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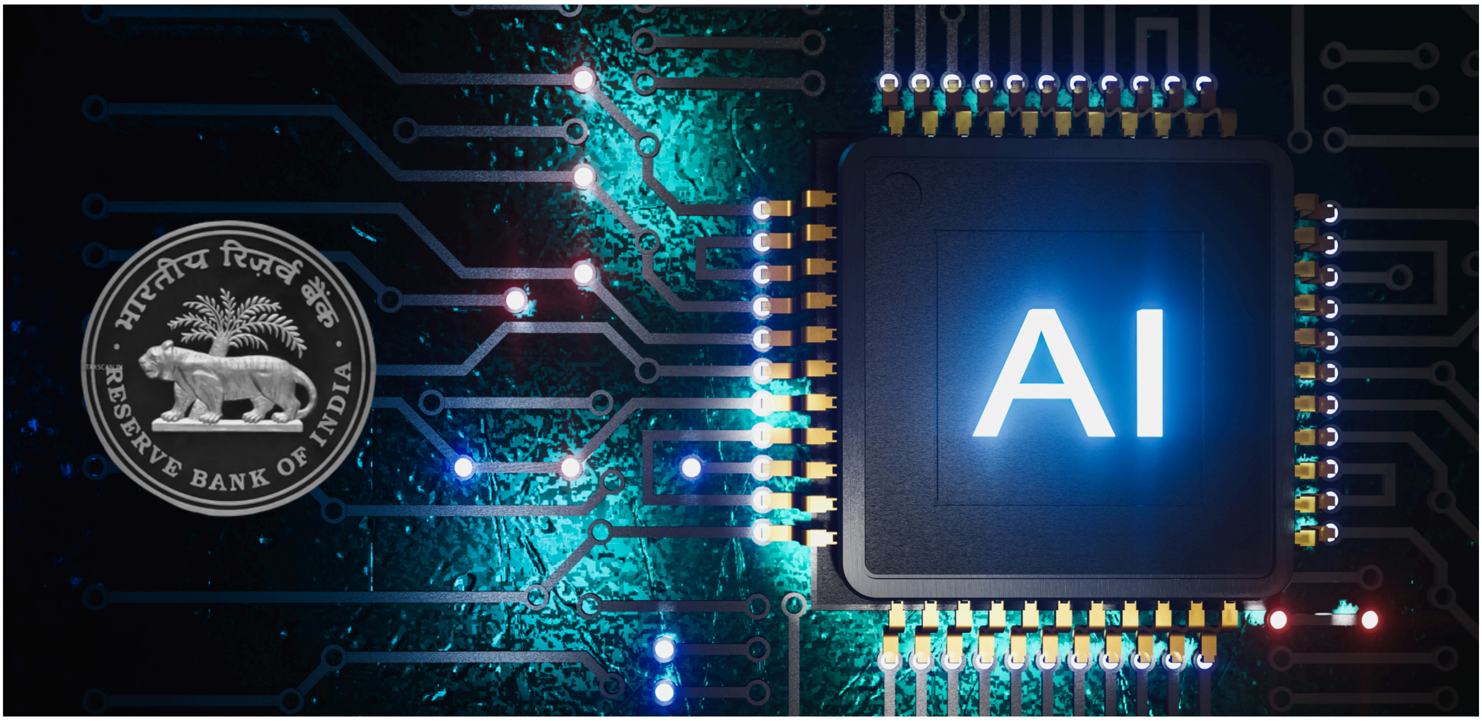


The Promise and Peril of AI in Indian Banking | Editorial

Rupam Roy, General Secretary, AIBOC

As India's banking sector stands at the threshold of an artificial intelligence revolution, the All India Bank Officers' Confederation (AIBOC), representing over 325,000 banking professionals across public, regional, and private institutions, has issued a clarion call for caution regarding the Reserve Bank of India's proposed "Framework for Responsible and Ethical Enablement of Artificial Intelligence" (FREE-AI). These concerns illuminate a fundamental tension in modern technological adoption: the gap between regulatory aspirations and ground-level realities.

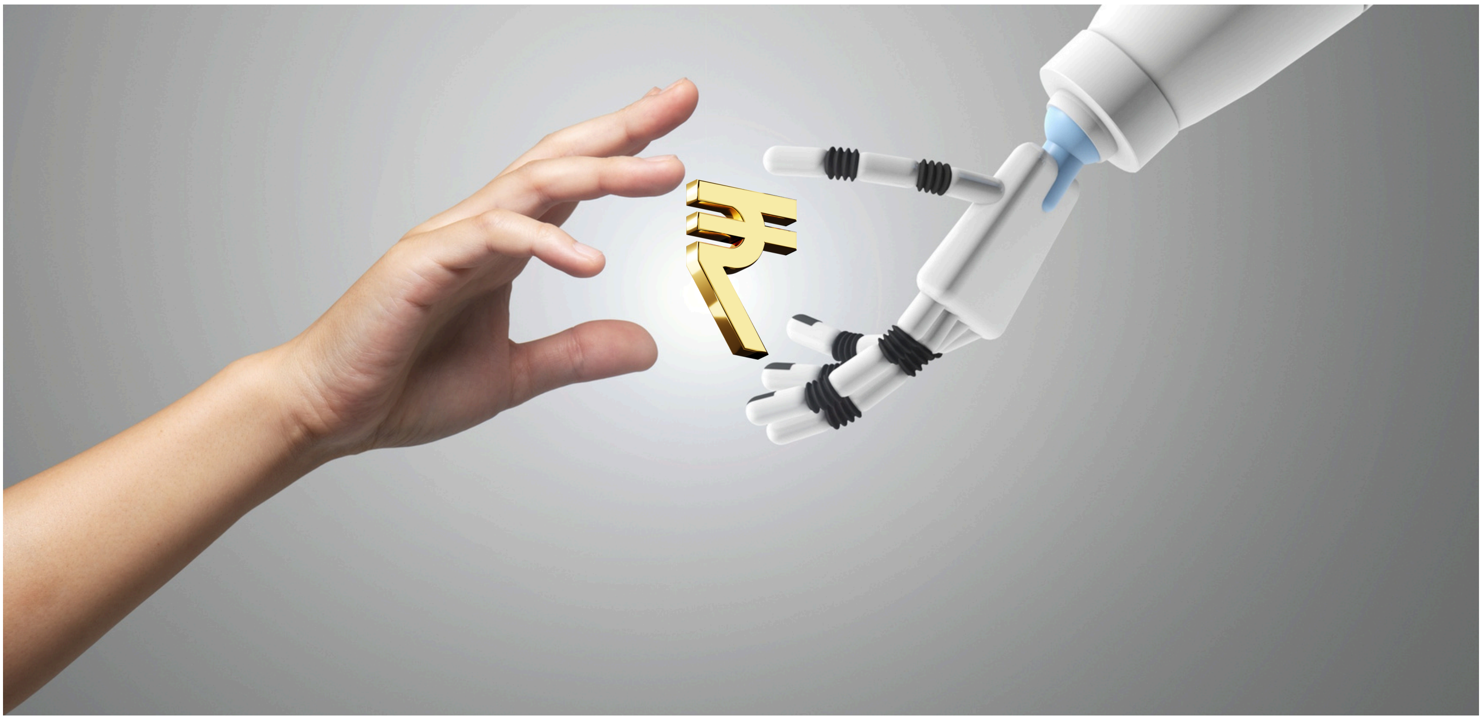
The RBI's framework, built around seven foundational principles—Trust, People-First, Fairness, Accountability, Understandability, Safety, and Innovation—represents an ambitious attempt to harness AI's transformative potential while mitigating its inherent risks. But good intentions, however well-articulated, are insufficient without robust mechanisms for implementation, oversight, and protection of stakeholders.

