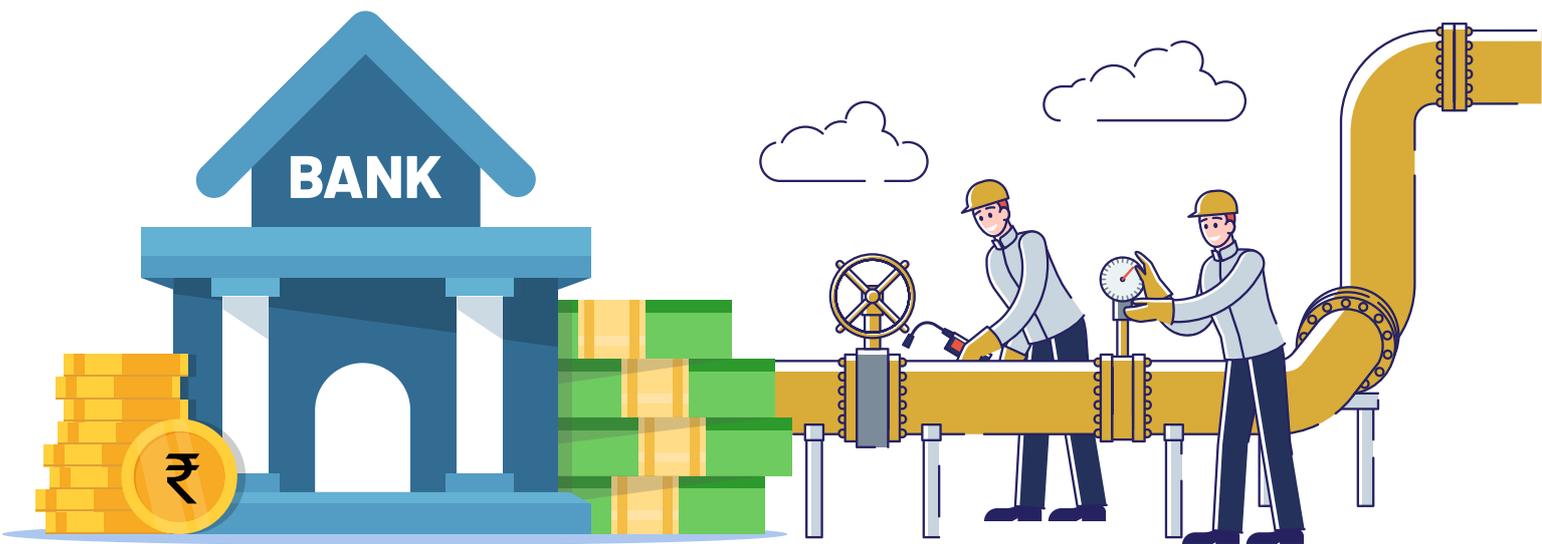


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Defending Collective Bargaining and Equity in the PLI Debate | Editorial

 **Rupam Roy**, General Secretary, AIBOC



The banking fraternity needs to remain vigilant, resilient and united today. The proposed changes to the Performance Linked Incentive (PLI) framework in Public Sector Banks is not merely an industrial relations issue. It, in fact, is a defining moment for the future of collective bargaining, workplace equity and institutional harmony in India's banking sector. The recent developments surrounding the move by the Government, Department of Financial Services (DFS), and IBA to alter the existing PLI structure raise serious concerns that must be discussed openly among us in the fraternity of bank officers and employees.

The present PLI framework was finalised under the 11th Bipartite Settlement and 8th Joint Note in 2020, covering employees from part-time staff to General Managers in Scale VII. Its core principle was simple and fair: PLI would be linked to the overall performance of the bank and paid at a uniform rate within each bank. This approach recognised a fundamental truth about banking - that performance is collective. Every employee, from branch staff to senior leadership, contributes to business generation, risk management and customer service. It cannot by any means be individualized.

However, the DFS has now advised Public Sector Banks to move away from this settlement-based framework and introduce a sharply different model for officers in Scale IV and above. The proposed structure would link PLI for senior officers to individual performance and place them into “risk brackets.” This marks a significant shift from collective achievement to individualised incentives.

At first glance, performance-based incentives may appear reasonable. But in the context of public sector banking, the implications are deeply problematic. The proposed structure would cap the PLI of over 90% of employees - those who directly generate business - at a maximum of 15 days’ Basic Pay plus DA, while extending PLI up to 360 days of Basic Pay for Scale IV and above officers. Such a stark disparity risks creating a divide not only between senior and junior cadres but also within senior leadership itself by introducing individual performance differentiation.

This is not merely a question of pay. It is a question of philosophy. Public Sector Banks have historically thrived on teamwork, shared accountability and the spirit of service. Introducing a highly unequal and individualised incentive system threatens to erode the cooperative culture that underpins the sector’s success. It risks replacing collaboration with competition and unity with fragmentation. And such individualised and market-driven logic in turn can affect the public nature of the banks and their social orientation.

