

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

**AIEA SECRETARIAT DECIDES TO INTENSIFY
CAMPAIGN AGAINST THE ISSUES OF LIC IPO
AND PRIVATISATION OF PSGI COMPANIES
STRUGGLE FOR WAGE REVISION IN PSGI INDUSTRY
TO CONSOLIDATE AND STRENGTHEN THE ORGANISATION**

The Secretariat of the AIEA met at Hyderabad on 5-6 September 2021. The meeting of the Secretariat was convened to discuss issues and challenges before public sector insurance industry with specific reference to the IPO of LIC and privatisation of public sector general insurance companies, the long overdue wage revision of employees in PSGI companies and to formulate methods to strengthen the organisation at all levels.

The Secretariat noted that the Indian economy is badly battered. The economy registered the worst performance in the last four decades when it contracted by 7.3 % in the year 2021. In a situation of declining incomes and increasing poverty, price rise has hit like a whiplash. Consumption has stagnated. Household savings have fallen. Demand has hit a new low. Private investment has fallen from 31% in 2014 to 28% in 2020. The Secretariat felt that in such a situation the government should have stepped in with increased government expenditure as demanded by the trade union movement in India. The Trump administration and Biden administration in the US have together provided over \$5 trillion in fiscal stimulus and cash transfers which amounts to 27% of the GDP. The UK government has also spent around 17% of the GDP in fiscal stimulus. The additional expenditure incurred by the Modi government in India however amounted to hardly 2% of the GDP.

The Secretariat was critical of the fact that the government is using the crisis to justify its decision to privatise India's public sector institutions. Finance Minister Smt. Nirmala Sitharaman has announced a disinvestment target of Rs.1.75 lakh crore during this financial year. The recently announced National Asset Monetisation Pipeline envisaging mobilisation of Rs. 6 lakh crore over a four year period ending 2025 is a further step in that direction. The meeting noted that the Indian economy has moved towards greater financialisation during the last decade. Finance capital has become autonomous of the productive sectors of the economy. Finance capital is capable of generating huge profits for itself merely by investing in speculations in the stock market. As a result, the stock market today is registering huge increase even when the real economy is in deep crisis. The Secretariat felt that this drive towards greater financialisation of the economy is an important

reason for the mad rush to privatise India's public sector financial institutions, including LIC and the PSGI companies.

The government is in a tearing hurry to bring the IPO of LIC. Necessary amendments to the LIC Act have already been notified. The other formalities will begin once the Embedded Value of LIC is finally arrived at. The Secretariat congratulated the employees for their brilliant campaign against the privatisation of public sector insurance industry. It was noted that the uncompromising struggle of insurance employees under the banner of AIIEA could successfully stall the government policy to privatise LIC and PSGI companies for 26 long years. The recommendations of the Malhotra Committee in 1994 to privatise public sector insurance industry could be pushed back only due to united struggle of the employees. It is because of our campaign that the government was forced to announce on the floor of Parliament that they do not intend to privatise the LIC. It is also due to our campaign that Section 37 of the LIC Act which gives sovereign guarantee to policies issued by LIC was left untouched. The Secretariat was unanimous in the understanding that while IPO was the first step towards privatisation, the ultimate objective of the government to privatise LIC must be resisted through a united struggle. Accordingly, it was decided that the unity we have built up on the issue of LIC IPO is to be further consolidated and expanded.

The Secretariat was critical of the way the government moved to privatise PSGI companies by bringing in the GIBNA Amendment Bill 2021 disregarding all public opinion in favour of PSGI industry. The obduracy of the government not to send the Bill to a Select Committee for a closer scrutiny reflected the undemocratic attitude of the government. The Secretariat congratulated the employees in the PSGI companies for their brilliant campaign against the disastrous move of the government. The impact of our campaign could be clearly seen from the fact that the issue of general insurance privatisation brought about the unity of all major opposition parties inside the Parliament. Political parties otherwise close to the ruling party were also supportive of us on the issue of general insurance privatisation. This should give us new strength to continue with our united resistance against the move to privatise PSGI companies.

The meeting condemned the inordinate delay in settlement of the wage revision issue of employees in PSGI Industry. It was noted that the issue cannot brook any further delay. The meeting was of the firm opinion that employees deserve a good wage revision in view of their sterling contributions in an intensely competitive environment. The Secretariat authorized the Standing Committee (General Insurance) to plan the necessary agitation including Strike action in consultation with the JFTU in general insurance.

After a marathon discussion of two days, the Secretariat unanimously decided to undertake the following programmes of action in defense of the industry and the employees:

- To have an intensive educative campaign amongst the employees on the pitfalls of privatisation/ IPO. Employees all over the country should be asked to be in readiness for a bitter struggle ahead. Conventional Programmes like Conventions/ Seminars/ Leaflet distribution to go on. The LIC IPO has to be opposed even through a strike action in consultation with the Joint Front and other unions.
- To campaign among the general public by involving all the stake holders of LIC. We need to give confidence to the policy holders that the trade union movement in LIC will continue to safeguard their interests as it has been doing for the last three decades.
- To plan an All India Convention on the issue of LIC's IPO in New Delhi taking the evolving Covid situation into account. Efforts will be directed at mobilising the support of all major opposition political parties. Our Units should also plan State Level Conventions to make the campaign more effective.
- To integrate our campaign against privatisation, including privatisation of PSGI companies, with that of the broader movement taking place all over the country. Units should extend solidarity to the proposed Bharat Bandh call of the Samyukt Kisan Morcha on 27th September 2021.
- To intensify our agitation on the issue of long delayed wage revision in PSGI companies and explore the possibility of Strike Actions in consultation with the JFTU.

The Secretariat also discussed other issues related to the employees. **There was a detailed discussion on the need to follow up improvements in Pension, movement of panels in the cadre of Assistants, need for recruitment in Class IV cadre, issue of CGIT, fixation of Pay of Ex-Servicemen employees, the issue of submission of property returns etc.** The meeting decided to follow up these issues with the Central Office forcefully.

The meeting was of the unanimous understanding that prosperity of the employees is closely linked to the strength of the industry and the strength of our organisation. Today both the pillars of our strength are under attack in an atmosphere of an unholy alliance between neo-liberalism and communalism. The meeting called upon our units to work ceaselessly to strengthen the organisation at all levels by identifying and developing new cadres especially amongst the younger employees. **The meeting decided that Eastern Zone Insurance Employees' Association (EZIEA) and Eastern Zone General Insurance Employees' Association (EZGIEA) should be entrusted with the responsibility of hosting the next 26th General Conference of the AIIEA.**

The Secretariat was fully aware that insurance employees today are confronted with multiple challenges. But it also expressed confidence in the ability of our movement to successfully

overcome these challenges. The Secretariat also took confidence from the growing struggles of the working class and peasantry and was of the firm belief that the emerging unity of these two sections of the Indian society will force the government to retreat from the path of aggressive implementation of neoliberalism. It is with this hope that the Secretariat called upon all insurance employees to join the struggle with confidence and courage of conviction.

With Greetings,

Comradely Yours

A handwritten signature in black ink, appearing to read "Shreekanth Mishra". The signature is written in a cursive style with some underlining.

General Secretary