



# THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

## Successful Countrywide Strike By Unorganised Workers

The workers of the unorganised sector of industries launched the first countrywide strike on July 14 in pursuance of their 22-point demands. The strike call was given by the All India Co ordination Committee of Unorganised workers (CITU) as per decision of the All India Convention of unorganised workers held at Calcutta on November 1-3, 1992.

The demands included need based wages as decided in the 15th Indian Labour Conference, pending which a minimum wage of Rs.1050/- plus DA at the rate of Rs. 2/- per point be granted. The demands further included application of all labour laws and social security measures in the unorganised sector of industries.

Despite repeated representations made to the Government and struggles launched by the workers in the various industries in the unorganised sector the Government of India refused to concede the demands. The promise made by the Labour Minister in the Indian Labour Conference that minimum wages in the unorganised sector would not be below the poverty line, has been blatantly violated.

With the new economic and industrial policies the condition of the workers further deteriorated due to closures. To give further benefit to the private monopolists and multinationals the Government of India has even taken a move to take the small scale sector also out of the purview of the Labour Laws. The situation thus compelled the vast section of the unorganised workers to launch the strike action to press the Government to concede the demands.

As per reports, the strike was almost total and

widespread in several states like W. Bengal, Delhi, Tamilnadu, Andhra Pradesh, Karnataka, Punjab etc. Almost all sections of the unorganised sector in W. Bengal and Kerala were affected by the strike.

In Delhi, strike was 95 percent at Sahadara, 85 percent in Surajpur, 75 percent in G.T.Road, 70 percent in Okhla, 95 percent at Sahibabad Site IV, 65 percent in NOIDA, etc. In Meerut Road, Bulandshar Road, etc where the workers for the first time joined strike action, the success rate was nearly 75 percent. Huge processions were taken out by the workers in all the places. The police tried to interfere with the processions and provoke the workers, but failed.

In Bihar about 20,000 stone quarry workers, 10,000 beedi workers and several thousand workers from printing press, cinema workers, head load workers, coal and other mining areas, oil refineries, in Gomia explosive from power industry and contract workers totalling over 40,000 went on strike.

In UP, workers of tanneries, small chemicals, contract workers, construction workers, small engineering workers, etc from Kanpur, Varanasi, Sonabhadra, Jaunpur, Dehradun, Saharanpur, etc. joined the strike.

In Rajasthan the contract workers, loading and unloading workers, Beedi workers, Subzi Mandi workers, etc from Sriganganagar, Jaipur, Beawar, Hanumangarh, Suratgarh, Anupgarh, etc went on strike. Big processions and rallies were also held in these places.

In Tamilnadu more than one lakh workers from

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**Bharat Bandh and Industrial Strike on September 9  
Jail Bharo on August 19**

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# Against the New Economic Policies--Preparation for Bharat Bandh on September 9 in Full Swing

A meeting of the platform of Mass organisations was held at 15, Talkatora Road, New Delhi on July 5 evening to review the preparations for the Bharat Bandh and industrial strike on September 9, as per the call of the 15th April Convention held at Talkatora Stadium, New Delhi.

The meeting was conducted by a Presidium Consisting of M S Krishnan (AITUC), P K K Odyan (Khet mazdoor), M K Pandhe (CITU), Brinda Karat (AIDWA), V Tiagi (HMS), MD.Salim (DYFI) and K K Neogi (AICCTU).

The meeting was attended by about 60 leaders from all the Central Trade Unions, Kisan Sabhas, Agricultural Workers Unions, Students, Youth, women and national federations including those of Central Government, Railways, IBanks, LIC, State Govt Employees, etc.

## PREPARATION FOR BHARAT BANDH

The meeting noted that massive state level conventions comprising all the constituents and other organisations have already been held in Bihar, MP, UP, Rajasthan, Haryana, Delhi, Punjab, Gujarat, Assam and Andhra Pradesh, and have been scheduled in other places like Bengal, Kerala, Tamilnadu, Maharashtra, etc. Dist level conventions are also being held in a number of states. The convention are being attended by the state and central leaders of all the mass organisations. Thousands of workers are being mobilised for the Bharat Bandh and industrial strike on 9th September.

In several states state committee meetings and jathas are being arranged to mobilise the opinion of the common people in support of the Bharat Bandh and against the IMF prescribed economic policies.

It was further reported that full campaign is being launched by the organisations for the massive Jail Bharo to be held all over the country on 19th

August as a part of the Bharat Bandh preparations. Lakhs of people will court arrest on the day.

