

## **CHAPTER - V**

### **TRADE UNION MOVEMENTS IN LIC : NATURE OF DEMANDS AND THEIR FULFILMENT**

Any study of trade union politics, or for that matter, the course of trade union should take into consideration the changing social milieu, economic imperatives and political power configurations of the country. Trade Union function as frontal organisations of different political parties and they derive their strength, although indirectly, from the political organisation they represent or affiliated with. It is almost a truism that a trade union which gets support from a political party in power is in a better position to bargain with the management or government to achieve their goals usually formulated in the form of demands. The system become very volatile and sometimes delicate in a situation where there are more contenders for political powers. After all, politics involves competition for power and one of the objectives of the political parties is to expand its support base among the different segments of the political system.

In a country like India which is not only the largest democracy of the world but also offers example, of a typically plural and segmented society — a society with diverse, heterogenous and sometimes conflicting interests. Naturally, it becomes one of the objectives for the political actors to channelise the diverse interests in the way best suited to their respective goals. Here comes the role of the political parties and their labour organisations. This is compelling but nevertheless delicate in nature as it is related with the ongoing political process of the country. Since the nature and course of political process in any country is bound to produce many developments which cannot be inferred upon beforehand even by the political actors, it becomes necessary for the other sectors to have the maximum amount of flexibility to accommodate emerging factors.

Any serious study of this dimension demands a thorough investigation of a number of social, economic and political factors which shape and are shaped by the constant interactions among these forces and factors. But for a meaningful analysis of such a delicate problem, the issue needs to be placed in the proper context and a time frame is of immense help for unfolding many intangible, yet very influential factors in this process.

That is the reason why an attempt should be made at periodisation, however, tentative it might be, for arranging the course of developments in a systematic and coherent manner. Needless to mention, that such periodisation can not be kept in watertight compartments as each period has its impact on the subsequent period and the process moves on either by assimilating or rejecting a number of issues in its course.

The present chapter is not simply an attempt at periodisation of the political process in India, it seeks to establish a proper linkage between the course of political process and the trade union activities in the LIC of India, keeping the micro-level analysis within its ambit. In other words, in the present study attempts have been made to analyse the politics of trade unionism in the LIC in the general backdrop of the political process in India.

## **1950 - 66 : FULL POWER OF CONGRESS BOTH AT THE CENTRE AND STATE**

### **I**

Defeat of fascism in the 2nd world war unleashed the biggest ever surge for national independence of the colonial peoples throughout the world. The imperialist powers while fighting fascism thought that somehow or other after world war II, they would restore the status quo ante in the sphere of their colonies. But the spectacular victory of the Red Army of the Soviet Union specially over the German 6th army in the battle of Stalingrad and thereafter its spectacular advance through the eastern and central European States to the heart of fascist Germany, Berlin, sealed the fate of imperialist dreams of regaining their lost empire. The peoples inhabiting this vast stretch of Asiatic mainland were no longer prepared to continue their existence as the colonial slaves of imperialism. The whole of the continent was in revolt. Indonesia, Indo-China (Vietnam, Cambodia and Laos), Philippines, Burma and India burst out in volcanic eruptions and the people specially the working class started delivering the hammer blows on an already emaciated weak imperialism.<sup>1</sup>

In this postwar upsurge for national independence the people of India also took a glorious part. In November 1945, Calcutta erupted on the issue of release from British captivity of the generals of the Indian National Army of Netaji Subhas

Chandra Bose. In July 1946, the post and Telegraph employees in the province of Bengal went on a spectacular month long strike. On 29th July, 1946, for first time in the history of the trade union movement of Bengal, the workers and employees in an around the city of Calcutta struck work in the form of a general strike in support of the striking P & T employees. In such a context of upheaval, the insurance employees could not remain aloof, unaffected and uninfluenced. To be unionised was also a part of their new consciousness. They formed their own unions company-wise, formulated their Charter of Demands and submitted them to the management of different companies. In 1945, a Federation under the name and style of insurance office — Employees' Association of Bengal was formed. In 1947 an indefinite strike took place in the Ruby Insurance of the Birlas. Then its Head office was in Calcutta. The Birlas retrenched the entire staff of their Head office and shifted it to Delhi. Thus, beginning from the mid 40s formation of trade union and attacks from the employers started in right earnest.<sup>2</sup>

## II

The main feature of the insurance industry is its capability to a mass huge capital, although the initial capital invested would be negligible. The capital thus amassed could be invested by the proprietor capitalists in other industrial and commercial ventures of their own. Thus a handful of big capitalists started owning both the insurance and banking companies on a progressively increasing scale. In 1953 a handful of capitalists while investing only Rs. 12 crores in the insurance industry could amass the total assets amounting to Rs. 318 crores. From the dawn of independence insurance industry started becoming the exclusive preserve of the big capitalists of our country. Simultaneously this gang of big capitalists owned biggest banks of the country. Because of their ownership of huge capital, they concentrated huge economic power in their hands. And as it happens to all capitalist countries, political power goes hand in hand with economic power. The economic strength of this gang of big capitalists as it existing in 1953 will be evident from the following chart :

**Table 5.1:** List of the Insurance Companies and Banks Controlled by Big Industrial Houses.

Name of the big capitalist house	Name of the Insurance Companies owned by them	Name of the Bank owned by them
1. Tatas	New India	Central Bank of India
2. Singhanias	National Insurance Co. National Fire & General Insurance Company.	Hindusthan Commercial Bank.
3. Birlas	Ruby General, New Asiatic, Bombay Life	United Commercial Bank
4. Jalans	General Assurance Society	Hindusthan Mercantile Bank.
5. Goenkas	Herculese Insc. Standard General	Hind Bank.
6. Chetteers	United India Life, Fire & General New Guardian	Indian Overseas Bank
7. B.N. Chaturvedi	Calcutta Insurance	United Bank of India.
8. Kilachand	New Great	Bank of Baroda.
9. Mafatlals	Joy Bharat Insurance	—
10. Dalmias	Bharat Insurance	Punjab National Bank.

*Source : Bose, Chandrasekhar; A short History of the All India Insurance Employees, Association, Calcutta, AIIEA 1978, pp. 8-9.*

In the Life Insurance sector only five (5) Indian Companies used to own 54% of the total life business and 50% of the life fund. Foreign companies used to hold 16% of the total life business in this country.

In the 1947, a Tribunal was appointed by the Government to go into the question of conditions of services and wages of the employees belonging to the foreign insurance companies who were members of the Bengal Chambers of Commerce. With the passage of Industrial Disputes Act, 1947 Banking and Insurance industries were transferred to the care of the Central Government. The dispute of the 'Oriental' employees with their management on the question of wages and terms and conditions of services were referred to a Tribunal in 1947. In those days one of the provision of the Industrial Disputes Act was that while the disputes was pending before the Tribunal, no disciplinary action could be taken against employees without its prior approval. This to a great extent encouraged the employees. And with this incident the Oriental Employees 'Union started forming their union in different branch offices of the Oriental. This incident provided ample courage to the employees of Hindusthan. National, Bombay Mutual Insurance employees and in different offices unions started coming up. In those days in majority of insurance offices there were no scales

of pay nor provident Fund, Gratuity, Leave rules or any other codified conditions of Service. Employees of different concerns fought their battle alone and locally. In Bombay, the employees of Bombay Mutual went on a prolonged continuous strike. In Calcutta in the year of 1947, the ordinary employees defying the reformist leadership of Hindusthan Cooperative Insurance society Employees' Union gheraoed the proprietor of 'Hindusthan', the late Nalini Ranjan sarkar. But inspite of these local struggles, since there was no all - India organisation, even agitation of the employees of the same company belonging to different offices could not be co-ordinated. The lacuna in the organisation was remedied to some extent by the formation of all India Federations of the employees of the same company belonging to different offices i.e., Head Offices and Branches offices. Thus, the all India federations of 'Oriental', 'Hindusthan', 'National', 'Bombay Mutual' etc. started being born. Meanwhile the Bank employees had started their agitation under the banner of All India Bank Employees' Association and the Government of India in response to their agitation appointed the Sen Tribunal to adjudicate on the question of the wages and other terms and conditions of services of the Bank employees.<sup>3</sup>

### III

All these developments drove home the point to the leaders of insurance employees' movement who were fighting their battles in isolated pockets specially in the metropolitan cities of India that the time was ripe to form an all India association. Primarily the leaders of the insurance employees movement of Calcutta and Bombay decided to call a convention of all the associations/unions of insurance employees and form an all - India Association. For this purposes, a leaflet issued by Mr. P.T. Donde at Bombay on May 28, 1951 explaining why it was necessary to form an all India Organisation. On 30 June and 1st July 1951 the representatives of insurance employees from different parts of India met in a convention at Dhuru Hall of Dadar, Bombay. The convention was presided over by the President of the Insurance Employees' Federation, Bombay Shri Rajni Patel. The convention demands nationalisation of Industry. This convention gave birth of the All Indian Insurance Employees Association (AIIEA) which was born in the city of Bombay on the 1st day of July, 1951 with its first demand that the insurance industry as a whole should be nationalised. The convention also calls on the Government to put down black marketing and to check inflation. The convention further demands that the Government should undertake legislation to satisfy the following demands.

- (a) Living Wage Guaranteeing a decent and civilised existence,
- (b) Dearness Allowance which would fully neutralise the rise in prices.
- (c) Security of service should be provided by forbidding retrenchment,
- (d) Adequate provision should be made for privilege, casual and sick leave with full pay and allowance.
- (e) Retirement benefits like Gratuity, Provident fund and Pension Fund should be provided.
- (f) Unfettered trade union rights including the right to strike and compulsory recognition of unions by employees.
- (g) Working hours should be six (6) hours on week days and three (3) hours on Saturdays.
- (h) Overtime payment should be made at the rate of double of normal wages and allowances for working beyond office hours.
- (i) Adequate medical benefits including the facility of health insurance should be provided.

In addition to the above demands resolutions were adopted on Insurance Act, Retrenchment, Government Labour Policy Unfair Labour Practice, Rising Prices, Unemployment and Charter of demands.

In the meantime, the Tribunal appointed for the employees of the 'Oriental' came out with its award. It showed that for the same work transacted by the Head Office and the Branch Offices different scales of pay had been awarded by the Tribunal. The pay scales of branch offices were lower than the head office scales. In the meantime employees of Hindusthan Insurance was also granted a Tribunal. Before the Tribunal the management of Hindusthan took the plea that it was not possible for them to give any relief to the employees because of high expenses. In order to disprove this contention and to prove the Colossal wastage the company management were indulging in, some evidences in the form of photostat copies of the accounts books of 'Hindusthan' were tendered before the Tribunal. The management could not and did not deny the genuineness of the photostat copies of their account books. Management appealed to the Tribunal that the official secrets had been published in an unauthorised manner and therefore the witnesses who had tendered such evidences in the form of photostat copies of account books should be dismissed from service. The

Tribunal obliged the management by permitting to dismiss Mr. Chandrasekhar Bose and K.G. Goswami from the services of the company. Subsequently, the pressure of the movement brought these two employees back to the service but the employees had to forego all claims for financial benefits. Some other Tribunals were set up for some offices of Calcutta and Bombay. Some marginal benefits were awarded. But nothing substantial came. In some other offices some compromises were reached.

The first Conference of the All India Insurance Employees' Association was held at New Delhi on 11th and 12th April 1953. In comparison to the first convention held at Bombay in 1951, the first conference of All India Insurance Employees Association (AIIEA) held at New Delhi proved to be a significant success. More and more different associations/federations were represented in this conference. In this conference the demand was raised for appointment of an Omnibus Tribunal for all the insurance employees throughout the country. The question of retrenchment got the maximum prominence in the discussions and deliberations of this conference. The provisional constitution adopted by the Convention to some extent was amended by the first conference and it gave the All India Insurance Employees Association a permanent Constitution. This conference also adopted a Charter of Demands and also decided to call for a countrywide movement for the realisation of the charter. The first Charter thus adopted and demanded a clerical grade of Rs. 100 - 350 in 18 years, a grade for the peons of Rs. 60-5-150, Dearness Allowances, Bonus equivalent to three (3) months' salary, other allowances, gratuity, Provident fund, free insurance benefit, medical aid, leave rules, hours of work, method of recruitment, holidays, housing accommodation, trade union rights etc.

The first Conference of All India Insurance Employees Association (AIIEA) elected a Working Committee with Shri Rajni Patel as the President and Mr. P.T. Donde as the General Secretary.

As per the decision of the Delhi Conference, Charter of Demands was submitted to the managements of all the companies and on the demand of appointment of an All India Tribunal agitation was started. It is for the first time meeting and demonstrations started in an organised manner. This ultimately led Chief Labour Commissioner Mr. S.C. Joshi to call a tripartite conference at Bombay. The AIIEA (All India Insurance Employees Association) demanded to the Chief Labour Commissioner that the first item of the agenda for discussion should be the Charter of Demands. On behalf of the managements of different

companies it was demanded that retrenchment should be the first item of agenda. In spite of the opposition of the AIIEA the Chief Labour Commissioner accepted the demand of the managements. At the time of discussion it was demanded by the managements of different companies that they should be given the right to retrench employees and that retrenchment had become inevitable because of the reduction in premium income and increase in the expenses. The management of different companies also proposed to form a pool for the retrenched employees and in case there was any recruitment in any company the retrenched employees from the pool would be recruited. This proposal is outrightly rejected by the AIIEA and it also stated that all the companies were understaffed and in view of the spectacular increase in business each year.

On the question of Charter it was informed by the managements of different companies that they were not prepared to agree to a standardised pay scale for all the employees of the insurance industry. Ultimately the tripartite Conference ended in a failure. The failure of the the above conference intensified the demand of the AIIEA for an Omnibus Tribunal. In a press note issued by the Government on 9th day of August, 1954 declared that it was not prepared to appoint any Omnibus Tribunal for the Insurance industry. Then it was decided by the AIIEA that an All India protest day would be observed on 17th day of September, 1954. In order to assess the entire situation a meeting of the All India Working Committee was called on 25th and 26th September, 1954. This meeting severely criticised the government for its refusal to appoint an Omnibus Tribunal. It was also decided that one day token strike would be observed in the month of December 1954 all over the India. It was decided to observe 16th November, 1954 as an All India Protest Day and a week from 10th to 16th November as protest week.

On 27th day of September, 1954, a deputation of AIIEA met the Union Labour Minister, Mr. Khandubhai Desai and lodged their protest against the Government's refusal to appoint an Omnibus Tribunal. The Union Labour Minister reported his inability to change the decision of the Government. On 28th day of September a delegation of AIIEA met the Prime Minister Pandit Jawaharlal Nehru and demanded the appointment of an Omnibus Tribunal. The Prime Minister, however, conveyed his reluctance to change the Govt.'s decision. Finding no other option the AIIEA called upon the employees to go ahead and culminate the present phase of agitation into a day's token strike in the month of December. In the meantime the Government had appointed separate

tribunals for some companies and in some companies separate agreements had been signed between the union and management. Thus some qualitative changes had been observed in this aspect that the demands of major section of employees were either placed before tribunals or in some cases the agreements had already been signed. As some percentage of demands of employees had been fulfilled the AIIEA decided not to go in for the token strike in the month of December.

On 29th August, 1955 the second General Conference of the AIIEA was held in Calcutta. This Conference also demanded the immediate nationalisation. Again, demand for the appointment of an Omnibus All India Tribunal was reiterated. The Government was criticised for not accepting this demand. It was also decided that 27th September, 1955 would be observed as All - India Demands Day. In this conference it was decided that the head quarter of AIIEA would be shifted from Bombay to Calcutta.<sup>4</sup>

#### IV

In the year 1954 one of the most important events in the life of AIIEA took place in the city of Calcutta. As many as fifty five(55) leaders and activists of the employees' union of the Metropolitan Insurance Company at Calcutta were suspended from services because they gheraoed the management. The main reason was primarily the formation of employees' association in the Metropolitan Insurance Company and transfer of five union leaders and dismissal of one leader. The gherao was led by the leaders of Insurance Employees' Association of West Bengal. The management instituted Criminal cases against the suspended fifty five(55) employees. The lower court convicted them but the High Court reversed the decision of the lower court. But ultimately these fifty five(55) employees of Metropolitan were dismissed from service.

The fact of retrenchment of these fifty five (55) employees of the Metropolitan Insurance Company might well be viewed as just another event in the life of the AIIEA. But let it be remembered that it was not just another event. It was a significant development in the consciousness of the insurance employees' movement.

Metropolitan Insurance Company was one of the first ten among the big insurance companies of India prior to nationalisation. It had no codified conditions of service, virtually it had no scales of pay. The employees who were in the good book of management used to get two/three/four increments at a

time and those who were in the bad book used to get nothing at all. Actually, quantity and quality of work was no criterion for granting increments. The loyalty to individual officers used to be the sole criterion for sharing all benefits or granting of normal grade increments. There was no fixed hours of work. The piled up work on desk had to be cleared before leaving the office. For this the employees might have to work two or three or four or even five hours after the scheduled departure time of the office. There was no provision of overtime remuneration for working beyond office hours. Bonus used to be regarded as 'Bakshis'. Before the Pujas employees used to be given dhotis or sarees as Puja Bonus. Sometimes in the past when patience exhausted the employees tried to form trade unions. Everytime the management came down heavily on the "fomentors of trouble". Even before this incident a number of employees were dismissed for such ventures. But the attack in the year of 1954 in the form of a criminal case and dismissal of fifty five(55) employees was the most massive attack in the 50's on the employees of any insurance company. After dismissing them from services, management tried to tempt them by assuring reinstatement if only they would express regret by signing bonds. But the dismissed employees rejected the offer of management. They did it with all righteous indignation. The story of each and every family of these fifty five (55) employees is something which should be recorded in the history of the insurance employees' trade union movement. Some families were ruined altogether because of starvation. Children died because they could not be fed by dismissed fathers. Yet they did not surrender nor did they compromise. They carried on the fight. Only after nationalisation it was possible for the AIIEA to get them back into the services of the Life Insurance Corporation of India but too as new entrants. They had to forgo their earlier services, sometimes ranging more than fifteen (15) years.

On the 19th day of January, 1956 at around 8 p.m. the then Finance Minister of the Union Government in a speech over the All India Radio dramatically announced the nationalisation of life insurance business of our country. In the same night all over India custodians appointed by the Central Government started of taking charge of the nationalised life insurance companies. All India Insurance Employees Association (AIIEA) is the first association who welcomed the decision of the Government. On 20th January 1956, the AIIEA sent a telegram to the Union Finance Minister which might be reproduced as under :

## **"INSURANCE EMPLOYEES WELCOME NATIONALISATION DECISION CO-OPERATION ASSURED".**

Along with this telegram a letter was also sent to congratulate the government on their correct decision to nationalise the life insurance business.

The first demand which was voiced by the AIIEA since the first day of its birth was fulfilled by this declaration of the government. This is the first achievement in the movement of insurance employees after the birth of AIIEA.

Prior to the nationalisation only the employees of big companies were unionised. The employees of small companies were very much afraid of their employers so they were not unionised. The incident of nationalisation by one stroke swept away all these vacillations, misgivings and apprehensions. Suddenly, there was a race among the hitherto unorganised life insurance employees to get them organised into trade unions. A hectic surge of activities of unprecedented magnitude started.<sup>4</sup>

### V

On the eve of nationalisation of Life Insurance Industry the composition in the Life Insurance business was as under : The top ten (10) companies used to book 75% of the total new business had the share of 73.8% of the total business in force, 71.6% of the total life fund and 69.2% of the total assets. In 1955, i.e., the year prior to nationalisation the total new business transacted by all the companies taken together amounted to Rs. 260.84 crores, the total business in force was rs. 1220 crores, the total number of policies 48 lakhs, the total life fund Rs. 364.87 crores and the total premium income Rs. 58.27 crores.

On the day of nationalisation the number of the employees was as follows :

**Table 5.2 : Staff position of LIC on 01.09.1956**

Officers	—	1043
Supervisory and Clerical Staff	—	16075
Subordinate staff	—	4703
Development Officer	—	5885 <sup>6</sup>

*Source : Annual Report, LIC, 1957.*

Although the life insurance business while in private hands prospered yet the employees were offered a miserable scale of pay. The biggest Life Insurance

Company in India was (Oriental'. Its remunerations payable to the clerical and subordinate staff were as follows :

**Table 5.3 : Wages of Oriental**

Head Office		Branch Offices		
Grade	DA	Grade	DA	
Clerical staff	Rs. 80 - 240	Rs. 58	Rs. 70 - 220	Rs. 58
Sub - staff	Rs. 35 - 75*	Rs. 46	Rs. 30 - 60	Rs. 46

*Source : Annual Report of oriental Insurance, 1955.*

With some minor variations the other employees of the big companies used to get more or less the same salary.

So far as the wages of the medium sized companies were concerned, they were more or less on the pattern stated herein below :

**Table 5.4 : Wages of Bombay Mutual.**

Head Office		Branches Offices		
Grade	DA	Grade	DA	
Clerk	Rs. 65 - 215	Rs. 50	Rs. 50 - 210	Rs. 40
Sub- Staff	Rs. 30 - 70	Rs. 45	Rs. 20 - 40	Rs. 35

*Source : Annual Report of Bombay Mutual, 1955*

**Table 5.5 : Wages of Western India**

Head Office		Branches Offices		
Grade	DA	Grade	DA	
Clerk	Rs. 40 - 95	Rs. 40	Rs. 40 - 95	Rs. 40
Sub- Staff	Rs. 25 - 60	Rs. 35	Rs. 25 - 60	Rs. 35

*Source : Annual Report of Western India, 1955.*

In majority of the companies there was no scale of pay nor any codified conditions of service.

In 1955, the expense ratio of all the companies taken together was 18.51%.

The total salary bill for the year 1955 for all classes of employees amounted to Rs. 5.46 crores.<sup>7</sup>

With the conference resolution as the guide, the General Secretary of the AIIEA greeted the nationalisation warmly and was perhaps the first person to do it. At the same time he demanded that there should be no retrenchment and that immediate increment of salary should be granted to lowly paid employees and standardised and progressive pay scales and conditions of service should be introduced for all employees.

The nationalisation of the life insurance industry stirred everybody connected with it. Everybody expected something new to happen to him. But different sections expected different things. A general apprehension was there about retrenchment. In regard to pay scale and other emoluments and benefits, the employees of the biggest companies apprehended attack on their existing pay-scales, rights and privileges due to the coming of employees with lesser pay and benefits within the fold of a single institution. So, their main angle of vision was to prevent any attack on their existing rights and privileges. The employees of the companies of the next group also apprehended freezing of wages at a lower level than those achieved in the few biggest companies. These employees who at the time of nationalisation were fighting for upward revision of their wages apprehended that once the payscale was fixed by the nationalised institution at the level of their drawings or less, then for a long time there would be no improvement for them, which otherwise they would have been able to achieve. So, their angle of vision was to standardise on a higher level than theirs. The employees of the smaller units who were suffering most because they were unable to secure a fair wage and service conditions from their employers due to lack of organisation or weak organisation naturally expected an end of injustice to them and improvements of status and income under the nationalised setup. Their angle of vision was to secure a higher level of wage structure and benefit of their past service in the new scales, that is, proper adjustment in the new scales. They wanted to get some interim relief pending final settlement. This was one of their primary and urgent demand.

Just after nationalisation there was tremendous growth of organisation. Throughout India hither to unorganised employees formed new unions or joined the existing ones. Employees became very active. Meetings and demonstrations were being held almost spontaneously which voiced the demands. Everybody looked at the AIIEA for lead and guidance. The AIIEA also gained a new

significance and status. Its prestige and authority grew tremendously. Along with these grew its duties, responsibilities and obligations.

After taking into account all these objective conditions and subjective factors in view AIIEA evolved its policies, slogan and plan of actions. In order to decide on the various matters the extended working Committee meeting of AIIEA held at Bombay on 11th, 12th and 13th day of February 1956 only three weeks after promulgation of the Ordinance. At the working Committee meeting it was decided to place the following demands :

- (i) There should be no retrenchment in the nationalised sector.
- (ii) The anarchy in respect of salary and conditions of service of the employees must be stopped and standardised and progressive conditions of service should be introduced on the basis of charter of demands already submitted by the AIIEA. There should be no curtailment of existing emolument, rights, privileges and amenities.
- (iii) Implementation of agreements or awards where in force arrived at during the transitional period should be guaranteed and agreements arrived at between the employees and managements should be honoured without putting forward the plea of so-called legal and technical difficulties.
- (iv) Government should provide increments to the employees of those concerns during the transitional period where there are no fixed scales of salary and service conditions.
- (v) The existing system of payment of annual or valuation bonuses to the employees should be continued.
- (vi) The employees should not be transferred from one place to another without their consent and without offering additional increase in emoluments.
- (vii) The age of superannuation should not be fixed below sixty years.
- (viii) At the time of manning the personnel of the nationalised industry the existing employees should be given preference.
- (ix) At the time of recruiting the staff in the insurance industry including the proposed re-insurance corporation preference should be given to those employees who were retrenched or victimised during the last five years.

- (x) Sufficient number of persons should be recruited immediately to normalise the exceedingly heavy work load caused by all round progress of life insurance during the last few years.
- (xi) All the staff working under chief Agencies should be absorbed by the government with all the benefits of the past services rendered by them.
- (xii) The staff who were employed by the private actuaries should be absorbed by the government.
- (xiii) The industrial disputes pending at different levels should be settled expeditiously.
- (xiv) The employees should have opportunity to play their legitimate role in the operation and control of the nationalised business at all levels for ensuring efficiency and expansion.
- (xv) Recognition should be granted to the All India Insurance Employees Association (AIIEA) its State Units and the Unions should be recognised and the employees should enjoy full trade union rights, leave facilities for attending trade union conferences and other tours which may be required for promotion of trade unions of insurance employees.
- (xvi) Government of India should call a bipartite conference of representatives of the Government of India and the All India Insurance Employees Association (AIIEA) in order to decide all issues by mutual discussion.
- (xvii) The interests of the bonafide field workers should be protected carefully.<sup>8</sup>

## VI

Naturally it was not possible to evolve a catchy slogan covering all the demands of the employees listed herein above. In order to be understood by all sections of employees and to be capable of quick perception and assimilation they have got to be short and clear. The Life Insurance Corporation Bill was introduced in the Lok Sabha on 17th February and on March 20 it was referred to a select. Committee. Then the extended General Council meeting of All India Insurance Employees Association (AIIEA) held at New Delhi for the purposes of discussing the bill in all possible details along with other major issues before the organisation.

The AIIEA was invited to submit a memorandum on the bill and to tender evidence before the select committee. The AIIEA submitted a detailed plan for successful running of the nationalised industry and also to safeguard the interests of the employees and in order to ensure their participation in management which is clearly an essential ingredient of the success of the institution itself. Some demands were accepted and some necessary amendments were incorporated in the report of the Select Committee. The points are : (i) accepting the staff of Chief Agency as employees of insurers under certain circumstances, (ii) extending the period from 2 years to 5 years past for the purposes of investigating malpractices, (iii) provision to lay the annual audited accounts, reports and valuation reports on the table of the Parliament (iv) partial recognition of the claim of the association in management of the Corporation.