Perhaps the most compelling concern is on the question of accountability in an AI-driven banking ecosystem. The framework places responsibility on deploying entities—the banks themselves—yet the day-to-day operational decisions will inevitably fall to individual officers and staff members. This creates what might be termed an "accountability paradox," where institutional responsibility and individual liability become dangerously blurred.

Hence for organization risk management we demand a "RACI-based accountability"—a framework that clearly defines who is Responsible, Accountable, Consulted, and Informed for each AI-driven decision. Without such clarity, bank officers face the prospect of being held personally liable for failures in algorithmic systems they neither designed nor fully control. This concern extends beyond mere employment protection to fundamental questions of justice and fairness in an automated world.

We have also flagged AI's operational challenges and have highlighted critical vulnerabilities including model drift, bias amplification, hallucination effects, and sophisticated attacks such as data poisoning and prompt injection. These are not theoretical concerns but documented phenomena that have already caused significant disruptions in AI deployments globally. Hence the call for continuous "red teaming"—systematic attempts to identify vulnerabilities in AI systems—and tiered approval processes based on risk classification in our AI governance. Similarly, the demand for AI-specific business continuity plans acknowledges that traditional banking resilience frameworks may be inadequate for systems that can fail in novel and unpredictable ways.

What is deeply disconcerting is AI's potential to exacerbate existing inequalities in banking access. AI systems, if improperly designed or implemented, could systematically exclude vulnerable populations including rural communities, linguistic minorities, and economically disadvantaged groups. In a country like India, where multiple layers of inequality and social vulnerability already shape access to finance, AI-driven decisions could exacerbate exclusion if left unchecked. The risks are not just technical such as data breaches from sharing sensitive loan portfolios with AI systems but also ethical, where corrupted datasets or hidden algorithmic biases produce discriminatory outcomes. Without strong guardrails, banks could hide behind the “invisible hand” of AI to justify lending practices that ignore fairness or social responsibility, shifting the blame to machines while deepening structural inequities. This concern is particularly relevant in the Indian context, where banking inclusion has been a cornerstone of financial policy for decades.



The demand for a "Right to Human Review" for retail, MSME, and agricultural lending decisions represents a crucial safeguard against algorithmic discrimination. This principle recognizes that while AI can process vast amounts of data efficiently, human judgment remains essential for understanding context, nuance, and exceptional circumstances that automated systems might overlook or misinterpret.

These concerns find resonance and additional credibility from their alignment with international labor movements. Trade unions from Australia to the United States have successfully advocated for mandatory consultation processes, retraining programs, and human oversight requirements in AI implementation. The Australian Council of Trade Unions' demand for "AI Implementation Agreements" and the AFL-CIO's advocacy for human oversight in AI-driven decisions illustrates a growing international consensus: successful AI adoption requires active engagement with workers and their representatives, not merely top-down technological mandates.

There is also potential for AI implementation to alter competitive dynamics within India's banking sector. Early AI adoption requires significant investments in capital, computing infrastructure, and specialized talent—resources that may be more readily available to private banks than to public sector institutions. This concern touches on a fundamental question about India's banking ecosystem: should technological advancement be allowed to reshape market structure, potentially disadvantaging public sector banks that serve crucial social and developmental functions? Our call for shared public infrastructure, including datasets, computing resources, and multilingual models, represents a vision of AI development as a public good rather than merely a competitive advantage.

Central to our critique is a philosophical position that technological change should emerge from dialogue rather than decree. Their demand for a "National Council for AI in Banking" with representation from trade unions, civil society, and consumer advocates reflects a belief that sustainable AI adoption requires broad-based consensus and shared ownership of outcomes.

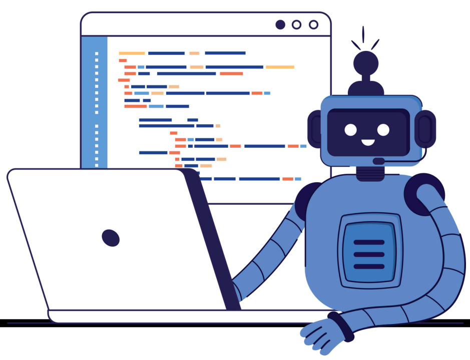
This approach challenges the traditional model of regulatory development, where technical standards are crafted by experts and imposed on stakeholders. Instead, we advocate for a more democratic approach to technological governance, one that recognizes the expertise and legitimate interests of those who will be most directly affected by AI implementation.

In place of the false dichotomy often presented between technological progress and worker protection, we are not anti-technology but rather pro-people, pro-prudence, and pro-inclusion. Our specific demands—including phased implementation with moratoriums on high-risk applications, mandatory AI disclosures, compensation protocols for AI-related harm, and vendor accountability requirements—represent a comprehensive framework for responsible AI adoption. These proposals suggest that the goal is not to prevent AI implementation but to ensure that it occurs in a manner that protects stakeholders and serves broader social objectives.