To boost the campaign the meeting also decided to publish posters on the Bharat Bandh in different languages and also publish brochures on each aspects of the economic and industrial policy focusing how it affected each section of the people, the workers, peasantry, agricultural workers, students, youth and women.

## US ATTACK ON IRAQ CONDEMNED

The meeting unequivocally condemned the USA for its dastardly air raid attack on Iraq, which killed several civilians including the national painter of the country. The meeting rejected the plea extended by the USA supported by the Security Council that Iraq was involved in the ploy to kill George Bush. The meeting called upon the GOvt of India and the Non-aligned movement to be explicitly vocal in demanding a halt to the continued offensive by America on Iraq on some plea or other.

The meeting decided to hold frequent sittings to review the preparations for the Bharat Bandh.

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handloom, Beedi and cigar, cashew, construction, Hosiery, khadi and village industries, auto-rickshaw, head load workers, oil mills, pappad, etc joined the strike. In all places big processions were also taken out.

In Haryana successful strike was reported from Faridabad, Sonapat, Hissar, Sirsa, Daruhera, etc with an average of 70 per cent success. Farm workers at Hissar also joined the strike Safai Karmachari struck work everywhere.

In all the places other trade unions actively supported the strike. Apart from the strike action, a massive signature campaign has also been launched on the 22-point charter of demands to be submitted to the Speaker, Lok Sabha during the forthcoming Monsoon Session of the Parliament. The All India co-ordination committee of Unorganised Workers will meet shortly to chalk out the next phase of actions. The Secretariat of the CITU warmly congratulated the workers for launching the first strike and called upon them to carry forward the struggle to achieve the demands.

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# CPSTU Extends Full Support To Bharat Bandh On 9th September

The Committee of Public Sector Trade Unions (CPSTU) which represents the overwhelming majority workers of the public sector industries has extended full support to the call of Bharat BANDH given by the Platform of Mass Organisations. It has called upon the public sector workers to extend active support to make the Bandh a historic success and also to participate enmasse in the Jail Bharo programme on the 19th August, 1993 throughout the country.

Further, the CPSTU has decided to observe a protest day by the public sector workers on 12th August 1993 demanding scrapping of DPE's anti-worker guidelines for wage negotiations. On that day the workers will wear "Demand Badge" and organise gate meeting.

The above decisions have been taken by CPSTU in its extended session at New Delhi on 6th July '93 which was attended by about 80 delegates from all over the country from different public sector units. The meeting was conducted by a presidium consisting of M S Krishnan (AITUC), SSUryanarayana Rao (CITU), V Tiagi (HMS), Michael B Fernandes (JAF, Bangalore) and William Passo (Co-Ord Committee, Hyderabad).

M K Pandhe, General Secretary, CITU introduced the agenda items for discussion. The main issues before the meeting were the increasing attack on public sector by the Govt at the instance of the Fund-Bank, the move of the BIFR to hand over the sick public sector units to the private sector, the threatened closure and consequent retrenchment of workers of numbers of sick units. The economic issues before the meeting were hurdle before the current wage negotiations due to anti-worker guidelines of DPE, question of DA, pension, etc.

21 delegates took part in the deliberation. The systematic surrender of the Narasimha Rao Government before the foreign monopoly capital at the cost of economic sovereignty of the country figured seriously in the discussion. The meeting expressed deep anguish at the non-fulfillment of the assurance given by the Govt to the trade unions at different fora. On the question of revival of sick units in the public sector, the meeting noted that the Govt is not implementing the decisions of the tripartite committees and rather acting contrary to the decisions. The Labour Minister is not honouring the written assurance given to the leaders of the CPSTU. He assured long back to clear the pension schemes jointly agreed upon in the steel land coal industries but the issue is still pending with the Govt. Same is the position regarding working out the slabs for VDA.

The speakers expressed serious concern at the com-

pletely unsatisfactory progress in the current wage negotiations due to the impractical guidelines of the DPE. The meeting forcefully demanded the withdrawal of the said guidelines.

The meeting also called upon the constituent unions to lay special importance for the success of the seminar scheduled to be held on 15th and 16th July 1993 at the SCOPE complex, New Delhi under the title - "Impact of New Economic Policy on the Public Sector Undertakings". It was reported in the meeting that besides representatives of public sector trade unions, NCOA, the representatives of management, Economist and other experts would also take part in the seminar.