So, it can be said that some demands of the association were given due attention by the government which indicated that the stand adopted by the AIIEA was also correct to some extent.

At that time discussions were taking place among the insurance employees at all levels — as to what should be central slogan of their movement. Through these discussions a slogan was evolved which was, "standardisation at a higher level on the basis of the 1953 Charter of Demands through a Bi-partite Conference". The above Central slogan stated very clearly about the demands to be achieved and the method to achieve them.

All India Insurance Employees Association (AIIEA) submitted the demand for standardisation on the basis of charter of demands which was submitted officially and formally in May 1953 and again on September 14, 1956 after the announcement of pay-scales and conditions of Service by the authorities on 10th September, 1956.

On August 24, 1956, a delegation of AIIEA met the Chairman designate of the Life Insurance Corporation at the invitation of the Corporation. Chairman placed a scheme of pay-scales, D.A. and other emoluments for the consideration of AIIEA. The pay-scales and allowances made a wide difference between sub-branch and branch office employees on the one hand and divisional, zonal and central office employees on the other. Acceptance of that scheme would result in the cut of pay-scales and emoluments of 80% of the employees of the life sector. All India Insurance Employees Association (AIIEA) totally rejected the above scheme as proposed by the authorities of the Corporation. On September 8, 1956, the Chairman of the Corporation requested the President

and General Secretary of AIIEA to come over to Delhi to receive and to discuss the pay-scales and conditions of service fixed for the employees of the Life Insurance Corporation of India, which was to be declared on September 10, 1956. The general secretary of All India Insurance Employees Association (AIIEA) went to Delhi and received the same on 10th September, 1956. The reaction of all the employees was pithily and which was expressed by him in two words "RUDE SHOCK". General Secretary flew back to Bombay and placed the offer before the Working Committee.

The proposals were as under :

- (1) **Superintendents** : Rs. 200 - 20 - 500
- (2) **Section Heads and Head Clerks** :

Same as assistants with an additional special pay on the following scales :

Rs. 25/- per month during first five years of service as section head or head clerk.

Rs. 30/- per month during the next five years of such service.

Rs. 35/- per month thereafter.

- (3) **Stenographers** :

Same as assistants with an additional special pay on the following scale for persons for work with senior officers.

**Chairman** : Rs. 50/- per month.

**Directors** : Rs. 40/- per month.

Zonal Manager, Deputy Zonal Manager and Senior Officers at Central Office  
Rs. 30/- per month.

Stenographers should have a minimum speed of 120 words per minute in short hand.

- (4) **Assistants** : Rs. 90 - 10 - 210 - EB - 15 - 300

- (5) **Clerks** : Rs. 55 - 5 - 80 - 6 - 104 - EB - 7 - 160 - EB - 10 - 220

**"Here EB means Efficiency Bar"**

Typists and Steno-typist would be in this grade but stenotypists having a speed of not less than 80 words per minute in short hand would get an additional pay of Rs. 25/- per month.

- (6) **Drivers** : Rs. 60 - 3 - 90
- (7) **Daftaries** : Rs. 40 - 3 - 70
- (8) **Head Peons and Liftmen** : Same as sepoy, chaprasi and Hamals with an addition special pay of Rs. 5/- per month.
- (9) **Sepoy, Chaprasi and Hamals** : Rs. 30 - 2 - 60
- (10) **Sweepers** : Rs. 26 - 2 - 60

The Working Committee of All India Insurance Employees Association after prolonged deliberations rejected the pay-scales and service conditions as totally unacceptable. AIIEA gave a call to all employees of the Life Insurance Corporation of India to prepare for a one day token strike some day in the first week of November. AIIEA also declared that if the authorities did not see reason and withdraw the pay-scales and service conditions proposed and settle the matter on the basis of the Charter of Demands through a bi-partite conference with the AIIEA, the AIIEA might have to call upon the employees to go on a sustained strike. This resolution was forwarded to the chairman on September 14, 1956 expressing in the covering note the hope that a negotiated settlement would still be possible. It was also decided to convene a meeting of the General Council in October at Calcutta to take the final decision on the token strike and to fix the date.

The decision of the AIIEA to reject the proposed pay-scales and service conditions was wholeheartedly supported by all employees all over India through innumerable meetings and demonstrations. Really before any call come from the AIIEA, employees spontaneously went into same actions at different places. In Delhi, there was a spontaneous pen-down strike. The call to action enthused them and galvanised the entire rank into a solid phalanx.

On that background the historic Calcutta session of the General Council met, just on the day the General Council was to begin its deliberations, the Chairman of the Corporation issued a press statement meant to clarify Corporation order on pay-scales and service conditions. It was treated as a highly ambiguous document which tried to mitigate the perniciousness of the pay-scales announced earlier. Considering the entire situation the General Council of AIIEA resolved that the pay-scales and service condition announced by the Chairman of the Life Insurance Corporation of India on 10.6.56 even after his clarification statement dated 25.10.56 constitute an attack on the existing standard of pay-

scales of the employees, their rights and privileges and on their bonus. The meeting further opined that the proposed pay-scales and service conditions would not help to improve the position of the employees who were drawing wages even below starvation level to any appreciable extent.

Under the above circumstances, the General Council of All Indian Insurance Employees Association (AIIEA) ratified the decision of the Working Committee and it called upon all the employees of the Life Insurance Corporation of India to go on a token strike on December, 5, 1956 in protest against the imposition of the proposed pay-scales and service conditions and for a standardisation of the same with an upward revision on the basis of the Charter of Demands of the AIIEA.

The period from the General Council meeting to the token strike day had been one of the most hectic activities and glorious mobilisation for the insurance employees. It set up a high water mark of trade union activities in our country. The Finance Minister said that he would discuss the matter only after December, 5.

The token strike on 5th December, 1956 was a thundering success. It was a success even in those centres where there was no organisation. The token strike reflected the depth of discontent of the employees, strength of the union, futility of threats of punitive measures and above all need for a negotiated peaceful settlement. On 17th December, 1956 two-and-a-half hours were devoted to a discussion in the Lok Sabha regarding the pay-scales of insurance employees. The Finance Minister admitted on the floor of the Lok Sabha "What had been done was not best that could be done" and he declared that he was ready to meet the representatives of insurance employees. It was evident that the demands of the employees after the grand success of the strike received very wide support from the parliamentarians of all shades. The press also provided ample support to the movement of insurance employees. Specially, the movement of insurance employees received tremendous guidance from the All India Bank Employees' Association, the biggest trade union of banking industry. It was the wide support from outside prevented the corporation from taking any disciplinary action. Strike with impunity was a new and novel experience with the insurance workers of our country which gave them faith and confidence in their own strength and organisation. For the purposes of settlement of charter of demands a formal discussion was arranged on 17th of February, 1957 where it became evident that there was scope of pursuing the same further.

After taking note of the change in the objective situation the Working Committee, to facilitate the negotiation and arriving at a settlement formulated a fresh memorandum containing its tentative proposals for an interim settlement. The preamble attached to the memorandum summarised the attitude of the AIIEA. It ultimately resulted in the conclusion of the interim settlement.

Meanwhile, an incident took place which had its own impact on the matter. Earlier some employees filed a suit in the Bombay High Court challenging govts' right to order change in emoluments of employees who had any agreement with their employers. The case continued on till April and it caused delay in bringing about final conclusion of the negotiation. It was made clear by the Finance Minister in his speech in the Lok Sabha. The judgement of the Bombay High Court while holding that the govt. had the right to change pay-scales for the purpose of standardisation by mutual settlement and/or adjudication, or even by an order opined that the present government order was bad in laws as it changed the service conditions also, which it could not do and as the change in both pay-scales and service conditions were in the same order. The government lost no time to utilise the loopholes in law by promulgating an Ordinance. The case therefore stood in the way of a speedy settlement which was also admitted by the Finance Minister in the Parliament. The AIIEA objected the ordinance and the subsequent amendment to the act which gave ultimated power to the government to change the employees' pay-scales and service conditions.

During the period between the token strike and the starting of final negotiations the Corporation authorities took some actions against the employees. A large number of drivers were retrenched all over the country. This retrenchment was totally in contrast with the assurance given by the Finance Minister in the floor of Parliament that due to nationalisation there would be no retrenchment in the insurance industry. Salary of December 5 was cut. Attempts were made to implement the pay-scale which was offered on 10th September, 1956. But the authorities succeeded to some extent also in this regard. Another factor was also very much active. The employees of the smaller private insurance companies and in many areas stood to gain even by the offer of September 10. So, they were ready to accept the above offer given by the management. They were not mentally prepared to go for a sustained movement. But ultimately confidence in the organisation and sense of unity prevailed which forced to start the process of negotiation again.

The negotiation started on May 3, 1957. The talks continued for about two weeks

and an interim settlement was arrived at between the negotiating committee and the authorities of the Corporation and in the last stage with the participation of the Finance Minister. The major terms of settlement relate to pay-scales, dearness and other allowances, fitting in formula for existing employees and some items of conditions of service.

The summary of the settlement may be quoted as under :

**Pay-Scales :**

1. Superintendents : Rs. 200 - 20 - 500
2. Higher Grade Assistants : Rs. 140 - 210 - 10 - EB - 12 - 270 - 15 - 390 - 20 - 410
3. Stenographers : (i) Employees confirmed before 31.8.56  
Rs. 90 - 10 - 210 - EB - 15 - 300.  
(ii) Employees confirmed after 31.8.56  
Rs. 90 - 10 - 210 - EB - 15 - 270.

**Note :** Stenographers selected for work with Senior Officers will receive special pay on the following scales :

Chairman : Rs. 50/- per month.

Directors : Rs. 40/- per month.

Zonal Manager, Deputy Zonal Manager & Senior Officers : Rs. 30/- per month.

**4. Assistants :**

(i) Employees confirmed before 31.8.56

Rs. 75-5-90-6-120-8-136-EB-8-160-10-220-EB-10-240-15-300

(ii) Employees confirmed after 31.8.56

Rs. 75-5-90-6-120-8-136-EB-8-160-10-220-EB-10-240-15-270

(iii) Section heads will get emoluments as per the scale declared for assistants with a special pay of :

Rs. 30/- in the first five years of service as such

Rs. 35/- in the next five years of service as such

Rs. 40/- in the next five years of service as such

5. Receiving and Paying Cashiers : Same as assistants' scale of pay.
6. Typists : Same as assistants' scale of pay.
7. Telephone Operators : Same as assistants' scale of pay.
8. Addressing Machine and Punched Card Operators : Same as assistants' scale of pay.
9. Comptometer Operators : Same as assistants' with an allowance of Rs. 10/- per month.

**Note :** *Graduates appointed to the posts of assistants and Comptometer operators will receive two increments on confirmation.*

10. Record Clerks, Bonda and Duplicating Machine Operators :  
Rs. 55 - 4 - 75 - 5 - 110 - EB - 5 - 130 - 6 - 172 - 8 - 180.
11. Sweepers and Cleaners : Rs. 30 - 2 - 42 - 3 - 81 - 4 - 85 - 5 - 90.
12. Sepoys, Chaprasis, Hamals, etc. : Rs. 35 - 2 - 47 - 3 - 86 - 4 - 90 - 5 - 95.
13. Head Peons, Liftmen & Watchman : Rs. 35 - 2 - 47 - 3 - 86 - 4 - 90 - 5 - 95.
14. Daftries : Rs. 35 - 2 - 47 - 3 - 86 - 4 - 90 - 5 - 95.
15. Drivers : Rs. 70 - 3 - 85 - 4 - 105 - 5 - 115.

**Note :** (i) *Head peons, Liftmen and Watchmen will receive a special pay of Rs. 5/- per month.*

(ii) *On promotion as Daftry the employee will receive three (3) increments in the grade. Minimum pay for a Daftry will be Rs. 45/-.<sup>9</sup>*

## VII

### AN ASSESSMENT OF THE ABOVE SETTLEMENTS

Whenever the Standardisation Order and Central Office instructions were published it was noticed that many assurances given during the talks did not appear there. There were deviations and deflections from the commitments, interpolation of some extraneous provisions and omission of some clauses, all affected the employees adversely. They may be summarised as follows :

- (i) Absence of promotion clause,
- (ii) Absence of clause relating to staff of category V to be promoted from their ranks to that of record clerk.

- (iii) Retention of extra allowance on the basis of their work,
- (iv) Interpolation of the term "requisite qualifications" in case of categorising the Stenographers,
- (v) Change of "terminal pay" to "average pay" in the matter of gratuity,
- (vi) No recovery of extra allowances which might have drawn by the employees in the different companies by virtue of their special type of work.
- (vii) Sympathetic consideration of the question of merging the other allowances either with D.A. or with basic pay.
- (viii) Recognition of services rendered to the insurers through Chief-agencies.

And in the matter of bonus the AIIEA did not accept the position of the authorities and it was to be settled after further talks, but the order explicitly declared no bonus. When the various provisions in the settlement are being put into actual practice, anomalies inherent in the settlement itself or arising out of improper, inflexible and unsympathetic implementation had been noticed and were taking concrete shape.

However, it can be said that the settlement which was arrived at and ultimately which came through the notification was not of very much higher in comparison to earlier offer. Scale of Superintendents were remain the same, a separate scale had been achieved for higher grade assistants, scale of assistants were fixed at a lower level, upper limit of record clerks were increased to some extent, both the lower and upper limit of sweeper's scale was increased to some extent, both the lower and upper limit of Sepoys scale was increased to some extent. Scale of drivers were fixed at a lower rate than it was proposed earlier, lower limit of the scale of daftries were fixed at a lower level but the upper limit of the scale was fixed at a higher level. For head peons, liftmen, watchmen a new scale was achieved.

So, it can be concluded that something was gained for the most of the cadres but in one or two cadres viz., in the scale of assistants, drivers etc. even after the prolonged discussions and deliberations with management, the fixation was done at a lower level, even below the lower level which was proposed by the management at the earlier stage.

The points of the terms of settlement were not liked by the union might be stated as under :

- (i) The present limit of the record clerks' grade,
- (ii) The scale of D.A. which was lower than those obtaining many companies and concerns of comparable status.
- (iii) A lower starting and also lower maximum than what was obtaining in some of the bigger companies,
- (iv) A lower ratio of special allowances than what was prevalent in the industry,
- (v) Retention of efficiency bar at such a low stage of Rs. 136/-,
- (vi) Lower maximum for new entrants.

**A question automatically arose :**

What led the negotiating Committee then to accept these terms and the extended General Council to ratify them ? It could be stated that they then considered the interim settlement was a big step of advancement from the earlier situation and there was a significant victory both in principle and of material value. In fact, the Chairman in his interim report stated, "The implementation of the order is expected to increase the wage bill of the Corporation in respect of these employees by about Rs. 60 lakhs per annum. Materially the gains might be listed as under. The settlement had achieved standardisation which had been the main demand of the union. Union expected that the above settlement was a major step towards fuller and more comprehensive standardisation on a higher level.

The gains of the above settlement might be listed as under :

- (i) The assistants' scale was better than those obtaining for most of the employees and is common for all clerical employees throughout the institution and having a much higher starting and maximum salary than those prescribed by the Corporation earlier,
- (ii) The sub-staff's scale was a considerable improvement on the previous scale and was better than those obtaining to all employees of the category except those of "Hindusthan".

- (iii) General minimum increment of Rs. 10/- and Rs. 5/- for clerical and sub-staff respectively,
- (iv) Change in fitting in formula where basic pay had been taken as the basis of fitting in and fully protected,
- (v) Recognition of past services by granting one increment for every two years of completed service,
- (vi) Retention of dearness allowance falling in excess of the rate of Corporation dearness allowance.
- (vii) Full freedom to opt for the existing grade, D.A. and other allowance where found beneficial to the employees.

On the matter of principle, the victory was even greater and of wide significance.

If we examine it one by one then it would be quite evident :

- (i) The basic stand of AIIEA on the method of the settlement of disputes- negotiated settlement through bipartite talks was accepted, though the authorities resisted it stoutly.
- (ii) The L. I. C. I. employees are employees of an autonomous statutory commercial enterprise and not government employees and hence cannot be and are not be treated on the same footing as government employees in the matter of pay-scales, allowances, service conditions and staff regulations had been accepted.
- (iii) The principle of equal pay for equal work had been accepted to a great measure. It is necessary to state here that such a great measure of standardisation had not been achieved in any institution, industry or any department of government not to speak of government services as a whole. At that time there were 16 scales for clerical workers in banks, 4 alone in state Bank according to place of work. In Indian Airlines corporation there were 13 scales for the clerical staff alone. Government had different scales for clerks in routine, lower and upper divisions along with secretariat, sub-ordinate and attached offices. Then there were place allowance of various amounts making differences more wide and acute. In railways there were no end of scales and grades. With the

achievement of a single clerical grade the insurance employees association had laid the basis for common interest and complete unity among the entire staff of the LIC. For this reason the government employees and employees in many industries and institutions placed the pay-scale of L.I.C.I. employees as an example. The extent of this advance and victory must be realised, grasped, appreciated and seized and consolidated.

- (iv) Equal pay for all centres and uniform grade of Rs. 75 - 300 and Rs. 35 - 95.

### **After the Settlement**

Soon after the publication of the said order, the union prepared a detailed memorandum and submitted it to the Chairman of the Corporation. Deputations also came from different zonal Organisations of the union. One or two points of anomalies had been removed or rectified by these actions e.g., for gratuity "terminal pay" had been restored in place of average pay and the stenographers categorisation rules had been liberalised. But most of the other points remained unsolved as yet.

About the issues unsolved in the interim settlement some progress had been made. Provident fund rules had been amended to some extent. Free insurance scheme was finalised with some liberalisation of terms. The Chairman of the Corporation had assured a deputation of the All India Insurance Employees Association that those who had died till then would also be given the benefits under the above scheme. It was also assured by the chairman that the retrenched drivers not absorbed as such would be taken back in subordinate staff or record clerks grades according to their qualifications.

But so far as the anomalies in the Hindusthan and Industrial and Prudential, no satisfactory settlement had yet been possible. The date line for giving option and recovery of excess money paid according to present computation had been deferred till a settlement was arrived at.

In the meantime it was identified that the settlement left many urgent problems unsolved. The government standardisation order and the central office instructions contains deviations and departure from some points of agreement, mal-implementation of the terms of settlement and inflexible outlook of authorities had created many complications. Union had decided to analyse and categorise

these issues so that it could move for their solution and realisation. The issues might be summarised as under :

1. To secure correction of the deviations and interpolations in and proper and full implementation of the standardisation order and also fulfilment of assurances given by the authorities from time to time,
2. The scheme of amenities including free insurance scheme should be finalised expeditiously. The amenities fund for the year 1957 should be released immediately.
3. Amendment to and finalisation of staff regulations based on democratic principles and trade union rights.
4. Realisation of bonus in cash.
5. Democratising the basis and widening the functions of agents' and employees' relations committee. To extend it to central as well as divisional and branch level.
6. Formulation and finalisation of pay-scales, allowances and conditions of service of the building staff.
7. To settle the cases of Hindusthan, Prudential and such other out standing issues.
8. To support the field workers in building up their organisation and in their struggle to achieve security of service, living wages and decent conditions of service.
9. To create a condition in which full standardisation on a higher level and a comprehensive settlement in the industry would be possible.
10. Workers participation in the management, inclusion of AIIEA's representatives in central board as well as Zonal and Divisional advisory Committees,
11. To restore the pay cut for December 5, 1956 strike day.<sup>10</sup>

## VIII

### FIRST SPLIT IN THE ORGANISATION

During the regime of company all the unions so far formed from all the companies were affiliated to the AIIEA. Representatives of all the companywise unions attended the Calcutta Conference of the AIIEA in 1955. After nationalisation all the representatives from all the companywise unions attended the extended working committee meeting in Bombay in February, 1956. All the decisions were taken unanimously. The attitude of a particular company-wise federation was to some extent different from others. While the representatives of other unions felt that only through a strong and united trade union movement the rights of the employees could be realised from the management, the leader of a particular federation felt and advocated that there was no scope for agitation, particularly after nationalisation. The particular trend was strong in the New India federation. The entire idea regarding the trade union movement was that the dispute between the employees and the management on the question of wages or other terms and conditions of service were domestic matters of that particular company and should be resolved within the four walls of the company without resorting to any agitation or movement of the employees. Immediately following nationalisation when in the month of March 1956 the General Council of the AIIEA met in Delhi to assess the whole situation and define the task of the insurance employees, reports came that a very few employees were thinking in terms of breaking away from the AIIEA and floating another rival organisation. Actually towards the end of 1956 a group broke away from the AIIEA and floated a new organisation "All India Life Insurance Employees' Association". The group put two reasons for their coming out from AIIEA. The first was that -- after nationalisation, since the life insurance industry now belonged to the State, there was no necessity of resorting to movement and agitation for the solution of employees' problems and grievances. They asserted that all problems could be solved through negotiations round the table. And secondly they raised the bogey of the presence of outsiders in the AIIEA as office bearers of the organisation. The AIIEA also put arguments to counter the charges made by the leaders of All India-Life Insurance Employees Association. One the first question of how to solve the problems of the employees in the post-nationalisation period, the AIIEA's argument was that giving up the path of agitation and movement including strike struggles would be suicidal for the employees. AIIEA argued that although the life insurance industry had been

taken away from the hands of capitalists and vested in the hands of the Indian State, it should not be forgotten that the Indian State itself was owned by the capitalist class. It also argued that although nationalisation would go to a great extent in mobilising, consolidating and uniting the employees on the basis of common monetary demands, the present employees i.e., the government of India would fight these demands as ruthlessly as the Tatas or Birlas did. Therefore, it was argued by the AIIEA that the life insurance employees should not only persist in their path of struggle and confrontation but also try to be a part of the general working class movement of the country. That was the only way of serving the interest of the life insurance employees in the best possible manner.

Secondly, on the question of the existence of the outsiders in the AIIEA it was argued by the AIIEA that the trade union movement had to fight for long periods to have the right to elect persons from outside the industry as office bearers of the organisation. Incorporation of this particular provision in the Indian Trade Union Act, 1926 was the result of long years of struggle by India's working class movement. And this concession was wrested from the unwilling hands of the then British government after a great deal of sacrifice. It was also argued that in the USA, in the UK, in France, in Germany and in all other metropolitan capitalist countries the leaders of the giant industrial workers' unions were without exception outsiders who themselves were not workers of the industry. Thus the first split in the union of insurance employees took place.

It can be concluded that the split occurred because of the two conflicting philosophies -- one philosophy of class struggle and the other philosophy of class collaboration. AIIEA believed firmly in the philosophy of class struggle the ultimate aim of which was the establishment of socialist state led by the working class, the other philosophy based on concession within the framework of the capitalistic relations of production without in any way seriously disrupting it. So, in a nutshell it can be said that the split took place revolved round this basic question of the concept of class struggle and class collaboration.<sup>11</sup>

## IX

### BATTLE FOR BONUS

The union of L.I.C.I. successfully fought the battle for standardisation of pay scales and other terms and conditions of service, the question of payment of bonus stood unresolved. When the standardisation order of the government

was published in May 1957 it was observed that no bonus would be paid and instead of bonus free insurance would be given to the employees. The All India Insurance Employees' Association vigorously protested against it. The third conference of AIEA held in Madras on 29th and 30th November and 1st December, 1957 adopted a resolution on 'Payment of cash bonus'. The above resolution might be quoted as follows :

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This conference reminds the Corporation authorities that the payment of bonus has been a long standing practice with most of the insurers and it has become, being a customary payment, a part and parcel of the employees' annual wages. The conference further reminds the Corporation and the government that the emoluments given by the corporation do come nowhere upto a living wage and the principle that bonus is a means to bridge the gap between the actual wage and the living wage applies in equal force in this case. The plea that cash Bonus cannot be paid in undertakings in state sector also does not hold water, in view of the fact that such payments are being made to the employees of the state Bank of India, Sindri Fertiliser Factory, a number of Government Collieries and last but not the least in the General Insurance Subsidiaries of the Life Insurance Corporation itself. The guiding principle of labour relations as adumbrated in the 2nd Five Year Plan also lays down that no discrimination should be made against the employees in the public sector".

"This conference therefore, strongly urges upon the Corporation authorities and the Central Government to recognise the just claim of the Life Insurance corporation staff for cash payment of two months' salary as bonus. This conference calls upon all insurance employees, particularly of the units in the Life Insurance Corporation to begin a vigorous Campaign on this issue. This Conference appeals to trade union movement in general and to the trade unions of the employees of commercial and industrial undertakings in the public sector to join and to help this movement of the Life Insurance corporation employees so that it can achieve success."

Thus the battle for bonus started in right earnest. Again and again the employees were told by the union of life insurance industry that since the objective of the battle was to change the government decision of "no bonus" in the public sector, the struggle of necessity would have to be prolonged.

On 3rd April, 1958 the AIIEA addressed a letter to the Chairman and to all the members of the Board of the Corporation. The letter stated, inter alia, "In the name of justice and fair play we appeal to your individual sagacity and collective wisdom. Even at this stage it is our earnest desire that the Board of Directors as a whole should intervene and decide the issue in favour of continuing the practice of cash payment of bonus. We firmly believe that the employees have established their rights to bonus and since long this right was recognised and respected by the private insurers. Under these circumstances, the employees are not prepared to forgo their legitimate claim of bonus."

A meeting of the working committee of All India Insurance Employees Association (AIIEA) was called in Bombay from 19th to 23rd April 1958. The above meeting called upon the employees to intensify the struggle for bonus. The movement gained tremendous momentum. On 18th and 19th September, 1958 the meeting of the Secretariat of the Zonal Associations/Federations of AIIEA was held in Calcutta. Addressing the employees in a resolution the meeting stated: ".....the movement for bonus has to be raised to a higher pitch. It has to be intensified and extended. It is a very hard struggle and will be a long drawn one. All the employees must realise the implication of changing the State Policy of the Government as applied to public sector undertakings. The employees must be ready to carry on the struggle to higher and higher pitch and if necessary, as a last resort to the extent of continuous strike if bonus is to be won". The movement of LIC employees was advancing very fast and assumed the dimension of a high tide confronted with such a rising tempo of movement the Managing Director of LIC wrote a letter to the AIIEA. The letter dated 29th September, 1958 addressed to the AIIEA stated: ".....I have to inform you that the stand of the employees of the Corporation with regard to their demand for bonus as explained in your various letters had been reported to the government. Any further action in the matter has to await a reply from the government".

In the meantime, the AIIEA sought to take the struggle to the floor of the Parliament. More than 100 members of the parliament supporting the demand of LIC employees wrote a letter to the Finance Minister. To review the movement and to further intensify the struggle, a meeting of the working committee was called in New Delhi from 27th November to 2nd December. On November 25, the Deputy Finance Minister, Govt. of India, declared on the floor of the Parliament that the question of payment of bonus to the LIC employees was under

consideration of the Government. While the working committee meeting was in session in Delhi, a deputation of the AIIEA met the Joint Secretary of the Ministry of Finance. Joint Secretary informed the delegation of AIIEA that the government had already taken the relevant decision on the question of payment of bonus to the LIC employees and he also informed that LIC management had already been informed accordingly.

