

# LABOUR POLICY

श्रम-नीति



Bharatiya Mazdoor Sangh

# The facts and the lessons of the Reserve Bank of India Employees' 15 days strike at Bombay.



## THE BARE FACTS

The Class III employees of the Reserve Bank of India, at all offices in Bombay, went on a sit-in strike from 17th June 1972 to 30th June, 1972 (both days inclusive). The strike was sparked off earlier, on 16th June itself, at the Byculla office of the RBI, following the order of suspension served on Shri R. S. Bapat, a coin-note examiner in the Cash Department of the Bank putting a service of 30 years. Shri Bapat is a member of the Reserve Bank Workers' Organisation, Byculla (affiliated to N.O.B.W. & B. M. S.). The impetus for the strike was given by Shri N. D. Deshpande, President, All India Reserve Bank Workers' Organisation who also received on the next day i. e. 17th June, 1972, a suspension order on the same charges as Shri Bapat.

The strike was owned by the Reserve Bank of India Employees' Association, Bombay, the recognised union in the Bank. Its secretary Shri J. M. Choksi ultimately signed an agreement on 1st July, 1972 with the R. B. I. Manager, Byculla, in which the first clause reads as below :

“The Reserve Bank agrees to cancel the suspension orders issued to Sarvashri R. S. Bapat and N. D. Deshpande. The charge-sheets against them will not be proceeded with.”

According to the second clause of the said agreement the strike was called off by the Association. The rest of the clauses of the agreement relate to the future course of action by both the parties. The Association had declared that the main aim of the strike was to

scrap the Emergency Procedure and Special Procedure followed by the Bank for the destruction of notes. The final agreement however ensures the continuation of this EP/SP and shifts the responsibility about their discussion to higher authorities namely the central office of the Bank and the All India Reserve Bank Employees Association, whose general secretary, stationed at Calcutta was only a remote spectator of this strike.

These are the bare facts of the strike. They hide behind them many currents and cross-currents that have operated behind the action of concerned trade unions. They also hide the many intricacies of policy and practice that have influenced the decisions of the Reserve Bank. For those who are responsible for collective bargaining, such complexities of working on both sides as this strike contains affords many lessons both from its achievements and failures. The study may also provide guidelines for conducting similar operations elsewhere in a better manner for the brighter future of industrial relations.

### THE BACK-GROUND

The Reserve Bank of India is responsible for the control over cash and credit in the Indian economy. Over a period of time, as the volume of currency and credit increased in India, the Bank expanded its staff. But this expansion was done more markedly on general side and far less in the Cash department. The reason for this unequal growth lies both in the increase of Central-Banking activities and expansion of credit and banking on one side and economy measures introduced on Cash Side, out of which, the disputed EP/SP procedure is one. The Bank's recruitment and promotion procedures are such that they make a division between the cash and the general side. These policies and practices of the Bank are responsible for accumulation of many grievances in the Cash Department of the Bank where the business is more monotonous and risky. It is said, for example, that while a Clerk recruited on general side becomes an officer in 8-10 years and retires only after his second promotion, the one on Cash side retires from the same grade in which he is recruited in the beginning of his



service. Shri. Bapat, the suspended employee, is a living example of this treatment.

The root-cause of the entire strike lies in the discontent caused by this treatment within the RBI family. Till such time the employers anywhere continue to overlook such disparities, they are creating a ground for conflict. The might of these employers may postpone the actual appearance of an overt conflict, as has happened in the RBI case; but then under one cover or the other it always erupts as it did here.

It was thus that the RBI Employees Association, Bombay, issued a circular on 15th March 1972, giving a 8-point programme in a work-to-rule fashion to redress the many wrongs inflicted on cash department employees for too long a period, by the Bank giving them a step-motherly treatment. This 8-point programme included as one of its item a programme 'not to accompany a remittance of notes destined for EP/SP. This Emergency Procedure and Special Procedure consists in destruction of notes of all denominations upto and including Rs. 10/— without any verification. The workers contention was that the procedure gives scope for fraudulent practices such as inserting ordinary paper or faked notes in bundles sought to be destroyed under EP/SP. It also reduced the strength of Coin/Note Examiners in cash Department that otherwise required under the standard Procedure and reduces too their promotional opportunities. At the time when the 8-point programme was circulated none had however visualised that this item regarding EP/SP may assume the form of any unprecedented conflict in RBI.

