

One million Indian bank workers strike against privatisation

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One million employees from nearly 80,000 branches of state and private sector banks in India joined a one-day strike on July 29, chiefly against the privatisation of state-owned banks by the Bharatiya Janatha Party (BJP)-led government.

India's financial sectors were virtually paralysed, affecting about 75 percent of the daily average of paper-clearing transactions. The strike was called by the United Forum of Bank Unions (UFBU), an umbrella body of nine trade unions.

Lack of recruitment over the past two decades has led to more than 300,000 vacancies in the public sector banks, increasing the workload of the remaining workers. Bank employees are also opposing the outsourcing of jobs and demanding that new appointments be made through the Banking Services Recruitment Board.

The privatisation and merger of state banks is part of the government's broader plan to privatise public enterprises to attract foreign investment. In June, the government announced it was opening up nine previously restricted economic sectors, including civil aviation, single-brand retail stores such as Apple and IKEA, pharmaceuticals and military production, to 100 percent foreign direct investment and ownership. Prime Minister Narendra Modi boasted that India would be "the most open economy in the world for FDI."

Fearing that the strike would spread into other sectors, Chief Central Labour Commissioner A. S. Nayak called a "conciliation" meeting on July 26, which was attended by the unions, the Indian Banks Association (IBA) and the finance ministry. He appealed for "dialogue so that this strike is averted."

The UFBU was nevertheless compelled to go ahead with the strike because of growing restiveness among bank employees against the government's move to

privatise banks, which would result in the destruction of tens of thousands of jobs and hard-won conditions.

The UFBU has been working to head off the conflict. Two weeks earlier, the unions called off a planned stoppage on July 12 and 13, accepting the Delhi High Court's order to restrain the strike, issued at the behest of the State Bank of India (SBI).

The July 29 strike was limited to one day and isolated from workers in other industries who face similar attacks. All India Bank Officers Association (AIBOA) general secretary S. Nagarajan, told the press that the strike was only a "warm-up" to a "bigger" one. In reality, the union officials are working with the government to shut down the struggle as soon as possible.

Early last year, when the bank unions called for a 25 percent pay rise, the IBA refused and the unions later agreed to just 15 percent. "Our members are happy with the hike," All India Bank Employees Association (AIBEA) general secretary C.H. Venkatachalam claimed. Highlighting the subservient role of the unions, he added: "I hope the settlement now will motivate people to work hard to achieve new objectives for the banking industry and set new standards towards customer satisfaction."

All nine unions in the UFBU participated in the latest negotiations. Undoubtedly, the aim of such talks was to scuttle the workers' opposition. Several UFBU unions are affiliated to the Stalinist parties that have long supported or participated in Indian governments.

Both the AIBEA and AIBOA are linked to the trade union wing of the Communist Party of India (CPI). Another union, the BEFI, has fraternal relations with the Centre of India Trade Unions, which is affiliated to the Communist Party of India (Marxist) or CPM. Both parties have worked with successive governments to

implement pro-market “reforms.”

The bank workers’ strike is part of the emerging class struggles in India and globally triggered by the deepening global capitalist slump. However, the unions are attempting to contain the confrontation.

The unions claim that the main reason for the problems in the banking sector is bad loans. They accuse the Modi government and the Reserve Bank of India of failing to take tough measures to recover the loans. The unions want defaulters to be publicly named and punished.

Even if the government recovered the bad loans, that would not resolve the financial crisis. Rather, the intensifying world downturn will only propel the global institutions, such as the International Monetary Fund and World Bank, to ramp up their demands for bank privatisation.

The BJP government intends to merge five associate banks and the Bhartiya Mahila Bank with the SBI, the state-owned lender, by next March. On the day of the strike, SBI chief Arundhati Bhattacharya said: “People have to understand that the change is inevitable. There have been strikes at many occasions but we have to educate them and take them on board.”

The government is also planning to reform labour laws for the benefit of investors and to strengthen the police apparatus to suppress working class opposition to the government’s measures.

That means the bank workers’ struggle against privatisation involves a direct confrontation with the BJP government’s entire pro-market program. The unions have for years prevented any mobilisation of the working class against the pro-business offensive, which has been facilitated by both the Stalinist parties—the CPI and CPM.

In order to defeat the assault on jobs and conditions, bank workers will have to break from these parties and unions, and turn to the opposed perspective—the struggle for a workers’ and peasants’ government based on an internationalist and socialist program.



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