Simultaneously, a Department of Financial Services (DFS) letter dated 26 September 2024 had directed public sector banks to introduce periodic performance reviews that could lead to premature retirement of officers “in public interest” under existing service rules. The move has raised concerns that it creates a second track for ending careers even when officers already face departmental action for bona fide business decisions, blurring the line between misconduct and professional judgement. Critics argue that this could block internal career progression, reduce extensions and promotions, deny extensions and progression, especially for those kept outside the incentive bracket and institutionalise lateral hiring at senior levels. Coupled with proposals for lateral induction of top leadership from the private sector, the policy is seen as narrowing the promotion ladder for existing officers and shifting public sector banks toward external leadership rather than experience-based internal advancement. AIBOC, under the UFBU, appeals to all bank employees to see through such insidious moves.

Equally concerning is the manner in which the changes are being pursued. During conciliation proceedings, all stakeholders (the DFS, IBA and representatives of PSBs) agreed to not push forth while discussions were still continuing. Any unilateral move to implement the revised PLI before any resolution among the stakeholders serves to undermine the sanctity of such official negotiations and dialogue.

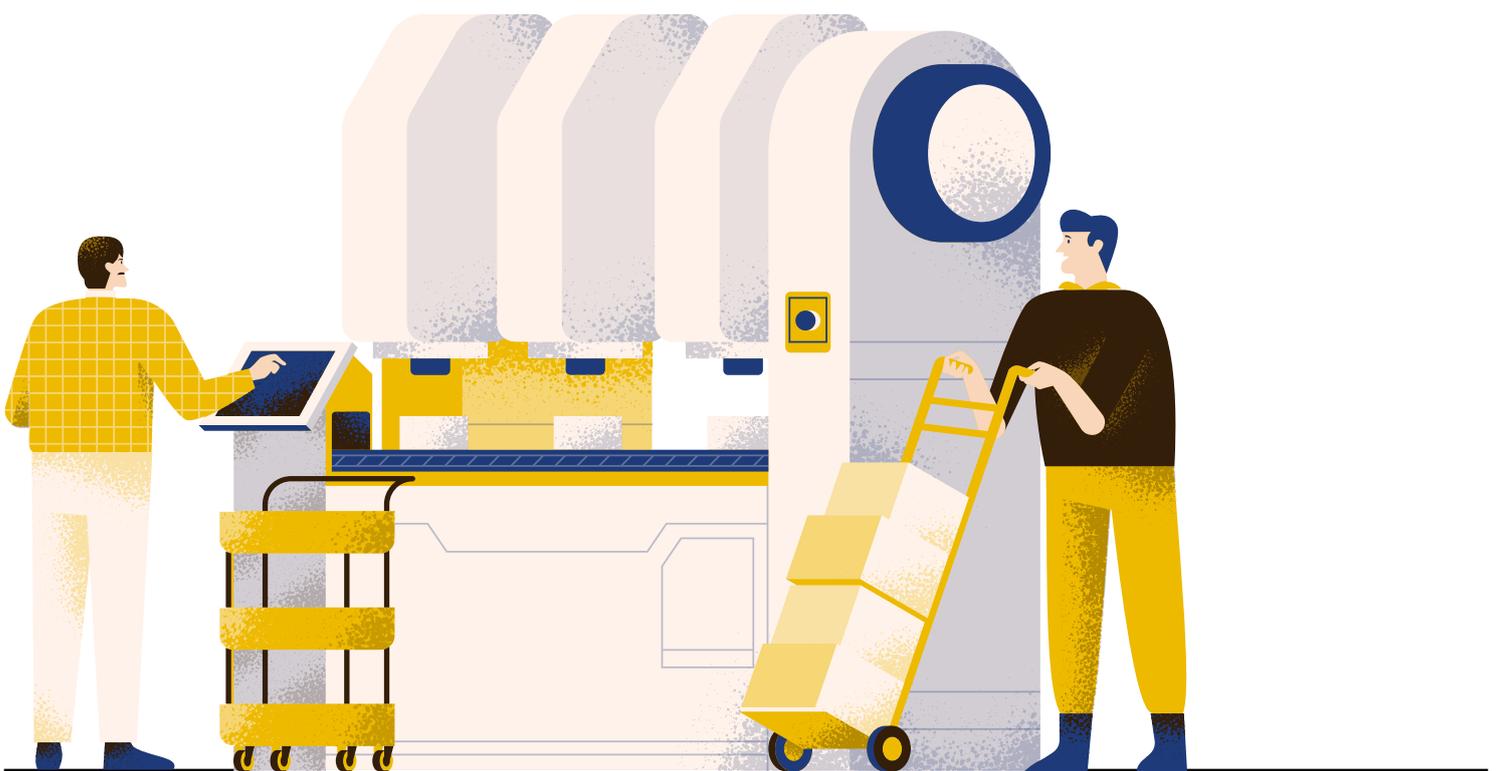
The timing of recent developments also raises questions. The suggestion that pursuing the demand for five-day banking could affect the Government’s stance on other pending demands, including PLI, introduces an unwelcome linkage between separate issues. Industrial relations should be guided by dialogue and mutual respect, not by conditionality or pressure. We are not here to barter one demand for another, or for accepting one unfair proposition instead of the other.



The banking industry stands at a crossroads. Public Sector Banks continue to play a crucial role in financial inclusion, nation-building and economic stability. Their strength lies in the commitment and unity of their workforce. Any policy that risks dividing employees or diluting negotiated settlements would jeopardize the interests of the people whom the financial institutions are purposed to serve. At a time when the sword of the High Level Committee announced in the budget and the threat of disinvestments, mergers and privatization hangs over us all, it is more imperative than ever to be united in our ranks.