This was the first tremendous victory of LIC employees trade union movement. The prolonged and arduous struggle of the LIC employees to change the policy decision of the government from "no bonus to public sector undertaking to payment of bonus to the LIC employees" was crowned with success. The patient and prolonged struggle of LIC employees ultimately forced the government to change the decision. This decision served as a springboard for the employees of other public sector undertakings to organise their own struggle for bonus. With this information communicated to the LIC union the situation naturally underwent a qualitative change: the focus of attention changed from the government to the management of the LIC. On 10th December, 1958 in reply to a question the Union Finance Minister informed the Lok Sabha: "After due consideration, it has been decided that the corporation may, at its discretion, grant bonus to its ministerial employees". This declaration of the government sent out tremendous waves of enthusiasm among the mass of the employees. In a Circular dated 16th December, 1958 the AIIEA informed the employees: ".....it is the extensive campaign of the employees backed by the popular public support that had removed the hurdle of Government policy and it is the same organised might of the employees and the weight of the popular sanction that would guarantee the early release of bonus. The working Committee was also of the opinion that even though the principle of bonus had been accepted, many other vital points remained to be settled. These relate to the question of quantum and the bogey of expense ration." LIC employees union demanded payment of cash bonus equivalent to two months' total salary. Employees were asked to continue the movement in an intensified manner.

LIC management called the union to settle the question of bonus on 14th February, 1959. At the very first round of discussion the management of LIC conjured up before the negotiating committee the phantom of expense ratio. Management of LIC proposed that instead of free insurance they were prepared to grant one month's basic salary as bonus and no more. This offer was totally declined by the AIIEA and naturally the negotiations broke down. The meeting of the Working Committee was called on 26th February, 1959. It was also

decided by the Working Committee to serve the notice on the LIC management stating that if there was no solution on the question of bonus with in 30th April, 1959, the employees would be forced to go upon the path of strike struggle. An elaborate programme of movement was chalked out which included signature campaign of policy holders and prominent citizens addressed to the govt of India requesting to accept the demands of the All India Insurance Employees Association. Trade Unions Conventions were organised around the various parts of the country. 18th April, 1959 was observed as All India Bonus Demand Day. Ultimately the management had to increase their offer to one and half months' basic salary as bonus and on their basis an agreement was signed on 4th May, 1959. In exchange of 'free insurance' employees were granted 'term insurance'.

So, the battle for bonus which lasted almost two (2) years was ultimately crowned with tremendous success. The success was not due to the fact that the employees of LIC were getting cash bonus but greater than that the policy decision of the government in relation to the question of payment of bonus to the public sector employees was changed radically. No bonus in the public sector was a declared policy of the government of India. It was converted to "yes bonus". For this great reason the AIIEA should legitimately feel proud. The other trade union in LIC viz., All India Life Insurance Employees' Association (AILIEA) was absolutely salient in this matter. It did not give call to its employees to go for any kind of movement which would lead towards the realisation of bonus.<sup>12</sup>

## X

### **SETTLEMENT OF SECOND CHARTER OF DEMANDS**

The fourth General Conference of All India Insurance Employees' Association (AIIEA) was held at Kanpur from 25th to 28th December, 1959. From this conference a subcommittee was appointed to frame a Charter of demands for the employees. A draft was also formulated on promotion policy. The Charter subcommittee met in Calcutta from 29th February to 4th March in order to draw up Charter of Demands. This Charter of Demand was sent to the various units of the organisation for discussion and debate.

The General Council of AIIEA was called in Bombay from 4th to 7th April, 1960, to consider the suggestions amendments which had come from the different units. After a prolonged debate and discussions the Charter was finally adopted

by the General Council on 14th April, 1960 the president of AIIEA submitted the Charter to the Chairman of the LIC and requested him to start negotiations with the association on the basis of the Charter of Demands immediately. It was also pointed out by the union at that time that the constant and stiff rise in prices of daily necessities had exposed the employees to deprivation of living standard. It was requested by the union to the Chairman of the Corporation that an interim relief of Rs. 25/- per month must be granted to all the employees of Corporation. The Chairman assumed that he would consider the demands sympathetically.

A long period the LIC management sat tight over the Charter. Naturally AIIEA called the employees to start agitation. On 6th March, 1961 an agreement was signed. As per the above agreement employees of the Corporation received interim dearness allowance at the rate of Rs. 15/- per month. It was also decided that subsequent discussion would be resumed to settle the demands as contained in the charter.

Although the employees went on reminding the Corporation authorities of their pledge to go in for a comprehensive settlement on the basis of the charter, no move was noticed on the part of management. Again and again it was demanded by the AIIEA for the immediate settlement of charter of demands because the settlement of May 1957 was only the standardisation of pay scales and conditions of service of various insurance companies enjoying different scales of pay and conditions of service. It was not upward revision of scales of pay nor standardisation of other conditions of service on a better footing. In this second charter of demand the AIIEA aimed at upward revision of the scales of pay and betterment of other conditions through a comprehensive settlement. The other trade union of the industry viz. AILIEA also participated in the movement for realising the second charter of demands as early as possible. But the management of LIC continued to maintain its stoic silence in the face of all appeals made from both the unions. The Working committee meeting of the AIIEA was held in Madras from December 28 to 30, 1961. It was decided by the Working Committee to continue the agitation and press for a comprehensive settlement on the basis of the charter of demands. The management called the association on 18th June 1962 for negotiation. The negotiations proved infructuous. What the LIC offered was in practice nothing but merger of a part of dearness allowance and that too without its full reflection in the retiring benefits and a very little sum as house rent. The very just and vital demand of automatic linking up of dearness allowance with the cost of living

index as per bank formula was also not accepted by the LIC management. The LIC authorities even refused to give to its employees what the National Tribunal gave to 'B' class bank employees and against which the bank employees had already raised their voice. Obviously the negotiations broke down.

But the one salient feature of the negotiation was the united effort of both the unions of the Life Insurance Industry. This time the AIIEA and AILIEA started negotiation with the management in complete unanimity. Following the breakdown in the negotiation both these organisations jointly called upon the employees to move. 25th August 1962 was observed as All India Demand Day throughout India by both these organisations jointly. In a joint letter signed by the General Secretaries of both these organisations dated 4.9.62 urged the management of LIC to settle the charter immediately. Meanwhile the movement got the tremendous momentum. The entire LIC employees were on the streets. When the movement was at the peak in November, 1962 the border war between China and India started and the movement had to be suspended. It was a war of short duration. This war ultimately affected the unity of LIC employees movement. The unity between the AIIEA and AILIEA was completely broken. The leadership of AILIEA told the management of LIC that they were not prepared to sit with the AIIEA jointly for negotiations because they believed that the AIIEA leadership were communists. After the cease fire of the war, the AIIEA carried on the struggle alone because AILIEA took it away from the movement. On 23rd January, 1963 a settlement was arrived on the basis of Charter of Demands. In the first settlement of 1957 the ceiling of the grades of the employees belonging to the private insurers and all those who were recruited after the formation of the LIC differed significantly. In case of the former the ceiling was Rs. 300/- and in the case of the latter it was Rs. 270/-. For the first time the agreement started that "there will be no distinction between transferred employees and those who entered the service of the Corporation on or after 1st September, 1956 in regard to the maximum of the scales of pay." The second special feature was the automatic linkage of dearness allowance with the working class consumer price index. The third feature was that the fitting - in of the salaries of the employees in the new scale would be on stage to stage basis. A tremendous victory had been achieved. So far as the quantum of increase in emoluments the victory was not very high but this charter enabled to bring all the employees of the some category under one scale of pay. For the first time too a new consciousness started to grow in the LIC employees. All the employees whose services had been transferred from different companies to

the Life Insurance Corporation and the employees who were recruited after the formation of the corporation started to forget the company affiliations or the barrier of old and new. This agreement infused among the masses of the employees a tremendous confidence on their organisations and the capability of its leadership because of the achievements achieved through this negotiation. If two unions of the industry remained united during their period of struggle the agreement might have been more beneficial to the employees of life insurance industry.<sup>13</sup>

### **Battle Fought with Bank Employees**

In the year, 1963 the leadership of the All India Bank Employees' Association (AIBEA) met in Delhi and decided to move jointly with the insurance employees on the question of rectification in the compilation of the cost of living index and payment of compensatory dearness allowance.<sup>14</sup> The joint movement of bank and life insurance employees started on 31st January, 1964. In the month of April 1964, it assumed real intensity. On April 13 demonstrations were arranged in front of bank and insurance offices throughout the country. On April 15, demand badges were worn by the bank and insurance employees in support of their demand. On April 16, huge processions and meetings were held throughout the country in order to materialise the above demands. On April 17, deputations were taken to the Parliament, State Chief Ministers and local Government Officials where memorandum were presented containing this particular demand.<sup>15</sup>

The agitation of the LIC employees on their own demands combined with the joint movement with All India Bank Employees Association (AIBEA) ultimately compelled the LIC management to enter into negotiations with the AIBEA and on 6th December, 1965 an agreement was signed. The main feature of this agreement was that the retirement age which the LIC management forced on the new recruits at 58 years was raised to 60 years and thus all the LIC employees irrespective of their date of entry into the service were entitled to retire at the age of 60. The quantum of sickleave on full pay was increased from 6 months to 8 months. Canteen facilities were provided to the employees. Delegates to the conferences of association were granted special leave. For the first time too an amount of Rs. 50/- per calendar year was granted on reimbursement basis towards medical benefit. It was also admitted by the management of LIC that the compilation of the cost of living index was incorrect and a temporary D.A. at the rate of 6% of the basic salary of class III and class IV employees was granted.

So, this agreement brought the uniform retiral age for all the employees of the Corporation. Leave on account of illness was increased by 2 months. Facilities of canteen were also provided to the employees. Delegates to the conferences were granted special leave. Thus it could be said that on a limited scale leave for trade union officials was agreed to for the first time. This was the first occasion where the management recognised that the medical facilities should be provided to its employees. Thus an amount of Rs. 50/- per calendar year was granted on reimbursement basis. In spite of the fact that the employees of the Corporation were allowed so much benefits but it was far short of the standard of emoluments enjoyed by the bank employees.<sup>16</sup>

## XI

### FIGHT AGAINST AUTOMATION

The fifth General Conference of the All India Insurance Employees Association was held at Nagpur from 17th to 20th December, 1963. While the conference was in session, a paper clipping from the 'Hindu' of Madras was sent to the conference for its immediate attention. The 'Hindu' stated that the LIC was thinking in terms of reorganising its entire institutional structure. It was reported that LIC was thinking to abolish some of the divisional offices and also some of the branch offices. The scheme was vaguely known as reorganisation scheme.<sup>17</sup> Unknowingly the AIEEA had trodden on the problem of automation. The other union in the industry did not bother about this serious problem. They were absolutely silent. The above scheme of automation envisaged the abolition of number of divisional offices and setting up of certain regional offices where all the work of underwriting and policy-holders servicing would be concentrated. The zonal offices of the corporation would disappear and the central office would have direct control over the various regional offices. The press reports indicated that the Life Insurance Corporation of India had drawn up this reorganisation scheme in order to enable itself to go in for higher type of mechanisation of the office work. It was also understood that if the scheme was implemented thousand of employees would be shifted from one place to another and thousands would be declared surplus.<sup>18</sup> In its fifth General Conference it was adopted a resolution by the AIEEA which demanded to receive more information regarding automation from LIC management. The management of LIC did not respond, instead they maintained their stoic silence. Subsequently, it was known that in 1963 a group of senior officers of LIC was sent to the USA to visit some of the biggest insurance companies office to study how the electronic computers installed in

those office were working.<sup>19</sup> These officers after their return to India submitted a secret report to the corporation. The corporation then took the decision to go in for computerisation of clerical work in the corporation. The government was also approached to permit them to import computer system. The government gave a green signal.<sup>20</sup> Thus, the most bitter and the most protracted struggle ever waged by the insurance employees started. On the face of it, it was indeed a very difficult struggle to lead. Because immediately after the AIIEA raised its objection on the issue of introduction of electronic computers in the clerical service of the LIC, both the LIC management and the government assured the employees both verbally and in writing that there would not be any retrenchment, and they were prepared to enter into a legally enforceable agreement.<sup>21</sup>

The objections of the union were basic and fundamental. It was not only a question of protecting the job security of the existing employees but also protecting the potential job opportunities of the future generations. Although the struggle against automation started as the struggle of the LIC employees against the LIC managements' attempt for computerisation of clerical work in the LIC, in the course of the struggle itself the entire working class specially the white collar employees throughout the country were deeply involved in it. The question of automation very soon spilled over the boundaries of Life Insurance Corporation and affected every industry which had the intention of going in for electronic computers.<sup>22</sup>

On 7 - 8 December 1965, a national convention against automation was organised in New Delhi. As many as 38 All India Unions and Associations including the central trade unions participated in the convention. The convention resolved the followings :

- (i) To request the government of India to stop import and use of electronic computers and automation equipment for offices and factories,
- (ii) to request the government to issue policy directives to public and private sectors to abandon schemes of automation in offices and factories, particularly in servicing industries,
- (iii) to appeal to the members of parliament belonging to all political parties to raise their voice against the menace of automation,
- (iv) to urge the central trade union organisations to actively organise and co-ordinate the movement against automation at the national level,

(v) to request the government of India to review the 15th tripartite decision on safeguards on rationalisation particularly of job security in the light of the gross violation of the tripartite agreement on this subject by the employees.<sup>23</sup>

At Jalpaiguri also a trade union convention was organised against the introduction of automation in LIC industry. This convention was held on 24th April 1966 at Jalpaiguri. From this convention a committee was formed comprising the leadership of 34 trade unions. Mass signature campaign was also organised. This mass signature campaign was carried out very successfully. From February 1966 to May 1966 mass signature was collected from 10, 85, 710 people all over the country.<sup>24</sup>

The struggle against automation as planned by the AIIEA was two-pronged. Firstly, the AIIEA tried to take the issue of automation on national plane and make it an issue to be fought by the entire organised working class supported by the enlightened public opinion. Secondly, it intensified the struggle within the four walls of the LIC so that management could not go ahead with its scheme of automation with impunity. Both the streams of struggle were carried on with exemplary determination, perseverance, hard labour and tremendous sacrifice. The strike against automation organised by the AIIEA on July 15, 1966 when the employees were asked to come 50 minutes late in the office. By July 1966, it was possible for the AIIEA to turn automation into an issue of the entire organised trade union movement of the country.<sup>(25)</sup> The 24th session of the Indian Labour Conference held in New Delhi on July 29, 1966 discussed the automation as an item on its agenda.<sup>(26)</sup> In a letter dated August 19, 1966 the management of LIC invited the AIIEA to enter into a legally enforceable agreement on automation. The AIIEA declined to accept the invitation. On August 30, 1966 All India Day Against Automation was observed throughout the country. The Working Committee meeting of the AIIEA held in Bombay from September 13 to 15, 1966 asked the LIC employees throughout the country to go on One day's strike on 25th November, 1966.<sup>(27)</sup> On November 25, 1966 LIC employees all over the country went on their first one day strike against automation. The General Council meeting held in Calcutta from December 27 to December 29, 1966 decided to go in for continuous strike and confrontation against the government and the LIC management on the issue of automation.<sup>28</sup>

On the one hand as the battle against automation started gaining momentum and intensify, the management also started retaliating. A lot of Union activists were charge-sheeted and a good number of them were suspended from service.

On March 30, 1967 a non-official resolution was tabled in the Lok Sabha and for two (2) hours heated discussion followed.<sup>29</sup>

At Jalpaiguri division also the anti-automation movement gained tremendous momentum. On 14th May 1966 the then Finance Minister, Govt. of India, Mr. Sachin Chowdhury came to Jalpaiguri to participate in the annual conference of Indian Tea Planters Association. A delegation of LIC employees met with him and demanded immediate cancellation of idea for introduction of automation in LIC industries. The Finance Minister assured the delegation that not a single employee would be suspended due to the introduction of automation in LIC industry. The delegation refuted the argument given by the Finance Ministers and again demanded the cancellation of the idea.

In order to make the common people informed about the menace of automation the employees of Jalpaiguri divisional office staged a street drama "agnikon" after the end of their office hours. This drama attracted a lot of people of this town and through it they came to know about the danger of automation.<sup>30</sup>

In the meantime vast changes took place in the power structure of the State Government in different states. On the General Elections held in the months of March and April 1967 in 8 States of the Indian Union the Congress was defeated and for the first time non-congress governments came to occupy governmental power. In West Bengal too Congress Government was replaced by the first United Front Government. This changed political scenario gave hope and confidence to the AIEEA, to the insurance employees and to the Working Class movement in general. Meanwhile in a Working Committee meeting held in Madras the Working committee at the request of the Calcutta divisional unit of AIEEA gave the green signal to the Calcutta employees to stay installation of the second computer meant for the LIC's Calcutta divisional office, if necessary through physical resistance. From 3rd May, 1967 the historic vigil of the ILACO building where LIC intended to instal its second computer started. First computer was installed in the Central office located in Bombay in the year 1965. LIC installed one IBM 1401 - 1410 computer system at the Central office in Bombay because of lethargy and lack of vigilance on the part of Union leadership. In order to prevent the recurrence of such activities day night vigil was started in front of the ILACO building Calcutta.<sup>31</sup> The negotiations for settlement of Charter of demands which started on August 4, 1967 broke down on November 1967 because the management wanted to include automation within the scope of negotiation on Charter.<sup>32</sup>

Now, AIIEA leadership decided to take the opinion of its common members on the issue of continuous strike. On July 22, 24, 25, 26 and 27, 1968 as per the decision of the AIIEA employees throughout the country voted in favour of continuous strike in strike ballot. It was a massive 97.3% in favour of strike. At Jalpaiguri division it was 99.3% in favour of continuous strike. Mass campaign was started to make the continuous strike a grand success. Full-fledged preparation was also started at the Jalpaiguri division. Efforts were made to involve family members of employees into this struggle.<sup>33</sup>

Meanwhile, devastating flood grasped the entire town of Jalpaiguri on 4th October 1968. A lot of people died and a many was homeless and became pauper. Naturally a question arose whether it would be prudent to participate in the continuous strike by the LIC employees of Jalpaiguri town. But the general council meeting of divisional insurance employees association which was affiliated to AIIEA held on 18.11.68 decided unanimously to join the continuous strike against automation from 5.12.68. This decision was highly appreciated by the AIIEA which was published through its 3rd strike bulletin on 27.11.68 under the heading "JALPAIGURI DOES IT AGAIN".<sup>34</sup>

In December 1968, the Government of India appointed a tribunal thus *ipso facto* declaring the proposed continuous strike to be started from 5th December 1968 illegal. Confronted with such a situation, the AIIEA postponed the decision of strike.<sup>35</sup>

Meanwhile, the issue of installation of the second computer in ILACO building of Calcutta became one of the main electoral issues during the 1969 mid-term elections in the West Bengal Assembly. In the month of March 1969 elections the second United Front Government came into power in West Bengal. When the LIC management requested the United Front government for permission to instal the computer it flatly refused to accord them the permission. They also informed the LIC management that no police help would be given to the LIC in case they tried to instal the computer at the ILACO building. The computer that had already been brought to the city of Calcutta and was being kept in the military preserve of the Fort Williams was stealthily taken out of West Bengal. Thus ended the glorious chapter to AIIEA's resistance to the installation of computer.

For the first time All India Insurance Employees Association (AIIEA) scored a victory not on the basis of economic demands nor even on the slogan against immediate retrenchment. The victory was on the ideological front of the refusal

of the working class to help the capitalist class and their state to shrink the employment market eliminating the potential job opportunities. It was a great victory indeed.

But the other trade union of LIC industry viz. All India Life Insurance Employees Association (AILIEA) tried to sign an agreement with the LIC management regarding introduction of automation in the industry. They stated that they were ready to accept automation in the industry if a written assurance of "no retrenchment due to automation" was received from LIC management. So, from it, it was clear that they thought only for those who were in service but not for the employment of future generations.

## XII

### **1967-71 : FIRST APPEARANCE OF COALITION GOVERNMENT IN THE STATES, CONGRESS SPLIT AND SUBSEQUENT MIDTERM ELECTION**

THE BATTLE FOR THIRD CHARTER : when the mass of LIC employees were in the thick of the struggle against automation, the All India Insurance Employees Association had submitted a charter of demands for revision of scales of pay and other terms and conditions of service. The management skilfully tied the settlement of charter of demands with the acceptance of automation. But the moment when the Calcutta computer was beaten back, The AIIIEA decided to project the charter as the main contradiction between the employees and the management. Accordingly, the entire organisation was geared to wage a struggle against the management of LIC for the settlement of charter of demands.

But at that time the struggle for the Charter had become extremely complicated. Since, the 28th November, 1968 the issue of the Charter of demands stood referred to the National Industrial Tribunal and the AIIIEA got itself bogged down in a protracted legal battle. The interim relief granted by the tribunal served the purpose of convincing the employees that the industrial tribunal was an instrument of the employees to deprive the employees of their legitimate dues. The Working Committee of the AIIIEA met at New Delhi from 15th to 17th December, 1969 and demanded that the Charter of demands should be negotiated outside the tribunal and settled amicably. And on that basis an elaborate programme of agitation was mounted.<sup>(36)</sup> In the first week of March 1970, Mr. T.A. Pai took over the charge as the Chairman of LIC. Immediately thereafter he requested the AIIIEA to postpone the agitation so that he could be

in a position to go into the depth of the employees' demands and discuss the entire issue of the charter with the AIIEA. In order to show some good gesture simultaneously he undid some of the victimisation resorted by the earlier Chairman of LIC. AIIEA also decided to put off agitation for the time being. As promised earlier, negotiation between the AIIEA and the management started on 8th April, 1970 at Bombay. But by April 30, the negotiations were deadlocked.<sup>37</sup>

During these negotiations some features started surfacing in the body-politic of the AIIEA. In the meantime there was a division in the communist movement of our country. In Year 1964, Communist Party of India was divided into two parts viz., Communist Party of India and Communist Party of India (Marxist). This division affected their labour front also AITUC (All India Trade Union Congress) was divided into two parts viz., AITUC (All India Trade Union Congress) backed by CPI and CITU (Centre of Indian Trade Unions) backed by CPI(M). This division ultimately affected the trade union movement in LIC very adversely. The leadership of AIIEA was also divided into two parts. A section of the leadership of the AIIEA owing allegiance to the political beliefs of the AITUC started campaign against the AIIEA leadership owing allegiance to the political beliefs of the CITU. A meeting of the Working Committee of AIIEA was called in Delhi on 18th and 19th May 1970. While the meeting of the Working Committee was going on, an another attempt was made for restarting the negotiations. It also proved to be a infructuous as the previous one. An intensive struggle followed which included signature campaign, mass deputation, meetings, demonstrations and an intensified work-to rule campaign virtually paralysed the Life Insurance Corporation of India.<sup>38</sup>

The employees of Jalpaiguri division also participated in the above programme with great zeal and enthusiasm. All the programmes which were chalked out by the leadership of AIIEA was successfully implemented by the Divisional Insurance Employees' Association (DIEA), Jalpaiguri.

In the meantime a new organisation AINLIEF (All India National Life Insurance Employees Federation) was formed in the LIC industry. This newly born organisation was called by the LIC management for taking part in the negotiation of Charter of demands. This newly born organisation was affiliated to INTUC (Indian National Trade Union Congress).<sup>39</sup>

Confronted with the situation of tremendous movement in the industry, the management reconvened the negotiations on 18th June, 1970. On 20th June

1970, a settlement outside the tribunal was signed. The settlement was to be effective from 1st day of April 1969. It bestowed upon the employees an immediate 22% wage rise with an assurance of additional 4% wage rise from 1st January 1972 depending upon the LIC's premium income. Subsequently, this agreement came in the form of an award by the National Industrial Tribunal.<sup>40</sup>

So, it can be concluded that inspite of heavy internal conflict within the organisation AIIEA succeeded in increasing the Wage of Life Insurance employees by 22%. Though all the demands of the charter was not fulfilled but it could be termed as a successful settlement of Charter of Demands from the employees view point. The settlement of charter might have been more beneficial for the employees if there was no internal conflict within the same organisation.

### **New Promotion Policy**

The government of India under two separate orders dated 28th November 1968 and 22nd August 1969 had referred in all 13 demands of the workmen being Class III and IV employees of the Corporation to the National Industrial Tribunal, New Delhi for adjudication. Subsequently, however, an amicable be settlement was reached in respect of all the 13 demands and the terms of the settlement were incorporated in two separate settlements dated 20th June 1970 reached between the parties.<sup>41</sup> Thereafter, the tribunal was moved by the parties for an award in terms of the settlements and the said tribunal gave its award dated 22nd July 1970 accordingly.

One of the items which was referred to the said tribunal and which was subsequently withdrawn in terms of the settlements reached related to "rules regarding promotion". This item was withdrawn from the reference on the assurance that the management would agree to hold discussions with the representatives of the parties representing workmen in the adjudication for a review of the existing rules.

Accordingly, discussions were held between the management and the representatives of the four associations for a review of the existing rules. After that, through heavy bargaining an agreement was signed on 15.10.71 regarding the promotion policy of Class III and IV employees of the Corporation between the management and the representatives of four associations. So, naturally with the signing of this agreement the unilaterally declared promotion policy of 1960 stood cancelled.<sup>42</sup>

The following table shows the promotion in different cadres as per the promotion policy of 1960:

**Table 5.6: Promotions in Different Cadres**

Category in percentage	Promotion upto 31.12.61	Promotion upto 31.03.70	Actual	Average increase per annum.
Superintendent	691	815	124	15.03
Higher grade assistants	462	2164	1702	206.03
Section Head	1983	2712	729	88.36
Record Clerk	1455	2283	828	100.36
<b>Total</b>	<b>4591</b>	<b>7974</b>	<b>3383</b>	

*Source : Dhar, Sudhir chandra : Forty Years of Divisional Insurance Employees Association (1956-96), Jalpaiguri, DIEA, 1998, p.70.*

As per the new agreement 300 superintendents would be promoted to the cadre of assistant administrative officer (AAO) in every year. so, in total 900 superintendents would be promoted to the cadre of assistant administrative officer within 1973. So, the increase in the annual percentage would go up from 15.03% to 300%.

As per the new agreement the posts of section heads and higher grade assistant would be abolished. In place of the above cadres a new cadre viz. the posts of special assistants would be created. Provision was made to promote 1000, 750 and 750 people in first second and third year to the above cadre. So, the annual percentage of promotion would be 833.3%. In addition to that it was also decided to promote 1000 section heads per year to the cadre of special assistants. In this way 3000 section heads would be promoted to the cadre of special assistants.

