AIBEA's Banking News

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SIXTY YEARS OF BIPARTISM IN BANKING: AIBEA'S HISTORIC CONTRIBUTION TO COLLECTIVE BARGAINING

From the struggles of 1946 to the Diamond Jubilee of the First Bipartite Settlement in 2026 — a legacy of unity, sacrifice and working-class power.

V K Singh

On 19 October 1966, the Indian banking industry witnessed a historic transformation. The signing of the First Bipartite Settlement between bank employees and the banking industry was not merely an agreement on wages and service conditions. It was a landmark victory for the organised working class, establishing the principle that the conditions of employment must be determined through collective bargaining between workers and their employers.

Sixty years later, as we celebrate the Diamond Jubilee of bipartism, the occasion calls for more than remembrance. It demands recognition of the historic role played by the All India Bank Employees' Association (AIBEA), a renewed commitment to the collective strength of bank employees, and a determined resolve to defend bilateral negotiations against every attempt to weaken them.

THE BIRTH OF AIBEA: A MOVEMENT AGAINST INJUSTICE

Founded in 1946, AIBEA emerged at a time when bank employees faced hostile managements, poor service conditions and severe restrictions on their right to organise. The formation of trade unions was actively resisted, and employees who dared to establish unions often faced victimisation and vindictive action.

Individual employees possessed little bargaining power against powerful banking institutions. Their grievances could easily be ignored, their demands rejected and their attempts at organisation crushed.

AIBEA transformed this situation by bringing bank employees together under a common banner. It gave them a collective identity, a common platform and the confidence to challenge injustice.

The early years, however, were marked by prolonged struggles. When managements refused to negotiate, employees were compelled to seek justice through tribunals. The Sen Tribunal, Sastry Tribunal, Labour Appellate Tribunal and Desai Tribunal became part of this long and difficult history.

Between 1949 and 1964, bank employees endured fifteen years of tribunal-based proceedings. These experiences did not always deliver satisfactory results. As AIBEA's October 2026 circular recalls, the Sastry Award even reduced the wages of bank employees.

This bitter experience taught the movement an enduring lesson: workers must not remain dependent on decisions imposed from above; they must possess the recognised right to negotiate their own wages and service conditions.

1964: THE CALL THAT CHANGED BANKING HISTORY

At AIBEA's 13th Conference in Trivandrum in 1964, visionary leaders Comrade Prabhat Kar and Comrade H. L. Parvana gave the movement its historic slogan:

“No more Tribunals, We demand Bipartite Settlement.”

It was a declaration of faith in collective strength and democratic negotiation. The demand was not simply for a better wage agreement. It was a demand for dignity, recognition and equality in industrial relations.

AIBEA pursued this objective with determination, mobilising bank employees and confronting resistance from managements and other powerful interests.

The struggle culminated on 19 October 1966, when the First Bipartite Settlement was signed. It was a pioneering achievement: the first industry-level bipartite settlement of its kind in India, according to AIBEA's account. The settlement established a new path for resolving industrial disputes and negotiating the terms of employment in banking.

AIBEA had secured more than an agreement. It had helped establish a principle that would shape the future of industrial relations in the banking sector.

TWELVE SETTLEMENTS: SIX DECADES OF PROGRESS

The First Bipartite Settlement opened the way for a continuing process of negotiations and successive improvements in the wages and service conditions of bank employees.

From the First Settlement of 1966 to the Twelfth Settlement signed on 8 March 2024, the journey has covered six decades of collective bargaining.

AIBEA's circular records twelve successive bipartite wage settlements, alongside important agreements on pension, computerisation, disciplinary procedures and other service matters.

Major milestones included:

- 1966: The First Bipartite Settlement established industry-level collective bargaining.
- 1983 onwards: Settlements on computerisation helped address emerging technological changes in banking.
- 1993: The historic Pension Settlement became a landmark in the struggle for social security.
- 2005 and 2010: Further agreements and pension-related arrangements expanded the framework of employee benefits.
- 2020: The Eleventh Bipartite Settlement continued the tradition of industry-wide negotiation.
- 2024: The Twelfth Bipartite Settlement marked the latest milestone in this historic process.

AIBEA records that it has signed all twelve bipartite settlements and the other settlements listed in its circular. This continuity reflects its central role in sustaining collective bargaining across generations.

FROM MODEST WAGES TO IMPROVED SERVICE CONDITIONS

The achievements of bipartism become particularly evident when we compare the pay scales recorded in AIBEA's circular.