AIBOC and the broader banking fraternity have consistently demonstrated willingness to engage constructively. Suggestions have already been placed before the DFS to improve the PLI framework in a manner that ensures fairness and equity. The path forward lies in meaningful dialogue and adherence to the principles of bipartite settlement.

At its heart, this debate is about more than incentives. It is about the values that guide the banking sector. Equity, unity and collective progress must remain the cornerstone of any reform. The message to the banking fraternity is clear: remain united, vigilant and committed to the ideals of fairness and collective progress.



The Economic Survey's Grim Assessment of Microfinance in India

 **Anirban Bhattacharya**, Centre for Financial Accountability

The Economic Survey this year admitted to something that has so far been ignored in official discourse. It was an admission that was not in its main text, but was tucked away in a box. As such it was more like a confession box about the state of microfinance in India. Multiple reports had for some time been pointing towards rising household debt and also to the fact that these loans are largely for consumption purposes, not for asset or enterprise building. And yet government policies and the overtures of the RBI's has been in favour of a discourse around "financial inclusion" when it comes to the NBFCs and MFIs. But in the Economic Survey this time, the message was unmistakable: the sector is showing signs of deep stress, particularly in the form of over-indebtedness and distress borrowing among the rural poor. This concern in fact echoes warnings long raised by civil society organisations about the transformation of microfinance into a profit- and target-driven industry, where private NBFCs often charge usurious interest rates and deploy harsh recovery practices.



Over the years, small-ticket lending has effectively been outsourced to microfinance institutions (MFIs) and NBFCs, while bank branches have steadily shrunk in the name of efficiency. This shift is significant because microfinance caters overwhelmingly to the most vulnerable sections of society. As of March 2025, 95% of microfinance borrowers were women and 80% were from rural areas. The sector's institutional structure is diverse: NBFC-MFIs hold the largest share of outstanding loans at 39%, followed by banks (32%), small finance banks (16%), NBFCs (12%) and others (1%). Far from the celebratory pitch around the sector, the Survey this time underlined a reversal in growth in FY25, with loan outstanding declining by 14% year-on-year, driven largely by credit overexposure. This slowdown is not an isolated event but part of a recurring cycle of stress marked by excessive lending, multiple borrowing and rising non-performing assets.

Microfinance was originally conceived as a tool to help low-income households manage risk, stabilise incomes and gradually build assets. The emphasis was on steady improvement in household security rather than rapid expansion. Over time, however, the sector became increasingly linked to capital markets and commercial investors. As investor expectations grew, the priorities of many institutions shifted toward expanding loan portfolios and delivering higher returns.

One of the most telling consequences of this shift is the reliance on misleading “impact” indicators. Metrics such as the number of borrowers, the size of loan portfolios, the proportion of women borrowers or geographic outreach are often presented as evidence of success. While these numbers demonstrate scale, they reveal little about whether borrowers are actually better off. Worse, they can incentivise repeated lending, loan top-ups and deeper indebtedness even when households lack repayment capacity.



The Survey's most important intervention is the question it raises: are households truly becoming financially stronger because of microfinance? Answering this requires examining whether families are building assets, stabilising incomes, increasing savings and reducing dependence on informal moneylenders. It also requires asking whether families are borrowing out of distress during emergencies. When such household-level indicators are considered, it becomes clear that rapid credit expansion without careful assessment can weaken household finances and push families into stress. In fact, even NABARD had in recent times have shared its concern that the removal interest rates caps by the RBI for NBFCs, has led to pockets of indebtedness.

Evidence from India already shows that areas with multiple lenders and repeated borrowing often experience over-indebtedness. The Economic Survey stresses that if financial inclusion is understood merely as access to loans, it becomes fragile. Easy and repeated borrowing can replace savings and increase dependence on debt even for routine expenses. When shocks such as illness, job loss or crop failure occur, these households may default and drop out of the formal credit system altogether—undermining the very goal of financial inclusion.

Despite these stark warnings, the Union Budget offered little by way of corrective action. There was no push to expand full-service public sector bank branches, nor any signal of reversing the policy of replacing branches with Bank Mitras—an approach the RBI's Financial Inclusion Plan 2025–30 itself identifies as detrimental to meaningful inclusion. Nor were there concrete measures to address the growing burden of household debt.

The Survey's concerns are reinforced by broader credit trends. Personal loans recorded the highest year-on-year growth among major credit categories, rising by 12.8% in November 2025. Household debt reached 41.3% of GDP by March 2025, significantly above the five-year average of 38.3%. Even more worrying is the composition of this borrowing. Non-housing retail loans—largely taken for consumption—now account for 55.3% of total household borrowing, overtaking housing, agriculture and business loans.

A particularly alarming trend is the surge in loans against gold jewellery, which jumped by 125.3% year-on-year. While rising gold prices may partly explain this increase, the scale of the growth points strongly toward distress borrowing.