In an era where AI implementation is often driven by competitive pressures and efficiency mandates, we underline that technology should serve human needs rather than the reverse

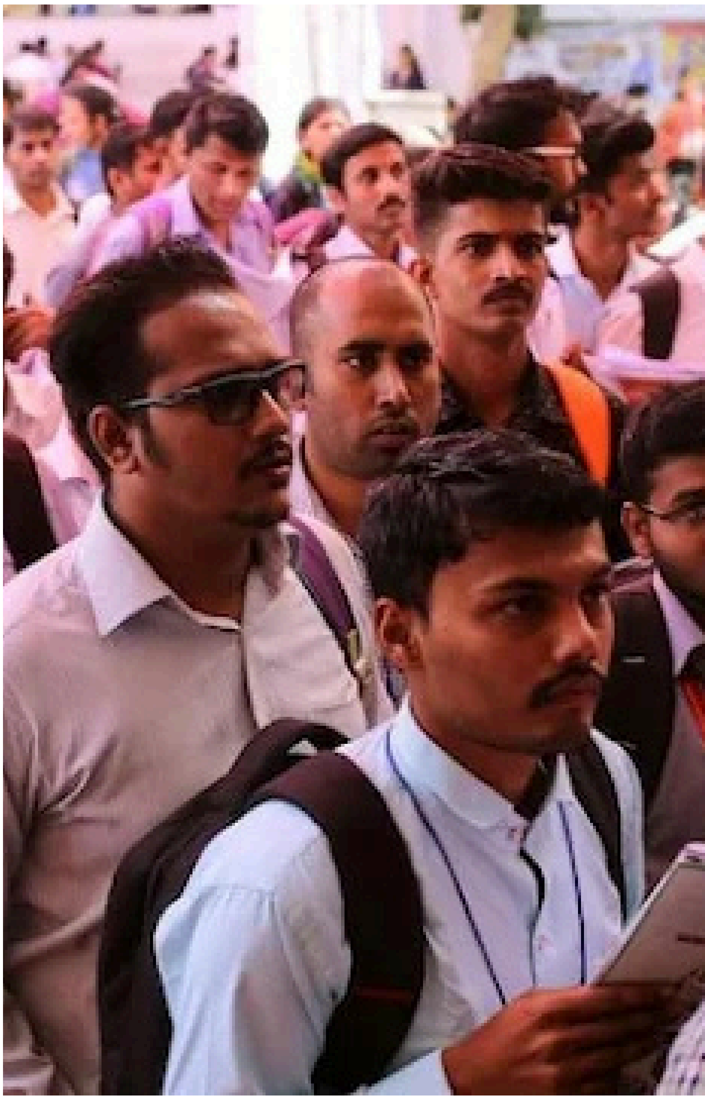
The debate over AI in banking extends far beyond technical specifications or regulatory frameworks. It encompasses questions of economic justice, democratic participation in technological decision-making, and the kind of society we wish to create through our technological choices. Our call for "dialogue first, deployment next" may slow the pace of AI adoption, but it offers the promise of more sustainable, equitable, and ultimately successful technological transformation.

As India's banking sector navigates this critical juncture it is crucial that we underline that the most advanced AI systems are those that enhance rather than replace human judgment, and that the most successful technological revolutions are those that carry society forward together rather than leaving significant populations behind. The question now is whether policymakers and industry leaders will heed this call for inclusive innovation or proceed with implementation models that prioritize speed over sustainability.



Dark Clouds on Employment Prospects in Contemporary India

Praveen Jha, Professor of Economics, JNU



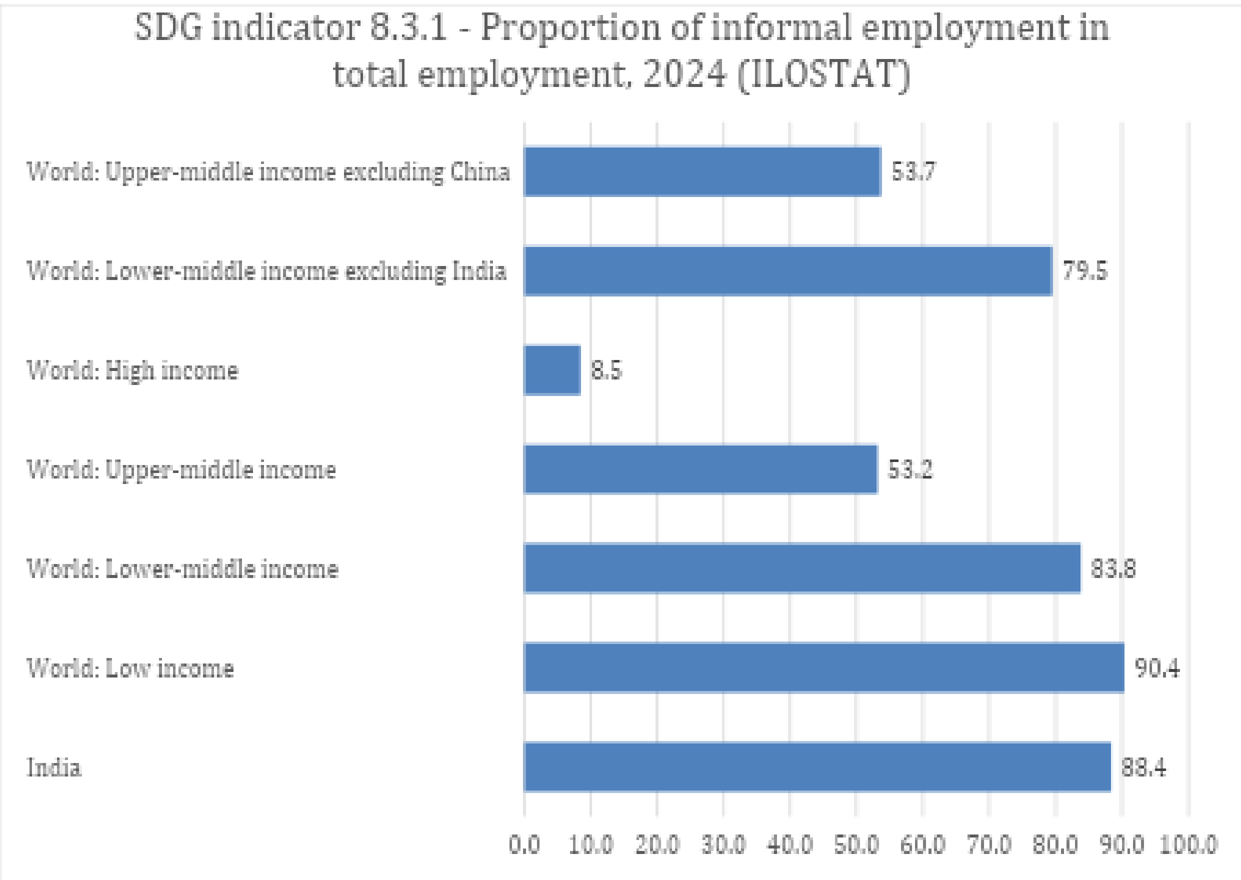
For quite some time now, the news pertaining to employment losses, frequent retrenchments, etc., across different sectors, has been almost 'normalised'. We already knew that the trajectory of growth during the last four decades or so has been marked, as per the major data sources, by a sharp worsening trend in the employment elasticity of output across almost all the sub-sectors of the Indian economy. The information coming from the IT sector during the recent months has generated huge concerns in one of the segments that the country's young population looked up to as one of the few promising options that could provide some 'decent' jobs to at least reasonable segments of adequately skilled personnel. Speaking at the Nasscom's annual Technology and Leadership Forum, on 24th February 2025, in Mumbai, the CEO of HCL Technologies, Mr. C Vijayakumar, made a strong statement that the current business model, which had relied on increasing staff to increase revenue, is outdated, given the context of the rise of artificial intelligence (AI). He emphasised the need for companies to adopt a "paranoid" mindset to stay relevant and drive growth, which ought to be predicated on doubling the revenues with 'half the workforce'. The CEOs present at the conclave seemed to be on the same page as Mr. Vijaykumar.

