 5 to protest against the Congress Party-led government's proposed pro-market reforms that seek to amalgamate state-owned banks, open up the sector to private banks and destroy large numbers of jobs.

Bank workers in the public sector as well as some private and foreign banks joined the stoppage, seriously affecting banking operations, including inter-bank and intra-bank transactions, cheque clearances and foreign exchange operations. In New Delhi, striking workers held a demonstration outside the Parliament Street branch of the State Bank of India. Similar protests, marches and rallies took place across the country.

The strike is part of the emerging class struggles in India and internationally triggered by the deepening crisis of the global capitalist economy, of which India is an integral part. Like its counterparts around the world, the Indian government is under pressure from international finance capital to implement a new round of privatisations, impose anti-labour laws and slash social spending and subsidies.

In the banking sector, the Congress-led United Progressive Alliance (UPA) has announced its intention to introduce the reform legislation within the current parliamentary session. The measures include the merger of public sector banks, a dilution of the government's shareholding and the outsourcing of an increasing number of banking activities. The legislation will pave the way for the wholesale privatisation of state-owned banks and major cuts in jobs, salaries and working conditions.

A lack of recruitment over the past two decades has led to more than 300,000 vacancies in the public sector banks. Bank employees are demanding that new appointments be made through the Banking Services Recruitment Board and they oppose the outsourcing of jobs. They are also agitating against a two-year delay in employing, under the "compassionate government employee scheme," the next of kin of employees who have died at work.

One bank worker told the WSWs: "Banks are outsourcing many [types of] work to contractors who employ young graduates on minimum salaries. These contract employees are not entitled to the same benefits as a regular bank employee. For almost two decades, the banks have stopped new recruitment. Most bank employees—nearly 80 percent—will have retired in a few years' time. So without any official retrenchments, the workforce will be drastically reduced!"

Prime Minister Manmohan Singh's government is confronting growing criticism from the corporate media and big business leaders over its "paralysis" in implementing the "second phase of reforms." At a meeting of top corporate leaders on August 1, Finance Minister Pranab Mukherjee promised to push ahead with the pending reform bills, including in the banking sector.

India has 26 state-owned banks, 21 private banks and 34 foreign banks, but the public sector dominates much of the country's banking business. The aim of the legislation is to open up the most lucrative sectors of banking to Indian and foreign investors.

The changes include allowing state-owned banks to

decrease public ownership from 51 to 33 percent, increasing their ability to raise money on the capital market and expanding the rights of shareholders. Naresh Takkar, CEO of rating agency Icra Ltd., commented to the media: “Aligning ownership with the ability to influence decisions is very positive from the governance point of view and will also be positive for foreign investors looking at investment opportunities here.”

The United Forum of Bank Unions (UFBU), an umbrella group of nine trade unions, called the August 5 strike. Its aim, however, was not to launch a campaign against the government but to pressure it for small concessions and defuse mounting concern and anger among bank workers. The unions postponed a previous strike from July 7 to August 5 to coincide with the current parliamentary session. Talks in early August with senior government bureaucrats—described by the unions as “conciliation meetings”—failed to gain any concessions.

All the bank unions are affiliated with the various parties of the Indian political establishment, including the ruling Congress Party, the opposition Hindu supremacist Bharatiya Janatha Party (BJP) and the two main Stalinist parties—the Communist Party of India (CPI) and Communist Party of India Marxist (CPM).

The central thrust of the unions’ nationalist campaign has been to protect India’s state-owned banks, rather than the jobs and conditions of bank workers. “Our strike is not for the interests of employees alone. It is also to protest the anti-national policies being pursued by the central government and to protect our banks from foreign control,” union spokesman Sushobhan Datta Majumder declared.

An article in the CPM’s *Peoples Democracy* complained that the outsourcing of bank jobs would compromise the services for Indian businesses. It was “endangering not only the job security of the employees but also the secrecy, safety and security of the personal and business finances of the banks’ clientele,” it declared.

The article asked rhetorically: “On whose side is this

government? On the side of the aam admi [common man] or on the side of the corporates?” This question only fosters the illusion being peddled by the unions that sufficient pressure will compel the government to support the common man. However, Prime Minister Singh has already made it clear that his government will implement the agenda being demanded by big business.

In reality, the trade unions are functioning as nothing more than industrial policemen for the government and big business in blocking any political struggle by bank workers. The CPM and CPI both propped up the UPA government from 2004 to 2008 in the national parliament, even as it pressed ahead with pro-market reforms at the expense of working people. In West Bengal and Kerala, CPM-led state governments aggressively implemented pro-investor policies until they lost elections in May due to popular anger and opposition.

Only by breaking from the trade unions and organising independently will bank workers be able to fight to defend their jobs and conditions. That will require a determined political struggle on the basis of an internationalist and socialist program against the government and all factions of the Indian establishment, including its Stalinist hangers-on.



To contact the WSWWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**