Taken together, the Economic Survey's observations present a clear warning. Financial inclusion cannot be measured by the number of loans disbursed. It must be judged by whether households become more secure, resilient and less dependent on debt. Without addressing the roots, the current trajectory risks turning a tool meant for empowerment into a pathway to deeper financial vulnerability.



Fiscal Deficit and the Politics of Cuts

 **Dr Himanshu [Excerpt from Post-Budget Analysis at The Wire]**
CESP, Jawaharlal Nehru University

Among the many promises that have been forgotten, overwritten and outrightly broken, one that the Finance Minister has proudly fulfilled is that of austerity. She boasted of meeting the fiscal deficit target. What does it mean for the people, explains Dr Himanshu.

The recent Budget has once again placed strong emphasis on reducing the fiscal deficit, presenting it as a sign of discipline and stability. It is ultimately the people who pay the price. But one needs to understand what a fiscal deficit actually means in simple terms. It means the government is spending more than it earns in revenue. That cannot continue indefinitely. At some point, the gap has to be reduced.



During the Covid period, the fiscal deficit rose sharply. It was unusually high and there was a need to bring it down. There are only two ways to reduce a deficit. One is to increase revenue. If revenue collection goes up, then the deficit comes down. The other is to reduce expenditure. Over the last three years, the government's strategy has largely been to cut expenditure. And these cuts have not come from areas that benefit the middle class or the rich. They have come from spending that directly affects basic living and livelihood issues for the majority of people. Allocations for education, health, rural development, urban development and several welfare schemes have seen reductions or shortfalls. These are not marginal sectors. They are foundational for both social welfare and long-term economic growth.

At the same time, the government has faced revenue shortfalls. Even by its own conservative projections, it has struggled to mobilise the expected revenue. So, on one hand, revenue targets have not been met and on the other hand, expenditure has been cut. That combination has consequences. When you cut back on essential spending, you weaken the very drivers of growth. If people do not earn, demand weakens. If demand weakens, future income and growth are affected.

The revenue shortfall also raises questions about priorities. In 2019, the government announced corporate tax cuts amounting to roughly Rs 2 lakh crore. Since then, the detailed reporting of revenue foregone has become less transparent. In the last budget, income tax rationalisation primarily benefited upper income groups who actually pay income tax. In the middle of the year, GST rationalisation included rate cuts in sectors such as automobiles, particularly larger vehicles, again targeting the upper crust. In effect, certain sections received tax relief while expenditure for the broader population was compressed.

Agriculture has seen significant shortfalls. Rural development has seen reductions. Urban development allocations have fallen short. Even flagship schemes such as Jal Jeevan Mission have faced cuts or underutilisation. This pattern suggests that fiscal consolidation is being pursued mainly through expenditure compression rather than through sustained revenue mobilisation.

There is also a credibility issue. Over the last three years, the numbers announced in the Budget Estimates often diverge sharply from what is actually spent. Allocations promised at the start of the year are revised downward in the Revised Estimates. There have been instances where large allocations shrink substantially by year end. This has become a recurring pattern. So, the problem is not only that budgets are cut. It is also that even the reduced allocations are not fully spent. Parliament authorises spending based on the figures presented in the Budget. When actual expenditure falls far below those authorisations, the entire budget discussion risks becoming detached from reality. Promises are made on the floor of Parliament, but the eventual spending tells a different story.

The emphasis on lowering the fiscal deficit has increasingly taken the form of cutting expenditure that affects ordinary people. This may satisfy market expectations in the short term. But in the long run, reducing public investment in health, education, rural infrastructure and livelihoods can weaken the economy's growth potential. Fiscal consolidation, if pursued through persistent under spending on essential sectors, carries long term social and economic costs.

This is a transcript of Dr Himanshu from an interview with The Wire in collaboration with the Centre for Financial Accountability. The conversation was part of a special Budget series. To watch the full interview, please click [here](#).



RBI Watch



Not so forward-looking?

The RBI's latest consumer confidence data signals weakening optimism among households. Expectations for the year ahead have dipped as people grow less confident about the overall economy, their future incomes and especially the trajectory of prices. While current earnings are seen as stable, faith in income growth has moderated and perceptions of the present economic situation have worsened. At a deflationary moment it is interesting to observe that inflation anxiety stands out as the biggest concern, with households expecting price pressures to remain elevated in both the near and medium term. Overall, the survey reflects cautious optimism giving way to growing uncertainty about the future. Did the budget do enough to instill confidence to push for higher demand and better incomes?



RBI takes steps regarding bad recovery practices amid growing concerns

The RBI's February 2026 draft amendments on conduct in recovery of loans and engagement of recovery agents by banks and NBFCs comes amid persistent concerns about aggressive and coercive recovery practices, particularly in the NBFC and digital-lending ecosystem, where outsourcing chains and rapid credit growth have led to rising borrower complaints. So much so that even the latest Economic Survey raised concerns regarding the economic health of families taking multiple loans. Historically, banks operated under a more detailed and prescriptive recovery framework, including certification of recovery agents, call-recording requirements and strict outsourcing oversight, while NBFC rules were shorter, more light touch and principle-based. The new directions effectively extend bank-level standards to NBFCs, mandating board-approved policies, certified agents, call recording, grievance-linked recovery restrictions and stronger transparency obligations. However, considering the scale of operation of NBFCs, their proliferation and over-reliance on outsourcing, effective regulation will be difficult. More so considering the fact that the RBI relies on the industry themselves (the Self Regulatory Organization) to monitor the NBFC landscape and direct oversight is missing.