## PLANTATION WORKERS TO JOIN ENMASSE IN 9TH SEPTEMBER BHARAT BANDH

The Working Committee of All India Plantation Workers Federation met at New Delhi on 5-6 of July under the Presidentship of Com. Vimal Ranadive and took the decision to join in all the programmes chalked out by the Sponsoring Committee of Trade Unions and the platform of mass organisations. Com Samar Mukherjee attended the meeting and guided the deliberations. The various units in West Bengal, Kerala, Assam, Tamilnadu and other states will hold Jathas and area meetings to popularise the programme and the demands of the plantation workers including the demand of the implementation of the Plantation Labour Act with regard to Housing, medical benefits, drinking water, electricity, etc.

The AIPWF has also given a call for donation of minimum 1 Rupee for per worker for the families of the martyrs who were murdered at Banarhat on 15 June by INTUC anti-socials. It also decided to give Rs.10,000 as a token relief immediately to the affected families of the martyrs from the centre.

6th August will be observed with badges in the plantation areas all over the states to expose the anti-social character of INTUC of West Bengal who collected arms, bombs etc to attack the workers who were conducting a peaceful procession on that day.

Another important decision the committee took was the March to Parliament by the Plantation workers after 9th September to demand the implementation of the Plantation Labour Act and other demands, to be submitted to the Labour Minister.

# Bipartite National Seminar Calls for Broadest Unity to Fight New Economic Policy

For the first time ever since introduction of the New Economic Policy by the Narasimha Rao Government a bipartite national seminar on the impact of New Economic Policy on the public sector enterprises was held at New Delhi on 15th and 16th July '93 under the auspices of CPSTU.

The prominent invited speakers included Dr. Arun Ghosh, former member of the Planning Commission of India and Dr. Davison Budhoo. Speakers from the trade unions included Gopeshwar, M K Pandhe, Umraomal Purohit, General Secretaries of INTUC, CITU and HMS respectively. D K Ganguly, Regional Secretary of WFTU, Jibon Roy, Secretary, CITU, K Ashok Rao, President NCOA, Michael Fernandes and William Passo leaders of PSU trade unions of Bangalore and Hyderabad respectively also participated in the discussion. The PSU executives who spoke in the seminar included the Chairman of Coal India, Central Electronics, the Directors(Personnel) of SAIL, NTPC and also the former Chairman of NMDC. R Ganapathi, former chairperson of BIFR presented a paper.

Dr Bodhoo who was an official of IMF as economist and now a crusader to expose the pro-imperialist, pro-elites and anti-third world countries and anti-people role of IMF and World Bank in his compact speech made startling revelations about the mischievous and fraudulent role of IMF and World Bank. He said these are done in a well calculated manner to benefit the elites of the advanced capitalist countries of the North at the cost of the toiling people of the developing and underdeveloped countries. Citing horrifying examples from the African and Latin American countries he said that under the Structural Adjustment Programmes under implementation in India under the prescription of the IMF and World Bank, India is also heading for such a devastating situation. He said the essence of Fund Bank dictated programmes are shock therapy on the people and sharp attack on their livelihood and standard of living and naked and merciless suppression of democratic right to curb any opposition to the policy. He said that the Fund Bank dictated programmes are nothing but programme of genocide and appealed for united resistance movement of the people throughout the world. Dr Budhoo warned that within next one or two years the Indian democratic movement in general and the trade union movement in particular shall come under serious repression. This is because the Fund Bank dictated programme would inevitably make the life and living of common people and the workers in particular increasingly

miserable and the united resistance movement of the people and the workers against such miseries would be sought to be crushed by the operating Government who have already surrendered to Fund Bank pressure. He also said that the elites of the south also do not oppose the Fund-Bank programmes because they are also the beneficiaries of the same.

Dr Arun Ghosh said that as a result of the surrender of the Central Government to the imperialist power the country has already lost the economic sovereignty heavily. The steps taken by the Government towards globalisation of our economy would result in invasion of our country by the MNCs who will ultimately control the economic and industrial activities of India and accelerate the process of de-industrialisation. He categorically said that whatever steps are taken by the Government are at the dictates of Fund-Bank. Pointing out the most successful role of our scientists and engineers in the area of nuclear science and space technology, Dr Ghosh expressed his surprise as to why the country cannot produce necessary manufactured capital goods and depend on the advanced capitalist countries. He hinted the hands of multinational companies behind such situation. He said that the attack on the public sector is a deep rooted game of the MNCs. He opined that portion of Fund-Bank loan may be waived in exchange of the prized equity of public sector to the MNCs. And once the public sector is pushed in the pocket of the MNCs the country will have no effective control in India's economy and planned industrialisation.