In the Cash Department of RBI the Organisation has sizable membership. It was believed in organisation circles that the main reason for the Association to give a programme for Cash Department was to hide the failures of its All-India body who in a recent agreement with the Bank had failed to solve any problems of the Cash Department Staff. They may have felt that the Organisation may gain still more strength and it was time that they must voice the feelings of the Cash

Department. The Union rivalry worked as a spur to make a show of service.

The Organisation had never believed that the Association has any really concrete plans to solve the grievances of the Cash Department. The Bombay Association, in particular had acted as a trade-union having no firm attitude towards management's policies. The right communists claim that the present leaders are occupying their positions on their backing. The fact is that the existing leadership is not considered as a serious hurdle by right communists who want to use them as their instrument in fighting a battle with left communists who are controlling the All India Association of RBI employees. These facts will explain many of the peculiar features of this strike and settlement that has been more of a battle of wits between the right or left communists than between the management and negotiators.

The Organisation was well aware of all the above intricacies. Pursuant to our policies to back all the agitations of unions on the basis of issues and not affiliations the Organisation decided after some thought, to participate in Association actions in the Cash Department. The Organisation did not support the entire 8-point programme but selected certain items from this programme. In particular it decided to boycott the EP/SP procedure since the issue had national importance and in its solution many of the ills of the Cash Department would have been removed.

Now it so happened on the 6th of June 1972, that Shri R. S. Bapat a member of the organisation working as coin/note examiner in the cash department for the last 30 years was given an order at 10.15 a. m. to proceed to R B.I. Madras with the remittance under EP/SP. The Byculla cash department was suspecting since 1st June that some such order may be given and was prepared to meet the challenge as a single man, forgetting all differences about union-loyalties. Shri Bapat refused to carry out the instructions as a part of collective action. Shri Bapat's action got a tremendous response from the employees at Byculla Office. The Cash Department stopped its work at 10.15 a. m. and

the general side joined at about 12'30 p. m. All squatted before the manager's cabin. As a result the remittance order was kept in abeyance and Shri Bapat was allowed to do his normal duties on 7th June, 1972.

### THE STRIKE

The Bank was however preparing for a fight. Its press relations officer Shri B. Rangaswamy wrote a letter dated 8th June '72, in the local Times of India, stating that the EP/SP procedure is in force since Dec; 1964 and its continuance is necessary in the national interest. It seems that the Bank authorities had also held certain discussions with Association leaders on this issue. The discussions were however kept confidential by both the parties. It is certain that if these would have been made public the strike would not have taken the turn it took due to these closed door talks. Here lies one of the central weakness in our communication system for industrial relations.

On this background when a second order was issued to Shri Bapat on 16th June '72 to accompany the disputed remittance of EP/SP, the Cash Department employees took it as a challenge and stood behind Mr. Bapat for a repeated refusal of the said order. The association leaders subsequently tried to pacify the employees on the background of their proposed talks with the management but no one was in a mood to listen to their counsel. Shri N. D. Desphande, the leader of the Organisation took charge of the entire situation and asked the Cash Department employees at Byculla not to start any work till Mr. Bapat is actually given his normal duties. The Cash Department followed Mr. Desphande's advice and even the section which had started work on the call of Association leaders gave back the charge and abandoned the work to join a strike.

In the mean-time, the Chief Manager of the Bank visited the Byculla Office and held again some negotiations with the Association leaders. These leaders when they came out of the talks asked employee to resume the work. They had however nothing to say about the disputed procedure except that they felt that the management was ada-

mant on this issue for no tangible reason. The subsequent development raise a doubt whether the Association leaders were already convinced about the necessity of retaining the EP/SP procedure but they might have felt that the time was not ripe to declare this assessment of situation. It cannot also be ruled out that since Mr. Bapat who was bearing the burden of the whole issue happened to be a member of the Organisation, they chose to carry no primary responsibility in the matter. The mood of employees was however different from the recognised leaders. This mood was reflected in Mr. Deshpande's tone and behaviour who carried the day with the employees. If the Chief Manager would have talked with Mr. Deshpande along with Mr. Choksi and others, then there were chances that the Bombay's public would have been spared the great inconvenience and loss caused by subsequent strike for which the R.B.I. has tendered a public apology. But then the Chief Manager of R.B.I. would have been called as a wise man and not a bureaucrat !