So, the annual percentage of promotion would increase from 206.03% to 1300%.

As per the agreement it was also decided to promote 400 people in the first year, 200 people in the second year and 200 people in the third year to the cadre of record clerk from the post of peon. so, the annual increase of promotion would be 266.6% in place of 100.36%.

From the above figure it is quite clear that due to the new promotion policy the scope of promotion would be increased considerably.

As per the promotion policy of 1960 the 100 marks was divided as follows :

**Table 5. 7:** Distribution of Marks for Promotion as per the promotion policy of 1960

Criteria	Division of marks	% of total marks
Educational qualification	15	15
Seniority	15	15
Work record	40	40
Interview	30	30
<b>Total</b>	<b>100</b>	<b>100</b>

*Source : Dhar, Suhir Chandra : Forty Years of Divisional Insurance Employees Association (1956-96), Jalpaiguri, DIEA, 1998, p. 71.*

From the above table it is quite clear that the educational qualification and seniority constituted only 30% of the total marks where as work record and interview constituted 70% of the total marks. Marks on work record and interview generally lie in the hands of management. So, it can be concluded that the promotion of employees as per the promotion policy of 1960 were totally in the hands of management.

As per the promotion policy signed on 15.10.71, the 55 marks would be divided as follows:

**Table 5.8 :** Distribution of Marks for Promotion as per the Promotion Policy of 1971

Criteria	Distribution of marks	% of total marks
Educational qualification	Highest 15	27.27
Seniority	25	45.46
Work record	15	27.27
<b>Total</b>	<b>55</b>	<b>100</b>

*Source : Circular No. ZD/255/ASP/72, Central Office, LIC, 9.11.72.*

From the above table it is clear that as per the agreement of 1960 only 30% of the total marks were assigned for educational qualification and seniority but as per the agreement of 15.10.71 around 73% of the total marks were assigned for educational qualification and seniority.

So, naturally it can be concluded that previously the promotion of employees

were highly dependent on the whims of employers but as per the promotion policy of 1971 the dependence of promotion on the whims of employers were reduced considerably.

But after signing of the above agreement some people started open criticism against this promotion policy. In the meantime a suit was filed in the Madras High Court challenging the validity of the above agreement.<sup>(43)</sup> During this time all the unions of the LIC industry viz. AIIEA, AINLIEF and AILIEA decided to start joint movement for implementation of the above agreement. Management had already decided to send the above matter to the tribunal for its verdict.<sup>(44)</sup> At that time, AIIEA, AILIEA and AINLIEF decided to place the above agreement as "consent Award" in front of the tribunal. But the newly born "LIC Employees Federation" did not agree to accept it as "Consent Award" and it informed this matter to the tribunal. Taking this advantage the tribunal cancelled the above promotion policy and it declared that the promotion of employees was the sole prerogative of management.<sup>45</sup>

So, whatever the advantage which was achieved for the employees became null and void.

### XIII

#### 1971 - 76 : RETURN OF CONGRESS DOMINANCE THE BIGGEST SPLIT IN THE ORGANISATION

In June 1972 a fresh agreement was signed between the LIC management and the AIIEA on the question of bonus. Instead of one and half months basic salary the agreement conferred the benefit of 10% of the annual wages as bonus. In addition to the question of bonus two new benefits in the form of leave travel concession and free insurance to the LIC employees could be achieved. This was for the first time the building maintenance staff were allowed equal holdings with other class III and the Class IV employees of the LIC. Medical scheme was further improved.

But a section of AIIEA leadership was totally dissatisfied with this agreement and they stated it as a surrender to the LIC management. In the working committee meeting of AIIEA held in New Delhi in the month of June 1972 some members of the Working Committee walked out of the working committee meeting as a protest against the agreement on bonus stating it was a surrender to LIC management. Subsequently, they came out from the AIIEA and built an organisation which was known as "All India LIC Employees' Fedration".<sup>46</sup>

At that time it was observed that a good number of trade union organisations had faced the problem of split as faced by the AIIEA. AIIEA organised struggle against split which underscored the basic truth that a trade union is not born because some leaders wish its birth nor a trade union dies because some leaders wish its death.

If we want to analyse the split from the angle of political situation of our country we will observe that a lot of trade unions at that time faced the problem of split. This may be due to the impact of split of communist party of our country. In 1964, the communist party of India was divided into two parts viz., Communist Party and Communist Party of India (Marxist). The people who wanted to form a separate union coming out from the AIIEA believed that the AIIEA was guided by the leaders who formed the new party viz., the Communist party of India (Marxist). So, the people who had the belief in the political ideology of communist party decided to form a new union viz., "All India LIC Employees Federation".

So, it can be concluded that the division of the Communist Party of India led to the split of AIIEA.

### **Struggle to realise fourth charter of demands and the glorious victory of trade union movement in LIC industry**

The Seventh General conference of AIIEA held in Madras from 9th to 14th May 1973. From this conference AIIEA forewarned the employees that crisis in Indian economy was deepening and in the days ahead the working class would have to face more and severe attacks from the government. In early 1973 the AIIEA submitted its Charter of demands to the LIC management as decided in the Madras Conference. For the purposes of settlement of above charter from the middle of 1973 till 31st of December, 1973 a protracted negotiation was carried on between the management and the AIIEA. And ultimately on 31st December, 1973 the negotiations broke down, The AIIEA also took this struggle to its more intensified form in the month of December with mass deputation, single-file demonstration within the office and work-to-rule campaign paralysing almost the entire LIC throughout the country. On 9th January 1974 the four divisional offices of Delhi, Madras, Bangalore and Patna and Machine department of the Dharwar Divisional Office had been locked out by the management of LIC. On 13th January 1974, Meerut Divisional Office was also locked out.<sup>48</sup>

Lock-out as a weapon of the employers to crush the militant struggle of the workers has been widely used in every capitalist country since the advent of

industrial capitalism. India too has not been an exception. But very seldom, this weapon was used to break struggle of the middle class employees. Perhaps for the first time, the weapon was used against the middle class employees of an all India institution was in the Indian Airlines Corporation. Both the government and the Indian Airlines Corporation management was feeling happy over the result. Encouraged by the IAC example, the LIC management hoping for the same results struck the AIIEA with the weapon of lockout.

It was selective lock-out. Selective not only in terms of selection of the divisions to be locked out, it was also selective in as much as that only the divisional offices were locked out. In Delhi, out of a total complement of 2100 employees, round about 900 employees of the divisional office were locked out. The Zonal and branch offices only were not locked out. In Madras, the LIC building houses the Zonal Office, Divisional Office and one branch office with the result that some floors were locked out, whereas others were not. The motive of the management was obvious. They reckoned that partial lock-out would demoralise the locked out employees and make the non-locked out employees panicky. As a matter of fact, there was some confusion among the employees on the first day, whereas the locked out employees could not attend the office on 9th January, others did. Placed in such a piquant situation, the AIIEA directed the locked out units to declare continuous strike. The contest started in real earnest from the 10th January in one or two divisions from the 11th January. In Delhi and Madras, majority of the employees were not locked out, they were on strike. In other divisions, roughly fifty percent of the employees were locked out and rest were on strike. And what a strike it was : For the first time in their life the LIC employees were on continuous strike.<sup>49</sup>

Having locked out the four Divisional offices and the Machine Department of the Dharwar Divisional Office, the LIC Chairman threatened which was published in The Statesman on 10.01.74, "the Life Insurance Corporation would not hesitate to declare a total lock-out if the situation so warranted.

The AIIEA's answer to the threat was not only the declaration of continuous strike in locked-out division but also a clear cut directive to all the divisional units to intensify work-to-rule in such a way as to cause total dislocation and paralysis of the entire LIC.<sup>50</sup>

When the struggle was conducted in the highest level, the then former union Labour Minister Shri K. V. Raghunath Reddy came to Calcutta on January 10 and at night contacted the AIIEA Office. He requested the leadership of AIIEA

to meet him on the following day at 10.30 a.m. On January 11, AIIEA leadership went to meet the Union Labour Minister. Mr. Reddy wanted to be briefed about the background of the dispute and the points of agreement and disagreement between the management and the AIIEA. Thus being briefed the Union Labour Minister invited the AIIEA to participate in a conference at New Delhi on January 13. Invited by the Minister, the President, the General Secretary and the Joint Secretary of the AIIEA from Calcutta flew to Delhi on January 12.<sup>(51)</sup> It is interesting to note there how the Times of India, New Delhi flashed the news in its issue dated 12.01.74, New Delhi, January 11 : "A tripartite Conference will be held here on Sunday to try for a settlement of pay dispute in the LIC. This was announced in Calcutta today by the Union Labour Minister Mr. K. V. Raghunath Reddy, after holding talks with CPM Labour leaders. The CPM controlled union has proved to be most militant of the 5 unions participating in the current agitation."

If we omit the trapping of CPM etc. from this report it is obvious in those days that all most all the battles were fought by AIIEA. The role of other unions of life insurance industry was not at all significant. All most all other unions were of the opinion to stop the programme intensive struggle and to accept the offer given by the management.

In the meantime faced with the determined and dogged resistance of the employees, the LIC management also was toning down. Hindusthan Times, New Delhi dated 13.01.74 stated : "On the eve of the crucial bipartite conference, the LIC Chairman K. R. Puri said here today that the Corporation would always leave door open for a negotiated settlement of the employees' dispute" ..... he said the declaration of the lock-out did not amount to slamming the doors to negotiations nor was it a penal measure. The management was compelled to take the step because the functioning of the corporation have been paralysed by the employees' agitation".

Realising the intensity of the movement the other unions of life insurance industry also decided to start some agitational programme. Previously it was offered by the management that it could incur an additional outlay of 50 lakhs of rupees. But it was demanded by the newly born LIC Employees Federation that the management should incur an additional outlay of 60 lakhs of rupees due to the signing of new charter of demands.

Meanwhile, the pathetic plea for an additional outlay of Rs. 50 lakhs to Rs. 60 lakhs continued. Suddenly, the LIC Employees Federation, INTUC, All India

Life Insurance Employees' Association followed by NOIW ceremoniously withdrew their agitation on January 18, 1974. But the All India Insurance Employees Association refused to withdraw the strike action and it decided that the agitation would continue till the lock-out was lifted, victimisation undone and monetary demands met.<sup>52</sup>

This was one side of the picture. On the other side it was the AIIEA and the AIIEA alone which was grimly engaged not only in the life and death struggle in the form of continuous strike and work-to-rule campaign virtually paralysing the LIC offices. Whereas the newly born LIC Employees Federation were whimpering for a poultry sum of Rs. 50 lakhs to Rs. 60 lakhs more, the AIIEA was aspiring for something much bigger. Not only the AIIEA went on insisting on bank pay scales as it would be after revision, it was insisting on a host of other items like the house-rent-allowance on percentage basis, uniform city compensatory allowance to Class III and IV employees, bonus to be calculated on the basis of 31st March salary, improvement in the fitting-in formula, increase in special pay, allowance etc. As a matter of fact, the AIIEA held that undoing of victimisation, lifting of the lock-out, no penalisation for participating in the work-to-rule campaign and satisfactory solution of the monetary demands can only be the basis of a settlement with the management. For 8 days perhaps 8 to 10 hours a day, the negotiation continued between the AIIEA and the LIC management. It was possible to improve the offers of the management of all counts except the grade structure plus an assurance of an additional outlay of Rs. 1 crore of rupees each year in the 3rd and 4th year of the agreement towards the medical scheme and Provident Fund contribution respectively. Having thus disposed of the monetary demands, when the issue of victimisation was taken up, the real bottleneck surfaced. The LIC management came up with a draft preamble, signing of which for all practical purposes would have meant abrogation of all rights and privileges hitherto enjoyed by the AIIEA as a trade union. The management absolutely refused to withdraw the suspension order served on those who were alleged to have been involved in coercion, intimidation, physical violence, gheraos and use of abusive language. On both these counts, the AIIEA took an equally firm stand and made it known that it would not sign any agreement giving up the rights and privileges out of its own violation and free choice. It was also insisted that AIIEA cannot call upon the LIC employees to go back to work with some of their colleagues remaining outside. The negotiations virtually deadlocked for a couple of days. The AIIEA stood firm and unbending on the above issues and when ultimately the

management and the government realised that on these issues the AIIEA would not budge, only when the deadlock was resolved.<sup>53</sup>

At about 10-30 p.m. on January 24, 1974 the historic agreement was signed. As per this agreement the salary of life insurance employees became better than that of bank employees. Span of pay scale was increased considerably except in the scale of drivers. This was for the first time in the country the house rent allowance was fixed at a rate of 10% of basic pay or maximum Rs. 40/- uniformly all over the country. The rate of bonus was fixed at 15% of gross total salary per annum. Scheme of medical assistance was extended to the family members of LIC employees. Leave travel concession was also granted to the employees. It was also agreed that 10% of basic salary ad dearness allowance would be deducted from the salary of employees towards their contribution to contributory provident fund and similarly the equal amount would be provided by the management towards their contribution to the provident fund of employees.<sup>54</sup>

So, it can be concluded that the tremendous battle which was fought by the AIIEA ultimately brought the success. This agreement was regarded as the historic agreement in the LIC employees movement. This movement enabled to bring qualitative improvement in the services of LIC employees. The agreement might have been better if all the unions of LIC industry remain united till the end of the battle. However, this agreement helped in a considerable way to increase the living standard of LIC employees. It is also said that after signing of this agreement the services of LIC have become very attractive to the common people of our country.

#### XIV

### THE BATTLE AGAINST WAGE FREEZE AND D.A. CUT

Specially from 1972 onwards ominous sounds were being emitted by leaders of the government. On September 25, 1972, the Union Minister Sri R. K. Khadiilkar stated in Bombay, "Staggeringly high wages paid by big concerns like by banks, insurance companies and air lines would be restricted to a reasonable level" (Published in Free Press Journal, Bombay, September 25, 1972). In January 1973, the Planning Commission of the government of India published its Approach Paper to the Fifth Five Year Plan wherein they stated : - "In recent years certain sectors have emerged as high-wage islands where the white collar employees predominate. They have, by using pressure, pushed

up wages to levels that are much out of line with the general level of wages. It is necessary to resist this trend in a determined way" (Ref. Approach Paper to the Fifth Five Year Plan, page no. 52).

The All India Insurance Employees Association and some other trade unions in LIC firmly believed that wage-freeze was coming. And on this plank, it carried on a ceaseless campaign among the LIC employees. This consistent campaign to a wide extent had subjectively prepared the LIC employees to withstand the attack of lockout in January 1974 in their battle for the Charter and Ward it off. But however, much the AIIEA cried hoarse over the on coming onslaught of wage-freeze, it must be admitted the country's trade union movement paid scant regard to such an ominous development. For all practical purposes, it appeared that life went on as usual in its unperturbed conventional way.<sup>55</sup>

In May 1974, the employees of Indian railways observed continuous strike which lasted near about three weeks.

Shortly after the railway strike, the AIIEA in its circular No. 29/74 dated June 15, 1974 forewarned the employees against the possibility of wage-freeze. Some relevant part of the above circular might be quoted as follows :

"..... In all likelihood the decision of wage-freeze is going to be implemented now. If that happens certainly it is going to happen in a big way, what tactics the government will adopt is still in the realm of speculation. Will they in one sweep impose it on all? Or will they proceed piecemeal, the white collared employees first and then the industrial workers or vice-versa? The tactics line of our struggle will be in response to the tactics the government adopts ..... But the immediate organisational task developing on us is to at least appraise the leadership and the activists with this ominously growing situation."

Hardly three weeks later on July, 6, 1974 the Presidential Ordinance impounding wages and dearness allowance was promulgated. The Ordinance impounded hundred percent of the increased wage and fifty percent of the increased dearness allowance. (56) Immediately thereafter the AIIEA Secretariat met in Bombay from July 15 to 17, 1974 and decided to try to form a broad based united platform of the entire trade union movement to fight wage-freeze and undertook the task to contact other trade unions.<sup>57</sup> On July 20 to 21, 1974 the Central Trade Unions and independent federations met in New Delhi. The meeting unanimously accepted the proposal of the AIIEA to hold an all India convention against wage-freeze in New Delhi.<sup>58</sup> The convention met at Mavlankar

Hall, New Delhi on August 28, 1974. All the Central trade unions except the All India Trade Union Congress (AITUC) and Indian National Trade Union Congress (INTUC) and almost all the All India Federations/Associations attended the convention.

This convention appealed to the Working Class to realise that the battle was going to be a bitter one and called upon the trade unions all over the country to forge the broadest unity of the organisations of the working class and middle class employees and professionals, and carry on a sustained struggle. The struggle in the first phase should include the holding of joint regional and state conventions, morcha and demonstrations, strikes — factorieswise, region-wise and statewise on dates suitable to the conditions in the states and regions and other forms of resistance.

A national campaign committee was formed to carry forward the struggle. It was decided that Statewise/Region-wise/Townwise convention would be held. Scores of conventions were held throughout India. More and more workers and employees started to realise the political implications of the wage-freeze ordinance. After the spate of regional convention was over, it was decided that a second all India convention would be held in New Delhi on June 27, 1975.<sup>59</sup> It could not be held because of declaration of internal emergency. After the emergency was ended, the second All-India convention met in New Delhi on September 18, 1977. The convention adopted a statement and a resolution on the government decision to set up a committee defining a wage and income policy of the government of India. On the basis of these decisions a campaign was started against wage-freeze and the constant attempt of the government to go on shifting the burdens of the crisis on the shoulders of the working People.<sup>60</sup>

In conclusion it may be said that this movement could not become successful due to the declaration of internal emergency which led to the curbing of democratic rights of the people to launch democratic movement. Afterwards, it was possible to defeat the government policy of wage-freeze and cutting of dearness allowance.

## XV

### BATTLE FOR BONUS

During the period of emergency the Presidential Ordinance on bonus was promulgated on 25th day of September, 1975. Virtually it took away the right of

the working class to bonus. Along with the bonus ordinance the government published directives to the so-called non-competitive public undertakings on the question of payment of bonus to their employees. The directive stipulated that in lieu of bonus ex-gratia payment subject to a maximum of 10% may be made which would be considered and decided by the government from year to year taking into account wage levels of the employees, financial circumstances of the institutions etc. It further stipulated that the employees getting salary amounting to more than 1600/- per month would not be entitled to any ex-gratia payment. In the case of those employees receiving Rs. 1600/- per month or less ex-gratia would be calculated as if their salary was Rs. 750/- per month.<sup>61</sup> In a letter to the Prime Minister on September 29, 1975 the AIIEA vehemently lodged its protest demanding the withdrawal of the Ordinance as well as the directive.

The management of LIC was quick in its attack. On September 26, 1975 in a Circular letter to all offices of the Corporation the management asked the offices not to pay any bonus to the employees on their retirement or to their beneficiaries in the event of their premature death.<sup>62</sup>

Meanwhile, on March 31, 1976, the government of India brought a bill on the floor of the Lok Sabha called (Modification of Settlement) Bill, 1976. The bill specifically provided for abrogation of the January 24, 1974 Settlement in so far as it pertained to the question of bonus to the LIC employees. Faced with the protest from all sides of the House, the Bill was withdrawn for the day with the assurance that on the next day in the morning the minister would have talks with the dissenting members. On April 1, 1976 in a meeting with the opposition members of the Parliament the Government made it clear that they were going to introduce the Bill on the same day. On April 1, 1976 the Bill was placed on the table of the Lok Sabha.<sup>63</sup>

The AIIEA directed all its units to Observe May 5, 1976 as an "All India Protest Day" by holding demonstrations wherever possible because the period of emergency was going on. In the vast majority of the office throughout the country demonstrations were held. In very many places demonstration had to be carried on secretly and in such places demonstrations were held and the demonstrators dispersed before the police could come.<sup>64</sup>

On April 22, 1976 the AIIEA filed a Writ Petition in the Calcutta High Court under Article 226 of the Constitution praying to the court that the LIC's Circular asking the offices not to pay bonus be declared illegal. It was prayed in the same petition

that since bonus was payable along with the April salary, an injunction should be granted restraining the LIC management from implementing their circular. As usual the LIC management objected. Hearing both the sides, the Judge ordered that the original petition be disposed of as quickly as possible.<sup>65</sup>

Thus the struggle for bonus was carried on two fronts. On the one hand meetings, demonstrations, mass signatures, sending of protest telegrams to the Government etc. were carried on, and on the other hand, vigorous attempts were made to carry on the legal battle efficiently. Virtually all the fundamental rights had been abrogated except Article 31 which assures the citizens of their right to property. The case, therefore, had to be argued mainly placing reliance on Article 31 of the Constitution praying that the bonus of the LIC employees be declared as private property of the employees under Article 31 of the constitution. In the historic Judgement on 21st May, 1976 the Judge held that the bonus of the LIC employees for the year 1975-76 had become accrued due, as such it was their private property within the meaning of Article 31 of the constitution. In the legal battle it was a historic victory. Immediately thereafter the LIC management went it for an appeal to the division bench of the Calcutta High Court. Hurriedly the Parliament was goaded to pass the LIC (Modification of Settlement) Bill 1976 to make into an Act which they did on 29th May, 1976 barely eight days after the Judgement of the Calcutta High Court. In its appeal case thereafter the LIC took the plea that since it was covered by the LIC (Modification of Settlement) Act, 1976, it was no longer interested in pursuing the Appeal Case. Thus a peculiar situation emerged where in the Judgement of the Calcutta High Court subsisted, but the LIC management was enabled not to pay any bonus because of the existence of the piece of legislation called the LIC (Modification of Settlement) ACT, 1976.<sup>66</sup>

On June 9, 1976 the AIIEA filed a Writ Petition in the Calcutta High Court challenging the validity of the LIC (Modification of Settlement) Act, 1976.<sup>67</sup> It is relevant here to mention that almost simultaneously the LIC employees' federation also filed a Writ Petition in the Calcutta High Court Challenging the said Act. On June 18, 1976 the LIC employees federation filed a Writ Petition in the Supreme Court under Article 32 of the constitution. Substantive points being the same in both the petitions. Article 226 of the Constitution confers wider scope of arguments in defence of right to bonus. The main strategy of the AIIEA was that if it would be possible for it to win the case on Article 226 in the Calcutta High Court, the Government of India and the LIC management were

bound to go to the supreme Court in appeal. In such a situation the Supreme Court would have been obliged to examine the judgement of the Calcutta High Court whether in the context of Article 226 of the Constitution gives a wider scope of argument than Article 32. But going straight to the Supreme Court by the LIC employees federation under Article 32 of the constitution for all practical purposes made the Writ Petition of AIEA in the Calcutta High Court challenging the validity of LIC (Modification of Settlement) Act, 1976 infructuous. The only way of challenging the said Act was under Article 32 of the Constitution. On September, 6, 1976 the Writ Petition filed by the AIEA in the Supreme Court came up for preliminary hearing and it was admitted by the Supreme Court. Thus the legal battle for bonus was taken to the Supreme Court.<sup>68</sup>

It was a protracted legal battle. In November, 1976 when the arguments before the Supreme Court Bench were almost over, the Bench requested both the parties to negotiate the issue outside the court and settle it. Thus began a chapter which in all fairness can be termed as an exercise in nothingness. The government bid for time and repeatedly prayed for adjournment and the court obliged them.<sup>69</sup> Meanwhile 42nd Constitution Amendment Bill was passed and became an Act of the Parliament thus making all previous argument on the case infructuous and abortive. The then Chief Justice Shri M.H. Beg reconstituted the Bench with seven Judges. The amended constitution of India decreed that in order to strike down any Central Law, a Bench consisting of a minimum of seven Judges would have to be formed and that two-thirds of the Bench would have to concur in striking down any law enacted by the Parliament. But again and again the proposal of the Bench to negotiate and settle outside the Court came up <sup>70</sup> Ultimately, perhaps to propitiate the Court the Union Finance Minister called for discussions on the issue between the Government and representatives of the signatory unions on 4th November, 1977.

It was an infructuous and abortive discussion. But the discussion revealed the line of the government. Initiating the discussion, the Union Finance Minister wanted to know whether the signatory unions were prepared to come down from the Settlement of 24th January 1974. If the Unions agreed only in that case he was prepared to carry on the discussions. The representatives of Unions replied that it was a preposterous proposition. It may be said without any hesitation that the settlement of 24th January 1974 did not come to the LIC employees as an act of compassion. LIC employees had to fight for it and also had to pay for it. It was nothing but shameful on the part of the government of

India that the Parliament was used to scuttle a bipartite agreement which came as a result of collection bargaining. So, it was told in a very plain language by the representatives of LIC union that there was no question of re-negotiating the negotiated settlement. So, the meeting ended in a total failure.<sup>71</sup>

Subsequently the case was heard in December 1976. The lawyer of AIIEA, the lawyer of LIC Employees Federation and the Solicitor - General have finished their arguments.

### **1977 - 79 : FIRST NON-CONGRESS GOVERNMENT AT THE CENTRE**

During this period the battle for bonus continued. Along with the battle on the legal front, struggle of the LIC employees continued. Meetings, demonstrations and one hour, two hour, one day strikes have taken place. Resolutions have been passed and forwarded. Delegations met the ministers. In the meantime Indira Gandhi has gone. Janta Party has come to power. But so far as the bonus to the LIC employees is concerned the attitude remained the same. From their own experience the LIC employees have found out that although the government has changed in Delhi, attitude to the workers and employees remains the same. No wonder the present government has been loudly canvassing the idea of a two party system of government. In effect it means either Janata or Congress at the centre. But whoever is there no bonus to the LIC employees!

It was decided from the floor of the Silver Jubilee conference of AIIEA that if the verdict of Supreme Court go against the employees of LIC then the LIC employees would go for agitation based on its principle.<sup>72</sup> Ultimately on 22.2.1978 the verdict of Supreme Court came. This verdict went in favour of the employees of the corporation. This victory came through the Judgement given by the Calcutta High Court dated 21.5.76. Honourable Justice P.N. Bhagwati Hon'able Justice G.R. Krishna Aiyer and Hon'ble Justice D.R. Desai stated in their verdict which might be quoted as under :

"We are therefore of the view that, in any event, irrespective of whether the impugned Act is constitutionally valid or not, the Life Insurance Corporation is bound to obey the writ of Mandamus issued by the Calcutta High Court and to pay annual cash bonus for the year 1st April 1975 to 31st March 1976 and 1st April 1976 to 31st March, 1977 to class III and class IV employees.<sup>73</sup>

The significance of the victory of LIC employees in legal battle was tremendous. Because due to this Judgement the LIC employees not only received the bonus for three years viz., 1975-76, 1976-77 and 1977-78 as per the agreement of 1974 but it enabled to defeat the autocratic principle of central government.<sup>74</sup>

Due to this bonus was treated as the asset of employees. It has a tremendous impact on the labour movement of our country. Though the bonus was paid as per the directive of the Supreme Court for three years but it had hurt the LIC management and government tremendously. That's why the management of LIC declared the agreement of 1974 as null and void quoting the 19(2) and 9(A) of the Industrial Dispute Act. Government of India also endorsed the step as taken by the LIC management.<sup>75</sup> LIC management issued a circular dated 10.4.78 where it had instructed to all of its office that no bonus would be paid after 31.3.78. So, the people who retired from the service of LIC after 31.3.78 did not get the proportionate bonus.<sup>76</sup>

Then a writ petition was submitted by the AIEA at the Calcutta High Court challenging the circular of LIC management dated 10.4.78. This Writ Petition was filed on 8.5.78. The Calcutta High Court issued an injunction on the above petition.<sup>77</sup>

In the meantime the LIC Employees Federation also filed a writ petition at the Lucknow Bench of Calcutta High Court challenging the circular of LIC management dated 10.4.78. This Write petition was filed based on the writ Petition filed at the Calcutta High Court by the All India Insurance Employees Association (AIEA).<sup>78</sup>

In order to change the service conditions of its employees arbitrarily the management of LIC issued a notice on 26th May, 1978. It was very quickly endorsed by the government through the notification in Gazette. LIC management issued a notice as per 19(2) and 9(A) of the Industrial Dispute Act which stated clearly that the employees of LIC did not fall under the purview of Industrial Dispute Act. So, the management was not bound to make agreement under the above Act. The primary aim of the above notices were to deprive the employees from their legitimate right to bonus. Previously the management of LIC issued same type of notices which arbitrarily took over the service conditions of Development officers.<sup>(79)</sup> In order to challenge this decision of management the association of development officers filed writ petition at Calcutta, Madras and Gujarat High Court. But the verdict of all the three High Courts went in favour of LIC management.