The return of the Lead Bank Scheme?

The RBI has proposed a revamp of the Lead Bank Scheme to streamline operations and make district-level credit planning more effective in boosting priority sector lending and financial inclusion. The draft seeks to revise the structure, membership and agenda of key coordination forums, clearly define the roles of stakeholders and strengthen State Level Bankers' Committees and Lead District Manager offices. This comes after decades of deliberate neglect of the Lead Bank Scheme. It was never formally discontinued, but over the past few decades it gradually became diluted in practice. Introduced in 1969 alongside bank nationalisation, it was once a central pillar of India's development-oriented banking model, driving district credit planning, rural branch expansion and coordination of government programmes. However, after financial sector liberalisation in the 1990s, banking shifted toward profitability, competition and technology-led centralisation that was more balance sheet driven than driven by planning. As a result, the Lead Bank Scheme was not forgotten but gradually watered down, losing policy centrality. The RBI's current push to revamp it reflects renewed concern about regional credit gaps, MSME financing and last-mile financial inclusion that have suffered over the years.



ECHOES OF THE PAST



AIBOC and the Long Resistance to Bank Privatisation since Liberalisation

From the very outset of India's economic liberalisation in the early 1990s, the All India Bank Officers' Confederation (AIBOC) emerged as one of the most consistent and articulate institutional voices opposing the privatisation of public sector banks. Its resistance was neither ideological posturing nor status quoism, but a carefully argued defence of public banking as a developmental instrument, articulated at a moment when liberalisation was reshaping the contours of India's financial system.

The attachments clearly show that even in the earliest phase of reforms, when privatisation anxieties were acute, AIBOC drew a sharp distinction between *restructuring* and *privatisation*. In March 1991—just months before the New Economic Policy was formally announced—AIBOC publicly rejected the idea that efficiency and reform required private ownership. As reported in *The Times of India*, the organisation asserted that “restructuring of banks was needed, not privatisation,” signalling a position that accepted the need for reform while firmly opposing any dilution of public ownership. This framing would become central to AIBOC's resistance strategy over the decades.

Restructuring of banks needed, not privatisation: AIBOC

BOMBAY, March 3 (UNI).

AN overall restructuring of the industry rather than its privatisation is the only answer to the chronic weakness of Indian banks, according to the All India Bank Officers Confederation (AIBOC).

Reacting sharply to the World Bank observation of making Indian banks privatised for greater efficiency, the Confederation secretary, Mr R.C. Agarwal said here that under the present banking system, privatisation would act counter to the national objectives of socio-economic development. The owners of private banks would try to shape their policy in favour of their business interest, neglecting the public at large, he said.

Mr Agarwal suggested a two-tier banking system in the country on line with the railways and coal sectors.

TISCO urged to pay compensation to fire victims

NEW DELHI, Mar. 3 (PTI): Sixteen eminent personalities today demanded that the Tata Iron and Steel Company (TISCO) pay compensation to the next of kin of the victims of the 1989 fire tragedy at Jamshedpur during the company's founder's day celebration.

They said in a statement here that the reports of three enquiry committees, set up to investigate the disaster in which 59 people were killed and over 150 injured during the celebrations on March 3, 1989, had not been made public so far.

The signatories urged the Bihar government to take immediate steps to ensure that the liability for TISCO founder's day disaster is established and victims of the disaster are adequately compensated.

The signatories included former external affairs minister Inder Kumar Gujral, former Planning Commission member P. N. Haksar, Janata Dal MP Jaipal Reddy, Delhi University vice-chancellor Upendra Baxi, Bandhua Mukti Morcha leader Swami Agnivesh, director of Nehru Museum Ravinder Kumar and senior journalists, Arvind N. Das and Praful Bidwai.

The first category would be the kind of "development banking" concentrating mainly on development of non-banking backward areas while the second category should be focused on commercial activities which will mean business with the sole aim of making profit by providing innovative services to corporate and trade sectors.

Outlining various operational efficiencies of such division from block to zonal levels, Mr Agarwal said the deficit and losses made by the development banks in fulfilling the social objectives could be compensated either through budgetary provision of allocating funds or by subsidising from the profits made by the commercial banks.

Even specialised banking division for the small scale sector and agriculture areas can be set up to avoid overlapping of various banks operation in these segments, he said.

Referring to nationalisation procedures of other sectors like coal and mines, he said banks were overnight nationalised while their structures remained private.

Though in the last 22 years of nationalisation, banking business had gone up 20 times, Mr Agarwal said their present state of affairs had come under severe strain because of rapid expansion with limited resources.

A bold corrective measure at the central administrative-level backed by sincere political will, can only revive the industry rather than going for privatisation.

The existing private banks operation in the country was also "very dismal" as about a dozen of them were either closed down or merged with nationalised banks in the last five years, he said.

As for restructuring of the banking industry, he said banks should have the flexibility of fixing or charging interest rates on deposits and advances. This can not be detected by the Reserve Bank of India (RBI) which generally impounds 53 per cent of bank's funds as statutory liquidity ratio (SLR) and cash reserve ratio (CRR).