As was bound to happen under the circumstances, the Cash Department at Byculla refused to start any work till there was an end to Mr. Bapat's isolation. Mr. Bapat's action to refuse the remittance order under EP/SP was a part of collective action. The Bank however treated it as an individual action and proceeded to suspend Mr. Bapat for violation of the staff rules. It is difficult to see how the Bank which has reiterated any number of times its policy 'not to victimise any employee for trade union activity' could suspend Mr. Bapat by isolating his action from a series of events interwoven around the said behaviour all of which could conclusively prove that his act of disobedience was part of a trade union activity. Or was it so that the Association leaders who were persuading the employees to leave Mr. Bapat to his fate had already yielded to the high bosses? In any case, the employees were united in their will and the Bank had failed to hold any civilised communication with this united will. The Bank apparently invited the fight by issuing the order of suspension and by 2 00 p. m. on 16th June 1972 the general side at Byculla Office also joined the strike when the Association leaders were still reading the suspension order issued to Mr. Bapat.



Thereafter the Association and the Organisation both were busy in spreading the message of Byculla to other offices of the R.B.I. situated in different parts of Bombay including the Head Office at Fort. On 17th June, the Bank naively followed its new practice to issue individual suspension order for refusal to obey the remittance order as per collective decision of employees and the next turn happened to be of Shri N. D. Deshpande himself. The Bank ordered Shri Deshpande to proceed with the remittance under E.P./S.P. and on receiving his oral refusal suspended him pending further charge-sheet and inquiry. This action of the Bank's bureaucracy only helped the bravado of strikers to reach new heights and while the Cash Department Employees at Byculla formed a queue to receive further suspension orders, the entire working of the Bank in all its offices came to a stand-still in the very first hours of June 17, 1972.

Thus began the historic strike of the R.B.I. Employees Bombay, a strike that was unique in many respects for this unique institution of Indian economy. The strike has created many memories that will long linger in the minds of those who had fortune to participate in this first ever major struggle of R.B.I. men. The public debate that was caused due to this strike had no parallel in the history of Industrial Relations in India. The brave men of the Organisation who had pioneered this struggle and the leaders of the Association who were conducting the negotiations had undoubtedly their unique experiences of the struggle. But above all there stood a splendid unity of Bombay's R.B.I. men and women, who sacrificed their salary for a cause that was not to bring them any monetary benefit at all and yet bring to the forefront the Government's Central Banking Policy in control of the movement of Money in India.

### THE DEVELOPMENT OF THE STRIKE

At the very early stages of the strike, it was identified as a strike for scrapping E.P./S.P. A more patient study of the developments leading the employees to a strike, however shows that this identification was not wholly true. In fact, the refusal to accompany remittance



under E.P./S.P. was only one point in the 8 point programme, whose main object was again not the 8 points circulated as such, on which there was no unanimity, but the real object was to highlight the step-motherly treatment given to the Cash Department. Secondly the strike was sparked off to other departments not on demands of Cash Department, but against the Bank's policy of victimisation for trade union activity as reflected in giving of individual suspension orders to two employees for an action which was in substance of a collective nature. These immediate causes of the strike were lost sight of by the propogandists of the strike and the scrapping of E.P./S.P. alone got a great currency. The reason obviously was the great public appeal of the issues involved in the policy behind E.P./S.P. The public debate on strike was naturally, concentrated on E.P./S.P. and the negotiating table also got itself arranged to discuss this issue. These developments contain a great lesson for the student of collective bargaining and for those who are responsible to lead any strike to a successful conclusion. The leaders of R.B.I. Employees Association have made errors in losing sight of true developments leading to a strike and in the process they have failed to achieve for the Cash Department Staff many things which it was possible for them to achieve by right setting of the negotiating table and use of tact, judgement and skill in developing right perspectives both inside and outside the discussion room.

