

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063

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To all the Zonal/Divisional/State/Regional Units:

Dear Comrades,

**Secretariat of AIIEA decides on
Two Hour strike if LIC Act (Amendment) Bill is re-introduced
One Day strike if Parliament adopts Insurance Laws (Amendment) Bill
AND
To launch appropriate action programmes to secure a good wage revision**

The Secretariat of AIIEA met at Bangalore on the 4th and 5th June as scheduled. This meeting of the Secretariat was convened in the background of the results of the 2009 Parliamentary elections which were in favour of the Congress. The BJP, which hoped to secure power on the basis of its divisive politics and anti-minority plank, suffered a humiliating defeat. The Left parties that were trying to create an alternative third space in Indian politics and trying to project alternative policies too suffered serious reverses. The Congress in most of the states campaigned on the basis of its contribution to the people in the form of NREGA, Tribal Rights Act, Loan waiver to the farmers, reduction in petroleum prices and such other measures. It is an irony that the Congress party was initially against any form of subsidies in the name of controlling the budget deficit. But the Left parties which supported the Congress-led UPA for the first four and half years forced the UPA government to come out with these pro-people measures as per the commitments made in the National Common Minimum Programme. The Left also prevented a serious financial crisis with its stout opposition to Financial Sector Reforms. Unfortunately, this good work could not be converted into electoral support by the Left. But it became clear that the UPA was voted to power on the basis of these pro-people measures and therefore this mandate should not be misconstrued as approval of the neo-liberal policies of the government.

This mandate in favour of the Congress has made the Chambers of Commerce, the Indian big business and imperialism jubilant. They have been demanding that the Manmohan Singh Government must take immediate steps to complete the reforms in Insurance, Banking and Pension sectors. They were also demanding immediate reforms in the Labour Laws. This is a very serious challenge. These forces have already written off the Left. They have been arguing that the Left having been reduced to a minor player, it should be easy to carry out the reforms. These forces have forgotten the global financial meltdown and its consequences on the Indian economy. One newspaper exclaimed "Thank god. There is no CMP now" meaning that there would not be any pressure for a common minimum programme in favour of the people like the one the Left insisted in the year 2004. But it must be understood that the concerns expressed and struggles led by the Left are much more valid today in the context of the existing socio-economic realities in the country. Therefore, we are sure that the Left would bounce back soon. It is required to give leadership to the Indian people to protect the national interests as it is Left alone that can bring the real problems and issues of the people to the centre-stage of the Indian politics.

The BJP lost the previous general elections in 2004 too. But, in terms of numbers, it was a more decisive "no" that the people said to the party this time. It should be noted that both the Congress and BJP parties which are committed to reforms, together have polled less than 48 per cent of the votes which is even less than what they polled in the 2004 elections. People have not given any mandate for reforms and policies of globalisation. But unfortunately, the government is announcing its commitment to go ahead with reforms in insurance, banking and pension sectors. They have now added another sector where the reforms would be faster. That is education. Disinvestment of public sector, which had to be kept on back-burner because of the resistance of the Left, has come back again into focus.

The working class naturally is disappointed with the reverses suffered by the Left. But it has to be understood that the Left's influence in Indian society is much larger than its parliamentary

presence. It was the fear of this increasing influence that brought elements from the extreme right to the extreme left together to oppose the Left. It is not a hidden fact that US imperialism also played a direct role in the whole process. While we are sure that the Left parties would analyse the election results and take corrective measures, the responsibilities of the working class to safeguard the economic and political sovereignty of the country has tremendously increased. In the meantime the Secretariat was very clear that the neo-liberal policies would lead to large scale protests by the workers in factories and offices and the common people in the streets. Therefore, opportunities clearly exist for the struggles of the people and their successes. With this confidence the Secretariat decided on strike actions and called upon the insurance employees across the country to integrate our struggles with the developing struggles of the people.

The Secretariat of the AIIEA decided in this background to intensify the struggles to protect the public sector insurance industry. Going by the stand of the government, they are likely to reintroduce the LIC (Amendment) Bill which lapsed along with the 14th Lok Sabha, and also hasten the passing of the Insurance Laws (Amendment) Bill which is pending in the Rajya Sabha. Secretariat of AIIEA decided on campaign and also strike actions on these two eventualities. **If the LIC (amendment) Bill is reintroduced, the employees shall protest through a two hour walk out and in the event of government enacting the Insurance Laws (amendment) Bill, the employees shall protest through a massive one day strike.**

Wage Revision

The process of discussions on wage revision in LIC and public sector general insurance companies is moving at a slow pace. It is very disappointing that LIC, the biggest financial institution in the country, with more than Rs.9 lakh crores of assets, has failed so far to assert its right to settle wage revision to the employees on the basis of its paying capacity and financial strength. GIPSA has been happily following this example. This is happening inspite of the fact that **public sector general insurance companies collected a premium of Rs.18029.44 crores with a growth rate of 7.11%**. The LIC has registered healthy growth in the renewal premium and total income too. LIC's total income (provisional) reached Rs.2,18,583 crores with a growth rate of 6.14%. **The total premium income of LIC (provisional figures) stood at Rs.1, 55,734 crores with a growth of over 4% over last year.** This has happened in a year when the financial crisis greatly impacted the Indian economy. This again has to be favourably compared with the negative performance of insurance industry in US and Europe.

It is in this background that the Secretariat noted that LIC has invited the unions for an information sharing session on the 16th and 17th June 2009. AIIEA Secretariat decided to wait till these discussions take place and authorized the Headquarters of AIIEA to finalise calls for struggle including strike actions for an early and good wage revision. AIIEA Secretariat reiterated that wage revision should be without any conditions which the managements are proposing. "Towards a good and early wage revision without conditions" is the slogan of AIIEA. The Secretariat also decided to contact the other unions/associations on this issue to formulate a joint struggle.

The Secretariat called upon all the units to hold powerful solidarity demonstrations on 12th June 2009 supporting the strike of the Bank Officers and employees who are fighting the government policies of delaying and imposing conditions on wage revision.

The Secretariat was absolutely clear that though we are in a difficult situation our struggles would surely succeed, if we properly campaign among the people, shape our struggles and integrate them with the struggles of the other sections of the people. With this confidence and understanding, the Secretariat called upon the insurance employees to move forward to defend our industry and to secure a good wage revision at an early date.

Comradely yours,

General Secretary.