The trade union leaders expressed their serious concern at the attack on PSUs by the Government under the NEP and opined that in the absence of the commanding role of PSUs the self-reliant economic growth shall be hampered and the gains of planned industrial development will be reversed and the country will become seriously dependent on the foreign and indigenous monopoly capital. The speakers, therefore, appealed for militant united action to defeat the NEP.

The executives in their speeches stressed the need for increasing productivity. The necessity of conducive industrial relations and role of workers and trade unions for increasing production and productivity was appreciated by the speakers. They also noted that without adequate autonomy to the management of PSUs efficiency cannot be increased. They maintained that without advanced technological input the concept of globalisation and competition cannot achieve desired result. The benefit of new technol-

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## Calcutta High Court Issues Stay Order against Privatisation of Public Sector Units

Gautam Roy, Secretary of FOSET has issued the following statement to the press:

On 6th July 1993, Sri Shyamal Kumar Sen, the honourable Justice of Calcutta High Court, has issued an interim stay order against the transfer of Assets of Cycle Corporation Limited, a Central Public Sector Undertaking, to private ownership. The order is on the basis of a Constitutional Writ Jurisdiction petitioned by FORUM OF SCIENTISTS, ENGINEERS AND TECHNOLOGISTS (FOSET) and the Employees of 10 CPSUs. The Honourable Court has expressed that in view of the urgency pleaded, Rule 27 is dispensed with and leave also is granted under Rule 12 till 20th July 1993. The ad-interim order states "That the Industrial Development Bank of India will not finalise the offers already received pursuant to the advertisement (for transferring of assets of C C L - added) dated June 9, 1993 in the case of Cycle Corporation of India till 20th July, 1993. This matter will appear in the list on 15th July, 1993". On behalf of the petitioner, Sri Narayan Goopta, the Advocate General of West Bengal pleaded that:-

(i) The Sick Industrial Companies (Special Provision) Amendment Act, 1991 is unconstitutional and the way the Govt has made Board for Industrial and Financial Reconstruction (BIFR) involved in this matter is also illegal.

(ii) The decision by the Govt of India to disinvest the shares of the profit-making CPSUs is also illegal because as

per the Article of Association of most of these undertakings, their share cannot be sold or transferred to the private entrepreneurs.

(iii) While nationalising the then sick private enterprises like Cycle Corpn, BPMEL, Bengal Chemicals, Tyre Corpn, Braithwaite, Weighbird etc, the GOvt enacted legislation in the Parliament to that effect. Therefore, the way present GOvt is attempting to re-privatise these organisations, keeping the Parliament totally in darkness, is not only unconstitutional and illegal but unethical also.

(iv) The shares of the profit making CPSUs have been sold at ridiculously low prices, thereby cheating and misappropriating the assets created by the toils and bloods of every citizens of India. Moreover, in the first phase of disinvestment, the profit-making CPSUs were not even listed in the stock-exchange causing an air of suspicion in the minds of the people of India.

(v) The sick private enterprise were nationalised to make them healthy, but today exactly the reverses are happening with regards to both sick and profit-making CPSUs. It is very dangerous for the nation and in violation of the fundamental rights granted to the citizen under the provisions of our Constitution.

Sri K S Ray Sri Pabitra Kumar Basu and Sri Tapan Dutta assisted the Advocate General on the petition.

### Labour Minister Assures Consideration of Public Sector Workers Demands

A delegation of the Committee of Public Sector Trade Unions (CPSTU) called on Union Labour Minister Shri P A Sangma to discuss the problems of the public sector undertakings. The delegation consisted of M K Pandhe (CITU), S K Sanyal (AITUC), Veereshwar Tiagi (HMS), Michael Fernandes (Bangalore) and William Passo (Hyderabad).

The delegation pointed out that the guidelines issued by the Department of Public Enterprises are unworkable and not conducive for wage negotiations in public sector undertakings. It demanded scrapping of the guidelines to clear the barrier and make the wage negotiations meaningful. Since these negotiations have already been delayed the delegation observed that the negotiations should conclude as soon as possible. Shri Sangma agreed to look into the matter.

