



ALL INDIA STATE BANK OFFICERS' FEDERATION

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CIRCULAR NO. 46
TO ALL OUR AFFILIATES

DATE: 11.07.2023

19th July 2023 – 54th Anniversary of Banks' Nationalisation
Clarion Call to Protect Public-Owned Institutions
Public Sector Banks – Strengthening the Republic

We reproduce below the text of AIBOC Circular No. 2023/26, dated 10.07.2023 on the captioned subject, the contents of which are self-explanatory. As we commemorate this significant occasion, let us renew our commitment to safeguarding public-owned institutions and working towards sustainable and inclusive growth in the Indian banking industry.

The initiatives outlined in the circular serve as a starting point, and we urge all affiliates and state units to contribute innovative ideas to advance our cause. Let us unite and ensure the active participation of all members and office bearers, making Bank Nationalisation Day a resounding success.

Together, we can uphold the principles of Bank Nationalisation and contribute to the prosperity and progress of our nation. Let us tirelessly work towards protecting public-owned institutions and promoting a robust and inclusive banking system.

With revolutionary greetings,

(Deepak Kumar Sharma)
General Secretary

Dear Comrades,

19th July 2023 – 54th Anniversary of Banks' Nationalisation
Clarion Call to Protect Public-Owned Institutions
Public Sector Banks – Strengthening the Republic

We are delighted to extend our warmest congratulations on the approaching Bank Nationalisation Day. This circular aims to highlight the historical significance and enduring relevance of Bank Nationalisation in India and shed light on the challenges facing the Indian banking industry today. As we commemorate this momentous occasion, let us reaffirm our commitment to

upholding the ideals of Bank Nationalisation and working towards sustainable and inclusive growth.

2. The first Indian Bank Nationalisation took place on July 19, 1969, when the Indian Government nationalised 14 major banks. This visionary move aimed to bring about socio-economic reforms, including poverty eradication, financial inclusion, and increased access to financing for disadvantaged areas. The government sought to democratise banking and promote inclusive economic growth by nationalizing the banks.

3. In 1980, Phase II of Bank Nationalisation further strengthened the public sector's ability to meet the nation's financial demands. Six additional banks were nationalised, leading to improved financial inclusion and priority sector lending. Nationalised banks played a crucial role in directing credit towards agriculture, small businesses, education, housing, and other critical sectors, thereby promoting equitable development and reducing regional disparities.

4. The benefits of Bank Nationalisation are evident in several areas. Firstly, it has significantly contributed to financial inclusion by establishing rural and distant branches of public sector banks. This has increased access to finance, savings, and insurance, enabling individuals and businesses to participate more actively in the economy.

Moreover, nationalised banks have played a vital role in maintaining order and stability in the banking system. Public ownership instills confidence among depositors, as their funds are protected. The regulatory system implemented by the Reserve Bank of India ensures prudential norms and best practices, safeguarding the interests of depositors and borrowers alike.

5. Nationalised banks have also been instrumental in supporting social welfare projects sponsored by the government. They play a crucial role in distributing direct benefit transfers, pensions, and subsidies to assist disadvantaged groups, thereby reducing leakages and ensuring these benefits reach the intended recipients.

6. However, witnessing the government's determination to diminish the role of public sector banks and promote private banks is disheartening. Their agenda seems to be the privatization of public sector banks, which raises several concerns that undermine our constitutional principles and jeopardize the well-being of our society.

We must stand against the privatization of public-owned banks for several reasons:

Affront to the Constitution: Privatization contradicts the spirit of our constitution, financial inclusivity and economic justice for all citizens have been the foundation of our nation's progress. Article 12 of the constitution confers the public sector banks the character of a state, privatisation can erode the capacity of the State to fulfil its constitutional obligations that are spelt out in not only the Directive

Principles but are also implicit in the Preamble of the Constitution and in the provisions on fundamental rights.

Anti-Poor and Marginalized: Privatization tends to prioritize profit-making over the welfare of the poor and marginalized. Public-owned banks have played a crucial role in extending financial services to underserved sections of society, promoting inclusive growth, and uplifting those who have been historically excluded. Privatization may neglect these segments and worsen socio-economic disparities.

Anti-Inclusive: Public-owned banks have actively supported the government's initiatives to uplift marginalized communities, provide financial assistance to small businesses, and promote social equality. Privatization could undermine these efforts, reducing opportunities for equitable access to credit and financial services.

Anti Reservation and Job Losses: Privatization often leads to job losses, especially among those who deserve equity and justice. Public-owned banks have been major employers, providing opportunities for employment and career growth to a large number of individuals, including those from disadvantaged backgrounds. Privatization may result in downsizing and job cuts, further exacerbating unemployment and inequality.

Anti-Trust and Weakened Security: Public-owned banks, with their government backing, provide a sense of security for bank deposits. Privatization would remove this guarantee, potentially making deposits less safe and secure. It could also weaken the trust that depositors place in the banking system, leading to potential instability.

7. In light of these challenges, we call upon all AIBOC Affiliates and State Units to actively participate in the upcoming Bank Nationalisation Day. Let us rally together to defend the objectives of Bank Nationalisation and raise awareness about its advantages. We propose the following initiatives:

- Launch a social media campaign on Bank Nationalisation, utilizing Twitter and engaging with influencers and volunteers using trending hashtags.
- Seek support from prominent personalities who can advocate for the role of Public Sector Banks in India's development. Feature their quotes in press releases and other published materials.
- Organize street corner meetings and blood donation camps to build public connections and educate the public about the benefits of bank nationalisation.
- Highlight the importance of increasing recruitment in PSBs to improve workforce and banking services. Use data to support our demand for a

five-day work week and emphasize the significance of work-life balance for bank employees.

- Develop articles by eminent figures that emphasize the advantages of bank nationalisation and the role of public sector banks in India's economic development.
- Use visual promotion by designing posters and badges to increase visibility and engagement within our organization.
- Issue press releases emphasizing the significance of recruitment and economic benefits, and ensure their wide distribution.
- Conduct various programs such as human chains, rallies, dharnas, street plays, bicycle rallies, marathons/walkathons, and community service initiatives to connect with society and raise awareness.
- Organize seminars and symposiums at the state level to propagate the importance of nationalisation and preserve the public sector character of the Indian banking sector.
- Engage with lawmakers to advocate against any changes to the Bank Nationalisation Act during the parliamentary session.

These initiatives are only a starting point, and we encourage all affiliates and state units to come up with innovative ideas to further our cause. Let us ensure the active participation of all members and office bearers to make Bank Nationalisation Day a resounding success.

Together, we can uphold the ideals of Bank Nationalisation and contribute to the growth and prosperity of our nation.

Bank Bachao, Desh Bachao!

In solidarity,

#OurUnityLongLive

With greetings,

Sd/-
(Rupam Roy)
General Secretary

At the Service of Members for more than 5 Decades

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