The following figures are minimum-to-maximum basic pay scales, including stagnation increments, for the categories shown in the circular:

- Subordinate staff, 1966: ₹92–145
- Subordinate staff, 2024: ₹19,500–52,610
- Clerical staff, 1966: ₹154–460
- Clerical staff, 2024: ₹24,050–93,960

These figures illustrate the scale of change in the formal pay structure over nearly six decades. They do not, by themselves, measure changes in purchasing power or the cost of living. But they demonstrate the sustained evolution of negotiated wage scales.

Behind these numbers lie the collective efforts of generations of employees who organised, campaigned, negotiated and, when necessary, went on strike.

The achievements extend beyond wages. Pension arrangements, improvements in service conditions, disciplinary safeguards and agreements addressing technological change have helped shape the employment framework of the banking industry.

THE STRENGTH OF AIBEA LIES IN THE UNITY OF ITS MEMBERS

No historic achievement belongs to leadership alone. The vision of leaders becomes a living force only when workers embrace it, organise around it and remain prepared to defend it.

AIBEA's circular acknowledges the obstacles encountered during successive negotiations, including opposition from the government, politically motivated adversaries and disgruntled elements. It emphasises that the unity and firm commitment of members enabled the organisation to overcome these challenges.

Leaders may formulate demands and conduct negotiations, but the real strength behind the negotiating table is the organised workforce. The credibility of a union rests on its members' confidence, participation, discipline and readiness to struggle.

The history of bipartism therefore belongs equally to the leaders who conceived the strategy, the negotiators who pursued it and the countless bank employees whose solidarity made success possible.

BIPARTISM UNDER CHALLENGE: THE STRUGGLE IS NOT OVER

The Diamond Jubilee must not become an occasion for complacency.

AIBEA's circular warns that attempts continue to dilute and weaken the bilateral system. It cites the unilateral Performance Linked Incentive (PLI) scheme as an example of an approach that threatens established collective bargaining. The circular credits the recent UFBU struggle with thwarting this attempt.

Matters affecting employees cannot be removed from the collective bargaining framework at the convenience of management. A system built through decades of struggle cannot be preserved by commemorative resolutions alone. It requires vigilance, an informed membership and a willingness to resist unilateral decisions that undermine negotiated rights.

Bilateralism is not merely a procedure for settling wages. It is the institutional expression of workers' collective voice.

To weaken it is to weaken the capacity of employees to shape their own working conditions. To defend it is to uphold the dignity of labour, industrial democracy and the principle that workers are participants in industrial relations, not passive recipients of decisions imposed upon them.

AIBEA'S LEGACY AND THE RESPONSIBILITY OF THE NEXT GENERATION

Every generation inherits achievements won by those who came before it. But no generation can claim those achievements permanently secured unless it is prepared to defend and advance them.

For young bank employees, the history of AIBEA teaches that organisation is stronger than isolation, unity is more effective than fragmentation, and sustained collective action can transform conditions once considered impossible to change.

Trade unionism must be more than the periodic negotiation of wage increases. It must protect dignity, social security, fair treatment and the right of workers to participate in decisions affecting their lives.

The future of bipartism depends on a membership that understands its history, values its collective strength and remains committed to solidarity across banks, regions, generations and categories of employees.

SALUTATIONS TO THE PIONEERS; COMMITMENT TO THE FUTURE

As AIBEA celebrates sixty years of bipartism, our salutations go to Comrade Prabhat Kar, Comrade H. L. Parvana and the generation of bank employees who demanded and achieved the First Bipartite Settlement.

Their historic slogan, "No more Tribunals, We demand Bipartite Settlement," continues to remind us that progress becomes possible when workers refuse to accept injustice as inevitable.

We salute the generations of trade union leaders, activists and ordinary bank employees who carried this struggle forward through twelve successive wage settlements and countless other agreements.

Their legacy is not simply a chapter in banking history. It is a contribution to the wider history of the Indian working class and its struggle for collective rights.

The Diamond Jubilee should renew our determination to protect the achievements of bipartism, resist every attempt to undermine bilateral negotiations, strengthen AIBEA and preserve the unity of bank employees.

Sixty years ago, collective bargaining was won through struggle. Today, its defence remains a collective responsibility.

LONG LIVE AIBEA!

LONG LIVE THE UNITY OF BANK EMPLOYEES!

LONG LIVE BIPARTISM AND COLLECTIVE BARGAINING!

Let the Diamond Jubilee become a new beginning in the continuing struggle for workers' rights, dignity and social justice.

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