A few months later, India's IT giant Tata Consultancy Services' (TCS) decided to fire 12000 of its employees, representing roughly 2 percent of the TCS global workforce, on the basis of what they called "skill mismatch". The discussions surrounding the AI-led job losses, point to approximately half a million retracements over the next two to three years in this sector (Reuters,August 2025), and has been brought to the forefront of policy discussions. This is because within the context of India's service driven job-less/job-loss growth model too, the IT sector as of March, 2025 employed 5.67 million people and contributed more than 7% of India's GDP (Reuters,August, 2025). While this trend is indeed troublesome and poses a significant challenge to the future of work in India, it must be placed within the broader context of the neo-liberal regime which has intrinsically led to a job-less/job-loss growth trajectory in India in the past 4 decades (Jha & Mishra, 2022; Kannan and Raveendran 2019).

Viewed through the lens of the Marxian political economy, this trend continues to reflect, and glaringly so, the innate tendencies and laws of motion propelled by a thirst for incessant accumulation of this 'spontaneous capitalism'. The return to such a system has been an inevitable consequence of the gradual ascendancy of neo-liberalism since 1970s and its rise to global hegemony in the last few decades across the globe. Of particular relevance here is one of the laws of motion of such a system i.e., Marx's 'Absolute General law of Capitalist Accumulation' which states that the uninterrupted advancement of the productive forces within capitalism inherently engenders a pronounced tendency towards the displacement of labour—an attribute that ought not to be regarded as transitory, but rather as an enduring and structural characteristic of the system itself. This dynamic, in turn, perpetuates the formation of a surplus labour force, more aptly conceptualised as Marx's relative surplus population. This, of course, has resulted in profound implications for the world of work everywhere for decades through various sectors particularly manufacturing in India and has now percolated to the IT industry which is often viewed as the sunrise-sector and champion of the middle-income class in the service-sector economic growth story of India.

It has been widely recognised that India's world of work has remained under serious strain since the introduction of the New Economic policy of 1991 with the rising dominance of the neo-liberal regime and the resulting structural vulnerabilities . As noted right at the outset, India's impressive GDP rates of growth of roughly 6% per annum for over three decades have been accompanied by a persistent decline in the employment elasticity of output and low labour absorption (Chandrasekhar & Ghosh, 2002; Jha and Sikdar, 2020, Jha & Mishra, 2022).

The employment elasticity of output declined substantially between 2004–2005 and 2011–2012 and further, between 2011–2012 and 2017–2018, turned negative despite positive output growth. (Kannan and Raveendran 2019). An obvious implication has been persistently high unemployment rates. Macroeconomic indicators—including real net exports, investment ratios, credit growth, the index of industrial production, and consumption demand—either stagnated or displayed a downward trajectory during the period 2014–2015 to 2019–2020 (Jha & Kumar, 2020). The economy's incapacity to productively absorb the incremental additions to the working-age population underscores deep-seated structural deficiencies.



Furthermore, it is also pertinent to note that other markers of systemic vulnerabilities, including informal employment and very significant levels of youth unemployment have been persistent challenges. In 2024, India's informal rate of employment was reported to be 88.4% (91.9% for females and 86.8% for males) while the share of youth not in education, training or employment (NEET) has remained quite high – to the tune of 24.2% (30% for females and 10.3% for males) relative to 11.6% in the US.

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A note complicating the claims around financial inclusion through Banking

Anirban Bhattacharya, Centre for Financial Accountability

When the RBI announced recently that its Financial Inclusion Index had jumped from 64.2 to 67 this year, celebrating "significant improvement," it painted a rosy picture that masks a troubling reality. The Department of Financial Services too has been trumpeting achievements in bringing banking to the masses, but scratch beneath the surface and you'll find a story of declining rural bank presence and over-reliance on unstable intermediaries.

The government's financial inclusion narrative centers heavily on 'bank mitras' or banking correspondents. These foot soldiers of the banking system have supposedly revolutionized access to formal banking through initiatives like Jan Dhan Yojana and direct benefit transfers, finally bringing rural India into the financial mainstream.

Yet this success story obscures a darker trend that should alarm anyone genuinely concerned about inclusive banking. Rural bank branches, which once represented the backbone of India's banking democratization, are disappearing at an alarming rate. The gains made through bank nationalization - from a paltry 18% rural presence in 1969 to nearly 60% by the 1990s - have been systematically eroded, leaving rural areas with just 29% of bank branches today.

The human cost of this retreat is stark. With nearly 30 farmers taking their own lives daily according to National Crime Records Bureau data, the connection between credit starvation and rural distress becomes impossible to ignore. Agricultural workers, facing stagnant wages and diminishing access to formal credit, find themselves trapped in a cycle of desperation.

This transformation didn't happen by accident. It follows the blueprint laid out by consulting giants like Boston Consulting Group, which champions banking "reforms" that prioritize operational efficiency over human accessibility. BCG has been particularly vocal in praising the government's 2018 EASE reforms, advocating for what they euphemistically call "branch equivalence" - essentially replacing physical bank branches with bank mitras to slash operational costs.

The question that emerges from this strategy is fundamental: efficiency for whom, and at what human cost?

The reality of India's 17.2 lakh business correspondents tells a sobering story. These banking foot soldiers operate without job security, fixed income, or benefits. Their numbers have actually declined by 2.27 lakh in just the past year, suggesting that even this supposedly sustainable model is cracking under pressure. Many struggle to earn adequate income and end up working for multiple banks, NBFCs, and insurance companies simultaneously. Reports of unauthorized commission-taking from customers highlight the regulatory blind spots in this system.