Mr Agarwal said there was also no justification of attributing fault to bank professionals who worked under frequent political interference

in decision-making like loan melas and loan waivers for farmers.

Recently reports reaching from the rural sector indicated that there was a virtual stoppage of inflow of funds in rural branches as borrowers stopped repaying their bank credit under the pretext of the government decision of waiving farmer loans up to Rs 10,000.

Therefore, he said that under such social obligation and political decision, "we cannot think of a banking system that prevailed in the U.S. and European countries."

Central Bank's new branch in Raigarh district By A Staff Reporter

BOMBAY, March 3: Central Bank of India has opened a new branch at Usar village in Raigarh district, to be in close proximity to the growing number of industries in the region.

Inaugurating the branch last week, district collector Mr Ganesh Walwalkar told the educated and unemployed youths in the district to start their own small units as ancillaries to the big units in the area rather than seeking jobs in these big projects.

Mr M.M. Lopes, regional manager of the bank, said on the occasion that it was the first bank branch in the village to help local people in new ventures as well as to inculcate the savings habit. Located 10 kms from Alibag, it is the 2,970th branch of the bank in the country.

Centre urged to cancel cotton export quota

By A Staff Reporter

BOMBAY, March 3: The Indian Cotton Mills' Federation (ICMF) has urged the centre to conserve cotton supplies by cancelling immediately fresh export quota of two lakh bales of long staple cotton announced by it last week and quantities not contracted for from earlier releases of 12.42 lakh bales.

ICMF chairman Mr Rohit C. Mehta has said that this step, taken despite the precarious cotton supply position and flare up in cotton prices in the current season, would lead to further increase in cotton prices and undermine economic working of mills.

The early 1990s were marked by widespread apprehension among bank employees that liberalisation would lead to a rollback of nationalisation gains achieved in 1969 and 1980. AIBOC's interventions during this period sought to counter the narrative that public sector banks were inherently inefficient or fiscally burdensome. Instead, it emphasised their role in priority sector lending, financial inclusion, rural credit expansion, and directed lending to agriculture and small industries—functions unlikely to be prioritised under a profit-driven private banking regime.

Importantly, AIBOC's resistance found resonance even within sections of the political executive during the initial liberalisation phase. A 1992 *Times of India* report notes then Finance Minister Manmohan Singh's assurance that there was "no move to privatise banks," reflecting the political sensitivity surrounding bank ownership at the time. While this statement cannot be attributed to union pressure alone, AIBOC's sustained public mobilisation and articulation of alternatives helped ensure that privatisation did not become an explicit or immediate reform goal, unlike in several Latin American and Eastern European economies undergoing structural adjustment. Through the 1990s and 2000s, AIBOC consistently opposed incremental measures that it perceived as creeping privatisation—such as dilution of government equity, repeated calls for bank mergers without adequate safeguards for workers, and the entry of private and foreign banks into segments traditionally dominated by public sector banks. Its core argument remained stable: problems of non-performing assets, governance failures, and operational inefficiencies were policy-induced and managerial, not ownership-related.

What distinguishes AIBOC's historical resistance is its insistence that banking is not merely a commercial activity but a public utility with macroeconomic and social responsibilities. The attachments underline that this position was articulated before large-scale private banking expansion and before the recurring banking crises that later vindicated concerns about excessive market orientation. By advocating restructuring-modernisation, professional management, and accountability-while rejecting privatisation, AIBOC positioned itself as a reformist rather than obstructionist actor.

In retrospect, AIBOC's early resistance appears less defensive and more prescient. The repeated recapitalisation of public sector banks, the socialisation of banking losses, and the state's continued role as lender of last resort have reinforced the argument that banking cannot be fully left to market forces. The attachments thus capture the origins of a resistance that has endured for over three decades, rooted in a developmental vision of finance that continues to challenge the privatisation consensus in Indian economic policy.

DIALOGUE ON REFORMS ASSURED

No move to privatise banks: Manmohan

NEW DELHI, April 2 (PTI).

THE finance minister, Dr Manmohan Singh, today said the government had an "open mind" with regard to the recommendations of the Narasimham committee on the financial system and said it intended to have consultations with the employees on all its aspects.

At the second round of discussions with the trade unions in the banking industry, Dr Singh urged the unions to give positive suggestions for reforms based on the recommendations and refrain from an agitational approach as the government was always prepared to discuss the various issues.

He said the recommendations contained in the report have not so far been implemented except those relating to the SLRs and the interest rates and he had an open mind with regard to the others.

Dr Singh emphasised that there was no deviation on the part of the government from its known policy of the role of the public sector banking and emphasised that there was no move whatsoever to "denationalise the banking sector".

The meeting was convened at the request of the unions and the association to discuss the recommendations of the Narasimham committee and was attended by representatives of the AIBEA, AIBOC, AIBOA and BEFI.

The minister drew the employees representatives' attention to the difficult economic situation in the country and the necessity for urgent reforms in the financial system for restoring the credibility of the entire banking industry.

Referring to the background

leading to the setting up of the committee, he said when he took charge, immediate action was essential for reforms in the financial sector since at that time the health and credibility of the financial system was at stake.

It was for this reason that the committee was asked to submit its

and needed to be examined critically.

