**ALL INDIA INSURANCE EMPLOYEES’ ASSOCIATION**

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**To**

**All the Zonal/Divisional/State/Regional Units**

**Dear Comrades,**

**WAGE REVISION CANNOT BE DELAYED ANY LONGER**

**INTENSIFIED STRUGGLES NECESSARY TO BREAK THE DEAD-LOCK**

The wage revision in LIC and the public sector general insurance industry is inordinately delayed. The government has taken a very rigid and unreasonable stand on the genuine demands of the insurance employees. The government’s insistence that the pay scale in the insurance industry have to be framed on the lines of the Banks is simply unacceptable. This unreasonable condition is insisted to deny the employees higher retirement benefits including pension. Naturally, the AIIEA has rejected this demand and decided to mobilise the employees to secure the wage revision on the basis of the strength of our institutions.

The Working Committee of AIIEA that met at Bhubaneswar on 3-5 May 2015 reviewed the developments and decided to make an effort for building unity of trade unions both in LIC and the general insurance sector on the two vital demands – wage revision and another option for pension. These efforts succeeded and an unprecedented unity of all classes of unions was achieved both in LIC and the GIC. This unity and the united actions forced the managements of both LIC and GIPSA to take up firm positions with the government that they be given the liberty to conduct negotiations and frame pay scales that will result into a satisfactory wage settlement.

The AIIEA Secretariat was called into session on 4th September 2015 to review the developments. The Secretariat was unanimous that the unity achieved has created enormous confidence and hope among all sections of the employees. The programs of agitation are being implemented with enthusiasm both in life and general sector and the employees and officers are in preparedness to scale up the agitation to secure a satisfactory wage revision and another option for pension.

The Secretariat noted with satisfaction the performance of LIC and the GI companies for the financial year 2014-15. The public sector has performed admirably well in the most difficult environment. The immoral and unjust levy of service tax on life insurance policies has impacted the single premium business adversely. The regulatory changes on the products too created adverse situation in this financial year. Despite these adversities, LIC did exceptionally well. The four PSGI companies and the GIC-Re too recorded impressive growth. The Gross Domestic Premium Income recorded a significant jump and the profits earned too were high. Both LIC and the PSGI companies paid impressive dividends to the government. Therefore, the demand of the employees for a good wage revision on the basis of the strength of the industry is fully justified.

The Secretariat, therefore, came to the unanimous conclusion that the deadlock on wage issue has to be broken. This requires serious and intensified agitations by the employees including a number of strike actions. While taking this decision, the Secretariat was aware of the hostility of the Modi government to the issues of the working class. The Modi government wants to restrict the wage increases and is committed to reduce the pensionary benefits. This is seen in the government dealing with the demands of the various sectors. The government is convinced that Indian economy can grow only through an export led model to promote which a fashionable slogan ‘Make in India’ is coined. This strategy is bound to fail as another bout of recession is gripping the world economy constraining the demand. In such a situation, the Indian economy cannot be revived by depressing the wages which will adversely impact the demand. The only hope for the revival of the economy is to create domestic demand by raising the levels of incomes and creating jobs. The sooner Modi government realizes it, the better for the country and the economy.

Despite the hostility of the government and efforts to break the unity of the trade unions, the massive success of September 2, 2015 strike in which an estimated 150 million workers participated has sent a signal loud and clear that the workers are prepared to take up the challenges thrown at them by the neo-liberal Modi regime. In the recent period, we have seen the government making a retreat on issues like Land legislation and others. This makes it clear that the Modi government today is not invincible and a determined struggle of the insurance employees can break the dead lock on the wage issue.

The Secretariat was of the unanimous opinion that wage revision cannot be delayed any longer. It is more than 3 years since the wage revision fell due. The demand for another option for pension is pending since the last wage revision. **Therefore, the Secretariat decided that beginning from October first half the employees should be mobilized into strike actions leading to a total confrontation in November 2015** if the government and the managements do not come forward to settle the wage revision to the satisfaction of the employees. It was decided to place our views in the joint meeting of unions in LIC scheduled on September 29 at Pune to build a consensus on intensified struggles to break the deadlock. Similar effort will be made in the general insurance too.

The Secretariat requests all the employees to be prepared for serious struggles to secure their legitimate demands. Separate circular will be issued on other issues discussed in the Secretariat.

With greetings,

Comradely yours,

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(V.Ramesh)

General Secretary