To prevent Bank Mitras from Unionisation they are forced to work under Corporate Business Correspondents who themselves have NBFCs like Muthoot finance. They take upto 30% of the commission earned by Bank Mitras. What a tragic exploitation by a welfare state?” The consequences ripple through rural India, where the absence of reliable formal credit has created fertile ground for predatory lenders. NBFCs with usurious rates, digital loan sharks, and gold finance companies have rushed to fill the void left by retreating bank branches.

In the latest State of Microfinance in India Report the NABARD itself acknowledges that the waiver of a cap on interest rates for NBFC lenders are leading to exorbitant rates and pockets of indebtedness. The same has been echoed by the RBI on multiple occasions in recent years wherein the Governor has even said that the NBFCs are misusing the freedoms that they have been allowed. But effectively, the policy landscape has only been opened up to allow for the mushrooming of these usurious practices affecting the common people's access to credit. In fact, just like the Bank Mitras, they are also being celebrated for their so-called impact on “financial inclusion”. So, when the RBI celebrates the rise in its Financial Inclusion Index we must qualify it with the experience of the countless people in our countryside whom we have forsaken in the hands of these modern day moneylenders.

RBI Watch

RBI looked away when ICICI hiked minimum charges

The ICICI in a shocking move increased its minimum balance requirement five fold to 50,000 rupees. The move drew heavy criticism from large sections of general public. Rs 50,000 some said is nearly two-three months' income for millions in this country. In fact in rural India, even Rs 10,000 can be the difference between survival and debt. As such an absurd minimum balance requirement like 50,000 clearly shows how the bank is trying to shun the poor. Minimum balance requirements have come under fire for several years now as people have pointed out that this only amounts to penalising the poor. To start with SBI had done away with any minimum balance requirement in 2020 while others continued. In FY 2024-24 the public sector banks collected a total 2175 crores only through minimum balance penalties. While this July several other public sector banks also did away with this cruel requirement, ICICI chose to hike it. Finally after major public outcry ICICI had to roll it back to 15,000. But the rather unfortunate bit is that in this entire episode the RBI literally washed it's hands off. Ironically in an event on financial inclusion, the RBI Governor simply said, "The RBI has left it to banks to charge or not to charge a penalty on not having minimum balance in a savings account, and so this doesn't fall under any regulatory domain." Such abdication is not becoming of the apex bank of the country.

RBI rethinks regulation in today's day and age

The views shared by the RBI Deputy Governor about regulatory oversight and fast changing financial landscape is revealing in many ways. On the one hand it lauds the moment that was 1991. He celebrates the Narasimhan Committee recommendations that seems to have opened the floodgates for innovation.

On the other hand he also goes on to quote Joseph Stiglitz, to warn against market fundamentalism. The free market mantra of minimum regulations, he sags, operated on the I'll conceived notion of "self-regulation". He underlines that "the idea of inherently self-correcting markets is more of an ideological fad than a factual occurrence, and that effective oversight is crucial to ensure stability, transparency, and protection of the financial sector against systemic risks."

Sadly, in most decisions in recent years, the balance has tilted more in favour of market determinism and away from regulatory checks and balances. The decision for instance to rely on self-regulation when it comes to Non Banking Financial Companies (NBFCs) is one such stark example. At a time when the NBFCs have been charging exorbitant rates and indulging in inhuman recovery practices, to leave them to "self-regulate" themselves is a travesty. The RBI in fact has removed the cap on interest rates chargeable by the NBFCs and have also obstructed the state governments from legislating upon NBFCs and loan apps.cSadly even as household debt has been increasing alarmingly and NBFCs and fintech firms are having a near complete sway over small loans (under 50,000), it is ill-fated to allow the sharks to decide how to prey upon the poor, says Rana Mitra, the General Secretary of the the All India NABARD Employees Association. As such the Deputy governor's celebration of the Scale Based Regulation issued by RBI for NBFCs sound grossly inadequate. The other risk he highlighted in his speech and rightfully so was climate risk. "Addressing climate change not only requires transition towards sustainability, but also integration of climate related financial risks into regulatory framework", he said. But sadly such an intent has still not translated into enforceable policy prescriptions that deter banks from investing in projects that escalate climate induced risks. Nor has it factored in climate sensitive lending policies making space for write offs for those affected by extreme weather events as in Dharali a few days back or say Wayanad earlier. As such tragedies are multiplying every year across the country, it is high time that the financial regulator prescribes policies that are able to address such exigencies.

RBI Admits Dream11 Operated Without Payment Authorization for Years

The Reserve Bank of India has revealed through an RTI response that Dream11, India's largest fantasy gaming platform, operated like an unauthorized digital wallet for years without proper licensing. Vivek Bhavsar writes that despite handling crores of rupees daily through user deposits and payouts, Dream11's parent company Sporta Technologies was never authorized under the Payment and Settlement Systems Act, 2007. The RBI admitted it conducted no inspections, audits, or reviews of Dream11's wallet-like operations, nor issued any regulatory advisories. This regulatory silence allowed the platform to thrive unchecked until Parliament intervened with the Online Gaming Bill 2025. Dream11's influential founding team includes Harsh Jain, son of Mukesh Ambani's close associate Anand Jain, and IIT-Columbia alumnus Bhavit Sheth. Backed by major investors including Tencent, Tiger Global, and Sequoia Capital, the company achieved unicorn status while serving over 200 million users.

The platform's powerful corporate connections, political proximity, and foreign investment backing seemingly created a protective shield against regulatory scrutiny and it went on to become the sonsor of the Indian cricket team. Few authorities challenged this well-connected startup despite its questionable payment operations, highlighting a significant regulatory failure on the part fo the RBI that allowed unauthorized financial activities to flourish under the guise of fantasy gaming innovation. Now, Dream11 and others like MPL and PokerBaazi had to cease all real-money gaming operations following Parliament’s enactment of the Promotion and Regulation of Online Gaming Bill, 2025, which bans online money-games. But be it after the BluSmart EV taxi service crash (that left many unable to accesstheor wallet money) or the unauthorized existence of gaming apps, it is deeply disconcerting as to how many of these payment operations run with little regulatory oversight of the RBI.

RBI and Artificial Intelligence

The RBI released its “Framework for Responsible and Ethical Enablement of Artificial Intelligence” (FREE-AI). The All India Bank Officer's Confederation in a strongly worded letter criticized the fact that this was an outcome of a top down approach without necessary consultations. The RBI’s ‘Seven Sutras’: Trust, People-First, Fairness, Accountability, Understandability, Safety and Innovation, it said, are laudable; "but unless these are translated into enforceable rights for customers and enforceable protections for workers, we fear an AI roll out that amplifies risk instead of reducing it." There are apprehensions of accentuating existing social inequalities unless there is a right to human review. Without strong guardrails, banks could hide behind the “invisible hand” of AI to justify lending practices that ignore fairness or social responsibility, shifting the blame to machines while deepening structural inequities.

