



UNION BUDGET FOR 2017-18

With a thrust on agriculture and rural economy

Finance Minister Shri. Arun Jaitly presented his fourth Budget for the Financial year 2017-18 after the shock of demonetization, which is also a prelude to digital revolution in Indian economy. Budget is unique in a sense that it is the first time in the post independent India that a railway budget is merged with the main union budget.

There is always a wrong myth that the good politics and economics will not go hand in hand. But the Finance Minister has only demolished that notion when he presented the budget blended with politics and sound economics.

In the budget the Finance Minister had avoided many declarations for the sake of praise or clap. There is no false promises or big projects as normally seen in the past. Instead he had strongly taken care to face the reality in the light of demonetization. It is clear that the government sights are set on the poor, farmers, middle class, rural population, small and middle level business men and entrepreneurs. Budget also proposed to bring in a stringent law to bring those who commit fraud on the banking system in the country and abscond, by attaching their properties thereby reducing the protracted legal system for recovery. He has also targetted those big sharks who tries to evade income tax.

One of the most revolutionary announcement made in the budget is the restriction in accepting cash donation by political parties, that is reduced to ` 2000/- without disclosing the name of the contributor as against the present limit of `20000/-recommended by the Election Commission as a part of electoral reforms. Budget also restrict cash transaction over and above `3 lakhs as part of preventing cash transactions in the system.

The unorganized sector who suffered the most due to demonetization did not get much relief as expected. This is the field that contributes creating new jobs and the back bone of industrial growth. The Micro Small and Medium Enterprises (MSME) has received only 5 percent relief from payment of income tax. This is however expected to boost investment and buoyancy in the sector.

Among other proposals, the salient features of the budget proposals are as follows;

RAILWAYS:- Instead announcing new trains and projects focus is given on safety of the passengers. Accordingly there is a creation of a safety fund with a contribution of ` 1 lakh crores towards carrying out infrastructure upgradation. There is also proposal to have public /private participation in railway projects in the line of road, water, aviation, sectors. Any increase in

the fare will be linked with demand and necessity and the services provided. Focus also will be given to travel security, cleanliness, infrastructure and reformation. There is also proposal to eliminate all unmanned level crossing within 3 years.

There are proposals to create 3500 km newlines, introduction of new trains to important tourist and pilgrimage centers and provision of bio toilets in all trains by 2019. While modernizing many stations there is also proposal to modernise 25 stations across the country, in the international standard and introduction of solar energy in 7000 stations.

Direct Tax: There was a general expectation that the rate of personal Income tax relief for the lower level tax payers will be increased from the present level of ` 2.5 lakhs. Whereas the slab is refixed from `2,50,001/- up to 5 lakhs with a reduction of 5 percent tax, instead of the current level of 10 percent.

AGRICULTURE: There is an allocation of 24 percentage for agricultural and rural development. Provision of `10 lakh crores for farmers credit is a big leap to the sector and the government is committed to doubling of farm income within 5 years. There is an allocation of `32000 crores towards irrigation in view of the persistent draught for the last couple of years. There is no proposal to write off the agricultural debt as in the past, instead there is an interest subvention up to `15000 crores and insurance premium subsidy of `9000 crores provided.

RURAL ECONOMY: The proposal to enhance allocation of MGNREGA to an all time high of `48000 crores is intended to improve rural employment and economy. It is also proposed to electrify 100 percent of the villages with the provision of net work of road connecting the villages.

HEALTH : Budget has proposed 27.7 percentage of increase in allocation of fund towards various health schemes, the bulk of it goes to rural areas for spending on rural health, Swachh Bharat scheme, nutritious food for children. Though allocation of fund for National Health Mission has seen a jump of 20 percent over the allocation from the previous year it is quite inadequate

according to international standard. As such the same has to be provided at least up to 6 percent. Swachh Bharat scheme a favourite of the present NDA government, is also a part of health scheme has got a boost with the allocation of `14000 crores, up by 33 percent.

EDUCATION : Education did not get the boost as expected. It got an outlay upto 9.9 percentage to `79,686 crores. It was looking at the private sector for improvement of the system. Sarva Shiksha Abhiyan the basic education policy of the government got only an allocation of 4.4 percent and the allocation for the higher education remains at `13000/- crores. Spending on mid day meal scheme is up by 3 percentage. Allocation for vocational education of `2400 crores is a huge leap in terms of empowering youth towards skill India and Make in India schemes.

