



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under Trade Union Act, 1926–Registration No.B-2334)

Registered Office & Head Quarters:

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CIRCULAR NO. 66
TO ALL MEMBERS:

Date: 08.07.2013

- **Observe ALL INDIA DAY on 19th July, 2013**
- **Defend Public Sector Banking**
- **Oppose New Banks Licensing Policy**
- **Oppose Merger of Banks**

We reproduce hereunder the full text of Circular No. UFBU/2013/02, dated 7th July 2013, issued by United Forum of Bank Unions, the contents of which are self-explanatory.

(M. V. MURALI)
GENERAL SECRETARY

“19th July, 2013 marks the 44th Anniversary of bank nationalisation in our country. Commencing from 1955 when the State Bank of India was constituted to usher in social objectives and public accountability of the Banks, the nationalisation of major private banks in 1969 helped to reach the common people in a big way and in transforming class banking to mass banking. The achievements of our public sector banks in reaching the masses, mobilizing their hard-earned savings and in deployment of credit to needy and neglected sectors of our economy are unparalleled in the world.

But in the name of banking sector reforms, there are attempts to dilute the role of public sector banks and to increase the influence of private vested interests in the ownership and functioning of the banks. Banking regulations are amended to suit these agenda. To add fuel to fire, recently the new Banks Licensing Policy has been announced by which private corporate, business and industrial houses will be allowed to start their own Banks. Public sector banking is sought to be shrunk and consolidated through merger of Banks but private sector banking is being encouraged and expanded. NPAs, attributable to the Corporates, are on the increase but more and more concessions are being showered on them instead of taking stringent measures to recover the loans. Rural banking and micro credit are being handed over to private agencies and business correspondents. Regular banking jobs and services are also being outsourced to private agencies. Unscrupulous chit fund companies are mushrooming everywhere and poor people get cheated but Government’s regulations are totally ineffective. At a time, when total financial inclusion and economic empowerment of the masses are the agenda, these measures and policies will only result in further exclusion of the masses from the benefits of banking services.

In this background, it has become necessary to highlight and focus these issues and campaign amongst the people to build up resistance against these policies.

Hence, UFBU has decided and accordingly call upon all our unions and members all over the country to observe **19th July, 2013 as ALL INDIA DAY** with the following programmes.

- ◇ **Display of posters**
- ◇ **Distribution of leaflets containing our Resolution**
- ◇ **Holding seminars, rallies, processions, etc. in all State Capitals/other centres**

UFBU's Resolution in this regard is furnished herein.

All our unions and members are requested to make these programmes a grand success."

Sd/-
(M.V.MURALI)
CONVENOR

Resolution adopted in UFBU meeting held at Chennai on 4-7-2013:

"In the meeting of United Forum of Bank Unions held at Chennai on 4th July 2013, important issues and policies confronting the Banking Sector were discussed at length and the meeting adopted the following resolution:

Ever since India became Independent in 1947, the main focus of the entire economic process has been growth, development and progress in order to overcome the backwardness suffered by the Country for more than a century at the hands of British imperialism. It was expected that the Banks which were then in the hands of private entities and industrial/business houses who were able to mobilize the precious savings of the people would come forward to play positive role in the process of economic development. However, this was not forthcoming unfortunately in matching to the massive requirements.

In this background, as per the recommendations of All India Rural Economic Survey Commission, the then Imperial Bank of India was nationalized and converted as State Bank of India in the year 1955, as a designated Financial Institution to spread Banking in the countryside and to play a leading role in economic development and poverty alleviation. This was a very important step in the right direction paving way for Public Sector Banking.

Since SBI alone could not meet the challenging requirements, the need arose to consider the Nationalization of Major Private Banks in our country. In a watershed decision in the modern history of India, on 19th July 1969, 14 Major Banks were nationalized followed by another 6 Banks on 20th April 1980. Thus Public Sector Banking had become the main vehicle for economic development in the country.

In the last more than five decades, the Public Sector Banks have played a great role in transforming Class Banking to Mass Banking and in ameliorating the economic condition of the masses. In terms of out-reach, branch network, resource mobilization, credit delivery, particularly to the neglected segment of the economy, Public Sector Banks have become flagship of the country and have played their unparalleled role.

While so, in the present context of further needs of our economy and to achieve the objectives of total financial inclusion and better improvement in the economic standards of the people, the Public Sector Banks are expected to play a much longer and expanded role. But the meeting regrets to note that in the name of the new economic measures, Public Sector Banks have become the target and their role is being denigrated and relegated while at the same time, the Private Sector Banks are being boosted and encouraged even though their past role had never been positive.

If today India can be proud of green revolution, white revolution, rural development, poverty alleviation, infrastructure development, employment generation etc., these are attributable, to a great extent, to the bold steps taken by the then Prime Minister late Smt. Indira Gandhi. Public Sector Banks became the engines of growth and development.

Similarly, even in the last one decade, when the whole world including the developed economies like USA came under stress, turmoil and virtual bankruptcy due to the financial sector crisis, India could hold its head high. Thanks to the strong and vibrant public sector character of banking, our Indian economy could withstand all the shocks and manage to steer clear. In such a context, UFBU is of the considered opinion that Public Sector Banks should be further strengthened and expanded to play their pioneering role to meet the present day challenges to our economy. Public Sector Banks should become further effective vehicles of growth and progress. But UFBU regrets and deplores to take note that efforts are afoot to liberalise the Banking Sector by allowing the private corporate, industrial and business houses to float their own banks in the garb of New Licensing Policy.

In terms of the RBI guidelines, such private entities with just Rs.500 crores would be able to enter banking business. Everyone is already aware how these private corporate sectors are responsible for accumulation of wealth in the hands of a few and at the cost of deprivation of the vast masses even of their economic survival and sustenance.

In the entire world, the mix up of business and banking had been an unsuccessful model. Our Nation also had been a witness to the questionable role of the various private sector banks which ultimately forced the Government to initiate remedial measures including closer of one Bank. But the meeting is concerned that the RBI and the Government are trying to hurry up the process of opening up the banking sector to all types of private interests including foreign direct investors.

The meeting takes a strong exception to these uncalled for measures which will put into jeopardy the contributions of the Public Sector Banks and would amount to drifting away from the goals and objectives of Bank Nationalisation resorted by late Smt. Indira Gandhi. What the country needs today is strengthening of the Public Sector Banking with further social orientation, rather than encouraging the profit oriented Private Sector Banking.

The meeting earnestly expects and exhorts the Government of India to revisit and reconsider the policy of banking sector liberalization.

The meeting simultaneously calls upon all the Bank Employees in Public Sector Banks under the banner of United Forum of Bank Unions to build up a national campaign on these issues. Public Sector Banks are Nation Building Institutions and this life line to Indian Economy must be protected at any cost."

SPECIMAN OF POSTER:

**10 Lacs Bank Employees and Officers
observe**

**ALL INDIA DAY
on 19th JULY, 2013**

OPPOSING

- **Granting of Licenses to Corporates,
Business & Industrial Houses to start their
Banks**
- **Merger of Public Sector Banks**
- **Outsourcing of regular banking jobs and
services**

DEMANDING

- **Stringent measures to recover bad
loans/NPAs**
- **Ban of unscrupulous Chit Fund companies
who cheat the public.**

UNITED FORUM OF BANK UNIONS