The delegation further noted that despite assurance given by the Govt of India that the BIFR will accept the package of revival for sick undertakings jointly prepared by the workers and the management but the Govt has not issued instructions to management to prepare such revival

packages. Shri Sangma promised to issue the directive to all the sick public sector undertakings.

The delegation complained to the Minister about the recovery of bonus of those workers who cross Rs.2500 salary as a result of payment of DA arrears arising out of enhancement of DA rate to Rs.2 per point. He stated that if the names of such units are given to him he would look into the matter. The delegation drew the attention of the Minister to the directive given by BIFR to find a new buyer or to wind up of the public sector undertaking even though the Special Tripartite Committee is considering the subject. They demanded early meeting of the Special Tripartite Committee meeting so that the matters are reviewed by the Committee. Shri Sangma promised to call a meeting in the month of August.

Regarding the multi-slab system of DA the delegation told the Minister that a joint proposal would be submitted to the Govt in the first week of August. Shri Sangma assured that he would call a meeting soon after receiving united proposal by the trade unions.

## CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

(BASE 1992 = 100)

Centre	Dec.92	Jan.93	Linking factor for Old Base				
				Barbil	239	239	5.00
				Rourkela	223	224	3.59
				Amritsar	225	227	5.19
				Ludhiana	220	227	—
All India	421	232	4.93	Ajmer	244	242	5.01
Gudur	241	239	4.33	Jaipur	234	236	5.17
Guntur	244	249	5.60	Coimbatore	238	238	5.35
Hyderabad	228	229	5.23	Coonor	254	254	4.80
Visakhapatnam	245	246	—	Madras	249	250	5.05
Warrangal	237	237	—	Madurai	249	248	5.27
Doom-Dooma Tinsukia	220	221	4.05	Salem	238	232	—
Gauhati	243	246	—	Tiruchirapally	245	250	—
Labac-Silchar	217	217	3.96	Agra	225	226	—
Mariani-Jorhat	232	351	3.95	Ghaziabad	235	238	—
Rangapara-Tezpur	233	238	4.29	Kanpur	245	246	4.69
Jamshedpur	230	232	4.68	Saharanpur	233	238	5.06
Jharia	216	217	4.63	Varanasi	261	264	5.12
Kodarma	217	215	5.43	Asansol	225	227	4.77
Monghyr	231	231	5.29	Calcutta	243	246	4.74
Noamundi	232	234	4.58	Darjeeling	221	221	4.55
Ranchi-Hatia	236	236	—	Durgapur	251	252	—
Ahmedabad	240	240	4.78	Haldia	254	255	—
Baroda	239	239	—	Howrah	255	257	4.12
Bhavanagar	239	290	4.99	Jalpaiguri	222	221	4.16
Rajkot	233	233	—	Raniganj	218	220	4.40
Surat	247	247	—	Chandigarh	243	242	—
Faridabad	232	232	—	Delhi	260	263	4.97
Yamunanagar	226	229	5.53	Pondicherry	266	265	—
Srinagar	247	287	5.47	<b>Additional series of Labour Bureau</b>			
Bangalore	241	241	5.66	Kothagudem	240	242	3.25
Belgam	249	247	—	Himachal Pradesh	232	235	3.75
Hubli-Dharwar	253	252	—	Bhilwara	244	243	3.20
Mercara	234	335	—	Chindwara	246	258	2.59
Alwaye	237	236	5.19	Tripura	242	245	4.37
Mundakayam	246	244	4.67	Goa	274	274	3.40
Quilon	255	254	—	<b>Other series of Labour Bureau</b>			
Trivandrum	260	259	—	Centre	Base	'90	1990
Bhalaghat	236	238	5.24	Ammathi	1960		
Bhilai	216	221	3.49	Chickmangalur	1960		
Bhopal	256	257	5.46	Kolar Gold Field	1960		
Indore	256	258	5.18	Sambalpur			
Jabalpur	260	264	6.41	Berhampur			
Bombay	267	264	5.12	Cuttack			
Nagpur	258	259	4.99	<b>Note:</b> Figures on old base can be obtained by multiplying the Index Number on New Base by the linking factor given and rounding off the result to nearest whole number.			
Nasik	252	257	—	Dash denotes new centres under 1982 series, .			
Pune	257	258	—				
Sholapur	256	254	5.03				

## A Blue Print For Closure And Retrenchment

*Tapan Sen*

The cat is gradually coming out of the bag. The sharp-nailed claws so long kept under the sleeves has started peeping out preparing for a formal appearance. The apparent rosy statements so long being made from the rostrums of power that the interest of the workers would be given due protection even through the process of so called restructuring are ultimately being reduced to mere tricky maneuvers of respectable cheats in the seats of power and the greatest fraud on the people as well.