Ultimately the All India Insurance Employees Association (AIEA) submitted an another writ petition at the Calcutta High Court challenging all the notices issued by the LIC management. Simultaneously the association demanded for the transfer of this case from Calcutta High Court to the Supreme Court. Due to the

efforts made by the All India Insurance Employees Association the suit was transferred to Supreme Court on 10.9.79.<sup>80</sup> The hearing of this case went upto 1.11.1979.<sup>81</sup> After the end of hearing long period elapsed but no Judgement came out. In order to expedite the verdict the LIC Employees Federation filed a suit in the Supreme Court.

## XVII

### 1980-89 :: RETURN OF THE CONGRESS PARTY INTO POWER

After near about one year from the date of end of final hearing the Judgement of Supreme Court came out on 10th November 1980. The verdict went in favour of LIC employees. The management and government were defeated.<sup>82</sup>

But on 10.12.80 the management of LIC and the government jointly appealed to the Supreme Court for reconsideration of its verdict dated 10.11.80.<sup>83</sup> Against this decision of the management and government the employees under the leadership of AIIEA walked out for two hours on 17.12.80. Though this walked out programme was not carried out jointly but in some places the members of Bharatiya Majdoor Sangha (BMS) and All India Life Insurance Employees Association (AILIEA) participated in the movement called by the AIIEA.<sup>84</sup> In Jalpaiguri division the members of All India Life Insurance Employees Association (AILIEA) staged two hours walk out on the same day but separately.<sup>85</sup>

The 10th General Conference of AIIEA which was held at Bombay from 28 - 31 December 1980. From the above Conference it demanded the immediate payment of bonus as per the verdict of Supreme court and settlement of fifth charter of demands. For this purposes the following agitational programmes were framed from the floor of above conference.

- (a) One day strike in the month of January 1981.
- (b) Two days strike in February 1981.
- (c) Work-to-rule from the first week of March.
- (d) Intensification of the agitational programmes from the third week of March.<sup>86</sup>

So, without further delay it was decided by AIIEA to observe one day strike on 25.1.81. Meanwhile it was approached by the AILIEA to defer the date of strike

in view of their All India Working Committee meeting on 26.1.81. It was accepted by the leadership of AIIEA. For the interest of Joint Movement the date of strike was shifted from 25.1.81 to 3.2.81. But it was decided at the All India Working Committee Meeting of AIIEA not to go for strike jointly with AIIEA. So, it brought tremendous impact in the mind of general members of AIIEA.<sup>87</sup>

But in the meantime the condition further deteriorated. On 31.1.81 the President of India issued an Ordinance which gave the power to the government to change the service conditions of LIC employees arbitrarily.<sup>88</sup> Applying that power the government issued a notification on 2.2.81 which stated very clearly that the employees of LIC would get bonus at the rate of 15% as per the new bonus rule and after every 3 months if there was 4 points rise in the price index for class III and IV employees the rise in the dearness allowance would be 3% and 4% respectively.<sup>89</sup>

Previously the employees of LIC were not under the governmental system of payment of bonus. They received the customary bonus. As per the agreement of 1974 it was 15% of the total gross salary of the year. And there was no upper limit of bonus. This Ordinance deprived a lot of employees from getting the bonus and it reduced substantially the quantum of bonus to those who were still entitled to get it. As per the agreement of 1974 there was no upper limit for getting the dearness allowance. But as the upper limit had been fixed so the quantum of increased dearness allowance reduced substantially.

In order to protest the decision of the government all the trade unions in the life insurance industry decided to go for three days (3) strike on 2nd, 3rd and 5th February 1981. Except the members of Indian National Trade Union Congress (INTUC) all the members of other trade unions actively participated in the three days strike. As a result there was a total deadlock in the life insurance industry for the above three days.<sup>(90)</sup> In order to chalk out the future strategies all the trade unions of life insurance industry met on 14.2.81. In the above meeting consensus could not be arrived at. Again the meeting was convened on 10.3.81. For the sake of united movement AIIEA agreed to that proposal. It was decided at the joint meeting of all trade unions that through democratic conventions the public opinion must be formed against the government policy and it was also decided that the day this ordinance would be converted into law one day strike would be observed on the very next day throughout the country.<sup>(91)</sup> Meanwhile five central trade unions called for one day strike on 11.3.81 in support of the movement of the employees of LIC, loco-running staff of Indian Railways and

the State govt. employees of the government of Karnataka.<sup>92</sup> Despite the protest launched throughout the country the government placed a Bill on the floor of the Parliament in order to convert the ordinance into a law on 23.2.81. As decided earlier one day strike was observed on 24.2.81.<sup>93</sup>

It was decided by the All India Insurance Employees Association and LIC Employees Federation that if any step was taken by the government to convert the bill into law or any other further order was issued two days strike would be observed on 11.3.81 and 12.3.81. All other associations were also invited to participate in this movement. But the government abled to convert the bill into a law due to its sharp majority in the Parliament on 9.3.81. As a result of which two days strike were observed on 11.3.81 and 12.3.81. Except the members of All India Trade Union Congress (INTUC) the members of all other trade unions of life insurance industry participated in the above two days strike. So, from 2.2.81. to 12.3.81 i.e., within the period of one month and eight days the employees of life insurance industry more or less jointly participated in the strike for six days. The strike for six days brought a new atmosphere in the industry. Although the strikes were highly successful but the government's attitude was totally indifferent. In order to decide the future courses of action the meeting of the leaders of five trade unions of life insurance industry held on 10.3.81. From that above meeting the work-to-rule programme was designed. And it was also decided at that meeting that if LIC management and government did not accept the demands then continuous strike would be observed from 2nd April 1981.<sup>95</sup>

As LIC management and government did not accept the demands of the employees so it was decided to go for continuous strike from 2nd April 1981. This strike continued till 15.4.81. The continuous strike was withdrawn after getting the assurance that the government would implement the verdict of Supreme Court regarding the payment of bonus to its employees. As a result of which the employees of LIC got the bonus for the years 1978-80 as per the agreement of 1974.<sup>96</sup>

This was a tremendous victory on the part of the trade union movement of LIC Employees. The government and the LIC management were not at all interested to implement the verdict of the Supreme Court. The continuous strike of LIC employees compelled them to implement the verdict of Supreme Court. This victory in legal battle built a new example in the history of trade union movement of our country.

But the management of LIC and the Government of India were very much

unhappy with it. In order to change the service conditions of the employees of LIC unilaterally the Govt. of India had already promulgated an Ordinance on 31.1.81. Subsequently, it was made a law by passing the bill on the floor of Parliament on 9.3.81. Again an appeal was made to the Supreme Court challenging the new Ordinance. The hearing of this case was ended on 7.5.81.

Meanwhile the Ex-Finance Minister Govt. of India declared on the floor of the Parliament that the government was determined to cut down the existing rate of payment of bonus and dearness allowance whatever might be the verdict of Supreme court. This was declared by him even before the end of hearing at the Supreme Court.<sup>97</sup> So, from this declaration it was clear that in near future more and more attacks might come from the side of management and the government. So, it decided to keep alert to all its units for future struggle.

Ultimately the verdict of Supreme Court came on 28.12.81 after seven months from the completion of final hearing. This verdict turned down all the previous verdicts of the same court. This verdict categorically legalised the steps taken by the government to take the power in its own hand for the purposes of changing the conditions of services of LIC employees unilaterally.<sup>98</sup>

So, ultimately it can be concluded that the employees were defeated. The verdict of supreme Court went in favour of LIC management and the government. So, the only way left before the employee to defeat the attack of the government and management was the struggle through the concerted action of the employees.

## XVII

### **BATTLE FOR SETTLEMENT OF FIFTH CHARTER OF DEMANDS :**

The tenure of Fourth charter of demands ended on 31st March 1977. Fourth Charter was signed on 23rd January 1974. During this period the country was under emergency. General employees were also very much afraid. So, it was a question that whether it would be wise on the part of the unions to submit new charter of demands. So, in order to decide this, the Working Committee of AIIEA met at Ajmeer during the period of internal Emergency. From that meeting, it was decided to submit new charter of demands. As a result of this decision, the new charter of demand was drafted and it was submitted to the management on 30.8.77.<sup>99</sup>

After near about one year from the submission of charter of demands, the management called the unions for having a discussion on this issue on 20.8.78. At this first round of talk, the management stated that it would not be possible to maintain the existing rate of payment of bonus and dearness allowance. It was nothing but the echo of the recommendations of Boothalingam Panel. So, it was outright rejected. At that time, it was informed by the management that again the discussion would take place sometimes in the month of September or October.<sup>100</sup> But the management did not call the unions for discussion in the months earlier stipulated by them. It was informed by the management that it did not receive "green signal" from the government regarding the matter of holding discussion with the unions regarding the settlement of Charter of demands.

It was decided from the Working Committee meeting of All India Insurance Employees Association (AIIEA) held in January 1979 in Calcutta that demonstrations and conventions would be organised and a two hour 'walk-out' would be observed on 4.5.79.<sup>101</sup> For the purpose of taking the stock of the situation the Secretariat of AIIEA met in Calcutta from 19-20 June 1979. In that meeting it was observed that the intention of the government was to cut down the existing rights of bonus and dearness allowance. It was also decided to go for continuous strike if the situation so demanded.<sup>102</sup> From the meeting of five (5) Trade Unions of LIC industry it was decided to observe one day strike on 12.7.79. In the meantime, the trade unions of nationalised industries decided to hold a joint convention at Bangalore. From the convention organised at Bangalore, it was decided to launch a country wide movement in order to defeat the policy of the Government. After the end of this convention five trade unions of life insurance industry met at the Bangalore city to chalk out their future courses of action. From the meeting of five trade unions of LIC industry it was decided to go for another one day strike on 22nd day of August 1979.<sup>(103)</sup> Due to the increased pressure of the trade union movement, the management of LIC called all the unions to hold discussions from 6-8 September, 1979 for the purposes of amicable settlement of charter of demands. For the purposes of creating a congenial atmosphere in the industry it was decided by all the trade unions to withdraw their proposed one day strike. The discussion with the management started on 6th September 1979. The proposals given by the management were outright rejected by all the unions.<sup>104</sup> Again, the five unions of the LIC industry met on 9.9.79 to chalk out their future courses of action. In the above meeting it was decided to hold joint meetings, "All India Demand

Day", massive demonstrations etc.<sup>105</sup> In the meantime mid-term Lok-sabha Election took place in the country. The Congress party again came to power with massive majority. So, there was a change in the overall political atmosphere in the country. In order to take stock of the overall situation, the representatives of five trade unions of LIC industry met on 18th February 1980. It was decided in that meeting to observe 'one hour walk-out' on 31.3.80.<sup>106</sup> This programme was observed very actively all over the country.

Meanwhile the verdict of Supreme Court went against the interest of the employees.<sup>107</sup> Again to review the situation the representatives of five trade unions of the industry met in Bombay. It was decided to put the following demands to the central government. (1) The LIC Modification Act 1981 and the Gazette Notification of 2nd February 1981 must be scrapped immediately.

(2) The right to collective bargaining must be restored immediately.

(3) The proposal to split the Life Insurance Corporation of India must be dropped immediately.<sup>108</sup>

In order to realise the above demands movements were launched in the LIC industry. This movement included one hour strike, two hours strike, one day strike etc. After some period of time the working committee of AIIEA met in Madras. The meeting decided to go in for an indefinite strike in June 1984 if the situation remained the same. As the situation remained unaltered the five trade unions of LIC industry met in Bombay and decided to go for an indefinite strike from 16th September, 1984.<sup>109</sup>

This decision of continuous strike put tremendous pressure on LIC management. Management of LIC called the Unions for negotiation on charter of demands. Discussions took place from 31st August to 1st September. This is the first time the management of LIC came with the proposal of wage hike instead of curtailment of existing wages.<sup>110</sup> Again discussions took place between the management and representatives of trade unions of LIC from 11-12 October 1984. It was estimated that the proposals offered by the management would bring an additional expenditure of 14 crores of rupees per annum. But twelve conditions were also imposed with this increase of wages. These conditions are :

1. The employees and their unions must have to ensure quick services to the policy holders.

2. All the unions must have to co-operate with the management for increasing the production.
3. Unions must assure that each and every employee will finish his/her normal work assigned to him/her per day.
4. Each and every employee must have to record the work performed by him per day in the attendance registrar supplied to it by the management.
5. In order to ensure quick and effective services to the Policy Holders the unions must co-operate to instal electronic data processing system in the branch offices.
6. Unions should co-operate for the purposes of reallocating the work among the different categories of employees.
7. Union work will not be allowed during office hours.
8. Employees and their unions should not indulge themselves in unlawful strike, walkout and any other such type of programme which would result in the close down of official work.
9. There will be no grace time for attendance.
10. Employees and their unions must not attach any poster on the walls of office premises which will damage the beauty of the office building.
11. Unions must have to co-operate to keep the office building clean and fair.
12. Employees can be transferred from one place to another place due to the office urgency and the unions must assure that they will not oppose this move of management.<sup>111</sup>

But this conditions were outright rejected by the All India Insurance Employees Association (AIIEA). But the other unions viz., LIC Employees Federation and All India Life Insurance Employees Association (AILIEA) who were the active partners of the struggle started to campaign in favour of the offer given by the management. In the meantime the then Prime Minister of India Mr.s Indira gandhi was brutally assassinated on 31st October 1984 at her own residence.

Meanwhile the leaders of LIC Employees Federation and All India Life Insurance Employees Association started to talk openly in favour of an immediate settlement. Ultimately on 9th February 1985 a mutually agreed settlement could

be achieved. As per this settlement the additional annual expenditure of LIC would be 21.77 crores of rupees. The conditions which were intended by the management to be tagged with the new settlement of charter were withdrawn.<sup>112</sup>

In conclusion it may be said that the settlement on fifth charter of demand was not a very remarkable achievement for the trade unions. Some increase of benefits were no doubt achieved. But the benefits might have been more if the unions could remain united till the end of the final battle. The withdrawal of all impositions by the management could be termed as a remarkable achievement on the part of the trade union movements of LIC industry. At that particular period of time the largest unions of Bank employees accepted a lot of conditions for settlement of their charter of demands but the trade unions of LIC industry compelled the management to withdraw all the conditions desired to be tagged with the settlement of charter of demands.

## XIX

### **STRUGGLE AGAINST THE PLAN TO DIVIDE LIC INTO FIVE CORPORATIONS**

Central Government declared its plan to divide LIC into five Corporations in the budget session of Parliament in 1981.<sup>113</sup> From that period to the winter session of Parliament in 1983 a lot of things were predicted. Ultimately during the winter session of the Parliament that bill was placed for its approval.

According to this bill a new separate Corporation would be constructed consisting of area covered by each five Zonal Offices. It was also proposed to establish a Board office in Delhi and to abolish the Central Office located in Bombay.<sup>114</sup>

The main aim of this bill was to convert the LIC into a department of government rejecting totally its autonomous character. As per this bill there was a provision to establish a Tribunal for examining the conditions of services. If any dispute arise between the employees and the management then an employee can appeal to the tribunal after depositing the prescribed fees.

If the five Corporations would have been constructed then the staff of the present Zonal Office would be treated as the employees of newly formed Corporations and the rest of the employees would be treated as the employees of newly formed Board Office located in New Delhi. Due to this reconstruction the

employees might have to face a massive transfer. The service conditions of the employees of five different Corporations might be different quoting the fact that the financial conditions of five separate corporations were not equal.

If this bill was passed the total assets and total liabilities of the Corporation were supposed to be divided among the five newly formed corporations. For this purposes a committee would be formed to look after distribution of total assets and liabilities among the five corporations. Naturally there might be some disagreements or disputes among the Corporations regarding the distribution of their assets and liabilities. Naturally the interest of the policyholders would be hampered tremendously.

If this bill were passed the administrative expenditure would be increased considerably. The total number of high level officials viz. the Chairman and Managing Directors and other high level officials would increase from 15 to 91.

It was argued that as the volume of business of the Corporation and increased tremendously so for the speedy disposal of its task it was necessary to divide it among five Corporations. It was expected that due to this division it would be possible to spread the life insurance business in the remote villages of our country.

But the above arguments did not find any base. Because the nationalised State Bank of India, The Post and Telegraph Department of the government were bigger in size in comparison to LIC. But no question of division came for the above organisations. If P & T and State Bank of India could perform its function smoothly it would be possible for LIC also to discharge its functions smoothly and efficiently.

Secondly, it had been proved that division was not needed for the sake of spreading the life insurance business in the rural areas of our country. Because from the own account of the Corporation it was found that in the year 1985-86 the Corporation gathered 45% of its total business from the rural areas of our country.<sup>115</sup>

So, it can be concluded that if the bill was passed an expanding government industry would be thrown for its destruction.

So, except Indian National Trade Union Congress all the trade unions of the life insurance industry decided to fight jointly in order to combat the decision of the government to divide the industry into five separate Corporations. As a result

of which a joint convention of the four trade unions of life insurance industry were held on 17th April 1982. The above convention was addressed by the chief Minister of West Bengal Mr. Jyoti Basu, Mr. H.N. Bahuguna, Mr. P. Rammurthi, Mr. Indrajit gupta, Prof. Madhu Dandavata, Mr. Ramnaresh Yadav and K.P. Unnikrishnan and other prominent political personalities of our country. From the above convention it was decided unanimously to defeat the idea of dividing the life insurance industry into five corporations because it was considered highly unscientific.<sup>116</sup>

Prior to the monsoon session of the Parliament the leaders of four trade unions of life insurance industry sat together and decided unanimously that if the bill was placed in the floor of Parliament then a two hour walk out programme would be observed by the LIC employees through out the country. If the bill intends to change the service conditions of LIC employees then strike will be observed for two consecutive days.

That bill was placed in the parliament in the month of December 1983. So, as decided earlier two days strike were observed on 20th and 21st December 1983 at the call of four trade unions of life insurance industry.<sup>117</sup>

At the Jalpaiguri division 83% of the total employees participated in the above strike. 93% of the total members of AIIEA and 76% of the total members of other unions participated in the above strike.

At the time Mr. Sunil Maitra, a senior trade union leader of LIC employees movement was the member of Parliament. At the leadership of Mr. Sunil Maitra 48 M.P.s submitted a memorandum to the Finance Minister opposing the division of Life Insurance Corporation of India.<sup>118</sup> Ultimately it was decided by the government to send the above bill to the Joint Select Committee of Parliament for its decision. This committee comprised of 30 members of both the houses of Parliament. The Chairman of that committee was Mr. Mulchand Daga. Mr. Sunil Maitra, the senior leader of All India Insurance Employees Association was one of its member. This committee received around 2000 deputations from different corners opposing the split of life insurance industry.

Due to the initiative taken by the unions of life insurance industry two ex-chairman of the corporation and the innovator of O.I.C. (Organisational Improvement Cell) Prof. Iswar Dayal also submitted memorandum to the Select Committee opposing the split of life insurance industry.<sup>119</sup>

Although a large number of opinion was received from the different corners opposing the split of life insurance industry the majority of the members of the Select Committee was in favour of the split of the Corporation. At that time Mr. Sunil Maitra and Mr. Sukomal Sen submitted their views separately opposing the written report of the Joint Select Committee. Similarly Mr. A.K. Rajan and Dr. Shanti Patel also submitted their points of objection against the written report of Joint Select Committee very categorically.<sup>(120)</sup>

Though it was assured by the speaker of Parliament that the bill would not be allowed to place in the Parliament but it was placed in the mid-night session of parliament on 25th August 1984. The debate on this bill was stopped due to the tremendous opposition received from the opposition. So, the initiative taken by the government to get the bill passed was not successful due to the timely intervention of the members of opposition.<sup>121</sup>

After the eighth Lok Sabha election again it was attempted to place the bill in the Parliament during the Budget session. Naturally the employees of the Corporation became very much aggrieved when they came to know about this news. Telegrams were sent to the Finance Minister from different units of the unions demanding the maintenance of status quo in the structure of the Corporation. It was also decided that one hour walk out programme would be observed if that bill was placed in the Parliament.

Meanwhile on 9th April 1985 Mr. Sunil Maitra met the Prime Minister Mr. Rajiv Gandhi and informed him about the different evils of the above bill. Mr. Gandhi assured Mr. Maitra that he would consider the matter with great importance. Then on 12th April 1985, the Prime Minister wrote a letter to Mr. Maitra informing him that the Central Government had reconsidered that matter very carefully and it had decided not to proceed further about this matter.<sup>122</sup>

So, naturally it can be concluded that the movement launched by the trade unions for the purposes of changing the decisions of the government came out with flying colours. Here the movement was not restricted within the industry but it was spread both inside and outside the Parliament. Here the unions of the life insurance industry were successful to convert their struggle into a political struggle. So, the victory ultimately realised. Though this struggle was not at all related to bring any additional pecuniary benefits for the employees but it was

aimed at defeating the declared policy of the government and ultimately the unions were successful in achieving this aim by compelling the government to retreat from its declared policy.

## XX

### **BATTLE FOR THE SETTLEMENT OF SIXTH CHARTER OF DEMANDS :**

The term of the fifth charter of demands was expired on 31st March, 1987. From the Working Committee meeting of the All India Insurance Employees Association held at Lucknow from 24th September to 26th September 1986 the decision was taken to submit the Charter of Demands.<sup>123</sup> From the Secretariat meeting of the All India Insurance Employees Association held at Trivandrum from 17-19 June 1987 it was decided to prepare a draft of Charter of Demands and it was also decided to send the above draft to all the units for their considerations and suggestions.<sup>124</sup> After receiving the opinions from almost all the units the Working Committee of All India Insurance Employees Association met at Cuttack from 8-11 September 1987 in order to finalise the Charter of Demands.<sup>125</sup> After that the final Charter of Demands were handed over to the Managing Director of Life Insurance Corporation of India on 26th September 1987.<sup>126</sup>

The other trade unions of the life insurance industry viz. the All India Life Insurance Employees Association (AILIEA) and LIC Employees Federation also decided to submit their charter of demands almost at the same time.

The main points of the demands may be quoted as under :

1. The basic salary should be determined by adding 672 points of price index as per the agreement of 1974 and after that figure should be increased by 10% and 20% for Class III and Class IV employees respectively.
2. Running grade should be given abolishing the stagnation.
3. Full compensation should be provided at the time of determination of basic salary and dearness allowance. The Maximum limit of dearness allowance should be abolished.
4. The amount of house rent and city compensatory allowance should be

increased.

5. Pension should be given in addition to the benefit of Contributory Provident Fund and Gratuity.
6. The effective date of new agreement of wage increase should be from 1.4.87.

The main demands contained in the memorandum may be quoted as under :

1. The scheme of leave travel concession should be improved.
2. The quality of garments supplied for the class IV employees should be improved considerably.
3. Full fledged medical scheme should be introduced.
4. The quantum of festival advance should be increased and loan should be granted to the employees for the purposes of purchasing of scooter/motor cycle.
5. The rule of granting leave to the employees should be improved.
6. Fitment should be allowed to the ex-servicemen and their service period as defence/navy/airforce personnel should be counted in determining the total length of service in LICl.
7. Some special facilities should be allowed to the lady employees.<sup>127</sup>

After placing the above demands the All India Insurance Employees Association were putting pressure on the management demanding immediate negotiation on their demands. Due to the pressure from the different unions of the industry management agreed to sit with the unions on 8-9 January 1988 for negotiation. At that meeting it was agreed upon that again the negotiation would be taken place in the month of April 1988.<sup>128</sup> But the management did not invite the unions for the purposes of negotiation in the month of April 1988. Naturally it was decided by the unions to stage one hour walk out on 22nd June 1988. This walk out programme was performed very successfully.<sup>(129)</sup> Due to the pressure received from the different angles the management of LICl called the unions for the purposes of negotiation on 27-28 June 1988. Negotiation started on 27th June 1988 and on the table of negotiation the management came with the following offers:

1. Scale of Pay :  
Peon : Rs. 780-20-820-30-1030-40-1430.  
Assistant : Rs. 875-50-1125-100-2725
2. Dearness allowance : For every increase of 4 points over the price index 600 points the increase of dearness allowance would be 0.55% in case of class III employees and 0.66% in case of class IV employees but the highest dearness allowance should never exceed Rs. 15.80.
3. Process of fitment should be so devised so that the total salary should not decrease after the negotiation.
4. City compensatory allowance and house rent allowance would remain unchanged.
5. Pension would not be granted.
6. Fresh discussion would be there for settling the allowance of graduates and technically qualified employees of the Corporation.<sup>130</sup>

The above proposals were rejected by the unions. The unions called for "one hour walk out" on 21st July 1988. The above programme was implemented very successfully.<sup>(131)</sup>

Due to the pressure mounting on the management called the unions for the purposes of negotiation on 20th and 21st September 1988. At the table of negotiation the management offered some better proposals which might be quoted as under :

1. Scale of Pay :
  - (a) Peon : 790 - 1440 + 1 stage.
  - (b) Assistant : 950 - 2730 + 1 stage.
2. Dearness allowance : As offered earlier.
3. Dearness allowance 7% of basic salary subject to maximum of Rs. 225/  
Those who were enjoying the staff quarters would not be allowed to receive the house rent.
4. City Compensatory Allowance :

(a) For those cities where the population is 12 lakhs or more for the class III employees it would be 7% subject to the maximum of Rs. 150. For class IV employees it would be 5.5% subject to the maximum of Rs. 70/- the city compensatory allowance would be 3.75% of the basic salary subject to the maximum of Rs. 100/- in case of Class III employees. For Class IV employees it would be 3% of the basic salary subject to the maximum of Rs. 40/-.<sup>132</sup>

The above proposals were also rejected by the AIIEA and some other unions of the industry.