They had reservations on recommendations to reduce social lending to 10 per cent, bringing in rural and urban divide in the banking system through restructuring, delicensing of opening and closing of branches, setting up private sector banks, allowing level playing field to foreign banks and banks approaching the capital market through mutual funds.

The unions demanded restructuring of the banking system by merging of private sector banks with public sector banks, holding of inquiry into the accumulation of bad debts and general ills of the banking industry, hiking up interest on savings bank deposits and deploticisation of the banking system.

The bank representatives favoured the setting up of independent audit mechanisms by bringing the banks within the ambit of the Comptroller and Auditor-General and setting up independent vigilance machinery for the banks.

The joint committee, after the meeting, said there was no change in its programme of Parliament march on April 7 culminating in a massive Boat Club rally.

The bank unions joint committee for movement against privatisation of banks (AIBEA, AIBOC, BEFI and AIBOA) in a press release said the unions had told the finance minister the basic thrust of the committee's recommendations, being concomitant to the new industrial policy and liberalisation of the economy was "unacceptable".



Dr Manmohan Singh

report within three months.

The minister called upon the union leaders to refrain from any form of strike or agitation and instead come forward with positive suggestions.

The trade unions, which formed the joint committee and represented nearly 80 per cent of the bank employees, resented the unusual haste with which the report was submitted.

The trade unions expressed the view that the report was half-baked



UNION UPDATES

Nationwide General Strike Against Labour Codes and FTAs

Over 30 crore workers, farmers and agricultural labourers joined a nationwide general strike on February 12, 2026, following a joint call by central trade unions and the Samyukt Kisan Morcha. Protests were reported across hundreds of districts, disrupting banking, public services and sections of industry. The strike opposed the four Labour Codes, which unions argue dilute collective bargaining, ease mass layoffs and expand precarious contract work. Demonstrators also objected to proposed free trade agreements with the United States, European Union and the United Kingdom, and demanded withdrawal of bills on electricity, seeds and employment, citing pro-corporate policies under the Bharatiya Janata Party-led NDA government.

<https://www.thehindu.com/news/national/30-crore-workers-farmers-participated-in-general-strike-trade-unions-say/article70625346.ece>

Women Gig Workers Lead Nationwide Protest for Legal Protections

Thousands of gig and platform workers, led largely by women, staged nationwide protests across Delhi, Rajasthan, Karnataka and Maharashtra, organised by the Gig and Platform Service Workers Union. Workers from platforms including Zomato, Swiggy and Urban Company demanded fair wages, social security and a worker-centric law. Protesters cited algorithmic control, arbitrary ID blocking, unsafe conditions and lack of grievance redressal, and submitted memorandum to Chief Ministers seeking enforceable legal protections.

<https://www.ndtv.com/india-news/women-gig-workers-lead-nationwide-protest-demand-fair-wages-social-security-10940786>

Domestic Workers Protest After Supreme Court Rejects Minimum Wage Plea

Domestic workers in Chennai and across India protested after the Supreme Court of India rejected a Public Interest Litigation seeking recognition of domestic workers under new labor codes and a mandatory minimum wage. The petition, led by Pen Thozhilalar Sangam and allied unions, challenged their exclusion from labor protections after the consolidation of 29 laws into four new codes. Workers cited low pay, caste discrimination, sexual harassment, and lack of social security, vowing to continue mobilizing for legal recognition and statutory wage protections.

<https://www.npr.org/2026/02/12/g-s1-109461/domestic-workers-india-protest-minimum-wage>

Farmers and Unions Protest India-U.S. Trade Framework

Thousands of farmers across India staged nationwide protests against the interim trade framework with the United States, alleging the government failed to consult them and risked exposing agriculture to subsidised U.S. imports. Demonstrations, called by the Samyukt Kisan Morcha and supported by unions including the All India Trade Union Congress, saw symbolic copies of the pact burned in several states. Opposition lawmakers led by the Indian National Congress also protested. Trade Minister Piyush Goyal said key farm products were excluded and safeguards protected farmers' interests.

<https://www.reuters.com/world/india/around-90-95-indian-farm-products-kept-out-us-deal-indian-trade-minister-says-2026-02-12/>

European Dockworkers Strike Against Arms Shipments to Israel

Dockworkers across 21 major ports in Europe and the Mediterranean staged a coordinated shutdown under the slogan "Port Workers Do Not Work for War," protesting arms shipments to Israel amid the ongoing Gaza war. Backed by the World Federation of Trade Unions, unions demanded a full trade and arms

embargo and opposed the EU's rearmament plans. The strike was strongest in Greece, where All-Workers Militant Front led a 24-hour action linking militarization to worsening labor conditions, workplace deaths, and broader opposition to imperialist war economies.

<https://peoplesworld.org/article/dockworkers-halt-ports-across-europe-in-strike-against-war/>

Johannesburg Water Workers Strike Over Bonus Cuts Amid Deepening Water Crisis

Workers at Johannesburg Water launched an unprotected strike after management deducted 5% from performance bonuses of employees who had scored 95% and above in December reviews. The protest, led by the South African Municipal Workers' Union, follows failed engagements with management, which unions say acted unilaterally without consultation. Demonstrators blocked roads near the utility's Newtown headquarters. The strike comes as Rand Water plans supply reductions due to high consumption, intensifying Johannesburg's ongoing water shortages.