Yes, what else it can be termed /when no less that a person like Prime Minister of the country assures in writing that the Special Tripartite Committee under Ministry of Labour would try to discuss and finalise rehabilitation plan for sick industrial units and BIFR would only be required to accord formal approval to the rehabilitation plan agreed in Special Tripartite Committee, and there after no meeting of such tripartite committee takes place for more than one year, since pronouncement of such assurance, particularly for engineering, Textile and Fertilizer sector where sickness is rampant, does such assurance hold any value whatsoever? And when the Chairman of the Tripartite Committee which has been so much banked upon by Prime Minister in his assurance-note, himself assures the trade unions that once the management and the unions jointly draw up rehabilitation plan for the sick units, the BIFR would automatically put its stamp of approval and thereafter the representatives of the govt. which the Chairman represents as Labour Minister play the contrary role in the sessions of BIFR, where stands the credibility of the 'Chairman' and the special tripartite committee he chairs? Then what else such game of assurance-mongering being played by the so-called respectables in the seats of power be termed other than sheer deceitful manouver.

These are all stories till end 1992, may be early 1993. Perhaps masters of World Bank and IMF have expressed unhappiness at the pace and manner the restructuring is going on. Perhaps too long time is being consumed to declare liquidation for the sick unitson sending sick PSUs for privatisation by the BIFR Mechanism as per the Masters of Fund \ Bank. And all these necessitate more rapid, rather faster

action.

The recently published report of the Goswami Committee appointed by the Govt of India, has put concrete language to such desire of Fund Bank Masters. The Committee was appointed by Govt of India to go into the aspects of industrial sickness and to facilitate the process of industrial and corporate reorganisation.

The Committee has released all its wrath on the working of BIFR. Well, even the workers are also not happy with the manner and process the BIFR has been functioning. But the wrath of the Goswami Committee on BIFR is not because BIFR is proved a failure for revival and rehabilitation of sick units. The committee expressed its unhappiness over BIFR for its allegedly leaning more towards rehabilitation than outright closure.

The report says, the present system of putting up such cases to the BIFR is time consuming because of the body's quasi-judicial nature, the need for consensus at every stage and its marked preference for rehabilitation over closure. In present day restructuring process, even formal posture for rehabilitation-effort as is being seen sometimes in BIFR sessions have been considered as crime by the Goswami Committee.

Instead Goswami Committee recommends for setting up of 'Fast-track' tribunals for quickening the 'winding up' process in respect of the sick companies \ units referred to it.

The Goswami Committee unequivocally expresses its intolerance towards the present day legal set up in so far as they creat barriers to industrial and corporate restricting. Barriers mean still-existing feeble restraints against retrenchment, closure lay off etc. Such intention of the report becomes clear when it says " Although the restraints seek to protect labour in the short run these actually harm long and medium term employment....." Hence the Goswami Committee recommends drastic amendment in all the connected laws including Industrial Disputes Act, Sick Industries Companies Act(SICA) and laws relating to operation by BIFR etc., aims of all such amendments basically being to remove all barriers to retrenchment of workers and closure of the sick

companies and distribution of its assets at shortest possible time.

While recommending radical amendments to sick Industries Companies Act (SICA), the report says that the phrase like 'preventive' 'Ameliorative' and 'Remedial' are to be deleted since all these closely associate with concept of rehabilitation.

It also recommends that BIFR should not allow submission of rehabilitation plan for a sick company for more than twice and maximum available period for such exercise would be 150 days. If within such 150 days' time, even second rehabilitation plan fails to get the acceptance of the creditors representing more than three fourths of the secured debt, the BIFR would automatically recommend the company for recovery tribunal or to be wound up under section 20(4) of SICA. Curiously enough the Goswami Committee echoes or justifies the govt of India's total abdication of responsibility in the matter of revival of sick PSUs as manifested in Govt. 'representatives' refusal to become promoter in the BIFR hearings. In its report the Goswami Committee says that for any meaningful restructuring the responsibility of Corporate reorganisation must shift from Secured Creditors and the State-as is presently the case-to the defaulting debtor firms. Hence in case of Sick PSU, Govt. need not take any responsibility and allow the same either to be liquidated a privatised- as ultimately meant by Great Goswami Committee.