It is to be noted that at that time negotiation between the different unions of Bank Employees and the IBA (Indian Bankers Association) was also going on. There was some similarity in the offer given by the bank management with the offer given by the management of LIC.<sup>133</sup> Through the month of October heavy movement was launched by the unions in the LIC industry. But the management totally ignored this movement. In order to take the stock of the situation the Secretariat of All India Insurance Employees Association met in New Delhi on 4 - 5 November 1988. During this meeting a delegation of the association met with the Chairman of LIC. During the discussion with the Chairman it was assured by the Chairman that the management would call the full negotiating Committee sometimes in the month of December 88 for the purposes of a mutual agreement.<sup>134</sup> After that 8 -10 December was settled by the management of LIC for the purposes of holding discussion with the different unions of LIC.<sup>135</sup> It was fourth sitting. At this sitting the management came out with the following proposals :

1. Scale of Pay :

- (a) Sweeper : 785 - 20 - 805 - 30 - 835 - 35 - 1255 - 40 - 1455.
- (b) Peon : 810 - 20 - 830 - 30 - 860 - 35 - 1280 - 40 - 1485.
- (c) Driver : 930 - 40 - 1210 - 50 - 1810 - (No provision for any special allowance).
- (d) Record Clerk : 880-40 -1000 - 50-1400-EB - 50 - 1500 -60 - 1980.
- (e) Assistant : 1000 - 50 - 1050 - 60 - 1170 - 70 - 1450 - 80 - 2010.
- (f) Stenographer : 1000 - 50 - 1050 - 60 - 1170 - 70 - 1450 - 80 - 2010 - 100 - 2110 - EB- 120 - 2830.

- (g) Higher grade Assistants : 1470 - 80 - 1710 - 100 - 2010 - EB - 100 - 2110 - 120 - 3310.
  - (h) Superintendents : 1910 - 100 - 2110 - 120 - 3550.
2. Stagnation increment : As per existing provision.
  3. Fitment : Stage to stage.
  4. Dearness Allowance : For every increase of 4 points above 600 points for class IV employees 0.67% of basic salary for class III employees.
    - (a) Upto 1480 of basic salary - 0.67% of basic salary.
    - (b) Above Rs. 1480 and upto Rs. 2750 of basic salary - 0.55% of basic salary.
    - (c) Above Rs. 2750 and upto Rs. 3500 of basic salary - 0.33% of basic salary.
    - (d) Above Rs. 3500/- of basic salary - 0.27% of basic salary.
  5. House rent allowance would be 10% of the basic pay subject to a maximum of Rs. 225/- No change in the city compensatory allowance.
  6. Provident fund - 8.33% of basic salary.
  7. Graduation allowance - For existing employees Rs. 120/- per month and for new entrants Rs. 120/- provided they secure 50% of total marks on aggregate. This allowance would be started on and from 1.1.89.
  8. Rs. 40/- will be granted for passing the Licentiate, Rs. 120/- for Associateship and Rs. 200/- for passing the Fellowship examination.
  9. Discussions may be taken place for the purposes of fixation of functional allowance, kit allowance, additional casual leave, personal allowance etc.
  10. The agreement will be signed for five years.<sup>136</sup>

Unions demanded more improvement on different spheres. The representatives of LIC management informed that after consulting the Chairman the fresh date for discussion would be intimated.

As per the promises the management called the unions for the purposes of negotiation on the settlement of Charter of demands on 16th December, 1988. At this time the management came out with the following proposals.

1. Scale of Pay :
  - (a) Peon : 815 - 1510 ( Last two increments @ Rs. 50/-)
  - (b) Record clerk : 900 - 2000
  - (c) Stenographer/Assistant : 1000 -2850 (Last two increments@ Rs. 120/-).
  - (d) Section Head : 1270 - 3100.
  - (e) Higher Grade Assistants : 1470 - 3340.
2. Stagnation Increment :
  - (a) Record Clerk                      One increment after three years and total  
Section Head                      number of increments would be three.  
Higher Grade Assistant
  - (b) No stagnation increment for the superintendents.
3. Dearness Allowance :

For class IV Employees : 0.67% of Basic salary

For class III Employees :

0.67% of Basic Salary - Upto Rs. 1650/- of basic salary.

0.55 % of Basic Salary - For basic Salary lies in between Rs. 1651 - Rs.2850.

0.33% of Basic Salary - For basic salary lis in between Rs. 2851 - Rs.3500.

0.27% of Basic Salary - For basic salary exceeding Rs. 3501 and above.
4. House rent allowance would remain the same. Its maximum limit would be Rs. 250/-
5. Provident Fund - No change. But the Chairman would try to increase the rate of contribution @ 10% from 1.1.89.
6. Graduation Allowance : 130/- Rs. per month. But the other conditions would remain unchanged.
7. The agreement would come into force from 1.10.87 and it would be valid

for 5 years.

As the above offer failed to fulfil the minimum expectations of the employees so that were rejected.

Again the management invited the unions for the purposes of holding discussions on 7th March, 1989. At the table of discussion some extra offers were given by the management. They were as under :

1. For record clerks the stagnation increment would be three (3)
2. For Section Heads and Higher Grade Assistants the proposed spar was increased by one year to make the maximum scale at Rs. 3220/- and Rs.3460/- respectively. As it was also proposed to provide two stagnation increments after every three years.
3. House rent allowance would be 10% of basic salary subject to the maximum of Rs. 275/-.
4. Special allowance for cashiers would be Rs. 175/-

Provision of granting casual leave and additional casual leave would be the same as it was earlier. It was assured to consider the question of granting personal allowance very seriously.<sup>137</sup>

It was demanded by the unions for further improvements of the offer.

In reply the management of LIC informed that it was their last offer so no further improvement would be possible without the prior approval of the government.

At this stage all unions of LIC industry decided to start joint movement against this attitude of the government. Mainly three unions of life insurance industry viz. the All India Insurance Employees Association (AIIEA), All India Life Insurance Employees Association (AILIEA) and Bharatiya Majdoor Sangha (BMS) decided to start joint movement against the attitude of the management of LIC. At the call of this three unions demonstrations, non-cooperation and walkout programme started from 16th March 1989.<sup>138</sup> The employees of life insurance industry also started to participate in the above programmes with great enthusiasm. From 16th March, 1989 to 31st March 1989 two walkout programmes were implemented very successfully.<sup>139</sup> Around 80% of total employees all over the country participated in the above walk-out programmes. In the Jalpaiguri division the rate of participation was 90% and 94% respectively in the two days walk-out programme.<sup>140</sup> At this time the two unions of the industry.

viz., the LIC Employees Federation and INTUC openly stated that they were ready to accept the offer given by the LIC management. At this time the management called the unions for the purposes of negotiation on 27th March 1989.

On 27th March 1989 management offered some extra benefits for the employees which could be stated as under :

1. Separate grade for stenographers.
2. The span of Superintendents would be increased by one year and the end of the grade Rs. 150/- would be increased.
3. Assistants and Stenographers who had reached the stagnation on 1.4.88 would be allowed an allowance of Rs. 65/- and in the next year they would be allowed graduation allowance of Rs. 130/-
4. For the new entrants the graduation allowance would be offered @ Rs. 130/- per month effective from 1.4.89.
5. Graduate record clerks would receive graduation allowance @ Rs. 80/- per month and when they would be promoted to the cadre of assistants it would be increased @ Rs. 130/- per month.
6. House rent allowance would be 10% of basic salary subject to the maximum of Rs. 300/- per month.
7. Contribution to Provident Fund would be 10% of basic salary. Management would try to make effective this rate on and from 1.4.89.
8. The above agreement would be effective from 1.10.87. But the government would be requested to allow it be effective from 1.4.87.
9. Liftmen and Head peons would be entitled to a special allowance of Rs. 70/- per month.
10. Special area allowance would be 10% of basic salary.
11. Class IV employees would be entitled to get five sets uniform in two (2) years and also to receive Rs. 25 per month as washing allowance.
12. All class IV employees would be entitled to get shoes.<sup>141</sup>

The three unions viz. the AIIEA, AILIEA and BMS demanded further improvement of above proposals of management. Ultimately it again compelled the

management to improve the offer given by it on 27.3.89 and on that basis the gazette notification was taken place on 12.5.89.<sup>142</sup>

It can be concluded that though the cent percent demand of the union was not fulfilled but a major portion of the demand was fulfilled. This charter of demand was placed at that time when the country was passing through an acute economic crisis. There was the problem of huge price hike, closure, rapid mechanisation, problem of unemployment etc. In the year 1981 Central Government took the power in its hand to change the service conditions of LIC employees unilaterally. In spite of this fact LIC management was compelled to call the unions for the purposes of a mutual agreement. A lot of conspiracy was also there. At one hand resistance came from the bank management and from the bank unions. On the other hand massive resistance came from the LIC Employees Federation and from the INTUC within the same industry. These unions were very ready to accept the offer given by the management on 16.12.88. Apart from the above facts it was possible for the rest of the unions to make massive improvements in the scale of pay and other amenities of the LIC employees. The conspiracy of putting "bank pattern" became unsuccessful.

The positive sides of sixth Charter of Demands may be stated as under :

1. Management was compelled to give effect of the new agreement from 1.8.87 instead of 1.10.87. Due to this it was possible to collect extra 5 crores of rupees from the management.
2. It was the proposal of the management that the period of agreement would be five years. But due to the heavy opposition received from the unions ultimately no period was stipulated in the agreement.
3. Management intended to withdraw all functional allowances. This intention was also not become successful.
4. This was for the first time an uniform formula was introduced for all the employees and the ceiling for dearness allowance was also withdrawn.
5. Due to this agreement overall wages increased by 18.18%. During this period the wages of bank employees increased by 14%.

It is to be noted here that it was the intention of both the management and government to introduce bank pattern in the LIC industry. Within the same industry the LIC Employees Federation and INTUC also wanted to get the bank pattern.

But it was not successful.

Now we can analyse that if the bank pattern was unilaterally imposed on the LIC employees then how they would be affected. If the bank pattern was imposed the scale of pay for

Assistants and peon would be as under :

Basic Pay for Assistants : 900 - 2820/- Rs.

Basic pay for Peons : 810 - 1480/- Rs.

Upto the basic salary of Rs. 1540/-, 100% compensation of dearness allowance stagnation increments would be three (3) in twelve years (12). In case of peons it would be three (3) in nine years(9).

For fifty thousand employees of life insurance industry the total expenditure would be 31 crores of rupees. On the other hand for 7 lakhs of bank employees the total expenditure would be 250 crores for rupees. If the bank pattern was imposed on the employees of life insurance industry the total expenditure would be rupees 18 crores. So, far as the rate of contribution to the provident fund was concerned the following comparison between the Bank and LIC employee could be easily drawn :

**Table 5.9 : Rate of Contribution to Provident Fund**

Bank employees	LIC employees
From 1.11.87 to 31.12.88 8% of Basic Salary	From 1.8.87 to 31.12.88 8.33% of Basic Salary.
From 1.1.89 to 31.12.89 9% of basic salary	From 1.4.89, 10% of Basic Salary
From 1.1.90, 10% of Basic Salary	

**Source :** Dhar, Sudhir Chandra, *Forty years of Divisional Insurance Employees' Association (1956-1996)*, Jalpaiguri, DIEA, 1998, p. 208.

This was done to show that there was no fall in the "take home" pay of the employees. This was also done to magnify the quantum of increase in the salary of bank employees due to that negotiation. But the bargaining power of the Bank Employees was vast in comparison to the bargaining power of LIC employees. As per the ordinance of 1981 the management of LIC was not

bound to sign agreement with the unions of LIC industry. But the trade unions of LIC industry abled to compel the management to come to such a mutual agreement which was considered better than that of the agreement signed in the banking industry.

## XXI

### **CHANGING PERSPECTIVE OF TRADE UNION POLITICS IN THE L.I.C. IN THE CONTEXT OF COALITION POLITICS SINCE 1989 :**

#### **Struggle for realising pension as a third retiral benefit**

Some trade unions were demanding from the very beginning to introduce the pension scheme in the LIC industry. Because it was felt that the amount received by the employees after their retirement was very meagre to meet up the needs of their family. Due to the rapid price hike after 1970 it was felt absolutely necessary to introduce the scheme of pension. At the time of settlement of Charter for employees of Reserve Bank of India it was decided that a Committee would be formed for examining the demand of pension. After that a committee was formed under the chairmanship of former Executive Director of Reserve Bank of India Mr. Tomby which was known as "Tomby Committee". The members of that Committee were taken from the representatives of bank employees and officers. This Committee recommended for the introduction of pension scheme in addition to provident fund and gratuity. Later on pension scheme was introduced in Indian Oil Corporation and in some other oil companies as third retiral benefit. A committee was also formed to examine the matter related to the introduction of pension scheme for the journalists. The former chairman of LIC was appointed as the chairman of the above Committee. The representatives of the Ministry of Finance and Ministry of Labour were the members of that Committee. That committee unanimously recommended for the introduction of Pension as third retiral benefit.<sup>143</sup>

From the above it is clear that the Central Government accepted the policy of introduction of pension as third retiral benefit in principle.

At this juncture the unions of life insurance industry placed the demand for introduction of pension as third retiral benefit in the life insurance industry. As this demand was not given due importance by the government and the management of LIC so it ultimately compelled the unions to launch agitational

programme in support of their demand. At that time the management of LIC accepted the demand for pension in principle. Then it proposed to its employees for purchasing of the pension policies of LIC from their own resources. It was rejected by the trade unions of life insurance industry.<sup>144</sup>

For the purposes of realising the demand of pension a "Co-ordinating Body on pension" was formed in the year of 1990. This Co-ordinating Body consisted of the representatives of All India Reserve Bank Employees Association (AIRBEA), Bank Employees Federation (BEFI), National Confederation of Bank Employees Association (NCBEA), All India Bank officers Confederation (AIBOC) and All India Insurance Employees Association (AIIEA).<sup>145</sup> This Co-ordinating Body on pension was ultimately converted into Joint Action Committee (JAC) and some more unions joined in it. This body submitted a memorandum to the Finance Minister Mr. Monmohan Singh demanding grant of pension as a third retiral benefit. Mr. Singh assured the delegation that he would consider that matter sympathetically. Employees of Reserve Bank of India started agitation under the leadership of All India Reserve Bank Employees Association (AIRBEA) in protest against the decision of both the management of Reserve Bank of India and the Government to introduce the pension scheme in lieu of Contributory Provident Fund (CPF).<sup>146</sup> In the meantime a lot of agitational programmes were organised by the newly formed Co-ordinating Body on Pension from September 1990 to December 1990.<sup>147</sup> These movements influenced the employees of Reserve Bank of India to a considerable extent. Around 82% employees of Reserve Bank of India rejected the proposed pension scheme.<sup>148</sup> Co-ordinating Body on Pension decided to observe one day strike on 24th April 1991 in order to realise its demand for pension as a third retiral benefit.<sup>149</sup>

In the meantime the demand for pension as third retiral benefit attracted the massive support of mass. On the other hand some unions of banking and life insurance industry started to form opinion in favour of the pension scheme rejected by the employees of Reserve Bank of India. They began to create confusion among the employees. In case of banking industry the union was All India Bank Employees Association (AIBEA) and in case of life insurance industry the union was mainly the LIC Employees Federation. The other union of life insurance industry viz., the All India Life Insurance Employees Association (AILIEA) stated that it was possible for LIC to start the scheme of pension as a third retiral benefit due to its huge financial capacity and undoubtedly it would be beneficial to all. But this organisation did not join in the "Co-ordinating Body

on Pension" to realise the pension as a third retiral benefit.<sup>150</sup>

Then the "Co-ordinating Body on Pension" decided to go for one day strike on 30th April 1992.<sup>151</sup> In this connection the followings were published in the editorial column of The Economic Times of India on 2nd March, 1992 "

"If the Government is making efforts to mitigate the lacuna created by the fact that at current rates of inflation many salaried employees do not have adequate old aged security this ought to be welcomed. But if the Government is proposing to do so by compulsory diverting the Employees' contribution to Provident Fund towards providing an after retirement pension, that it is clearly unacceptable. First, because there has been a long pending demand of employees' Union for provision of pension as a third retirement benefit (i.e. after gratuity and Provident Fund). This proposal to split the second benefit and pretend that a third is being introduced is thus farcical .....

*Source : The Economic Times, 2nd March, 1992.*

In life insurance industry the All India Insurance Employees Association (AIIEA) took the initiative to make the strike on 30th April 1992 a grand success. And ultimately the strike on 30th April 1992 became a grand success.<sup>152</sup> At the Jalpaiguri division 96% of the total member of AIIEA participated in the above strike. 4% of the total member of AIIEA could not able to participate due to their going for long leave.<sup>153</sup> But the government remained totally silent even after that total strike in the banking and insurance industry all over the country.

At this situation the "Coordinating Body on pension" met in an emergency meeting in Calcutta on 12.5.92 and criticised the negative attitude of the government and it demanded immediate negotiation on the above issue. Accordingly on 19.5.92 a letter was written to the Finance Minister demanding immediate intervention in this issue. The other unions of banking and insurance who were still keeping themselves outside this forum were also requested to join in this body.<sup>154</sup>

From the meeting of the "Co-ordinating Body on Pension" held in Madras on 18th January 1993 it was decided that the next meeting of the "Co-ordinating Body" would be held on 14th February 1993. From the meeting held on 14th February 1993 it was decided that it would not be justified to confine their demand within the pension only so the other demands e.g., the settlement of charter of demands, bonus for all and withdrawal of the policy of privatisation should be tagged with its demand for pension. This proposal was accepted unanimously.

For the purposes of directing the movement in right direction it was decided that only two members would be taken from each organisation in order to form the "Joint Action Committee" (JAC). At that time there were ten organisations who were the members of Joint Action Committee (JAC). These organisations were All India Bank Officers' Confederation (AIBOC), National Confederation of Bank Employees (NCBE), Bank Employees Federation of India (BEFI) All India Insurance Employees Association (AIIEA), All India Reserve Bank Employees Association (AIRBEA), National Confederation of General Insurance Officers Association (NCGIOA), All India Industrial Finance Corporation Employees Association (AIIFCEA) All India NABARD Employees Association (AINBEA), All India RRB Employees Association (AIRRBEA) All India RRB Officers Federaton (AIRRBOF). Thus the "Co-ordinating Body on Pension" was converted to "Joint Action Committee".<sup>155</sup> (JAC).

Mr. P. Narsaiya, the General Secretary of National Confederation of Bank Employees (NCBE) was elected as the convener of Joint Action Committee. "Joint Action Committee" called for one day strike on 29th March 1993 and it was also decided that if their demands remain unfulfilled then two days strike would be observed sometimes in the month of April 1993. JAC called all other unions of banking and insurance industry to join their forum who were still remaining outside.<sup>156</sup> This call of JAC got tremendous response from almost all the sections of banks and insurance employees. In Jalpaiguri division also the employees of LIC were also highly enthusiastic. The one day strike on 29th March 1993 was highly successful. At Jalpaiguri division about 95% of the total members of AIIEA participated in the above strike. All the LIC offices under this division were totally closed.<sup>157</sup>

When the struggle of bank and insurance employees got tremendous momentum under the leadership of "Joint Action Committee" the largest union of bank employees in India viz., the All India Bank Employees Association (AIBEA) published a leaflet, "know the facts - fight and achieve demands" where it had stated that there was no controversy that it would be better to get pension as a third retiral benefit than to get it as a second retiral benefit. But it had stated very categorically in its leaflet that under the present situation it would not be possible to achieve it as a third retiral benefit.<sup>158</sup> The followers of AIBEA in the insurance industry also echoed the same voice. On 20th May 1993, the AIBEA signed an agreement with Indian Bankers Association (IBA). As per that agreement pension would be granted as a second retiral benefit. With the

granting of pension as a second retiral benefit the following conditions were also imposed:

1. There would be no wage increase for the next two years. No retrospective effect would be granted at the time of next agreement. New agreement would not be effective just after the end of term of old agreement.
2. Automation would be taken place at all levels of work. As a result of which no new recruitment would be taken place. There would be no guarantee for re-employment of retrenched and surplus employees.
3. Medical scheme would be improved and one additional increment would be granted to the employees.

It was also decided that an agreement would be signed between India Bankers Association (IBA) and All India Bank Employees Association (AIBEA) regarding the payment of pension as second retiral benefit and massive mechanisation in the industry. The date fixed for this purpose was the 20th day of July 1993.

Joint Action Committee (JAC) requested the Finance Minister to implement the promises given by him on 4.10.91 to the delegation of Joint Action Committee (JAC). As per the earlier decision the delegation of Joint Action Committee met thrice with the Finance Minister. But the Finance Minister failed to keep his earlier promises. Naturally the leaders of Joint Action Committee (JAC) met in Bombay on 8.8.93 and decided unanimously for the following agitational programmes : On 16.8.93 - Mass demonstration at the tiffin hours in all the places of our country where the Indian Bankers Association (IBA) has its units.

On 20.8.93 - Demonstration in front of every office of Bank / Insurance companies at tiffin hours. Procession must be done after the end of office hours throughout the country. On 26.8.93 - Demonstration at the time of tiffin hours throughout the country. On 2.9.93 - One day strike and Joint meetings. On 4.10.93 - One day strike. From 2.11.93 - Continuous strike.<sup>160</sup>

The strike on 2.9.93 was highly successful. Not a single office of bank and insurance company throughout the country was kept open. The rate of participation in the above strike was 74.36% in LIC industry at all India level.<sup>161</sup> At the Jalpaiguri Division of LIC the rate of participation in that one day strike was 75.05%.<sup>162</sup> The programme of non-co-operation with the respective management was also announced from 4.10.93 to 1.11.93.

Meanwhile, devastating earthquake took place in Maharashtra and a lot of people were died due to that earthquake. Due to this incidence the Joint Action Committee (JAC) decided to withdraw its proposed strike on 4.10.93. But other programmes were kept unaltered.<sup>(163)</sup> The meeting of Joint Action committee (JAC) was held on 12.10.93 at Hyderabad. From this meeting it was decided to include three organisations in the "Joint Action Committee" in response to their application for inclusion in the Joint Action Committee. These organisations were :

- (a) National Organisation of Bank workers (NOBW)
- (b) National Organisation of Insurance worker (NOIW) &
- (c) National Organisation of Bank Officers (NOBO)

Due to the inclusion of above three organisations in the Joint Action committee the "JAC" became more powerful. In order to make the programme of continuous strike highly successful the following agitational programmes were declared from the meeting of the Joint Action committee :

1. On 19.10.93 - Meeting/Central demonstration/etc.
2. From 26.10.93 to 1.11.93 - Meetings and demonstration in favour of the continuous strike during the tiffin hours/after office hours.<sup>164</sup>

In order to take the preparation for continuous strike it was advised from the above meeting to form a "Core Committee" or "Strike Committee" for the purposes of conducting the continuous strike.

So, the preparation for continuous strike was started by each and every unit of "JAC" in its respective area. But the situation for continuous strike at Jalpaiguri Division was not congenial. Because the largest festival of Bengali spoken people is the Durga Puja which was scheduled to be started from 22.10.93. and the scheduled date for Lakshmi Puja was 29.10.93. So, the continuous strike was scheduled to be started just after three days of Lakshmi Puja. During that period it was very difficult to mobilise common employees towards continuous strike. But inspite of that fact there was huge enthusiasm was observed among the common employees in support of the movement organised by the "Joint Action Committee" throughout the entire division. The divisional Unit of All India Insurance Employees Association - (AIIEA) viz., the Divisional Insurance Employees Association (DIEA) took the active initiative to organise the employees of life insurance industry working under the Jalpaiguri Divisional

office in support of the continuous strike to be started on and from 2.11.93. In order to form the public opinion in support of their movement a lot of conventions were organised.<sup>165</sup> These conventions were attended by the representatives of middle class trade unions, representatives of various labourers organisation representatives of farmers and the representatives of different youth and women organisations. These representatives supported the movement and assured full co-operation during the period of struggle. An unprecedented unity was developed between the bank and insurance employees throughout the country due to this struggle programme. In each and every station one or more groups were formed comprising the employees from bank and insurance.<sup>166</sup> Due to the heavy pressure of movement both at the inside and outside of bank and insurance industries the government and the management of bank and insurance industries were compelled to call the leaders of "Joint Action Committee" for the purposes of holding discussions on 21.10.93. At the time of discussion on 21.10.93 a consensus was arrived at. As a result of which an agreement was signed on 29.10.93 between the Indian Bankers Association (IBA) and the representatives of Joint Action Committee (JAC). It was also agreed that the Central government would send its directives to the management of financial institutions for starting discussions with the representatives of respective trade unions for the settlement of Charter of Demands.<sup>167</sup> At this time it was also promised by the management that it would seek the permission of the government to raise the upper limit of salary from Rs. 2500/- per month to Rs. 4500/- per month for getting the bonus.

On the basis of the above agreement discussion was started between the management of LIC and the representatives of All India Insurance Employees Association (AIIEA). From the above discussion it was agreed that the same type of pension formula as agreed between IBA and the representatives of JAC would also be implemented in the life Insurance industry.<sup>(168)</sup> It was also agreed that an additional increment would be granted to the employees from 1.11.93 and for the purposes of serving the policy holders in a better possible way mechanisation would be done in the industry. It was also agreed that due to this mechanisation the employees would not have to face any retrenchment or forced transfer.<sup>169</sup> Ultimately the pension scheme was introduced in the industry. This pension scheme was started as a second retiral benefit. But a lot of improvement was made subsequently. It was far better than that of the scheme accepted by the largest organisation of Bank employees viz., the All India Bank Employees' Association (AIBEA). It was also agreed in the agreement that the

option would be kept open to the existing employees that they could either accept pension or the Contributory Provident Fund (CPF). But for the new entrants (who joined in the industry on or after 1.11.93) the pension scheme would be mandatory.

Now a comparative analysis may be drawn between the agreements signed on 20.5.93 and 29.10.93 regarding the matter of pension :

The features of the agreement signed on 20.5.93 may be stated as under :

- (i) Pension scheme would be started from 1.7.93 and those who had retired prior to 1.7.93 would not come under the purview of pension scheme.
- (ii) Basic pension would be calculated based on 600 points of price-index.
- (iii) No extra benefit was offered for those who had decided not to opt for pension scheme.

The features of the agreement signed on 29.10.93 may be stated as under :

- (i) The employees who had retired on or after 1.1.86 would be entitled to get pension and the pension scheme would be started from 1.11.93.
- (ii) Basic pension would be calculated on 1148 points of price index. As a result of which the basic pension would almost be double in comparison to the earlier one and naturally the commutation value would also be double in comparison to the earlier one.
- (iii) Those who had opted for contributory Provident fund they would get it on 1148 points of price index. So, that their accumulation in Contributory Provident Fund would be double in comparison to the existing accumulation.