August in Workers Calender:

- 12–16 August 1946, South Africa – Over 60,000 mine workers on the Witwatersrand went on strike demanding better wages and working conditions. The strike was brutally suppressed: at least nine workers were killed and over 1,200 injured. Though crushed, it marked a turning point in South Africa's labor and anti-apartheid struggles.

- 14–31 August 1980, Poland – Workers at the Gdańsk Lenin Shipyard, led by Lech Wałęsa, struck after Anna Walentynowicz was fired. By 31 August, the Gdańsk Agreement was signed, recognizing independent unions and laying the foundation for Solidarity, a movement that reshaped Polish politics.

- 26 August 1913–18 January 1914, Ireland – The Dublin Lock-Out saw 20,000 workers strike against 300 employers for union rights and better working conditions. Although it ended without major victories, it spurred the creation of the Irish Citizen Army and strengthened unionism.

- 16–18 August 1946, India – The All Hyderabad Trade Union Congress (AHTUC) was founded in Secunderabad under N.M. Joshi and Makhdoom Mohiuddin. It became central to the Telangana Rebellion and was quickly repressed by the Nizam's regime.

- August 2020, India – The All-India Gig Workers Union (AIGWU) emerged during protests by app-based delivery workers, especially at Swiggy, against pay cuts, marking a new chapter in organizing gig economy labor.

AIBOC Opposes IDBI Bank Privatization

The All India Bank Officers' Confederation (AIBOC) has strongly condemned the Government of India's proposal to privatize IDBI Bank, calling it an assault on financial inclusion and national sovereignty. “IDBI has played a pioneering role in building India’s industrial and financial backbone. Handing over this institution funded by taxpayers’ money and nurtured for decades to private or foreign hands is a direct assault on the principles of social justice, financial inclusion, and national sovereignty.”

Key concerns include the loss of priority sector lending to farmers, small businesses, and marginalized communities, as private banks prioritize profits over social objectives. AIBOC cites global banking failures like Yes Bank, Silicon Valley Bank, and Credit Suisse as evidence that private ownership doesn't ensure stability.

The confederation emphasizes that public banks were crucial during the 2008 financial crisis and continue to support financial inclusion through Jan Dhan accounts and rural outreach. They demand withdrawal of the privatization proposal, urging instead for governance strengthening, capital infusion, and digital modernization while maintaining public ownership to protect India's economic sovereignty.

“In the Mahabharata, Vidura advises that “wealth must serve dharma, not greed. “In the Ramayana, Lord Rama’s governance epitomised the idea that rulers must protect people’s welfare above personal gain. Privatisation, driven by profit, undermines the dharmic principle of placing jan hit (people’s interest) over arth labh (profit).”

AIDWA calls out predatory lending

The All India Democratic Women's Association (AIDWA), organised a national public hearing where more than 300 delegates and observers presented a charge sheet against the Government of India, the RBI, and microfinance institutions (MFIs, NBFCs, SFBs, private banks). Based on an AIDWA study covering 9,000 women across 26 states and 100 districts, the event exposed how poor women are driven into debt for health, education, and housing. The jury, which included Justice Madan B. Lokur, Prof. Prabhat Patnaik, Thomas Franco, Pamela Philipose, and Adv. Kirti Singh, heard testimonies of harassment, violence, and suicides linked to coercive recovery practices and exploitative interest rates. They endorsed AIDWA's charges, stressing that microcredit cannot replace state responsibility for welfare, employment, and social security. They suggested that women headed / single women households should be provided loans under priority sector loans at 4% interest or less by the commercial banking system. The State Bank of India, Public Sector Banks and other registered commercial banks should give loans below Rs. 5 lakhs without collateral. Credit Guarantee Schemes should be available that can cover such loans without causing hardships to borrowers. Also they suggested that laws must be put in place to impose an interest rate ceiling not just on institutional loans but also those contracted from private moneylenders.

Nationwide Protests Over TCS Layoffs:

The Centre of Indian Trade Unions (CITU) called for demonstrations against mass layoffs by Tata Consultancy Services. Protests were called in front of offices of TCS across the country on August 19 against its decision to retrench around 12,000 employees. The union also asked for tripartite meetings between IT companies, trade unions, and the government to address the challenges facing the outsourcing-dependent IT sector due to Trump's tariff war.

Read:https://www.deccanherald.com/india/trade-union-citu-calls-for-nationwide-protests-on-august-19-over-mass-layoffs-by-tcs-3668574

Image: Deshabhimani

Sanitation workers protest in Madurai

On August 19, 2025, over 200 sanitation workers in Madurai—affiliated with the CITU, LPF, and LLF unions—initiated an indefinite sit-in protest at the municipal corporation headquarters, demanding regularisation of service, salary increases, Deepavali bonuses, and the termination of outsourcing of solid waste management . The unions cited a Madurai Bench high court order from 2022 to regularise 389 workers, which still hasn't been implemented, while the state had applied a HC order in Chennai to evict protesters . Union leader M. Balasubramanian highlighted that out of 250,000 sanitary workers in the state, only about 50,000 are permanent, the rest on contract or daily wages . Despite multiple rounds of talks, the protest continued, and police removed and detained the workers late at night .

Read: https://www.newindianexpress.com/states/tamil-nadu/2025/Aug/19/madurai-sanitation-workers-begin-stir-detained-by-police

Image: thehinduimages.com

Postal strike in Sri Lanka

There was an islandwide strike by postal trade unions with major postal hubs shut. On August 17, 2025, around 17,000 postal workers in Sri Lanka began an indefinite strike, demanding 19 improvements—from unpaid overtime pay to job security and better workplace conditions. Despite paralyzing postal services for a week, union leaders had to call off the strike. The strike unfolded amid severe IMF-imposed austerity, targeting public enterprises like the postal service for privatization.

Read: https://www.wsws.org/en/articles/2025/08/28/tblk-a28.html

Protest waves in Iran

On August 19, 2025, Iran witnessed a sweeping wave of protests across diverse regions—from the industrial south to the capital and Kurdish cities—ignited by soaring economic despair and state failures . In Lamerd, residents protested escalating power outages amid 50 °C heat, which they said had damaged their appliances . In Kurdish areas like Mahabad and Javanrud, citizens blocked roads, vowing continued unrest until officials addressed energy shortages . At the Razi Petrochemical complex in Mahshahr, contract workers struck for the 10th day over unpaid wage promises—supported by municipal staff walkouts . In Kangan, 90 gas-field workers gathered at the governor's office to confront grievances. Meanwhile, in Kermanshah, retirees—including former teachers and telecom employees—marched to protest meager pensions, lack of healthcare, and demanded the release of jailed activists and an end to death sentences .