In essence the report of the Goswami Committee is clearly indicative of the line of action of the govt of India in the nearing future.

It wants BIFR to cut short its operation and quicken up the process of closure and liquidation.

It wants SICA, ID Act to be suitably amended to make closure and retrenchment completely unchained.

It wants Govt to withdraw itself completely in the matter of revival of sick PSUs and thereby push them towards privatisation or liquidation.

It wants SICA to identify not only the terminally sick units but extend its area to include so called unhealthy industrial companies.

It wants then the removal of all barriers under foreign exchange Regulation Act to encourage take-over of viable sick companies by foreign investors, even it is in public sector.

It wants to withdraw the intervening right of the State Govt. in the matter of retrenchment and closure.

It recommended 30 days wage per year of service as compensation for retrenchment, and sought to legitimise the exit policy.

It recommended employers' free hand in retrenchment at the present time and justified such recommendation on the plea that such free handed re-

trenchment would ultimately lead to more employment in future. .

But in reality the entire exercise is aimed at quickening the process of de-industrialisation of the country as the Fund-Bank masters are hot happy with the present pace, and so also their lackeys in India bourgeoisie

The Goswami exercise also signals further intensification of attack on the working class in particular and the people in General and atleast left no scope for illusion on the efficacy of the market-driven philosophy in economic development

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## CITU Condemns The Goswami Committee Report On Industrial Sickness

The Secretariat of the Centre of Indian Trade Unions condemns the report submitted to the Finance Minister by the Goswami Committee on Industrial Sickness and records its total opposition to it.

The report, obviously made under the thumb of IMF-World Bank, gives the green signal to the Exit policy, which is one of the worst parts of the new economic policy and constitutes the most severe offensive on the workforce in the country.

By seeking to override the sections 25 (N) and (O) of the Industrial Disputes Act and bypassing the State government in the matter of closures etc, the recommendations if accepted will actually create an authoritarian regime of unscrupulous private monopolists and multinationals with jungle laws riding roughshod over the most elementary forms of legality and democracy.

The amendments proposed in the Sick Industrial Companies Act, in the functioning of the BIFR with is already creating havoc to the working masses, in the Urban Land Ceiling Act and the setting up of "fast tract" winding up Tribunals—all are directed to impose such a regime on the people. The resultant galloping unemployment and the process of deindustrialisation and indiscriminate closures will not only smash the national economy, but will subvert the national sovereignty also.

The recommendations have made the Special Tripartite Committee and all the other six industrial committees virtually irrelevant. The CITU calls upon all its unions and appeals to all the trade unions and other mass organisations to oppose the move and gear up the united protest actions against the economic policies in preparation for the Bharat Bandh and Industrial strike on September 9.

# AIREC CWC decisions

The Central Working Committee Meeting of the AIREC held at Delhi on 3rd and 4th July '93 under the Presidentship of C.M. Singh has decided to make all endeavour to rouse the Railwaymen to support the call for the "Bharat Bandh" on 9th Sept '93 and make it a grand success.

It also decided to organise and rouse the Railwaymen by all means to develop united struggle on their demands. It formulated 34 points charter of demands and adopted a series of campaign programmes as below:-

1. Demand week will be observed from 2nd August to 8th August '93 followed by a massive local demonstration on 9th August '93.

2. Sustained campaign on the adverse effects of economic and industrial policies on the working class in general and Railwaymen in particular will be undertaken within Demand week through poster-ing, leafleting, walling and massive workers meet-ings etc.

3. Teams of central leaders have been constituted to tour over different Railways centres in connection with the programmes.

4. National convention will be held on 21st August '93 in Himachal Bhawan, New Delhi to take further course of action.

5. In a separate resolution the meeting welcomed the decisions of strike ballot by AIRF on the Railwaymen's demands. If it is serious on the issues as formulated, it must take into confidence all the organisations of Railwaymen to form joint plat form irrespective of recognition, like NCCRs to conduct the strike on common charter of demands and make it a success. This meeting decided to offer full coop-eration in this regard.

6. This meeting also has given an open call to AIRF for building an united plat form to join Bharat Bandh on 9th Sept 1993. It also directs the Secretary General to write AIRF in this regards.

7. In a separate resolution, the meeting demands the Railway Ministry and Government of India to re-instate all the victimised railwaymen. The meetings of AILRSA, AIRMSA, AIRCCA and IRTCSA.