So, from the above discussion it can be concluded that the agreement signed on 29.10.93 was far better than that of the agreement signed on 20.5.93.

Though all the demands of the Joint Action Committee (JAC) were not fulfilled but a lot of improvements were achieved by it. The movement for realising the pension was organised at a time when the government had declared its New Economic Policy, New Industrial Policy. The agreement was signed at a time when the industrial workers were busy for their own job security. So, the "Joint Action Committee" had to face a lot of resistance both from within and outside of the industry. Considering the above all matters very carefully it could be

concluded that the movement for realising the pension was highly successful.

### **Battle for the settlement of seventh charter of demands**

The term of sixth charter of demand was scheduled to be ended on 31st day of July 1991. It was made effective from August 1987. Seventh Charter of Demand was placed to the management by All India Insurance Employees Association (AIIEA) on 1st day of June 1992.<sup>170</sup>

On 17.10.91 a Circular was issued by "Department of Public Enterprises" requesting the management of all public sector undertakings not to consider any demand of its employees until the "new wage policy" was declared by the Central Government.<sup>171</sup> Finance Minister proposed to withhold the increase of dearness allowance and salary of the Central Government employees at the meeting of the National Development Council. At this critical situation the seventh charter of demands were placed by the All India Insurance Employees' Association (AIIEA).

The above decisions of the Central government were not accepted by the working class silently. In protest against the decision of the Central Government all the Central Trade Unions decided to go for one day strike on 29.11.91. The strike on 29.11.91 was observed very successfully throughout the country. Around 91% of the total employees of LIC participated in the above strike.<sup>172</sup> At Jalpaiguri division around 94% of the total employees participated in the above strike.<sup>173</sup>

Management of LIC was absolutely silent though it received repeated requests from the unions to start bilateral discussion regarding the settlement of charter of demands. Then it was decided to observe 1.8.92 as the "demand day" throughout the country. Incidentally huge movement was started throughout the country by different central trade unions. As a result of which Central Government decided to relax its earlier Circular issued on 14.4.93. Though the Central government decided to relax its earlier conditions but some new conditions were also added. They were :

1. The additional expenditure due to the increase of salary of the employees must be met by that undertaking from its own resources and for which no amount would be allocated from the Central Budget.
2. The increase of salary of the employees must not lead to the increase of prices of goods and services produced by that concern.
3. The industrial dearness allowance must be accepted.

4. The term of the new agreement would be five (5) years.

The above conditions were considered so derogatory that even the Indian National Trade Union Congress the labour front of the congress party also protested against it.<sup>174</sup>

All India Insurance Employees Association (AIIEA) took the initiative to unite all the unions of LIC industry for the purposes of realising the charter of demands, and to resist the proposed plan of privatisation. In order to realise the demand all the unions of the industry called for one day strike on 8th April 1994.<sup>175</sup> The strike was highly successful. On 9.5.95 a Joint Memorandum was placed to the Finance Minister.<sup>176</sup> It was also decided to observe one hours strike on 11.7.95, two hours strike on 25.7.95 and two days continuous strike sometimes in the month of August 1995.<sup>177</sup> After being informed about the movements of LIC employees the Finance Minister ordered the management of LIC to start discussion regarding the settlement of charter of demands. On 28th June 1995 the Finance Ministry of Government of India requested the leaders of Joint Action Committee (JAC) to withdraw its agitational Programme. The Ministry assured the leaders that the discussion on charter of demands would be started very shortly. So, all the proposed agitational programmes framed by the different unions of life insurance industry were postponed temporarily. On 28-29th July 1995 the first discussion took place between the management and the unions of life insurance industry. During this discussion management offered an increase of 5.2% of salary. This proposal was not in commensurate with the expectations of employees and also not in commensurate with the prosperity of life insurance industry. So, these proposals were rejected by the unions<sup>178</sup>. The following demands were also added by the unions.

1. For class III employees 115% neutralisation and for class IV employees 118% neutralisation were demanded. Because the officers of banking industry were already allowed this advantage by their respective managements.
2. One additional fitment increment must be granted.
3. Running grade must be introduced in order to overcome the problem of stagnation.
4. House rent allowance should be 12% of basic salary and its upper limit should be withdrawn.

It was demanded to the management that the process of negotiation should be

started within 20th August 1995. After passing the 20th August 1995 it was observed that there was no intention of the management to call the unions at the table of negotiation. Some unions of the life insurance industry viz. the all India Life Insurance Employees Association (AILIEA) and LIC Employees Federation thought that the management would invite them for the purposes of holding discussion within the first week of September, 1995. So, they did not feel the urge of starting any agitational programme. But the All India Insurance Employees Association (AIIEA) differed from this opinion considerably. AIIEA declared that "demand day" would be observed on 31st August 1995 throughout the country. It also declared in consultation with other unions that one day strike would be observed on 28th September 1995. Ultimately, a meeting of all unions except AIIEA was held on 15th September 1995. From that meeting it was decided not to go for strike on 28th September 1995. Ultimately, the AIIEA alone decided to go for strike on 28.9.95.<sup>179</sup>

In that situation it was communicated by the management of LIC to the General Secretaries of all unions that the negotiation would be possible if 10.5% wage rise was accepted. AIIEA refused to accept any precondition before starting of actual negotiation. So, it decided to continue its already declared agitational programmes. But some other unions accepted the offer of management and declared their unwillingness to go for strike on 28.9.95. Naturally the united platform was broken. This united platform was built through the initiative of many people. Ultimately one day strike was successfully observed on 28.9.95 at the call of AIIEA. At Jalpaiguri division 92.5% of the total member of AIIEA participated in the above strike.<sup>180</sup>

Due to the pressure of the movement the management called the unions on 5 - 6 October for holding second time discussion on charter of demands. At this time management offered some improvements in the house rent allowance, cashier's allowance and some improvements in mediclaim policy. It was shown by the management that this proposals would lead to the increase of salary by 8% and if the increase of salary by 10.5% was accepted by the unions then the additional 2.5% would be allowed as additional increment. This was the same offer as offered by the bank management to the unions in banking industry. At that time the bank employees were agitating against this proposal of management. But some unions of Life Insurance industry advocated for its implementation in LIC industry. AIIEA protested vehemently against this attitude of management.<sup>181</sup>

In that circumstances, the secretariat of AIIEA met on 13-14th October 1995 and it chalked a lot of agitational programmes for the purpose of materialising its demands. These agitational programmes include one hour walk out programme on 9.11.95 and 15.11.95 and one day strike on 22.11.95.<sup>182</sup> The programmes of agitation brought tremendous enthusiasm in the mind of the members of AIIEA. Due to the pressure mounted within the industry the management called the unions for the purposes of holding discussion on 9th and 10th November 1995. In order to keep pressure on the management it was decided by AIIEA not to withdraw its earlier declared on hour walk-out programme on 9.11.95. At the entire Jalpaiguri Division around 80% of the total employees participated in the two days strike held on 27.10.95 and 9.11.95.<sup>183</sup> At the negotiation table on 9.11.95 it was finally proposed by the management to increase the wages by 10.3% but it revealed no improvement in the actual scale. So, it was rejected by the AIIEA.<sup>184</sup> AIIEA strictly adhered to its earlier demands viz., improvement in neutralization, fitment increment etc.

In the meantime the bank employees noticed some discrepancies in their offer of wage increase by 10.5%. For realising their demands they were taking the preparation to go for continuous strike. At this time it was decided by the AIIEA that acceptance of offer of 10.3% wage increase given by the management would not only lead to the deprivation of LIC employees but it would also damage the movement of bank employees. Some unions of life insurance industry opined that there was no necessity of conducting movement in the industry because if the employees of banking industry could able to get any extra benefit that would automatically come to the employees of LIC. But the opinion of AIIEA regarding this matter was absolutely different. It argued that the offer of 10.5% wage increase was given to the bank employees at the very earliest. But in case of the employees of LIC it was 5.2% at the very beginning. Due to the movements launched within and outside the industry it was raised to 10.3% from 5.2%. So, the argument put by some other unions of the industry that benefits would come automatically was not justified.

Due to the different stand taken by some other unions it was very difficult for AIIEA to continue the battle. At that time AIIEA decided to continue its agitational programmes. Call was given to hold gate demonstration on 13.11.95 and to observe two days strike on 15.11.95 and 22.11.95 as a part of its agitational programmes. Then in order to take a stock of the entire situation the working committee meeting of AIIEA was held in Madras from 3-5th December 1995.

From the above meeting it was decided to observe two days strike on 26th and 27th December 1995. Call of non-co-operation movement from 20th December 1995 was also given from the above meeting.<sup>185</sup> For the Gangtok Branch working under Jalpaiguri Divisional Office the dates for two days strike were fixed on 29th and 30th December 1995. Because 26th and 27th December 1995 were the holidays for Gangtok Branch office.<sup>186</sup> Just after declaring these agitational programmes the management of LIC declared 115%-167% neutralization for fixing the new pay scales for its class I officers. In order to highlight the above facts AIIEA submitted a memorandum to the Finance Minister protesting against the discriminatory attitude of LIC management on 14.12.95. The memorandum contained the following points :

1. The proposals of the management were not in commensurate with the progress of insurance industry.
2. The expenses of management regarding the payment of wages to its employees had reduced by 4% in comparison to its premium income from 1989 to 1995.
3. The public sector enterprises had been given the freedom to determine the salary structure of its employees as per its paying capacity. It was stated in the Circular issued by the Department of Public Enterprises on 12.4.95.
4. On the basis of above circular there was 18% to 27% rise in the salary of employees of different public sector enterprises.
5. Among the different financial institutions the employees of Reserve Bank of India, Unit Trust of India and Industrial Development Bank of India abled to get 16.5% increase in their salary with an additional increment. The employees of the State Bank of India managed to increase their salary by 6% even after the settlement of their charter of demands.<sup>187</sup>

The above incidents were factually represented by the divisional unit of All India Insurance Employees Association. This thing showed the necessity of starting agitational programmes in the insurance industry. On 22nd December 1995, a memorandum containing the signatures of 70 M.P.s was handed over to the Prime Minister. Later on 110 M.Ps supported this movement of LIC employees.<sup>188</sup> Labour Minister of three provinces also handed over a memorandum to the finance Minister of Central Government alleging deprivation of LIC employees. The other organisations who supported this movement of

LIC employees were National Confederation of Bank Employees (NCBE), Bank Employees Federation (BEFI) of India and All India Bank Officers' Confederation (AIBOC) etc. All India Insurance Employees Association (AIIEA) decided to form Public opinion in favour of its demands. The secretariat of AIIEA met on 10th and 11th January 1996 in order to chalkout the future courses of action. It was decided from the above meeting that various agitational programmes e.g., strikes and non-cooperation movement would be organised throughout the entire months of January and February 1996.<sup>189</sup> On 18th January 1996 a press statement was released by the Central Government declaring that the salary of LIC employees had been increased by two times. On 20th January 1996 the All India Insurance Employees Association issued a leaflet against the attempt of the government to mislead the general people of our country. The leaflet contained various factual data in detail. During the period of non-co-operation movement a lot of altercations took place between the members of AIIEA with the agent and development officers in different offices under Jalpaiguri Divisional Office. These incidents took place due to the strict adherences to the work to rule policy by the members of AIIEA. The branch offices where the disturbances took place were Balurghat, Mathabhanga, Dinhata, Raiganj, Malda, Chanchal etc. A lot of deputations were given to the Divisional Manager of jalpaiguri divisional Office by the divisional unit of AIIEA (DIEA) but the divisional authority did not take any initiation to resolve the above problem. In that situation DIEA decided for form public opinion in its. favour.<sup>190</sup>

In the meantime some other unions of life insurance industry viz., the All India Life Insurance Employees Association (AILIEA) and LIC Employees Federation tried wholeheartedly for the implementation of the offer given by the bank management. That offer was rejected totally by the bank employees. That offer was rejected totally by the bank employees. That offer contained 10.5% increase in wages of bank employees. As this offer was rejected by the unions of banking industry so for the purposes of examining the validity of the demands of employee a committee consisting of three members was formed by the Central Government. In the meantime the largest union of class III and class IV in banking industry viz., the All India Bank Employees Association (AIBEA) wrote a letter to the government requesting to implement 10.5% increase in wages in case of LIC employees. It is quite ridiculous that this offer of 10.5% wage increase was rejected by AIBEA at first. Later on they were demanding the implementation of the same formula for LIC industry. Meanwhile some unions of life insurance

industry became very active for the implementation of the request of AIBEA for the employees of LIC industry. So, the management and the government became more and more powerful due to the role played by some organisations both within and outside the industry. Ultimately the management issued a notification in the official Gazette on 23.2.96 after making minor alterations in its previous offer. These minor alterations were :

(i) For assistants it was proposed earlier that one stagnation increment would be granted after every three years and in total four stagnation increments would be granted. Later on it was proposed to grant after every two years.

(ii) For supervisory staff it was proposed earlier that one stagnation increment would be granted after every three years and in total two stagnation increments would be granted. In the gazette notification it was notified that one stagnation increment would be granted after every three years and in total three stagnation increments would be granted to the supervisory staff.

(iii) The employees who had received an additional increment from 1.11.93 they would be entitled to get fixed personal allowance (FPA) after reaching the maximum limit.

(iv) Some increase in allowances for passing the technical examinations of insurance.<sup>191</sup> Due to the unilateral notification in the official Gazette the common employees were highly frustrated. Because no reflection of their aspirations was observed in the official gazette notification. Almost no improvement was observed from the earlier offer of management. The offer given by the Bank management was blindly implemented by the LIC management. Some unions of LIC industry also helped the management and government regarding this matter. All India Insurance Employees Association (AIIEA) decided to go for two hours walk-out programme on 29.2.96 in protest against the unilateral gazette notification. Around 97% of the total members of the divisional unit of AIIEA (DIEA) participated in the above walkout programme.<sup>192</sup>

In conclusion it can be said that the movements for realising the seventh charter of demand was not successful from the viewpoint of trade union movement. There were so many reasons which led to the failure of this movement. On account of unilateral gazette notification the necessity of having the right for collective bargaining and the need for sole recognition of AIIEA were highly felt by the common members of the above association.

### **New outlook of the unions regarding automation in LIC industry**

The historic movement against automation organised by the unions of LIC industry has been briefly analysed in the earlier stage. After that stage a lot of changes took place in the national and international economic and political scenario. So, it was felt that the question of introduction of automation could not stand to a particular stage. So, the necessity of debate and discussions were urgently felt on this particular issue.

There were uses of some machines in the LIC industry from the period of its inception. Adrema and Holarith machines were used for the purpose of printing premium notices, premium receipts, commission bills etc. From 1980, most of the above machines became useless and it was observed that the companies who were preparing the above machines were either liquidated or not engaged in the preparation of such old machines. So, in that situation, the use of microprocessor became inevitable. It was decided by the All India Insurance Employees Association (AIIEA) that no additional work would be allowed to be done by the microprocessor. As a result of which thousands of new employees were recruited in the industry. Innovation of technology brings development in society. For that reason, no union can blindly oppose the application of advanced technology in any industry.

The duty of a trade union is to protect the interest of employees and to assure the security of their jobs. For that reason, an agreement was signed between the management of LIC with the representatives of AIIEA regarding introduction of automation in the industry on 14th January 1994. This agreement was signed in such a situation when automation had been introduced in so many industries at a mass scale. So, naturally the demand of policyholders had also changed substantially. Due to the pressure of AIIEA the management of LIC had agreed to give promises in writing that there would be no retrenchment and forced transfer. So, the recruitment of new employees would continue and the management would discuss with the unions before introducing a new phase of mechanisation.

During this period of time huge mechanisation was taken place in the various departments of central government and in other semi-government institutions. At this time of introduction of automation government and the respective management of different institutions did not bother to hold any discussion with

the respective trade unions. At that time, it was very highly significant that a written promise could be taken from the management of LIC.

As per the terms and conditions of above agreement a discussion was held between the management of LIC and the representatives of AIIEA on 14-15 June 1995 at Mumbai regarding introduction of "information technology" in LIC industry. As per the agreement of 14-15 June 1995 the following promises in writing were taken from the management of LIC :

1. There will be no forced transfer.
2. Management will hold discussion with the unions before starting "information technology" for the purposes of serving the policyholders.
3. Adequate training will be provided to each and every employee.
4. Alternative assignments will be provided to those old employees who will express their unwillingness to work as per new work norms.
5. Arrangements should be made in such a way that no employee will face any trouble.
6. Staff formula will not be allowed to change. If it is required to change in future then it will be done on the basis of discussion.
7. There will be no change without holding any discussion with the unions.<sup>194</sup>

At first 17 branches were taken for the purposes of introduction of information/technology or front end system. But no initiative was witnessed from the side of management regarding the deployment of excess personnel arising due to the introduction of front end system. In addition to that management decided to introduce front end system in 50 and 110 branches in the second and third phase respectively. At this time also the management did not hold any discussion with the unions. Upto august 1996, no front end system was introduced in any branch under Jalpaiguri Division.<sup>195</sup>

In conclusion, it can be said that automation was ultimately accepted by the unions of life insurance industry. Tremendous agitational programmes were organised by All India Insurance Employees Association (AIIEA) during 1960s in protest against the plan of LIC management to introduce automation in the industry. But later on, specially after the mid of 1980s radical changes were

taken place regarding the use of computer in the various industries. Demand of the people were also changed significantly. At that time it was felt by the Union that it would not be possible to fight out the programme of automation alone during this period. The unions of LIC got the massive support of other unions when it launched the agitational programmes against automation during the period of 1960s. But it was not possible for it to get that support during the period of 1990s. So, it was rather inevitable on the part of the unions to accept the scheme of mechanisation in the life insurance industry.

### **Fight against the financial policy of central government and movement launched against the proposed plan to privatise the insurance industry**

The tenth Lok Sabha election was held in the month of May - June 1991. In that election no single party got absolute majority. A minority government headed by Mr. P.V. Narasima Rao was formed at the centre. This government announced its new economic and industrial policy. The new economic and industrial policy announced by the government was a total departure from the economic policy so far adopted for our country after independence. This economic policy called for globalisation of Indian economy.

In order to protest against the new economic policy adopted by the Central Government a national convention was held at the "Mabalankar Hall" of New Delhi on 23rd August 1990. That meeting was convened by the All India Insurance Employees Association (AIIEA). This convention was attended by the twelve trade unions of all India level, some renowned economists, people representatives, scientists and representatives of youth and women organisations. This convention warned the all classes of employees against the danger of entry of imperialist forces in the service sectors of our country. To protest against the attempt of imperialist forces to enter into the service sectors of our country a demonstration was organised by the All India Insurance Employees Association (AIIEA) on 8.6.89. All the units of the union actively participated in the above demonstration and each and every unit sent telegrams to the Prime Minister and to the ambassador of U.S.A. demanding immediate withdrawal of its decision to enter into the insurance sector of our country.<sup>196</sup> On 30.1.92 a news was published in the Economic Times where it was stated by the chairman of LIC that LIC was deeply thinking for opening an export oriented advisory council for better management of life insurance business. In reply to a question he said that LIC was ready to face competition both from inside and

outside of the country. Otherwise it was quite unnecessary to open an export oriented advisory council.<sup>197</sup>

From the above statement it was clear that the foreign insurance companies would be allowed to transact life insurance business in our country. It was also heard that some insurance companies based on U.S.A. had decided to transact business in India. Some big industrial houses who were previously the owner of some banks and insurance companies also became very active for transacting business in insurance sector of our country.

At the time of placing the central budget in 1993-94, the Finance Minister Dr. Monmohan Singh announced about the constitution of one committee under the Chairmanship of Mr. R.N. Malhotra, ex-governor of Reserve Bank of India for the purposes of bringing infrastructural changes in the insurance sector. This Committee was popularly know as the Malhotra Committee.

This Committee submitted its report on 7th January 1994. The recommendations of that Committee were as under :

- (i) LIC should be restructured and turned into a Public Limited Company instead of the Statutory Corporation that it is today. The government holding should be reduced to 50 per cent.
- (ii) The equity should be increased to Rs. 200 crores instead of the present Rs. 5 crores. It would mean that the government should increase its holding by Rs. 95 crores to bring it to 50 per cent and the remaining Rs. 100 crores constituting to other 50 percent should be collected through public subscription.
- (iii) Private sector insurance companies should be permitted to enter the market with a minimum paid-up capital of Rs. 100 crores, the promoter's share holding being a minimum of 26 per cent and a maximum of 40 per cent.
- (iv) Foreign companies may also be permitted to enter the field, but they should float Indian companies to operate Joint ventures with Indian partners would be preferred (Sri Malhotra after the publication of the Report, clarified that foreign companies might be permitted to operate direct in Indian market without the need for operating through their Indian counterparts or operating as joint ventures).
- (v) All insurance companies should be treated on equal footing, special dispensation to LIC, GIC and its four subsidiaries should cease.

- (vi) Pension schemes should be introduced and popularised, especially in the organised sector.
- (vii) Postal life insurance and co-operatives should be permitted to transact life insurance business in rural areas among the general public, apart from its present confined area of operation.
- (viii) Social insurances like Landless Agricultural Labourer Group Insurance (LALGI) and the other Integrated Rural Development Programme (IRDP) should be transferred to state governments including the co-operative sector.
- (ix) LIC should review its product -- pricing to improve returns to policyholder and rationalise premia.
- (x) The mandated investment should be reduced from the present 75 per cent in respect of life insurance and 70 per cent in respect of general insurance to 50 per cent and 35 per cent respectively.
- (xi) Insurance companies should have freedom to appoint and assign jobs to surveyors. The present system of licensing to surveyors by the Controller of Insurance should cease.
- xii) Licensing of insurance agents by the Controller of Insurance should be discontinued.
- xiii) The minimum limit of life insurance policy should be increased from Rs. 5000 to Rs. 15000 sum assured.
- (xiv) Controller of Insurance should be restored full powers and functions under the Insurance Act 1938. This is to ensure a strong regulatory machinery in the insurance industry.
- (xv) The retention of Government's holding only upto 50 per cent is deliberately intended to divest LIC and GIC of the character of State under Article 12 of the Constitution and to use Mr. Malhotra's own expression is intended to give the industry the "needed flexibility" the operation including in employment.<sup>198</sup>

It can be concluded that the structure and character of nationalised life and general insurance industries which operate as monopolies are being attempted to be violently changed. What has been recommended is privatisation, pure and simple. However, much the Ministers and other spokesman of the government may deny that LIC and GIC are not in effect being privatised, the truth stands loud and clear. The Committee's recommendations, if acted upon,

would not even leave the fig leaf of defence usually brought out by the government in other sectors like banking that its holding 51 per cent of equity would give it dominant control and that public interest would not be allowed to suffer. Its share of the equity is being deliberately kept as 50 per cent. The claim of the government that the reforms do not amount to privatisation is not correct.

In order to protest against the recommendations of Malhotra Committee a two hour walk out programme was successfully observed all over the country on 12.1.94 at the call of All India Insurance Employees Association (AIIEA).<sup>199</sup> At Jalpaiguri division this programme was observed very successfully. Around 90% of the total members of this divisional unit of AIIEA participated in the above programme.<sup>200</sup>

In the meantime the Finance Minister Dr. Monmohan Singh announced at Patiala that the recommendations of Malhotra Committee would be implemented within two months. In protest against the declaration of the finance Minister all the trade unions of life insurance industry called for one day strike on 8th April 1994.<sup>201</sup> No office working under Jalpaiguri divisional office was opened on that particular day.

All the unions of the life insurance industry decided to form a joint forum to conduct the movement against privatisation.

From the 15th General Conference of All India Insurance Employees Association (AIIEA) a call was given to launch long drawn movement against privatisation of insurance industry. Responding this call all the units of All India Insurance Employees' Association (AIIEA) started mass campaigning against the attempt of the government to privatise the insurance industry. The programmes included holding of seminars against privatisation, organising conventions, street corner meetings, collecting of mass signatures against privatisation etc.<sup>(202)</sup> All these programmes were implemented very successfully. Chief Ministers of some states, Members of Legislative Assembly, Members of Parliament also put their signatures against the attempt to privatise the insurance industry. Signatures of 65 lakhs of people were collected and sent to the Prime Minister.

Simultaneously, 90,000 policyholders sent their protest letter to the Speaker of Lok-sabha, Chairman of Rajya Sabha and to the finance Minister of India. Employees working under Jalpaiguri division able to collect mass signature of 91541 people. From Jalpaiguri division 1621 number of policyholders sent their protest letters to the Speaker of Lok-sabha, Chairman of Rajya Sabha

and the Finance Minister of India. 175 renowned personalities and renowned organisations sent their protest letters against the attempt to privatise the insurance sector from this Jalpaiguri division.

Meanwhile the Finance Minister Dr. Manmohan Singh in his 1995 Budget Speech announced that "As a first step, I propose to establish an independent Regulatory Authority for the insurance industry. Necessary legislation will be announced shortly."<sup>203</sup> Since it was felt that enacting legislation for creating the Insurance Regulatory Authority (IRA) would take time, it was proposed that pending the enactment of a comprehensive legislation, the Insurance Regulatory Authority (IRA) could initially be constituted through a Government Resolution as was done in case of Securities Exchange Board of India (SEBI). Accordingly, after a decision of the Cabinet on 16th August 1995, an Interim Insurance Regulatory Authority was set up by a Government Resolution dated 23rd January 1996.<sup>204</sup>

Meanwhile General Election of Parliament was taken place in May 1996. The ruling Congress party was defeated in that election. A Government led by Mr. Atal Behari Bajpayee came into power. But that Government lasted for 13 days only. After that a United Front comprising of the alliances of 13 parties came to power. That Government was headed by Mr. H.D. Devegowda. Privatisation of insurance industries were kept in the common minimum programme of that government. This government announced that there would be no disinvestment in the insurance industries. This Government also announced that insurance industries would remain as public sector enterprises but it would have to compete with private domestic and foreign insurance companies. So, the monopoly characteristics of LIC and GIC would not continue.

In the Budget Speech of July 1996, it was announced by the Finance Minister that the existing non-statutory Insurance Regulatory Authority would be made statutory and suitably empowered. Accordingly it was proposed to give a statutory character to the interim Insurance Regulatory Authority by enacting legislation in this regard.

The duties, powers and function of Insurance Regulatory Authority (IRA) inter-alia are :

- (a) to regulate, promote and ensure orderly growth of the insurance business,
- (b) to exercise all powers and perform all functions of the Controller of

Insurance under the Insurance Act, 1938, Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972 or any other law relating to insurance for the time being in force.