Read: https://www.ncr-iran.org/en/news/iran-protests/iran-protests-erupt-over-economic-collapse-and-regime-incompetence/

"Fight the Trump Takeover" Protests

On August 16, pro-democracy activists and labor groups organized over 300 rallies across 34 states plus Washington, D.C., opposing Republican-led redistricting efforts, especially the controversial plan in Texas that could grant the GOP five extra House seats. More than 5,000 people gathered at the Texas Capitol in Austin under the "Fight the Trump Takeover" banner. Protesters condemned the redistricting plan as a threat to democracy, carrying signs like "Abbott is a vote thief" and chanting slogans such as "The people, united, will never be divided."

Read: https://www.cnn.com/2025/08/16/us/fight-the-trump-takeover-protests

Ground-Handling Strikes at Spanish Airports

Ground-handling staff from Azul Handling (Ryanair) and Menzies Aviation launched strikes across Spanish airports starting August 15–16, causing flight delays and cancellations. These workers—responsible for check-in, baggage handling, cargo loading, passenger services, and aircraft servicing—cite issues such as late and inadequate wages, staff shortages, forced overtime and leave, irregular hours, job insecurity for part-time staff, and missing bonuses. Workers from Azul Handling are striking every Wednesday, Friday, Saturday, and Sunday through December 31, while Menzies Aviation staff are striking on August 16, 17, 23, 24, 30, and 31. The UGT union accuses employers, especially Ryanair, of undermining the strikes by abusing “minimum service level” rules. Notably, Menzies workers in Portugal are also staging weekend stoppages throughout August.

Read: https://www.wsws.org/en/articles/2025/08/22/hmab-a22.html?utm_source=chatgpt.com

Pro Palestine rallies in Australia

On August 24, thousands marched across major Australian cities—including Brisbane, Sydney, Melbourne, Adelaide, and Canberra—calling for a ceasefire in Gaza. Organised by Justice for Palestine and backed by Amnesty International, some rallies drew up to 50,000 participants.

Read: https://www.dailytelegraph.com.au/thousands-of-propalestine-protesters-to-flood-cbds-cities-in-day-of-action-calling-for-gaza-ceasefire/news-story/510a39e2f2af89ba9dcfd6aa34e202db?utm_source=chatgpt.com

Drivers walk out in South Africa

Truck drivers employed by Kalahari AutoForce in Eastern Cape, South Africa began a walkout this August over pay and working conditions. The Tirisano Transport and Services Workers Union members are demanding a wage rise and better work schedules. According to the union, the owner wanted workers to sign a contract transferring them to a different unregistered company, which they refused.

Read: https://groundup.org.za/article/gqeberha-truck-drivers-on-strike-for-higher-wages/

Boeing workers on strike

In early August, around 3,200 machinists with the International Association of Machinists and Aerospace Workers (IAM District 837) went on strike at Boeing Defense facilities in the St. Louis area. The strike began after workers rejected Boeing's four-year contract offer, which included a 20% wage increase, a $5,000 signing bonus, and added leave. Union members are demanding a deal closer to the one secured last year by Seattle machinists, which featured a 38% raise, improved retirement benefits, annual bonuses, and a $12,000 signing bonus.

IAM leaders and U.S. Representative Wesley Bell have joined workers on the picket line, calling Boeing's proposal inadequate, while the company has defended it as competitive and maintained production with non-union staff. Negotiations, initially set to resume August 25, have been postponed until after Labor Day, with no confirmed restart date.

Read: https://www.reuters.com/sustainability/sustainable-finance-reporting/boeing-defense-striking-machinists-say-negotiations-will-resume-monday-2025-08-22/

Air Canada grounded

Over 10,000 Air Canada and Air Canada Rouge flight attendants, represented by CUPE, overwhelmingly authorized strike action, with 99.7% voting in favor on a 94.6% turnout. When negotiations stalled, the union served a 72-hour strike notice and walked out on August 16, defying a government back-to-work order. The industrial action brought nearly all Air Canada and Rouge flights to a halt, with 623 to almost 700 flights cancelled, impacting around 130,000 passengers daily. In total, about 3,000 flights were grounded during the strike, causing widespread travel chaos across Canada. Facing mounting disruption and potential losses of $43 million per day, both parties quickly returned to the bargaining table. Just three days into the strike, a tentative agreement was reached that includes provisions for previously unpaid ground duties. The deal is now subject to union ratification, with voting underway.

Read: https://labornotes.org/2025/08/defying-back-work-order-air-canada-flight-attendants-secure-tentative-agreement

Airbus UK grounded

More than 3,000 Airbus UK aircraft fitters and engineers, represented by the Unite union, voted overwhelmingly—90% in favor—to strike after rejecting the company's pay proposal.

The industrial action is set to span 10 days in September, potentially disrupting wing production at Airbus's critical Filton (near Bristol) and Broughton (north Wales) facilities for both commercial and military aircraft . Unite is demanding a pay increase that better reflects the 3.8% inflation rate seen in July 2025, while Airbus maintains it has already offered a "competitive and fair" package—including over 20% in cumulative wage increases over the past three years and a £2,644 bonus in April . The union says the strike could delay deliveries and put pressure on Airbus's year-end output.

Read: https://www.reuters.com/business/world-at-work/airbus-uk-workers-strike-10-days-over-pay-2025-08-20/

Africa marches against debt

On August 29, 2025, over 3,000 workers, trade unionists, activists, faith leaders, youth, and women's groups converged in Accra, Ghana, for the Pan-African Rally for Debt Cancellation and Trade Justice, staged under the banner "Africa Rises". The event, organized by ITUC-Africa, Ghana's TUC, and a coalition of civil society bodies—including AFRODAD, FEMNET, and the Tax Justice Network Africa—aimed to dismantle "neo-colonial shackles" of debt and demand trade systems that work for Africans, not global creditors . Rallying from Obra Spot to Independence Square, participants bore placards reading "Cancel Africa's Debt Now!", "Debt Cancellation Is Reparation!" and "People-Centred AfCFTA"

Read: https://citinewsroom.com/2025/08/pan-african-debt-cancellation-rally-kicks-off-in-accra/

Bank News

Consumers prefer banks over payment apps for core products, despite digital gaps

26th August, 2025, The Economic Times

Link: https://bfsi.economictimes.indiatimes.com/articles/survey-reveals-indian-consumers-favor-banks-over-payment-apps-for-financial-products/123514361?utm_source=top_story&utm_medium=latestNews

A consumer survey found that while payment and social media apps are easy to use, Indians still prefer banks for financial products due to greater trust. Private banks score better than public sector banks on digital capabilities, though both trail global benchmarks. The survey suggests banks must improve digital journeys, real time support, personalisation, and proactive engagement to match expectations.