Once the issue of E.P./S.P. caught imagination of trade unions, public leaders and the press, the subsequent development of the strike was a foregone conclusion. The strike drew a wide attention of the people both due to the unique position of Bank and repercussions of the strike on economy as well as due to the uniqueness of the demand. There was no wanting of public leaders to say that the E.P./S.P. must be scrapped in national interest since it is conducive to the creation of black money and that the employees have rendered a great national service by highlighting this issue by a strike on such a non-monetary demand. The All India Reserve Bank Employees Association declared sympathetic action and demonstrations were

held and late attendance ordered at all centres of the Bank. These half-hour strikes in the first week was followed by a 90 minutes strike on 27th and a full-day's strike on the most sensitive day of 29th June. This action affected the half-yearly closing of Banks due on 30th June. In Bombay, the work in commercial Banks had already come to a near stand-still due to the closure of the clearing-house. The Commercial Bank Employees in Bombay also held huge demonstrations and declared their sympathy and support. The other trade union centres in the city also came forward to offer their support to striking employees. On 23rd June Shri S. R. Kulkarni, the H. M. S. leader had already called a meeting of Central Labour Organisations on issue of Bonus. This meeting gave hearing to both the striking unions of R.B.I. Employees and passed a resolution in their favour. Many central labour organisation leaders frequently appeared before the striking men. Among them mention may be made of Sarvashri Madhu Limaye, George Fernandes of H.M.P. Gajanan Gokhale and Kishore Deshpande of B. M. S., Chadda and Dhopeswarkar of AIBEA; Karnik from State Government employees; Kurane and Ahilya Rangnekar of CITU, Dhume of A.I.T.U.C, Pramod Navalkar and Dattaji Salvi of Kamgar Sena. etc. Sarvashri T. K. Ghosh and Naresh Das, respectively vice-president and Secretary of AIRBEA and Shri P. S. Sapre, Gen-Secretary of A.I.R.B.W.O. were on the scene for all the time. Conspicuous by their absence were the INTUC men and Shri Ashis Sen, the Gen.-Secretary of A.I.R.B.E.A. Mr. K. T. Sule, Advocate held talks with the Governor of the Reserve Bank and the Hon'ble Minister for Labour while Shri G. S. Gokhale, Vice-President and A. M. Puranik, General Secretary, N.O.B.W. contacted the C.L.C. in Delhi on 19th June 1972 and the Hon'ble Minister of Finance Shri Y. B. Chavan on 21st June 1972. After exhausting these talks, the leaders of Central Labour Organisations met the Association's leaders in a meeting held on 30th June 1972 in the Association's Office. This meeting had decided to organise a mammoth morcha of Bombay's entire working class on July 5, 1972 if by that time no settlement was reached between the employees and the Bank. On that very day however, night-long sessions continued to reach at a settlement and before the dawn of 1st July 1972 an agreement was signed between the Association and the Bank and the strike was withdrawn by issuing a press communique.

The agreement has remained a matter of great debate in the Bank. It has not satisfied a very large majority of the Reserve Bank Employees and their immediate reaction against the agreement was very sharp. The negotiators are held as incompetent since they could not put to good use the great strength that was mustered behind them by the employees of the Bank and workers of Bombay. The agreement reads as follows :-

### THE AGREEMENT

The Reserve Bank of India and the Reserve Bank of India Employees' Association, Bombay agree as follows :—

1. The Bank agrees to cancel the suspension orders issued to Sarvashri R. S. Bapat and N. D. Deshpande. The charge-sheets against them will not be proceeded with.

2. The Association agrees to call off the agitation immediately and restore normalcy in all respects. The Bank agrees to open discussions at an early date with the AIRBEA on matters regarding the EP/SP (modified procedure) with a view to finding out an amicable solution.

3. The Bank agrees to open two more Note Examination Sections in Bombay by 15th August 1972.

4. The Bank reiterates that it does not victimise any employee for trade union activities; nor will it do so in this case in any manner.

5. The salary for the month of June 1972 will be paid in full subject to adjustment being effected for the strike period (excluding the intervening Sundays). The recovery of the excess payment will be made in three instalments commencing from the salary for the month of July 1972.

For the Bank  
Sd/-  
(J. D. Bhargava)  
Manager, Byculla.

For the Association  
Sd/-  
(J. M. Choksi)  
Secretary.

