

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To,
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

AIIEA SECRETARIAT MEETING ON 02 AUGUST 2020 DECIDES
To intensify campaign and agitation against LIC Listing and IPO
To mobilise public opinion demanding Consolidation of PSGI Companies
To deepen and broaden struggle against the policy of Privatisation of PSUs
To press the demand of immediate resumption of Wage Negotiations
To consolidate the Organisation at all levels

The Secretariat of AIIEA met through video conferencing on 02 August 2020. The online Secretariat meeting was called to take stock of developments within and outside the industry, to decide the future course of action on the issue of wage revision and devise ways and means for further consolidation of the organization at all levels. This meeting was participated by all members of Secretariat except Com. Surajit Das, General Secretary, EZGIEA who could not attend due to health reasons. The Secretariat Meeting had the benefit of the presence and guidance of Coms Amanulla Khan and K. Venu Gopal.

The Secretariat noted that the Covid 19 pandemic has resulted in a collapse of the global economic activity. It has in fact, exposed beyond any shade of doubt that capitalism with its exclusive reliance on free market has failed to address the genuine concerns of the people. The World Bank, the Secretariat noted, had reported that the global economy faces the deepest recession in 80 years. The Bank has forecast a 5.2 per cent contraction in global GDP in 2020. The Secretariat noted that the IMF had also made similar projections about the contraction of the global economy. The Secretariat noted that the Indian economy was already in deep trouble because of the self-inflicted injuries of demonetisation and an ill planned GST regime. The Covid-19 pandemic and the sudden declaration of lockdown have compounded the problems still further. India's economic growth stood at an estimated 4.2 per cent in 2019-20, the lowest in the last eleven years. However, the growth projections for current year by various global and domestic agencies indicate a sharp contraction of Indian economy ranging from (-) 3.2 per cent to (-) 9.5 per cent. The worst impact of this crisis has fallen on the workers and marginalised sections of the society. The Secretariat noted with dismay that rather than standing by the side of the poor and needy the government is using this crisis to push forward its neoliberal agenda. There is a massive attack on the rights of the workers and labour laws are also changed to condemn the workers to the slavery of capital. The Prime Minister of India himself says that 'he can see an opportunity in this crisis'. Utilising the crisis as an opportunity, the government has laid out a road map for privatising all the public sector enterprises. Important sectors of the economy like financial sector, ports, mines, space, defence, railways etc. are being opened fully for exploitation of private capital. The government which speaks of Atmanibhar Bharat has become critically dependent on foreign capital.

The Secretariat felt that LIC was performing spectacularly well even in these troubled times. The LIC has registered a growth of 25.17% in its first year premium by mobilising highest ever figure of Rs.1,77,977.07 crore in the financial year 2019-20. LIC's Pension and Group Business created a history by crossing the magical figure of one lakh crore and mobilising Rs.1,26,696.21 crore and showing a growth of 39.46%. The Corporation collected a total premium income of Rs. 3,79,062.56 crore in the financial year clocking a growth rate of 12.42%. The LIC's gross total income grew to Rs. 6,15,882.94 crore showing a growth of 9.83%. Total Assets of the Corporation stood at Rs. 31,96,214.81 crore as at 31.03.2020. The Secretariat was critical of the fact that despite such stellar performance by the LIC, the government of India was going ahead with the decision to list LIC in the stock exchange through an Initial Public Offering (IPO). Now utilising the pandemic induced crisis as an opportunity, the government has begun the process of inviting and selecting transactional advisors to advise the government. According to media reports, the government seems to have selected Deloitte Touché Tohmatsu and Edelweiss Financial Services as advisors. The AIIEA viewed this as the first step towards privatisation. The AIIEA along with other two members of the Joint Front has written to the Finance Minister not to go ahead with the disinvestment process of LIC. The Joint Front has also written to the heads of all major political parties seeking support for our struggle. The government however intends to raise around Rs.1 lakh crore by selling between 5 to 10 per cent of its stake in LIC. Media reports indicate that the government is expected to hit the market with the IPO in the last quarter of the financial year. The Secretariat felt that our campaign and struggle against LIC's listing and disinvestment needs to be intensified.

