

# **ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**

**LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063**

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Cir.No.02 / 2015

9<sup>th</sup> February, 2015

To all the Zonal/Divisional/State/Regional Units

Dear Comrades,

## **SECRETARIAT DECIDES ON AGITATIONAL PROGRAM ON WAGE REVISION AND IN DEFENCE OF OUR INDUSTRY**

The Secretariat of AIIEA met as scheduled at Ahmedabad on 4<sup>th</sup> and 5<sup>th</sup> February 2015. The Secretariat was called in the background of the Government issuing the Ordinance on Insurance Laws (Amendment) and the developments on the issue of wage revision. The Secretariat reviewed these developments in great detail and came to the unanimous conclusion that the present challenging situation has to be met with intensified struggle and therefore decided to mobilise the employees in direct strike actions.

The Secretariat reviewed the economic and political situation since BJP led NDA assumed power at the Centre. It found that in the last nine months, the Modi Government has been pursuing the same discredited neo-liberal policies which the earlier UPA regime practiced. In fact the BJP which opposed these policies while in opposition has now shamelessly adopted the same policies. This clearly demonstrates the commitment of Modi Government to the neo-liberal policies. The Secretariat noted that in pursuing these policies, the government has become politically authoritarian. This is reflected in the fact that this government has issued 9 ordinances since coming to power abusing the constitutional provisions in total disregard to parliamentary processes and democracy. The fact that the President of India himself had to sound a note of caution, speaks of the authoritarian style of functioning in the government. The issuance of Ordinance on Insurance Laws Amendment Bill the very next day of the adjournment of Parliament sine die shows the intolerance of the government to the dissenting democratic voices. The Ordinance was clearly an attempt to showcase the government's determination to pursue neo-liberalism on the eve of the visit of President of United States.

The Ordinance Raj of the Modi government has come in for sharp criticism from legal luminaries too. The AIIEA is convinced that the FDI hike and privatization of general insurance companies are harmful to the national economy. The Secretariat, therefore, decided to carry forward the struggle and campaign on this issue. It reiterated its earlier decision of One Day Strike if the government succeeds in passing the Insurance Laws Amendment Bill in Rajya Sabha. The strike will be observed the very next day of the passage of the Bill. The Secretariat noted that slowly but surely the people are getting disenchanted

with the Modi government which has failed to redeem any of the promises made during the elections. This government has made Foreign Capital central to development and in the process has begun attacking the interests of both the workers and the farmers. The Secretariat was happy that joint struggles of the trade unions are developing to challenge this policy of the government. Therefore, it decided to support the decision of the Central Trade Unions to observe a jail bhara program on 26<sup>th</sup> February 2015 by holding demonstrations in front of all offices of LIC and PS General Insurance Companies.

## **WAGE REVISION**

The Secretariat was concerned over the slow progress on wage revision. After three rounds of discussion spreading over a period of one year, the LIC made an offer of 12.5% wage increase and the offer remains at 10% in the General Insurance. While making an offer of 12.5% wage increase, the LIC has also imported some extraneous issues into the wage revision like transfer and mobility policy, introduction of bio-metrics, increase in cash hours and restriction of trade union activities. This attitude of LIC is highly condemnable.

The AIEA has placed a demand for wage revision on the strength of the institution. Despite the unfavourable economic situation in the country, LIC continues to dominate the market in terms of premium income and number of policies. It has an unbeatable record in claim settlement and has set a very high standard of servicing. The LIC has paid Rs.1635 crore to the government as dividend for the year 2013-14 which translates to a staggering 1635% return on the capital employed. No industry anywhere in the world can deliver such a massive returns. The public sector continues its market leadership in the general insurance. It generated profits of Rs.592 crore in 2013-14 on a Capital of Rs.600 crore. Such a performance is clearly the result of the dedication and devotion of the employees to the public sector institutions. Thus, the demand for a wage revision reflecting the prosperity and strength of LIC and the PSGI companies is absolutely legitimate. Therefore, the Secretariat rejected the offer of LIC and GI companies and demanded these institutions to come out with offers that can form the basis of negotiations and early settlement.

The Secretariat took a serious note of the LIC management trying to link the wage talks to the issues like transfer and mobility policy etc. The Secretariat wondered as to why the LIC management has become proactive in popularizing the political slogans of the government rather than working hard to overcome the difficulties of the business environment. The talk of Swatch Bharat in LIC is intended to make LIC union free and while asking employees to join the campaign against Gas Subsidy, it is trying to communicate that subsidy is charity. Let the LIC know that the biggest subsidy the government gives is to the Corporate Sector and the Statement of Taxes foregone in the Parliament testifies to this. The Secretariat said that the Transfer and Mobility Policy is being projected as if in LIC there is no movement of employees from entry to exit. This understanding does not match the existing reality. Therefore, the Secretariat decided to oppose this proposal. The Secretariat is very clear in its understanding that no issue should be linked to wage revision and it is the responsibility

of the LIC to settle the wage demand as early as possible to the satisfaction of the employees. The AIIEA is prepared to discuss the concerns of LIC on various issues anytime thereafter. The Secretariat expressed disappointment over the lack of progress on the demand of another option for pension. The Secretariat decided to launch strike actions to demand early wage revision and against the management issues. The Secretariat decided to keep the dates of the strike open. The AIIEA will discuss with the other unions for a common date and the said date will be announced thereafter. The AIIEA is convinced that there is no option other than strike actions to show our dissatisfaction with the developments.

**The Secretariat decided on the following program:**

1. Demonstrations and Gate Meetings on February 23, 2015 the opening day of Parliament against the decision to enact Insurance Laws Amendment Bill;
2. Two Hour Strike preceding lunch hour in February 2015 on wage revision and against management issues in LIC;
3. One Day Strike in March 2015 if there is no progress on wage revision and if there is no change in the management attitude both in life and general sectors;
4. One Day strike on the day following the passage of Insurance Laws (Amendment) Bill both in life and general sectors;
5. Demonstrations in front of all offices on 26<sup>th</sup> February 2015 in support of the Jail Bharo program of the Central Trade Unions both in life and general sectors.

Comrades, our struggle on wage revision and in defense of our industry has reached a crucial phase. We are left with no option other than intensification of our struggle. Therefore, we request you to implement the above program of action to successfully meet the present challenging situation.

With greetings,

Comradely yours,



General Secretary