BEFORE ME

Sd/-

( R. D. Goil )

Regional Labour Commissioner (Central)  
Bombay.

Dated Bombay, 1st July 1972.

## THE MERITS AND DEMERITS OF THE AGREEMENT

The agreement has got few merits and many demerits. The first clause of the agreement declaring the cancellation of suspension orders is a clear gain. But this proposal was offered by the Bank almost on the third day of the strike and can hardly be described as significant after such prolonged struggle.

The second clause is indeed the key clause of the entire agreement. It postulates that a discussion shall be opened at an early date on matters regarding the E.P./S.P. between the Bank and the All India Association. Now this is an agreement between the Manager of a branch and the Secretary of a unit. The discussion visualised is on a higher level on both sides. These higher levels have repeatedly told us that they have already discussed this issue before. The Bank in its advertisement dated 27-6-1972 says, “.. there has been no request or proposal from the All India Association for another session of talks on the note examination procedures. Never-the-less, to avoid misunderstanding about its responsiveness the Bank has indicated more than once it's willingness to have further talks with the Association on issues arising out of the adoption of the procedures in question.” Is it then so that the discussions on this question was closed on a higher level and that this strike alone has opened or reopened the same? Moreover the E.P./S.P. is not suspended till the finalisation of these talks. The clause says that the normalcy shall be restored in all respects. It means that even the 8-point programme for Cash Department has been abandoned by the local Association which gets no right in the agreed discussion. Those who know and practically all the R.B.I. employees know it that the Bombay Association and All India are not on cordial terms, can understand what this clause really means.



The third clause of the Agreement talks about opening of two more Note Examination Sections in Bombay by 15th August 1972. There is nothing new in this clause except the date. The Bank's current programme already includes the opening of 30 additional note examination sections and these two form part of this programme. The point has no relevance to issues agitated during the strike and it was evidently introduced to carry impression on ignorant minds.

In the fourth clause the Bank has reiterated its policy of not making victimisation of any employee for trade union activities. The suspension orders on Sarvashri Bapat and Deshpande were in fact in the nature of such a victimisation. The entire strike was sparked off due to this victimisation and victimisation alone. Their acts were not individual acts of violating the staff rules as alleged. They were part of a trade union action taken to force the settlement of declared issues. In victimising them individually for a trade union activity the Bank went away from its declared policy on industrial relations and invited the strike. This is the true situation and the truth leads itself to another logical conclusion viz., that the employees should not be punished for the fault of the bank in not maintaining its policy on industrial relation. In other words, the wage-cut declared in the next clause 5 should not have been there at all, and the clause 4 entirely recasted to include Bank's apology for victimisation.

The last clause interestingly excludes the two intervening Sundays from the strike period for which the wage-cut is to be effected in three monthly instalments. This is a very marginal gesture. It is already seen in the last para that the provocation for the strike was provided by the Bank which had abandoned its policy on industrial relations. The Bank is not therefore justified in resorting to a wagecut. If this would have been done in return of any substantial gain the employees would have suffered it cheerfully as wounds in a victorious battle. The negotiators on employee-side were not under any compulsion to accept

such a failure. None had asked them to do so. They were getting an increasing support from all sides. The Bank was caught in an inconvenient public debate. The opportunity to win the case for labour was excellent. But it has been lost for nothing. The general body called to ratify the agreement rightly gave cries of shame and it was left to only a handful of persons to pass a formal resolution of ratification on a fate accompli that marks the defeat of Association leadership. It must be probed in deep what are the causes of this defeat and where lies the true remedy.

### THE SHORTCOMINGS AND THE LESSON

The first reason of the failure of Association leaders in not satisfying Reserve Bank of India employees lies in their lack of transparency. They did not sufficiently took the employees their colleagues into confidence. The negotiations that were held during the 6th and 16th of June 1972 on EP/SP arising out of the first refusal of Mr. Bapat were kept practically secret. The dimensions of fight were not disclosed. Hence there remained throughout a difference in assessment of situation between the leaders and followers and there was no real meeting of minds. A show of oneness was made by owning the strike but that too collapsed at the time of withdrawal when again first an agreement was signed and then it was tried to explain it away. The leaders acted like trade-union bosses and not as servants of people. They treated trade union not as a service institution of democratic character but as a private body ruled in an aristocratic way.