HOUSING : The housing sector was struggling in view of the overall financial meltdown resulting in NPA; in financial sector. This situation had further aggravated due to demonetization. This sector has received a major boost in the budget as it has received infrastructure status to the affordable housing segment. This means loans to this sector would be cheaper, that will create demand for housing. National Housing Bank will refinance individual housing loan about `20000 crores.

INFRASTRUCTURE : There is an allocation of `3.96 lakhs crores to the infrastructure sector. This will create more economic activity and job opportunity. There is an allocation of `64900 crores towards expanding highway net work. There is also an allocation of `27000 crores towards building network of roads in the rural areas. But the provision of `3000/- crores towards highway maintain is inadequate that will only spoil the good intention of the government in the sector.

DEFENCE: There is an allocation of `2.74 lakh crores to defence with an increase of 6-2 percent of which 10.05 percentage will go towards modernizing and procurement of arms, aircrafts and warships which is inadequate considering the volatile situation prevailing in the border.

BANKING: Compared to the previous years of allocation of `25000 crores towards

SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS

re-capitalization to the Public Sector Banks the allocation of ` 10000 crores for the current year is inadequate in view of the increasing in NPAs that is haunting the sector. However there is a proposal to increase the allowable provision for NPAs from the present 7.5 percentage to 8.5 percent that will reduce the tax liability of the bank. Government also proposed tax concession on provision for bank struggling with NPAs. The reduction of interest on loans will boost the credit off take for the banks. Though the demonetization was done with good intention to curb black money, check counterfeit

currency and terrorist activities in the country the lacks of sufficient preparedness to replace with the new currencies, in the system had put the middle class, especially in the rural area, the micro and the small sectors and traders in to great hardship with its impact on economy. Banks had to face the brunt from the public due to inadequate currency available in the system. It is expected that various allocations and schemes announced in the budget and availability of sufficient currency in the system will ease the situation and the economy will improve for a better tomorrow with digital revolution. ■



MANI PALVESAN NEW MD OF STATE BANK OF HYDERABAD

Shri. Mani Palvesan has been taken over as the new Managing Director of the State Bank of Hyderabad. He had joined SBI group in 1982 and served the group in various capacities that include Chief General Manager of SBI, Chief Executive Officer at SBI's Hong Kong Branch and

Managing Director of SBI Cap Securities.

"Officers Cause" congratulates Shri. Mani Palvesan for having appointed as Managing Director of one of the leading associate bank of SBI and wish him all success in his future assignments. ■



OUR LONG PENDING DEMAND OF FIVE DAYS' BANKING

Text of AIBOC Circular No.2017/02 dated 17th January, 2017 .

QUOTE

Members are aware that the demand of five days' banking which was taken up by our Organisation very seriously during the 10th Bipartite Settlement was partially met by getting two Saturdays off. This achievement could be clinched with the efforts of AIBOC on the last day of negotiations i.e. on the day of signing of MOU on 23.02.2015, with the intervention of Smt. Arundhati Bhattacharya and Smt. V.R.Iyer, Chairpersons of State Bank of India and Bank of India, respectively. An assurance was given by both these compassionate Executives that if the system of two Saturdays off works smoothly and without any trouble, our demand of five days' banking will be supported by them also.

During the period after the Xth Bipartite Settlement also, we continued to pursue this demand of five days' banking through IBA and all possible channels. The latest demonetization drive implementation has put the Bank employees and Officers under lot of stress and need for five days' banking was all the more felt. We, in the banking industry, have proved that nothing is impossible for us including implementation of voluminous and strenuous job like demonetisation. Considering this as the right opportunity, we have decided to revive this demand passionately. In this endeavor, we have written a letter to Smt. Arundhati Bhattacharya, the Chairperson of SBI and Senior Vice Chairman of IBA, urging her to support and pursue this very important issue of ours. We enclose herewith our letter Ref No. 2017/07 dated 17.01.2017 for your perusal and records. We shall keep you apprised of the developments. ■

124TH WORKSHOP ON DISCIPLINARY AND VIGILANCE PROCEEDINGS

The National Academy of Trade Union Research and Education is just one short of 125th Programme as a part of the Silver Jubilee Celebrations of its establishment. The NATURE has successfully completed silver jubilee on 2nd

October, 2016 and as a mark of its celebrations it is now proposed to hold the 125th programme in a grand manner very shortly.

2.The 124th programme was 5 days workshop on

ARISE, AWAKE, STOP NOT TILL THE GOAL IS REACHED

Disciplinary and Vigilance Proceedings held on 9th to 13th January, 2017 in a grand manner in Bangalore at Gandhi Nilaya. The programme was attended by more than 50 participants representing the Public Sector, Private Sector and the Regional Rural Banks across the country. The programme was inaugurated on 9th January, 2017 by Com.Y.Sudarshan, the General Secretary of the Federation in the presence of the senior faculty members of the NATURE.