<https://iol.co.za/news/2026-02-10-johannesburg-water-employees-strike-over-bonus-disputes-amid-water-supply-crisis/>

Protests Across Australia Against Israeli President's Visit and Anti-Protest Laws

Tens of thousands of workers and young people protested across Australia against the visit of Israeli President Isaac Herzog, invited by Prime Minister Anthony Albanese. Demonstrators opposed Australia's political, diplomatic and security ties with Israel amid the ongoing war in Gaza, accusing the federal government of complicity in Israeli military actions. Protests were held in Sydney, Melbourne and Brisbane, where heavy police deployments enforced recently passed anti-protest laws introduced by the New South Wales Labor government under Chris Minns. Protesters also criticised restrictions on freedom of assembly and speech, linking domestic repression to broader international conflicts and Australia's alignment with Western foreign policy positions.

<https://www.wsws.org/en/articles/2026/02/10/mrcu-f10.html>

Workers in Córdoba Protest Milei Government's Labour Reform Bill

Thousands of steel, auto, health and education workers, joined by students, marched in Córdoba, Argentina, against a labour reform bill introduced by President Javier Milei. Protesters said the proposal weakens collective bargaining, health insurance and job security, and allows extension of the workday beyond eight hours without overtime through “banked” hours. The bill also limits layoff compensation and curbs access to information on workplace changes, prompting concerns over erosion of labour rights under the banner of “modernisation.”

<https://www.wsws.org/en/articles/2026/02/10/pjyc-f10.html>

Administrative Workers Strike at El Colegio de México Over Wages and Staffing

Administrative workers at El Colegio de México began an indefinite strike on February 2 in Mexico City, demanding higher wages, improved benefits, and better staffing levels. Workers initially sought an 11% salary increase and 18% in benefits, later lowering their demand to 7.5% and 6%, along with the hiring of 30 additional employees to address workload pressures. They rejected management's offer of a 4% raise, 2% in benefits, and limited bonuses. With negotiations stalled, classes have shifted online, while students have publicly backed the strike, highlighting the essential role administrative staff play at the university founded in 1938 under Lázaro Cárdenas.

<https://www.wsws.org/en/articles/2026/02/10/pjyc-f10.html>

NYU Faculty Vote on Strike Authorisation Amid Contract Deadlock

Faculty at New York University began voting on February 9 on whether to authorise a strike amid stalled negotiations over a first collective contract. Around 950 full-time, non-tenured professors and librarians across 12 campuses, represented by Contract Faculty United and affiliated with the United Auto Workers, cited disputes over salaries, benefits, job security, academic freedom, workloads and the growing use of AI in teaching and evaluation. After 23 bargaining sessions failed to yield an agreement, the union rejected mediation, alleging limited progress from management. Talks are scheduled to resume on February 13, with strike authorisation voting continuing through February 20.

<https://www.wsws.org/en/articles/2026/02/10/pjyc-f10.html>



Image: The News Minute

Bank News



RBI Tightens Loan Recovery Norms: No Calls Post 7 PM, Banks Must List Recovery Agents From July 2026

Feb 13, 2026, News 18

Link: <https://www.news18.com/business/banking-finance/rbi-tightens-loan-recovery-norms-no-calls-post-7-pm-banks-must-list-recovery-agents-from-july-2026-9900706.html>

RBI proposes stricter loan recovery norms, mandating agent certification, transparency and banning harassment from July 2026.

RBI's Rs 25,000 fraud compensation: who bears the cost and how payouts may work

Feb 13, 2026, ETBFSI Research

Link: https://bfsi.economictimes.indiatimes.com/articles/explained-rbis-rs-25000-fraud-compensation-who-bears-the-cost-and-how-payouts-may-work/128285202?utm_source=top_story&utm_medium=latestNews

The Reserve Bank of India has proposed a framework to compensate victims of small-value digital frauds up to 25,000 aiming to strengthen the trust in India's fast growing digital payment ecosystem. While final guidelines are awaited, fintech leaders say the success of the move will hinge on speed, clarity, and shared accountability across banks and fintechs.

Banks ease pace of hiring as tech, AI shoulder more tasks

Feb 11, 2026, The Economic Times

Link: https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-ease-pace-of-hiring-as-tech-ai-shoulder-more-tasks/articleshow/128174087.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Indian banks are slowing hiring due to automation, AI, and digital tools reducing the need for large staff increases. HDFC Bank added 5,000 employees in December 2025, reaching 2,15,000, while Axis Bank and Kotak Mahindra Bank saw declines in headcount.

RBI proposes to allow UCBs to double share of unsecured assets to 20%

Feb 10, 2026, The Economic Time

Link: <https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-proposes-to-allow-ucbs-to-double-share-of-unsecured-assets-to-20/articleshow/128163969.cms>

26th January, 2026The Reserve Bank of India is proposing new lending rules for urban cooperative banks. These banks may soon be allowed to increase unsecured loans to 20 percent of their total assets. Individual loan limits will also be enhanced. Public feedback on these draft proposals is invited until March 4, 2026. This move aims to strengthen the banking sector.



Image : EPA | BBC



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