Secondly, a capital mistake was made on 16th June, when Mr. N. D. Deshpande who was voicing the sentiments of Cash Department Staff was not allowed or encouraged to take part in the discussions with the Chief Manager. The concepts of representative union appear to have come into the way. As a result the entire discussions took the character of a falsity and true communication between employees and management was prevented by putting false reliance on mechanical rules and lifeless formuleas of behaviour. At one time, some

Association leaders even toyed with the idea of isolating Mr. Bapat as an organisation member but the sense of unity among employees proved to be too strong to give any chance to the band of ego-centrics among the Association leaders.

The third mistake was committed when the real background of the crisis as reflected in the agitation in Cash Department against the step-motherly treatment and in victimisation of individual employees for trade union activity was allowed to recede at the background before the big trumpets blown on EP/SP. Quite a majority of employees who had joined the strike from general side were knowing practically nothing about EP/SP. No doubt, the EP/SP issue was important and it gave to the employees an edge over the Bank in a public debate. It helped the Association to talk from a position of more than normal strength. The Bank and the Government would have like to avoid a discussion over this complicated problem. But beyond a certain point, the issue required a very large strength for its successful conclusion. The Association leaders were knowing this all the time. But they never boldly told their members and other employees what was that measure of strength that is required to scrap the EP/SP. Instead they chose to go by the way the politicians hankering for cheap publicity always go. This led them ultimately to seek all types of face-saving formuleas and they played themselves into the hands of Bank authorities. They could not therefore ultimately negotiate even on Cash Department problems on which a very good solution was quite possible during this strike. This could have been done in the very first week of strike by giving a true perspective to entire negotiations and by a careful drafting of the agenda for talks. A battle on wits was lost, because it was the politician more than the trade-unionist that was active in the minds of leaders.

The fourth mistake of the negotiator was their failure to comprehend the position of All India Association on one hand and the Organisation on the other. They treated both these bodies for their

value as camp-followers for the struggle for which they alone can be counted as leaders. This was an example in ego-centricity. It seems that even the AIBEA could not give its full support to Association for similar reasons. Whatever reliance these leaders might have placed in any leader outside the Banking circles, their behaviour within the RBI family of unions was without any heart and tact. During the course of negotiations and the 15 days strike period many opportunities had come when better results could have been achieved if the Association would have shared its anxieties with Organisation and the All India Association. But a blind distrust prevented the negotiators even from understanding the presence and utility of such opportunities. A right tact and manner, which are some of the primary virtues of a diplomat, are required for a trade union leader handling such situations in a joint front strategy or even amidst trade union competition and rivalries. The Association leaders showed a virtual absence of these qualities and thus landed the employees in a defeat when in fact victory was in clear sight. This is an example which shows how a passion can make a man completely blind and make him lose golden opportunities.

The last mistake of the Association leaders was in fixing the field of battle. An agreement at so low a level as Byculla Manager on a problem like E.P./S.P. which carried the potentiality of a national debate is a mockery of the entire struggle. They should have taken a firm decision right at the start about the constitution of negotiating table and items for talks. They had brought to standstill the country's economic nerve centre. They had with them the potential strength of workers and large section of public opinion. It is not usual for a trade union leader to get such a ideal situation for a wild-cat strike. Lesser men placed in far more difficult situations have achieved better results through both sporadic and well planned strikes. But the Association leaders could not hold themselves to any firm ground. The effect was that the talks which had naturally opened at central cabinet levels were dragged down to the poor Byculla Manager and the RLC and concluded by accepting wage-cut against cancellation of suspension orders. The labour has lost more than a million rupees for practically nothing.



Such are the main causes of failure and the remedy lies in removing these causes. The employees should insist on more democratic methods of concluding an agreement by establishing a right to get reports on talks and a draft of agreement before anybody is allowed to sign the same. A greater care should also be observed in choosing proper representatives and cultivating the art of collective bargaining. The value of brotherhood of unions should be appreciated at all levels of mutual association and help. There must be more honesty and courage on the part of negotiators and they should act more as representatives than leaders. In wit, patience and nerves, a confident approach must permeate each move and then there will be no occasion to accept such failures.