2. The members of the faculty included sarvashri: Com.Shantharaju, G.Muthuswamy, G.D.Nadaf, B.S.Ravindra, D.Shyam Sunder Rao (Course Co-ordinator), S.K.Srinivas and Y.Sudarshan.

3. On 13th January in the post lunch session the valedictory function was held. Com.S.K.,Srinivas, the President of SBIOA(K) welcomed the guests and spoke about the utility of the knowledge acquired

by the participants.

4. Com.M.Harshavardhan, General Secretary, ABOA, Com.Muralidharan.V, General Secretary, SBIOA, Kerala Circle and Com.R.Ramesh, General Secretary, ABOA, SBM Unit were guest of honour. Com.S.K.Srinivas, President, SBIOA(K) welcomed the dignitaries on the dais.

7. Com.V.Muralidharan appreciated the efforts of the faculty of NATURE in imparting the knowledge. Com.R.Ramesh also spoke on the occasion and advised the participants not to take up the presenting officer's role as you are committed to defend the unfortunate colleagues.

9. The compeering of the programme was done by Com.S.L.Kulkarni Treasurer of AISBOF. The meeting concluded with a vote of thanks by Com. Nandakishore.N.Malkhedkar, General Secretary of SBIOA(K). ■

STAFF ACCOUNTABILITY: INVESTIGATIONS

It has been observed that there is a sudden rise in explanations on the basis of examination of staff accountability, many a times without crystallizing their role and lapses attributable to them. We agree that the accountability goes hand in glove with the responsibility, and higher the responsibility the more the accountability. The examination of accountability on large scale has created a feeling among officers that there should be no room for error in one's work and that any decision-making may bounce back with a tag of accountability, if the decision goes wrong and results in a financial loss to the bank. This fear of the democles sword of accountability is spreading

vertically and laterally and is bound to affect business development as if leads to indecisiveness. For the development of a financial organization, the examination of accountability should send the right signals to the employees and not vice versa.

2. Federation had taken up the issue with the corporate center with their various suggestions observation and feed back with a request for formulation of a proper accountability policy, as exists in many Banks will help in dealing such issues objectively and dispassionately and called for a detailed discussion on a fair 'staff accountability policy' and in the area of disciplinary proceedings. ■

AIBOC COMMITTED TO THE ISSUES OF RETIREES CONCILIATION PROCEEDINGS SUBSTANTIATES ITS STAND

Text of AIBOC Circular No.2017/04 dated 25th January, 2017

QUOTE:

In response to a dispute raised by one of the Retirees' Organizations on 100% neutralization of DA for pre 2002 pensioners, Assistant Labour Commissioner (Central) Mumbai had called the conciliation meeting yesterday i.e. on 24.01.2017. Since, AIBOC was made one of the respondents, Com Sanjay Manjrekar, Vice President of the Confederation and Com. Manoj

Wadnerkar, President, AIBOC Maharashtra State-1 Unit attended the conciliation meeting as the undersigned had to attend another urgent engagement in Mumbai itself. We submitted our written statement which was already sent to the conciliation officer on 07.01.2017 (copy which is annexed to this circular). We also submitted that the issue of 100% neutralization of DA to pre 2002 retirees was one of the issues in our Charter of Demands for the 10th Bipartite Settlement and the same along with other unresolved issues of the retirees is recorded in the 'Record Note' signed by

WORK IS WORSHIP , DO YOUR DUTY

the IBA and the UFBU constituents on 25.05.2015. It was also brought to the notice of the Presiding Officer that since subsequent to the signing of the Record Note there was no response from the IBA, AIBOC had raised this issue in our Strike Notices in December 2015 and again in September 2016 and the Regional Labour Commissioner (Central), who had held the conciliation meetings in the matter has ultimately recorded the failure of talks. IBA and the Workmen Union which were also made respondents did not attend the yesterday's proceedings. However, IBA has filed their comments where in they have stated that IBA is an independent and voluntary organization and discusses / negotiates with Workmen Unions / Officers Associations on behalf of its member banks on the basis of mandate given by these banks and that IBA is not employer of Workmen/ Officers of these banks and thus they are not a direct party to any industrial dispute including that of the case of Retirees' Organization who have raised the dispute. Subsequently, in a separate meeting, the Assistant Labour Commissioner (Central) also heard the representatives of CBPRO (Co-ordination of Bank Pensioners' and Retirees Organisations) which have also raised the issue of 100% neutralization of DA. (AIBPARC is one of the constituents of CBPRO). Since the issue raised by both the unions was common, the Presiding Officer

decided to conciliate in common and adjourned the case to 28.02.2017.

