

## **RBI Governor urges bank unions for an amicable settlement based on the paying capacity of banks**

**December 22, 1998**

Senior representatives of eight all India bank employees' unions called on Dr. Bimal Jalan, Governor, Reserve Bank of India today to apprise him of the current status of discussions on the wage negotiations in the banking industry. The following were present :

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Tarkeshwar Chakraborty, All India Bank Employees' Association

Suresh Dhopeswarkar, All India Bank Employees' Association

P. Laxminarsaiah, National Confederation of Bank Employees

Shantha Raju, All India Bank Officers' Association

R.F. Shridharan, All India Bank Officers' Association

Subhash S. Sawant, Indian National Bank Employees' Federation

Samant, Indian National Bank Officer's Congress

Vinayak B. Indurkar, National Organisation of Bank Workers

G.M.V. Nayak, Bank Employees Federation of India.

At the outset, the representatives expressed their disappointment at the manner in which the negotiations were proceeding and the unrealistic stance of the Indian Banks' Association as a result of which the negotiations were not progressing satisfactorily. They requested the Governor to intervene in the matter.

Dr. Jalan urged them to come to an amicable settlement based on the paying capacity of banks. He pointed to the impact of the East-Asian and Russian crises on the global financial system and the increasing attention being accorded to the strength of the financial system in individual country. In this context, the Governor stressed on the need to ensure that the financial position of Indian banks was strong and sound.

The Governor pointed out that historically, wage negotiations were a matter to be decided between the banks and their unions and it was not a matter in which the Reserve Bank would like to intervene on either side. He hoped that the on-going negotiations will be concluded speedily so that the normal functioning and cordial atmosphere prevailing in the banking industry is not vitiated. Given the goodwill and the desire to be accommodative on both sides, the Governor was confident of the wage negotiations concluding satisfactorily and peacefully.

The union representatives thanked the Governor for listening to them patiently and urged him to use his good offices to bring the matter to a satisfactory conclusion.

**Alpana Killawala  
General Manager**

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