- (c) to protect the interest of the policyholders in matters concerning assigning of policy, nomination by policyholder, insurable interest, settlement of insurance claims, surrender value of policy and other terms and conditions of contract of insurance,
- (d) to promote efficiency in the conduct of insurance business,
- (e) to promote and regulate professional organisations connected with the insurance business,
- f) to levy fees and other charges for carrying out the purposes of the proposed Act.
- (g) to call for information from, undertake inspection and conduct enquiries and investigations including audit of insurers, insurance intermediaries and other organisations connected with the insurance business,
- (h) to control and regulation of the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under Section 64U of the Insurance Act, 1938,
- (i) to prescribe the form and manner in which books of account will be maintained and statement of accounts will be rendered by insurers and other insurance intermediaries,
- (j) to regulate investment of funds by insurance companies,
- (k) to regulate maintenance of margin of solvency,
- (l) to adjudicate disputes between insurers and intermediaries,
- (m) to exercise such other powers as may be prescribed by the Central Government.<sup>205</sup>

The powers and functions mentioned above would enable the Insurance Regulatory Authority (IRA) to perform the role of an effective watchdog and regulation for the insurance sector in India. To enable the authority to function in a truly independent manner and to discharge its assigned responsibilities

effectively, it was proposed to vest the Insurance Regulatory Authority (IRA) with statutory status. For this purpose this IRA Bill was placed in the both the Houses of Parliament for their approval. At first it was placed on 17th December, 1996 in the Lok Sabha. This bill attracted severe opposition from members of leftist parties. Due to their heavy opposition it was ultimately decided by the Central Government to withdraw the above bill.<sup>(206)</sup> After that another two attempts were made by the Central Government to get the bill passed. But again it faced tremendous opposition from the members of leftist parties.

All the unions of the insurance industry decided to fight unitedly against this attempt of Central Government. They observed a few days strike in the insurance industry. As a result of their strike the total insurance industry was closed for those days.

Meanwhile, due to some reasons Congress party decided to withdraw support from the United Front Government and naturally the mid-term poll became inevitable. After this mid-term poll held in March 1998 a new government headed by Mr. Atal Behari Bajpayee was formed at the centre. After coming into power this government was trying wholeheartedly to get the above bill passed by the parliament. Again it received tremendous opposition from the leftist parties. The unions also decided to launch agitational programmes within the industry. They organised a few days strike in protest against the decision of the government to place the IRA bill on the floor of Parliament. The unions also engaged to mobilise the opinion of common people in their favour. They made contact with the policy holders to inform them how they would be affected if the Insurance Regulatory Authority Bill get the approval of the Parliament.<sup>207</sup>

The Central Government led by Mr. Atal Behari Bajpayee attempted several times during its thirteen (13) months tenure to get the bill approved by the Parliament but it was not successful due to the heavy opposition from the leftist members of Parliament. Ultimately it was decided by the Parliament to send the above bill to the Select Committee of Parliament for its opinion. The Select Committee was headed by Mr. Murlī Deora, a Congress M.P. elected from Bombay. This Committee met a lot of people belonging to different sections of society to gather opinions. This committee was supposed to submit its report within two months from the date of its constitution. Meanwhile, due to the withdrawal of support by one party from

the government headed by Mr. Bajpayee, this Government failed to prove its majority in the Lok Sabha. After that no party able to form a government at the centre. As a result of which the mid-term Lok Sabha Election became inevitable. Due to the above reason, the Insurance Regulatory Authority Bill (IRA) failed to get the statutory recognition of Parliament till date.<sup>208</sup>

All the unions of the insurance industry opined that there was no necessity of opening the insurance sector to domestic and foreign companies. They argued that tremendous progress which had been achieved by LIC after its nationalisation brought the economic prosperity of our country. They also argued that the investment of LIC in different "Socially purposive Investment" helped to develop the infrastructural facilities of our country to a considerable extent. This "Socially Purposive Investment" cannot be expected from private insurance companies. The unions of life insurance industry were of the opinion that approval of IRA Bill by the Parliament would affect the very economic sovereignty of our country.<sup>(209)</sup> The unions of LIC class I officers and Class II officers also hold the same opinion as opined by all the class III and IV unions of LIC industry. This is the sole movement in the history of LIC industry where we have observed that all the unions irrespective of their class have united themselves to fight against the declared policy of the Central Government.

The foregoing discussion conclusively prove that trade union activities in general and those in the LIC were very much influenced by the on-going political process in India. As the discussion shows that there had been phenomenal changes in trade union activities in this very important and vital sector since 1950s. It is interesting to note that the intensity of agitational movement and their consequent achievements or failures were very much conditioned by the changing pattern of political process in the country. The tentative periodisation as shown gives a clear picture that during the initial phase, i.e. a period between 1950 and 1966 when the Indian National Congress was the only dominating political party (as has been very correctly described by Rajni Kothari to the "One-dominant party system"), activities in the trade union front of the LIC had followed a set pattern so far as their views on charter of demands, bargaining tactics and methods of negotiation were concerned. But it will be noticed that the elements of instability and the era of coalition politics at the national level began to be visible, the trade union politics within the LIC took a new turn.

It is evident from the above discussion that trade unionism in the LIC took a near confrontational position since 1977 .. the year when first non-congress

government was installed at the centre, although its spell was very short. This change over from the 'One-dominant party system' to a more loosely bonded party configuration had a profound impact on the attitudinal aspects of the trade union in the LIC. Anybody interested in the activities of the trade union in the LIC would notice that they began to assert their own position by broadening their support base drawing sustenance from the different political parties which constituted the Janata government in 1977. But the trade unions once again had to change their strategies with the coming into power of the Congress Party in 1980s. Finally, the emergence of the era of coalition politics at the national level has definitely changed the content, course and capabilities of the politics of trade unionism in the LIC in a significant way.

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51. Vide the **Circular** Special, Camp : New Delhi Of the All India Insurance Employees Association, dated 13.1.74.
52. Vide the **Circular** Special, Camp : New Delhi Of the All India Insurance Employees Association, dated 18.1.74 and 19.1.74.
53. Vide the **Circular** Special, Camp : New Delhi Of the All India Insurance Employees Association, dated 21.1.74. and 22.1.74.
54. Vide the **Circular** No. ZD : 326/ASP/74 dated 26.2.74, ZD/322/ASP/74 dated 12.2.74, Personnel/A No. 3493/ ASP/74 dted 31.1.74. of the Central Office of the LIC and the **Circular** /Special, Camp : New-Delhi Of All India Insurance Employees Association, dated 26.1.74.
55. **Ibid.**

56. Vide the **Circular** No. 35/74 Of the All India Insurance Employees Association, dated 9.7.74.
57. Vide the **Circular** No. 37/74 of the AI India Insurance Employees Association, dated 29.7.74.
58. Vide the **Circular** No. 39/74 of the All India Insurance Employees Association, dated 12.8.74.
59. "The First National Convention Against Wage - Freeze" in **Insurance Worker** (Calcutta), Vol. XVII, No.9, Sempتمبر 1974, pp. 189 - 196.
60. "Statement of All India TU Convention" in **Insurance Worker** (Calcutta), Vol. XX, No. 9, September 1977, pp. 217 - 220.
61. Bonus Ordinance -- What it Means to You" in **Insurance Worker** (Calcutta), Vol. XVIII, No.10, October 1975, pp. 217 - 220.
62. Vide the **Circular** Personnel / No. 3529 / ASP / 75 Of the Central Office of LIC, dated 26.9.75.
63. "The Bill" in **Insurance Worker** (Calcutta), Vol. XIX, No. 4, April 1976, pp. 64 - 65.
64. "Implementation Of the Programme of Movement" in **Insurance Worker** (Calcutta), Vol. XIX, No.5, May 1976, pp. 85 - 88.
65. "On the Question Of Bonus to LIC Employees" in **Insurance Worker** (Calcutta), Vol. XIX, No.6, June 1976, pp. 105 - 110.
66. "On LIC. (Modification of Settlements) Bill in Lok Sabha" in **Insurance Worker** (Calcutta, Vol. XIX, No.6, June 1976, pp. 113 - 122.
67. Chatterjee, Somnath : "Amendments to the Constitution - Should Power Of Judicial Review be Curtailed?" in **Insurance Worker** (Calcutta), Vol. XIX, No. 7, July 1976, pp. 143 - 151.
68. "In the Supreme Court" in **Insurance Worker** (Calcutta), Vol. XIX, No. 9, September 1976, p. 193.
69. "Supreme Court Case on Bonus" in **Insurance Worker** (Calcutta), Vol. XIX, No. 11, Novembr 1976, pp. 237 - 238.
70. "Supreme Court Case on Bonus" in **Insurance Worker** (Calcutta), Vol. XX, No.

4, April 1977, p. 75. Also "Supreme Court on Bonus" in *Insurance Worker* (Calcutta), Vol. XX, No. 5, May 1977, p. 101.

71. Moitra, Sunil : "The Shaw of November 4" in *Insurance Worker* (Calcutta), Vol. XX, NO. 11, November 1977, pp. 245 - 248.
72. Vide the **Circular** No. 1/78 of the All India Insurance Employees Association, dated 20.1.78.
73. Vide the **Circular** /Special, Camp : New Delbi dated 22.2.78 and the **Circular** No. 8/78 dated 23.2.78 of the All India Insurance Employees Association.
74. Vide the **Circular** /Special, Camp : New-Delhi of All India Insurance Employees Association, dated 2.3.78.
75. Vide the **Circular** No. 10/78 of the All India Insurance Employees Association, dated 9.3.78.
76. Vide the **Circular** No. 3579/ASP/78 of the Central Office of LIC, dated 10.4.78.
77. Vide the **Circular** No. 18/78 of the All India Insurance Employees Association, dated 8.5.78.
78. Dhar, Sudhir Chandra, **Op.Cit.**, pp. 124 - 125.
79. Vide the **Circular** No. 26/78 of the All India Insurance Employees Association, dated 29.6.78 and also the **Notification** of the Ministry of Finance, Government of India, No. F. 65(24) Ins. 111/1/76 dated 26.5.78.
80. Vide the **Circular** /Special of the All India Insurance Employees Association, dated 10.9.79.
81. Vide the **Circular** of the All India Insurance Employees Association, dated 1.11.79 and 3.11.79.
82. "The Supreme Court Judgement and the Federation" in *Insurance Worker* (Calcutta), Vol. XXIII, No. 11, November 1980, pp. 269 - 272. Also the **Circular** of the All India Insurance Employees Association, dated 10.11.80.
83. Vide the **Circular** No. 36/80 of the All India Insurance Employees Association, dated 11.12.80.
84. Vide the **Circular** No. 39/80 of the All India Insurance Employees Association, dated 11.12.80.

85. Dhar, Sudhir Chandra, *Op. Cit.*, p. 131.
86. Vide the *Circular* No. 1/81 and 2/81 of the All India Insurance Employees Association, dated 8.1.81 and 10.1.81.
87. Vide the *Circular* of the All India Insurance Employees Association, dated 17.1.81 and 30.1.81.
88. Vide the *Notification* Of the Gazette of India, Extraordinary, Part II - Section - 1, Published by Authority, No. 3, New-Delhi, Saturday, January 31, 1981, Magha 11, 1902.
89. Vide the *Notification* Of the Gazette of India, Extraordinary, Part -II - Section 3 - Sub-section (i), Published by Authority, No. 34, New-Delhi, Monday, February 2, 1981, Magha, 13, 1902.
90. Vide the *Circular* No. 9/81 Of the All India Insurance Employees Association, dated 7.2.81.
91. Vide the *Joint Circular* issued by the General Secretaries of Five Trade Unions of LIC Industry Viz., NOIW (BMS), AIIEA, ALICEF, AILIEA and AINLIEF, dated 14.2.81.
92. Vide the *circular* No. 12/81 of the All India Insurance Employees Association, dated 3.3.81.
93. Vide the *Circular* / Special, Camp, New-Delhi Of the All India Insurance Employees Association, dated 24.2.81.
94. Dhar, Sudhir Chandra, *Op. Cit.*, pp. 135 - 136.
95. Vide the *Joint Circular* issued by the General Secretaries of Five Trade Unions of LIC Industry Viz., AIIEA, ALICEF, AINLIEF, NOIW(BMS) and AILIEA, dated 12.3.81.
96. Vide the *Circular* No. 3633/ASP/81 of the Central Office of LIC, dated 22.4.81.
97. Dhar, Sudhir Chandra, *Op. Cit.*, p. 151.
98. "The Judgement of the Supreme Court" in *Insurance Worker* (Calcutta), Vol. XXIV, No. 12, December 1981, p. 250.
99. "Charter of Demands" in *Insurance worker* (Calcutta), Vol. XX, No. 9, September 1977, p. 206.

100. Vide the **Circular**/Special, Camp : Bombay of the All India Insurance Employees Association, dated 21.8.78. Also the **Joint Circular** issued by the General Secretaries of Five Trade Unions of LIC Industry viz., AIIEA,AILICEF, AILIEA, NOIW (BMS) and AINLIEF(INTUC) dated 23.8.78.
101. Vide the **Circular** No. 3/79 and 4/79 of the All India Insurance Employees Association, dated 18.1.79 and 22.1.79 respectively.
102. Vide the **Circular** No. 19/79 of the All India Insurance Employees Association, dated 23.6.79.
103. "Declaration of the All India Convention of Public Sector Trade Unions" in **Insurance Worker** (Calcutta), Vol. XXII, No. 7, July 1979, pp. 195 - 198.
104. Vide the **Circular**/Special, Camp : Bombay of the All India Insurance Employees Association, dated 6.9.79 and 7.9.79.
105. Vide the **Joint Circular** issued by the General Secretaries of Five Trade Unions of LIC Industry viz., AILICEF, AIIEA, NOIW (BMS), AILIEA and AINLIEF(INTUC).
106. **Ibid.**
107. Vide the **Circular** No. 57/81 of the All India Insurance Employees Association, dated 29.12.81.
108. Vide the **Circular** of the All India Insurance Employees Association, dated 23.3.84.
109. Vide the **Circular**/ Special, Camp : Madras of the All India Insurance Employees Association, dated 26.4.84.
110. Vide the **Circular**/Special, Camp : Bombay of the All India Insurance Employees Association, dated 31.8.84.
111. Vide the **Circular** No. Personnel / A, Bombay of the Central Office of LIC, dated 11.10.84. Also the **Circular**/ Special Camp : Bombay of the All India Insurance Employees Association, dated 11.10.84.
112. Vide the **Circular** Special, Camp : Bombay of the All India Insurance Employees Association, dated 11.12.85.
113. Vide the **Circular** No. 13/81 of the All India Insurance Employees Association, dated 3.3.81.

114. Vide the **Circular** Special Camp : Bangalore of the All India Insurance Employees Association, dated, 17.11.81.
115. Vide the **Press Release** of the General Secretary, All India Insurance Employees Association, Camp : Insurance Employees Union, Hubli, dated 19.11.81. Also the **Circular** No. 30/83 of the All India Insurance Employees Association, dated 18.11.83.
116. Vide the **Joint Press Release** of the General Secretaries of Four Trade Unions of LIC Industry viz., AILICEF, AIIIEA, NOIW (BMS) and AILIEA dated 17.4.82. Also the **Circular** /Special Camp : New-Delhi of the All India Insurance Employees Association, dated 18.4.82.
117. Vide the **Circular** No. 37/83 of the All India Insurance Employees Association, dated 22.12.84.
118. Vide the **Letter** Signed by 48 Members of Parliament Addressed to the Finance Minister Regarding LIC Bill 1983 (Bill NO. 109 of 1982), dated 7.12.83.
119. Vide the **Circular** No. 11/84 of the All India Insurance Employees Association, dated 20.3.84.
120. " LIC Split Bill" in **Insurance Worker** (Calcutta), Vol. XXVII, No. 8, August 1984, pp. 161 - 166.
121. Vide **Circular** No. 25/84 of the All India Insurance Employees Association, dated 28.8.84.
122. " LIC Split Bill Abandoned" in **Insurance Worker** (Calcutta), Vol. XXVIII, No. 4, April 1985, pp. 103 - 104.
123. "Lucknow Meet of AIIIEA Working Committee" in **Insurance Worker** (Calcutta), Vol. XXIX, No.10, October 1986, pp. 273 - 277.
124. Vide the **Circular** No. MS/13/87 of the All India Insurance Employees Association, dated 6.7.87.
125. Vide the **Circular** No. 21/87 of the All India Insurance Employees Association, dated 21.9.87.
126. "Charter of Demands Submitted" in **Insurance Worker** (Calcutta), Vol. XXX, No. 10, October 1987, p. 254.
127. Vide the **Circular** No. 35/87 of the Divisional Insurance Employees Association, dated 24.8.87.

128. Vide the **Circular**/Special, Camp : Bombay of the All India Insurance Employees Association, dated 9.1.88. and 10.01.88.
129. Vide the **Circular** No. 50/88 of the All India Insurance Employees Association, dated 24.6.88.
130. Vide the **Circular** No. 51/88 of the All India Insurance Employees Association, dated 4.7.88.
131. Vide the **Circular** No. 62/88 of the All India Insurance Employees Association, dated 27.7.88.
132. Vide the **Circular** No. 87/88 of the All India India Insurance Employees Association, dated 20.9.88.
133. Vide the **Circular** No. 86/88 of the All India Insurance Employees Association, dated 19.9.88.
134. Vide the **Circular** /Special, Camp : New-Delhi of the All India Insurance Employees Association, dated 4.11.88.
135. Vide the **Circular** No. 103/88 of the All India Insurance Employees Association, dated 21.11.88.
136. " Wage Negotiations Commence in LIC" in **Insurance Worker** (Calcutta), Vol. XXXI, No. 12, December 1988, p. 347.
137. Vide the **Circular** No. 52/88 of the Divisional Insurance Employees Association, dated 20.12.88.
138. Vide the **Joint Appeal** of the General Secretaries of Three Trade Unions of LIC Industry, viz, AIIEA, NOIW (BMS) and AILIEA, Bombay, dated 10.3.89.
139. Vide the **Circular** No. 14/89 of the All India Insurance Employees Association, dated 31.3.89.
140. Dhar, Sudhir Chandra, **Op. Cit.**, p. 204.
141. Vide the **Circular** / Special, Camp; Bombay of the All India Insurance Employees Association, dated 28.3.89.
142. Vide the **Notification** No. GSR 515(E) of the Insurance Division, Department of Economic Affairs, Ministry of Finance, Government of India, dated 12.5.89.
143. Dhar. Sudhir Chandra, **Op. Cit.**, pp. 226 - 227.

144. *Ibid.*
145. "United Movement Planned on Pension" In *Insurance Worker* (Calcutta), Vol. XXXIII, No. 7, July 1990, pp. 180 - 181.
146. Vide the *Circular* No. 82/90 of the All India Insurance Employees Association, dated 4.12.90.
147. Vide the *Circular* of the Co-ordinating Body of Federations/Associations in Banks/Insurance etc. on Pension, dated 25.9.90. Also the *Circular* No. 68/90 of the All India Insurance Employees Association, dated 2.10.90.
148. Vide the *Circular* of Reserve Bank Employees Association (AIRBEA, Calcutta), dated 13.2.91.
149. Vide the *Circular* No. 15/91 of the All India Insurance Employees Association, dated 26.2.91.
150. Vide the *Circular* No. 16/91 of the All India Insurance Employees Association, dated 27.2.91.
151. Vide the *Circular* No. 21/92 of the All India Insurance Employees Association, dated 5.4.92. Also the *Letter* of The Co-ordinating Body, No. P/41/92. Addressed to the Chairman, IBA, Bombay, dated 1.4.92.
152. Vide the *Circular* No. 29/92 of the All India Insurance Employees Association, dated 1.5.92.
153. Dhar, Sudhir Chandra, *Op. Cit.*, P. 230.
154. *Ibid.*
155. *Ibid.*, pp. 230 - 231.
156. Vide the *Circular* No. 11/93 of the All India Insurance Employees Association, dated 22.2.93. Also the *Circular* of the Co-ordinating Body on Pension, dated 17.2.93.
157. Dhar, Sudhir Chandra, *Op. Cit.*, P. 231.
158. Vide the *Circular* No. 30/93 of the All India Insurance Employees Association, dated 30.4.93.
159. Vide the *Minutes* of Bipartite Discussions between IBA and AIBEA dated 20.5.93. Also the *Circular* No. 40/93 of the All India Insurance Employees Association, dated 28.5.93.

160. Vide the **Circular** Issued by the Chairman, Joint Action Committee, Co-ordinating Body on Pension, dated 10.8.93. Also the **Circular** No. 58/93 of the All India Insurance Employees Association, dated 12.8.93.
161. Vide the **Circular** No. 67/93 of the All India Insurance Employees Association, dated 15.9.93.
162. Vide the **Circular** No. 65/93 of the All India Insurance Employees Association, dated 8.9.93.
163. Vide the **Circular** No. 73/93 of the All India Insurance Employees Association, dated 1.10.93.
164. Vide the **Circular** No. 12. of the Chairman, Joint Action Committee of Trade Unions in Banks, Insurance and Financial Institutions, dated 12.10.93. Also the **Circular** / Special /93, Camp; Bangalore of the All India Insurance Employees Association, dated 14.10.93.
165. Dhar, Sudhir Chandra, **Op. Cit.**, pp. 235 - 236.
166. **Ibid.**
167. Vide the **Circulars** No. 78/93, 77/93 and **Circular** /Special, Camp; Bombay of the All India Insurance Employees Association, dated 4.11.93, 25.10.93 and 29.10.93 respectively.
168. Vide the **Circular** /Special, Camp; Bombay of the All India Insurance Employees Association, dated 30.10.93.
169. Vide the **Circular** /Special, Camp; Bombay of the All India Insurance Employees Association, dated 3.12.93. Also the **Text** of LIC Chairman's Address to the Joint Meeting of the Union Representatives, dated 1.12.93.
170. Vide the **Circular** No. 33 / 92. of the All India Insurance Employees Association, dated 5.6.92.
171. Vide the **Circular** No. 64/91 of the All India Insurance Employees Association, dated 4.11.91.
172. Vide the **Circulars** No. 78/91 and 82/91 of the All India Insurance Employees Association, dated 7.12.91 and 27.12.91 respectively.
173. Dhar, Sudhir, Chandra, **Op. Cit.**, P. 243.
174. **Ibid.**, pp. 243 - 244.

175. Vide the **Circular** No. 26/94 Camp : Ahmedabad of the All India Insurance Employees Association, dated 21.3.94.
176. "Joint Delegation From Insurance Meets FM" in **Insurance Worker** (Calcutta), Vol. XXXVIII, No.5, May 1995, pp. 106 - 107.
177. Vide the **Joint Circular** issued by Five Trade Unions of LIC Industry, dated 5.5.95.
178. "Negotiations On Charter of Demands" in **Insurance Worker**(Calcutta), Vol. XXXVIII, No.8, August 1995, pp. 174 - 176.
179. Dhar, Sudhir Chandra, **Op. Cit.**, pp.244 - 246.
180. **Ibid.**, pp. 245 - 246.
181. "Negotiations On Wage Revision" in **Insurance Worker** (Calcutta), Vol. XXXVIII, No. 10, October 1995, pp. 219 - 220.
182. "AllIEA Secretariat Decides series of Strike Actions" in **Insurance Worker** (Calcutta), Vol. XXXVIII, NO. 10, October 1995, p. 222.
183. Dhar, Sudhir Chandra, **Op. Cit.**, pp. 246 - 247.
184. Sundaram, N.M. : "Discussion On Wage Revision" in **Insurance Worker** (Calcutta), Vol. XXXVIII, No. 11, November 1995, pp. 238 - 245.
185. "Two-Day Strike in Insurance" in **Insurance Worker** (Calcutta), Vol. XXXVIII, No. 12, December 1995, p. 265.
186. Dhar, Sudhir Chandra, **Op. Cit.**, p. 247.
187. "Finance Minister Urged to Intervene" in **Insurance Worker** (Calcutta), Vol. XXXVIII, NO.12. December 1995, pp. 270 - 271.
188. " M.P.S. Delegation to Prime Minister On Wage Dispute in Insurance Sector' in **Insurance Worker**(Calcutta), Vol. XXXIX, No. 1, January 1996, pp. 3 - 5.
189. Vide the **Circular** No. 5/96 of the All India Insurance Employees Association, dated 13.1.96.
190. Dhar, Sushir Chandra, **Op. Cit.**, pp. 249 - 250.
191. Vide the **Notification** NO. GSR 702(E), Insurance Division, Department of Economic Affairs, Ministry Of Finance, Government of India, dated 23.2.96.

192. Dhar, Sudhir Chandra, *Op. Cit.*, P. 251.
193. Vide the **Letter** No. Personnel/ER Of the Central Office of the LIC, dated 14.1.94.
194. " Discussion With LIC Management On Information Technology" in **Insurance Worker** (Calcutta), Vol. XXXVIII, No. 7, July 1995, pp. 154 -156.
195. Dhar, Sudhir Chandra, *Op. Cit.*, pp. 241 - 242.
196. Vide the the **Press Release** Of the General Secretary, All India Insurance Employees Association, dated 9.6.89.
197. **The Economic Times**, 30.1.92.
198. *Ibid.*, 8.1.94. Also the **Circular / Special, Camp**; Belgaun of the All India Insurance Employees Association, dated 8.1. 94.
199. Vide the **Circular** No. 4 / 94 of the All India Insurance Employees Association, dated 22.1.94.
200. Dhar, Sudhir Chandra, *Op. Cit.*, pp. 257 - 258.
201. Vide the **Circulars** No. 17 / 94 and 26 / 94 of the All India Insurance Employees Association, dated 10.3.94 and 21.3.94 respectively.
202. Ayi, R.H. : "XV General Conference of the AIIEA" in **Insurance Worker** (Calcutta), Vol. XXXVII, NO. 4, April 1994, pp. 105 - 114.
203. " The Budget" in **Insurance Worker** (Calcutta), Vol. XXXVIII, No. 3, March 1995, pp. 49 - 50.
204. "The Insurance Regulatory Authority Bill 1996" in **Insurance Worker** (Calcutta), Vol. XXXX, No. 2, February 1997, pp. 47 - 53.
205. *Ibid.*
206. Vide the **Circular** No. 63 / 96 of the All India Insurance Employees Association, dated 21.12.96.
207. Vide the **Circular** No. 51 / 98 of the All India Insurance Employees Association, dated 20.11.98. Also the **Joint Press Statement** of the Representatives of Five Trade Unions of LIC Industry, dated 10.12.98, the **Circular** No. 54 / 98 of the All India Insurance Employees Association dated 5.12.98, the **Joint Letter** by the Representatives of Nine Trade Unions of LIC.

and GIC Industry Addressed to the Prime Minister dated 4.12.98 and Choudhuri, Saroj : "With the Policy Holder in the Lurch ..... No Place in the Sun for Nissan Mutual Life Insurance" in *Insurance Worker*(Calcutta), Vol. XXXX, No. 7, July 1997, pp. 159 - 160.

208. Vide the *Circular* No. 1/99 and 2 / 99 of the All India Insurance Employees Association, dated 4.1.99 and 7.1.99 respectively. Also the *Letter* by two M.P.S. of C.P.I.(M) viz., Mr. Rupchand Pal and Mr. Basudeb Acharia to the Speaker of the Lok-Sabha, dated 6.1.99.
209. All India Insurance Employees Association : *In Defence Of Nationalised LIC & GIC*, Vols. 1 & 2, Madras : AIIEA, 1994.