It needs no emphasis that AIBOC has always shown concern for the retirees and the pensioners and has been raising and settling their issues unlike some retired executives who did nothing for the retirees when they were in service though they had the powers but are acting as championing the cause of retirees today when they are victims. It was AIBOC which kept the issue of 2nd option of pension alive and ultimately clinched the same in the 9th BPS to the benefit of lakhs of retirees. Again, it was AIBOC which clinched 2nd option of pension for VRS optees who were clandestinely denied the same by IBA by wrong interpretation of the settlement. Further, at a time when there was no credible and active all India level organisation to mobilize and represent the banks retirees and pensioners, AIBOC took the lead to form AIBPARC and mobilize and organize the retirees and pensioners under one banner.

We once again reiterate that the issues of the retirees viz. 100% neutralization of DA to pre 2002 retirees, automatic updation / upgradation of pension / revision in family pension and pension to the resignees and other left outs are on the top of our agenda and achieving the same is our goal. ■

MONETARY CEILINGS FOR RESIDENTIAL FURNITURE PROVIDED TO OFFICERS

The monetary ceilings for provision of residential furniture to Officers was last revised in 2013 vide e-Circular No:CDO/ P&HRD-PM/ 30/ 2013-14 dated 12.09.2013. The Circular also stated that "Officers transferred out of circle on administrative ground by the Bank, shall be entitled for 20% additional entitlement over and above the respective eligible grade wise ceilings". This was done probably with an intention to encourage officers to take up assignments outside their Circle.

The federation had taken up the issue with corporate center with the recommendation that the additional limit sanctioned while the official is posted outside his Circle should be continued when the official is repatriated to his/ her parent Circle, and reducing the eligibility will be demoralizing, as he can neither return the furniture already purchased nor go for fresh purchases after the due dates. ■

FAMILY FLOATER GROUP MEDICLAIM POLICY FOR SBI RETIREES (POLICY – B) BANKS CIRCULAR NO. CDO/P&HRD – PPF G/82/2016-17 DATED 06.01.2017

The premium for all the plans under 'Policy – B' have gone up substantially (more than 3 times). This is because of the enhanced claim ratio and also taking into account the cost of domiciliary treatment. But, there are existing members under the earlier REMBS plan who were shifted to 'Policy - A'. Such

members already have an amount fixed at 25% of the plan subject to a cap of ₹ 25,000/-, ₹ 50,000/-, ₹ 75,000/- and 1 lac for the various plans under 'Policy – A' for domiciliary treatment. For such members who already have a provision for domiciliary treatment under 'Policy – A', the

provision for domiciliary treatment under 'Policy – B' may be unnecessary. So when they also become members of 'Policy – B', they are paying a higher premium because the cost of domiciliary treatment is loaded in 'Policy – B', making the premium exorbitant.

3. Accordingly the federation had given the following proposals to the management;

a) Under 'Policy - B' another scheme/plan should be provided for, without domiciliary treatment. Therefore without domiciliary provision, such a scheme will have a lesser premium which can be availed by officers

who are already members of 'Policy – A'. Alternately, at the same premium, they can avail a higher cover. This will help those under REMBS ('Policy - A') and reduce their burden on account of 'Policy - B'.

b) Secondly, as the mediclaim is a welfare measure, and as the burden on the retirees is too much on account of the rise in the premium, the Bank can subsidise the premium to the extent possible which will go a long way in mitigating the hardship of our retirees, and be a good will gesture.

4. The response is awaited. ■

SERVICE CONDITION OF MEDICAL OFFICERS REVIEW OF SALARY SCALES

The salary scales of the Medical Officers working in the bank was fixed on the basis of the then existing salary scale of the General Officers. The same has been continued even now, and on the completion of the bipartite settlement at the industry level in the banking industry they are extended the stage to stage fitment in respect of their basic pay. However, in course of time, the salary scales of the doctors working in the Government and other sectors have gone up very substantially and comparatively. A review of these scales, keeping in view the improvements that have taken place in the Government on a continuous basis, is necessary. The 7th Pay

Commission would further enlarge this difference.