Can banks reject first-time borrowers loan applications for low CIBIL score? Finance Ministry clarifies — 6 Points

24th August, 2025, Mint

Link: https://www.livemint.com/industry/banking/cibil-score-requirement-loan-applications-will-govt-body-replace-first-time-borrowers-finance-ministry-answers-questions-11756039178116.html

The Finance Ministry clarified that banks cannot reject loan applications from first time borrowers just because they lack a CIBIL score. There is no minimum credit score required by RBI and the CIBIL score is only one of many factors lenders may consider. The government is not replacing CIBIL with a new body although a National Financial Information Registry is being developed.

Punjab National Bank opens its first startup branch

27th August, 2025, The Businessline

Link: https://www.thehindubusinessline.com/money-and-banking/punjab-national-bank-opens-its-first-startup-branch/article69982357.ece

Punjab National Bank inaugurated its first startup focused branch in New Delhi under the Startup India initiative. The launch included an MoU with Software Technology Parks of India (STPI) to provide tailored financial support to eligible startups. STPI will act as a bridge by sharing curated startup lists so PNB can offer ecosystem focused banking solutions.

NPA provisioning at a three-year high; private banks take the brunt

25th August, 2025, The Economic Times

Link: https://economictimes.indiatimes.com/industry/banking/finance/banking/npa-provisioning-at-a-three-quarter-high-private-banks-take-the-brunt/articleshow/123489425.cms

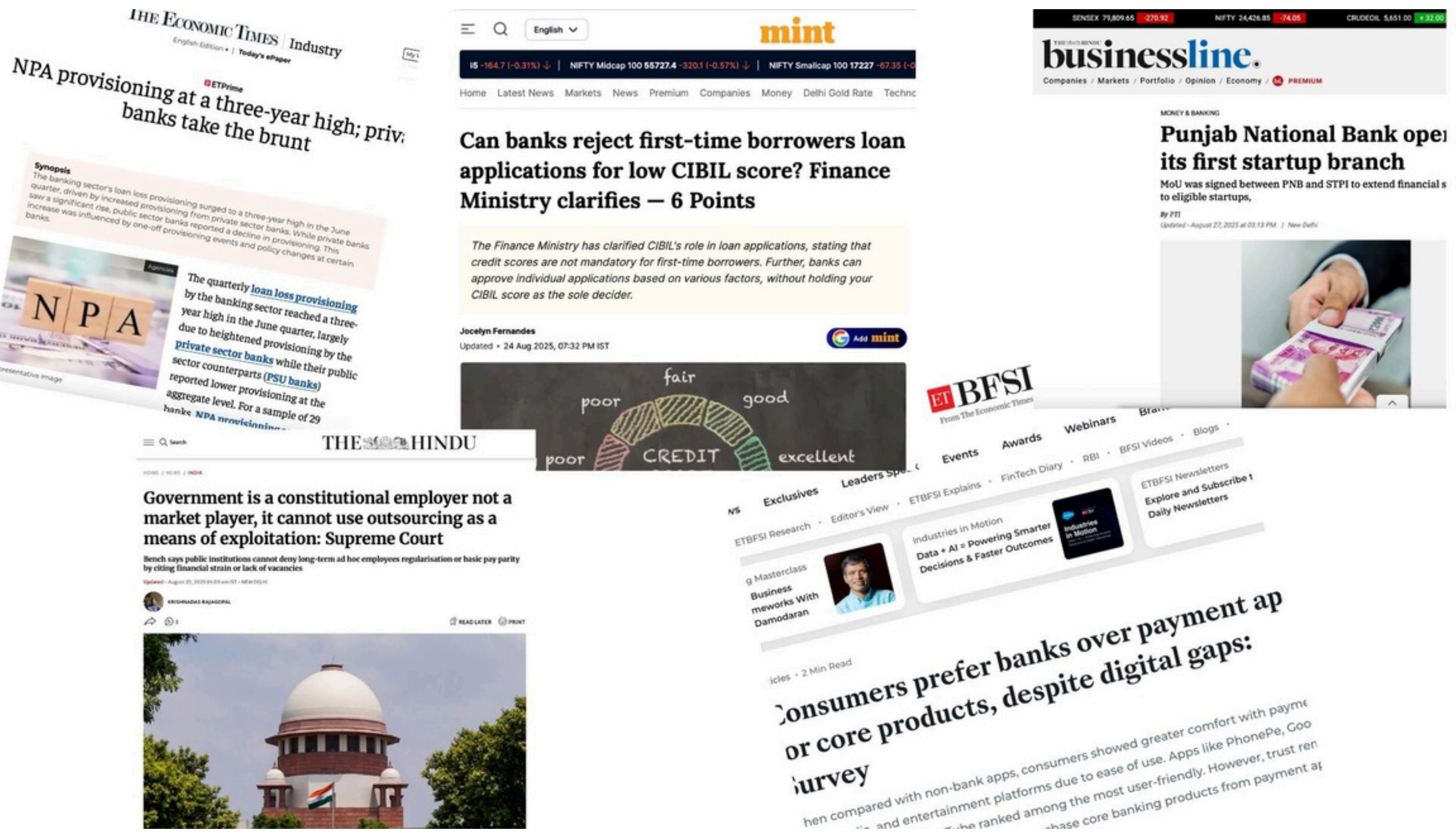
The banking sector’s NPA provisioning rose to ₽28,883.6 crore in the June quarter, the highest in three quarters.Private banks saw a sharp rise of over 40 percent, while PSU banks recorded a decline. Analysts expect provisioning pressure to ease with better recoveries and lower MSME slippages.

Government is a constitutional employer not a market player, it cannot use outsourcing as a means of exploitation: Supreme Court

25th August, 2025,The Hindu

Link: https://www.thehindu.com/news/national/government-is-a-constitutional-employer-not-a-market-player-it-cannot-use-outsourcing-as-a-means-of-exploitation-supreme-court/article69972345.ece

The Supreme Court ruled that the government, as a constitutional employer, cannot exploit workers through outsourcing. It directed that workers engaged in permanent functions must be regularised and given equal pay. The court made clear that financial constraints cannot be cited to deny fair employment.



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beats

All India Bank Officer's Confederation
Phone / Tel : +919957563825
Email : gs@aiboc.org