The Secretariat commended the performance of Public Sector General Insurance Companies (PSGI). Twentyfive General Insurance companies (excluding the seven standalone health insurance companies and two specialised insurance companies) operating in India have ended up with a negative growth of 6% up to the month of June 2020. The four PSGI companies however could minimise their negative growth to 1.41% even during this lockdown period. Market share of these four PSGI companies is 47.93%. The Secretariat did not approve of the decision of the Union Cabinet to cease the merger of three public sector general insurance companies. While the government can go ahead with the consolidation of the banking sector even during the pandemic, there is absolutely no reason why the government should cease merger process of PSGI companies, averred the Secretariat. Calling the decision of the government suspect and ulterior, the meeting felt that the real intention of ceasing merger is to disinvestment in these three companies. The Secretariat decided to continue our struggle demanding the merger of all the four companies (including New India) and try to expand unity in general insurance on this issue and remain prepared for a grim battle against Disinvestment of PSGI Companies also.

The Secretariat noted its dissatisfaction over the inordinate delay in settlement of the wage revision issue in LIC and PSGI Companies. The Secretariat was particularly unhappy that till date the GIPSA management had not come out with any concrete offer in PSGI companies. The meeting decided that both LIC and GIPSA management had to be told in no uncertain terms that the issue cannot brook any further delay and the managements had to resume negotiations with concrete offers.

The Secretariat noted with satisfaction that struggles today are developing in every sector. Restrictions placed to prevent the spread of the virus and the lockdown conditions have not deterred workers to launch struggles through innovative methods. Coal workers have gone on a three-day historic strike in July; they are planning one more Strike on the 18th of this month.

Electricity workers, Anganwadi workers, Aasha workers, lawyers, doctors are on the path of struggle. The Secretariat was happy to note that the National Platform of Central Trade Unions along with sectoral federations and associations has decided to observe 9th August- the Quit India Day- as Save India Day. The meeting also appreciated that the platform has decided to hold countrywide solidarity actions in all workplaces on 18th August, the day the Coal workers go on strike against the allotment of coal blocks for private commercial mining. The Secretariat was of the considered opinion that there was a grand possibility of forming grand alliances against the destructive policies of the government.

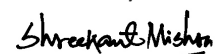
In this situation, the Secretariat took the following important decisions:

1. To launch wide campaign amongst the employees and other stake holders against the destructive proposal of the government to list LIC in the stock exchange. The campaign and mobilization had to see to it that our policy holders were given necessary confidence that the vigilant trade union movement in LIC would continue to protect their interests. Our campaign should seek support of the Policy Holders in our struggle.
2. To campaign widely among academicians, intellectuals and opinion makers in the society and request them to take up our cause in right earnest.
3. To write letters to the Presidents/ Heads of all political parties requesting them to oppose LIC's listing and disinvestment in the floor of Parliament if and when the LIC Amendment Bill was placed for consideration.
4. To Observe **9th August 2020- the Quit India Day- as Save Public Sector LIC/ PSGI Day** and hold programmes keeping physical distancing norms in view.
5. To Observe **18th August 2020 as Save Public Sector Day and express solidarity with the striking coal workers.**
6. **To go on a One Day Strike immediately if the government brings in any Bill to amend the LIC Act or brings any Ordinance to dilute its equity holdings in the LIC.**
7. To leave no stone unturned to deepen and broaden the struggle against privatization of PSUs in general and privatization of public sector insurance in particular.
8. To approach other unions in LIC and General Insurance for a common understanding on struggle against LIC IPO and wage revision.
9. **To continue with our campaign on the demand of Merger of all four PSGI Companies including New India and remain prepared for a grim battle against Disinvestment of PSGI Companies.**
10. To press for resumption of **wage negotiations** in LIC with improved offers and immediate commencement of negotiations in PSGI companies with concrete offers.
11. To work to strengthen the **Organisation** at all levels and hold Trade Union Classes from All India to Branch level. Efforts will be made to hold All India level Trade Union Classes during the second fortnight of August.

We are confident that our units all over India will take appropriate organizational steps to implement the decisions of the Secretariat in the right spirit.

With Greetings,

Comradely Yours



General Secretary