2. The doctors working in different parts of the country have been approaching us for a review of the scales commencing from the entry point. We therefore request you to kindly look into these requests from the Medical Officers and re-fix their scales. As they do not have the benefit of periodical promotional opportunities, they are very much frustrated in comparison with the other officers in the general banking. Federation had taken up the matter with the corporate center that these grievances could be addressed if revisit their existing scales and review the same to suit the current environment in the medical profession. ■

REIMBURSEMENT OF ENTERTAINMENT EXPENSES

As that the revised instructions are yet to be operationalized through HRMs, though the instructions have been issued by you as early as 3rd October, 2016. Federation had taken up the

issues with the corporate center to instruct the authorities concerned to activate the relative menu in HRMs from October, 2016 with the revised ceilings at the earliest. ■

COMBINED ZONAL CONFERENCE OF GULBARGA & BIDAR AT GULBARGA

A combined Zonal Conference was convened by State Bank of India Officers' Association (K) as a part of its organizational activities on 08/01/2017 at Kalburgi, North Karnataka. The dignitaries who were present on the occasion and graced the dais included Shri.Indranil Banja, Dy.General Manager(B&O), Hubli and Y.Sudarshan, the General Secretary of the Federation were guest of honor.

Com.Nandakishore.N.Malkhedkar, the General Secretary was to deliver key note address. The meeting was presided over by Com.S.K.Srinivas, President of SBIOA(K).

2. Com.Shankar Prasad, the Chairman of the reception committee extended a warm welcome to all the dignitaries on the dais.

BE TRUTHFUL, BE FEARLESS

3. Shri.Indranil Bhanja, speaking on the occasion expressed his happiness over the large gathering of members and spoke about the various aspects of the banking with particular reference to the top priorities of the module. He wished that the module should become No.1 Pan India through active co-operation and support of the officers and staff of the module.

4. Com.Y.Sudarshan, the General Secretary of the Federation in his address expressed his happiness over the large gathering and the enthusiasm of the members to participate in the meeting. He also congratulated the leadership of the circle association for convening the combined zonal conference which will provide an opportunity to the grass root level members to interact with the leaders of the organization. He thereafter detailed the various aspects of the 10th Bipartite settlement and the efforts of the Confederation to resolve the residual issues. He also indicated the preparedness of the Federation and Confederation to go ahead with the 11th Bipartite Negotiations with a very comprehensive charter of demands which is ready for submission to the IBA. He explained at length the

efforts of the Federation to ensure a fair and equitable settlement in the next wage revision.

5. Com.A.R.Sathyarayanan Rao, and Com.K.Dayananda Shetty, the Regional Secretaries from Bangalore Modules complimented the leaders of the Zone for the excellent manner in which the conference was being organized and conveyed their good wishes to the success of the conference.

6. Com.Nandakishore.N.Malkhedkar, the General Secretary, SBIOA(K) in his key note address called upon members to exercise due caution and diligence while discharging their responsibilities to the bank in order to save themselves as well as the bank.

7. The success of the Conference was due to the active involvement of the entire membership of both the zones led by Com.G.S.Padmaji, Zonal Secretary, Kalburgi Zone, Com.Prakash Haridas, Zonal Secretary Bidar Zone under the able guidance of Com.A.Rama Mohan, the Regional Secretary of Hubli Module along with a large number of volunteers and office-bearers of the local units of the zone. ■

Banking

SBI CHAIRMAN ON BOOSTING GROWTH

In the backdrop of the bank making a steep cut, in its one-year marginal cost of funds –based lending rate to 8 percent from 8.90 percent, Smt. Arundhati Bhattacharya Chairman of SBI said: "Interest rate is one of the components; it can never be the only component for boosting growth. So, we have to bring back confidence in the economy in very many ways. And, I think, the kind of measures that were announced (by the Prime Minister on 31st December 2016) is basically trying to bring the benefits of growth to every segment of the country, rather than leaving it in pockets."

So, whether it be affordable housing, or small entrepreneurs (where the credit guarantee limit has been doubled to ` 2 crore), these measures are meant for the small borrowers, and since much of the small borrowers, and since much of the bank's loan book is with the small borrowers and since much of the bank loan book is with the small borrowers it will definitely help it, she added. "So

also the announcement that 60 days of interest for farmers will be credited upfront. It will obviously help the farmers. So, we are very keen on seeing that these sort of things happen. In the end, it creates a better and more sustainable portfolio for us." said the Chairman. Referring to the slew of home loan products, including a bridge loan, top-up loan and loan for the non salaried segment, launched by SBI, the Chairman emphasized that it is meant to be a clear signal that the bank is open for business, that there is demand in the economy.

"There should not be any uncertainty on this. And definitely, we would like to see credit growth getting jump-started ... Today, it is extremely important to bring back confidence in the economy, jump-start credit growth. I think, it is important for us to try and have as stable a rate regime as we can possibly manage". She added. ■

Source: business line Date/ 3.1.2017

The election of Donald Trump as the next president of the US is news that has surprised most psychologists and analysts. But this outcome was not entirely unexpected when situated in its wider global context.

There is turbulence, if not turmoil, in politics almost everywhere in the world. Electoral outcomes or referendum results are uncertain and unpredictable. People as citizens are frustrated with, even alienated from, their governments. This is so despite enormous material progress since 1980, probably because of its highly unequal distribution between people within countries. And it is political democracy, where it exists, that has enabled people to voice their discontent.

This period, spanning one-third of a century, has been characterized by the ascent of markets and the march of globalization, which has exercised a profound influence on the well-being and lives of people. For some, globalization has opened the door to opportunities and wealth creation. For many, unemployment and poverty, which existed earlier, persist, but globalization may have accentuated exclusion.

There are few winners. There are many losers. Asset-owners, profit-earners, rentiers, the educated, the mobile and those with professional skills are the winners, whereas asset-less, wage-earners, debtors, the uneducated, the immobile, and the semi-skilled or the unskilled are losers.

The big winners are the super rich and ultra rich everywhere, and the middle class in emerging economies. The big losers are the working class and the lower-middle class in industrialized countries or the poor and the marginalized in developing countries.

This has led to dramatic increases in economic inequality among people within countries. The national income share of the poorest 50% of the population has contracted almost everywhere while the share of the richest 1% has risen rapidly everywhere. Globalization is not the only reason but

is an important underlying factor.

The problem has been accentuated since the financial crisis. The Great Recession, which followed in its aftermath, persists even now. Recovery is slow, uneven and fragile. In a few countries where output has recovered, employment has not. Unemployment levels are high. In European Union (EU) countries, the average rate of unemployment is more than 10% of the workforce, while it is more than 20% in Greece and Spain. The youth unemployment rate, mostly new entrants into the labour market, is almost 25%.

There has been a stagnation in real incomes of blue-collar and white-collar workers in rich countries. In the US, there has been no increase in real wages since the early 1970s for almost 90% of the workforce.

The share of wages in national income has fallen in both rich and poor countries. The quality of employment has also deteriorated, as permanent employees turn into contract workers. For such people, there is no security of employment. Indeed, their superannuation and healthcare benefits provided by employers also cease. The dilution of social protection and the privatization of risk have made them even more vulnerable.

Economic integration with the world has led to a domestic fragmentation of societies within nations. For more than a decade now, some economists, including me, have warned that such outcomes are ethically unacceptable and politically unsustainable. Indeed, I argued that globalization was neither the end of history as some believed nor the end of geography as some hoped. Economies may have become global. But politics is national. And the political backlash, which was predictable, is here.

The focus of earlier concerns was on the exclusion of people, regions and economies in the developing world. But the industrialized world was subjected to the same process, because asymmetrical inclusion and exclusion is in the logic of markets and globalization. Thus, the political consequences of economic outcomes associated with markets and globalization have surfaced in poor and rich countries alike.

The backlash in politics, from people, is far more visible in industrial societies. There is a disillusionment with mainstream political parties, an anger with the establishment, whether the political class or economic elites, and an exasperation with choiceless democracies. Citizens seek to reclaim accountability from their governments, which has been ceded to financial markets or multilateral institutions. Openness in trade, migration and investment is seen as a threat. There is a reassertion of national and cultural identities, which has created space for populist movements to exploit the disaffection.

The discontents are similar, though not quite the same, in developing countries. But these are attributable to jobless growth, rising inequality and persistent poverty. However, the political backlash is less discernible for three reasons. In emerging economies, rapid economic growth has provided benefits to a rising middle class and brought about a reduction in absolute poverty.

The literati, the influential and the media, who have voice, believe in the magic of markets and globalization. Many developing countries still have authoritarian regimes, and even where political democracy exists, citizens are not empowered enough. Yet, there is a crisis of expectations. The consumption patterns and lifestyles of the rich, vivid in advertising on television, have powerful demonstration effects. And disaffection is growing.

The manifestations of the political backlash in rich countries is headline news. In the US presidential race, the left –of-centre Bernie Sanders came close to snatching the nomination from the centre –right Hillary Clinton supported by the Democratic Party establishment. But it was the ultra –right Donald Trump who not only trounced the Republican Party establishment also vanquished the entire American establishment by winning the election. This outcome, which I strongly dislike, validates the hypothesis about the anger among people with mainstream politics and the ability of the populist –nationalist far –right to capitalize on this sentiment.

In the referendum on whether Britain should remain in, or leave the EU, the vote for Brexit came from people who believed that they were the losers from

integration with the EU,. In retrospect, this was a sign of times to come.

The discontents in continental Europe have also surfaced in its politics. In France, the Socialists are starting at defeat in the 2017 presidential election and will have to decide whether they will vote for a conservative to stop the ultra –right Marie Le Pen. The far –right nationalist –populist political parties are emerging as a significant force in Austria, Denmark, Germany, Finland, Netherlands and Sweden.

Latin America provides an interesting contrast. The early 2000s witnessed extraordinary change as 10 countries elected Left governments. This happened because an adoption of neo-liberal economic prescriptions imposed real hardship on people-higher unemployment, lower incomes, rising inequality – during the 1980s and 1990s. These governments were recently ousted in Argentina, Brazil, Chile, Guatemala and Venezuela for corruption or economic mismanagement. But left –of-centre governments continue with popular support in Bolivia, Ecuador, Nicaragua and Uruguay.

It would seem that political parties on the right and far –right are capturing the space created by the unequal economic outcomes associated with markets and globalization. They have exploited the failures of mainstream political parties and the resentment of people against the establishment. Their political mobilization of economic discontents is based on opportunism and population. In the US and Europe, trade and immigration are relying points preying on concerns about employment and wages. Cultural identity is deftly woven into a tirade against immigration, while religious conservatism is invoked for rousing anti-Islamic sentiments.

The outcome is paradoxical. In this situation, there was both opportunity and space for left –of-centre politics. But it is not even on the horizon.

Social democracy began life across Europe in the late 19th century with the objective of correcting the working classes. It was reinvented in 1945 to counter possible Soviet influence. It did so by introducing universal adult suffrage in democracy, accepting the

beginnings of decolonization, evolving the welfare state and stressing the pursuit of full employment. However, starting around 1980, social democratic parties started forgetting their raison d'être and were gradually co-opted by markets and globalization. They moved to the centre –space in politics so that their ideology was no longer a point of reference. It is no surprise that there was a progressive erosion of their constituencies in politics.

The communist parties, or their offspring on the left, did not survive the collapse of communism in the USSR and Eastern Europe. It dealt a severe blow to their credibility, legitimacy and identity. Their reluctance to invoke nationalism against markets and globalization was understandable. But they were also unable to get away from their belief systems embedded in the past. It is no surprise that the orthodox Left was unwilling and unable to reinvent itself in an altogether changed world.

Even so, there is a Left that has emerged. Podemos in Spain and Syriza in Greece are new entrants into mainstream politics. Bernie Sanders occupied that

space in the Democratic Party in the US for a time in the primaries, while Jeremy Corbyn Leads the Labour Party in Britain with little parliamentary support. The new left radicalism is inclusive, secular and egalitarian. But it is, at best, a critique of neo-liberalism and a symbol of revolt, with a reiteration of left –wing beliefs from yesteryear. It has not yet provided an alternative political manifesto or a different economic thinking to chart a way forward. sting

The irony is striking. Political democracies need the Left to provide checks and balances. The far-right can only divide fragmented societies further, whereas left-of-centre parties, even in opposition, can reconcile if not bridge such divides. The far –right would erect; barriers at national borders, whereas left –of-centre parties would seek to regulate markets and manage globalization to serve the interests of people.

If ideologies in politics are cyclical, there is reason for hope.■

Source: Mint: 11.11.2016

Judicial Verdict

LNIND 2016 PAT 4013
IN THE HIGH COURT OF PATNA

Present:

Hon'ble Mr. Justice Navaniti Prasad Singh and
Hon'ble Justice Ms. Nile Agrawal

L.P.A. No. 2025 of 2010 in C.W.J.C. No; 13529 of 20006

18th October, 2016

State Bank of India, a Banking Company constituted under the
State Bank of India Act, 1955 having its Corporate Office at Mumbai

... Appellant/s

Versus

Union of India, Ministry of Labour, New Delhi, through its Secretary and
Others

... Respondent/s

Termination - Reinstatement - Industrial dispute raised and reference made on refusal of regularization sought by private Respondents – Second reference raised regarding validity of their termination during pendency of reference before Tribunal– Petitions filed by Bank were dismissed - Intra-Court appeal preferred – Whether awards passed by Tribunal and Single Judge against Bank justified – . . .Held, just settlement could be slightly different from what Industrial Tribunal did or what Single Judge did - Instead of ordering reinstatement and regularization, interest of justice would be subserved if Private Respondents were paid lump sum settlement – Awards of Industrial Tribunal and order of Single Judge modified accordingly– Awards satisfied upon payment of separation amount

NEVER BEND BEFORE THE INSOLENT MIGHT

to three Private Respondents – Appeals disposed of.

ORAL JUDGMENT

Mr. NAVANITI PRASAD SINGH, J

These two intra-court appeals arise out of judgment and order dated 12.10.2010, passed by learned Single Judge in C.W.J.C. No. 13529 of 2006 and C.W.J.C. No. 10612 of 2007 which were heard and disposed of as analogous. The writ petitions were filed by the State Bank of India (hereinafter referred to as the Bank), which were dismissed, hence, the intra-court appeal.

2. There are three private respondents, who are the same in both the appeals. They have appeared and have been heard.

3. It appears that the private respondents were hired by Darbhanga Branch of the Bank as part time worker as Sweeper-cum-Farash. Having worked for a considerable period, the three private respondents sought for regularization. This having been refused, industrial dispute was raised and reference was made. During pendency of the reference before the Industrial Tribunal, their services were stopped to be taken. This gave rise to a second reference with regard to validity of their termination. Both the industrial references were decided against the Bank. The Tribunal held that their termination being without notice the termination was bad, and, accordingly, directed reinstatement. In the other reference, the Tribunal held that they were not merely part time workers but were doing jobs for the benefit of the Bank throughout the day since 1991, and, as such, were liable to be regularized in service. Bank, thus, filed the two writ petitions challenging the two awards. So far as regularization is concerned, the writ petition was substantially allowed and the regularization was made depending upon certain facts to be enquired into again. Bank being aggrieved are challenging that it was not a case of regularization at all. In the second writ petition learned Single Judge refused to interfere with the award of setting aside termination and directing reinstatement. Hence, the two appeals.

4. In course of hearing before us, we noticed that the questions, as raised on behalf of the Bank, are not free front difficulty. The facts, which appear from the record, would show that the petitioners were, in fact, engaged by the Bank as part time Sweeper-cum-Farash when the Branch had shifted to another premises. This work was hardly of an hour or two a day but the facts are also there that they continued to be in the Bank throughout the day doing various jobs for the officers. According to the Bank, in respect of this part there was no privity of contract between the Bank and these individuals. It was a private arrangement between the officers and these persons. On behalf of the Bank, it was further urged that there was no need for such employees in the Bank and, therefore, there could be no reinstatement, in fact, there was no such post sanctioned.

5. We have considered the matter and heard the parties. To us, it seems that a just settlement could be slightly different from what the Industrial Tribunal did or what the learned Single Judge did. We would rather follow what was done by the Apex Court under somewhat similar circumstances in the case of ***State Bank of India v. Suresh Thakur and others*** being Civil Appeal No. 2648-49 of 2015 (arising out of Special Leave Petition (Civil) Nos. 34444-45 of 2010) as disposed of on 26.02.2015. Instead of ordering reinstatement and regularization, interest of justice would be subserved if the three private respondents are paid a lump sum settlement amount of ` 5 lacs each as was done in the aforesaid case before the Apex Court in full and final settlement of all their claims as against the Bank. The awards of the Industrial Tribunal and the order of the learned Single Judge would, thus, be modified accordingly and the awards be deemed to be satisfied accordingly upon payment of the aforesaid separation amount to the three private respondents. The amount aforesaid should be paid within two months.

The two appeals are, accordingly, disposed of.

Appeals disposed of.

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DEARNESS ALLOWANCE

The Index Numbers for the quarter ended December, 2016 are as under:

MONTH & Year	INDEX AS PER 2001 series	CONVERSION Factor	INDEX AS PER 1960 series
Oct 2016	278	4.63 x 4.93	6345.60
Nov 2016	277	4.63 x 4.93	6322.77
Dec 2016	275	4.63 x 4.93	6277.12
		Total	18,945.50
Average =		18,945.50/ 3	6315.17
Difference in excess of 4440 points			1875.17
D.A.paid for the previous quarter on (i.e. 478x4)			1912.00
Difference			(-) 36.83
Increase in number of Slabs = 36.83/ 4 =			(-)9.21

Accordingly, Dearness Allowance is payable to Officers on 469 (i.e. 478-9.) slabs with effect from 01-02-2017 as against 478 slabs for the previous quarter. The rates worked out are as per the industry level scales upto Scale VII including SBI. ■

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