The Central Working Committee meeting of AILRSA held on 6th and 7th July 1993, the CWC meeting of AIRMSA, AIRCCA and IRTCSA held on

4th and 5th July 1993 held at New Delhi also ratified the decisions and resolutions of AIREC CWC meet-ing and adopted different methods for implementing those decisions in a befitting manner.

Divisional Conference of NRMU, Ferozpur divi-sion, Northern Railway held on 5th July 1993 at Ludhiana attended by 200 delegates followed by a mass meeting participated by about 5000 railway-men urged for a decision of parent body to partici-pate in Bharat Bandh on 9th September 1993. The mass meeting was addressed by JP Choubey General Secretary, AIRF.

Railway accident caused due to Defective Work-ing System

Disastrous train accident occurred near Thalwara Railway station in Samastipur division of NE Rail-way on 15th July 1993 has taken away the valuable lives of a large numbers of passengers and crew of the trains injuring hundreds of passengers. Basically the defective system nourished by the Railway authority was responsible for the accident. This accident arised out of the head on collision of 5553 Up(Mithilanchal Express) and 334 Dn(Nirmali Samastipur Passenger) train because of failure of token or tokenless instru-ment. Railway staff are not responsible for the acci-dent.

In a letter addressed to the chairman, Railway Board the Secretary General,AILRSA on 15.7.93 pointed out the same.

The section being the single line section followed with token or tokenless system which only allow one train at a time. Till the line clear is not obtained from the station master of other (advance) station, the line clear cannot be given for any train. If one train is permitted and entered into the section, the other train from any direction cannot be given line clear-ance. Even if the station master unconsciously gives the line clearance also the instrument cannot be operated, if the section is occupied by a train. In such a situation the line may get clearance inspite of there being one train already only if the instrument re-mains defective. So in the instant case of accident, any step on the part of Railway authority to shift respon-sibility on the staff is nothing but great injustice.

## AIIMS NURSES STRUGGLE ACHIEVED DEMANDS

The 19 months old agitation by the nursing staff of All India Institute of Medical Science, New Delhi under the leadership of AIIMS Nurses Union ultimately got victorious when settlement was signed between the union and the AIIMS management on 28-6-93.

Since long the Nurses of AIIMS have been agitating for facilities at par with nurses of Central Govt. hospitals and introduction of the system of Nursing administration from within the Nursing category and maintenance of centralised nursing cadre.

The AIIMS Nurses Union got registered in 1991 against heavy odds created by the AIIMS Administration and soon after the formation the union started consolidating the mass of the nurses against maladministration of nursing service by the hospital management. The management sought to break the nurses union by various means including adopting different measures of disruption and disunity. The administration also tried to decentralise the nursing services on the plea of specialisation.

The nursing staff of AIIMS has been given step motherly treatment in the matter of promotional opportunities. Even in comparison to nurses in Central Govt. hospitals, the ratio between different category of nursing staff in AIIMS is highly unfavourable leading to stagnation of most of the nursing staff in AIIMS.

The management utilised all means to weaken the struggle led by the union of 1500 strong Nurses. The Nurses struggle attracted support of the central trade unions also. CITU took the initiative to organise a joint representation to govt. in support of AIIMS nurses struggle jointly by CITU, AITUC, INTUC & HMS on 25-5-93. CITU also took initiative to lead a deputation alongwith the nurses' union to Union Minister of Health on 4-5-93.

The determination and the unity demonstrated by the mass of the nurses of AIIMS has ultimately compelled the AIIMS administration to come to terms and through prolonged negotiations dispute was settled through agreement on 28-6-93.

The main features of settlements are (1) AIIMS will have a centralised nursing cadre. (2) Nursing Administration would be looked after by big competent Administrator from among the nurses. (3) out of present working strength of 1200 nurses on regular service, about 547 nurses are benefitted either by way of promotion or by way of higher pay scales.

The CITU congratulated the AIIMS nurses union for their success in long drawn struggle and assured all support in their future struggle for fulfilment of the unsettled issues.

## Manila Conference of World Trade Unions affirm faith in Socialism

*Sukomal Sen*

Kilusang Mayo UNO, Labour Centre of Philippines organised the 10th International Solidarity Affair at Manila from April 29, 1993 to May 8, 1993. A number of International Trade Unions including the CITU and All India State Government Employees Federation were invited to attend the conference. The delegations from USA, Australia, Sweden, France, Cuba, New Calidonia, India, Japan, Vietnam, Saudi Arabia, Nepal, Hong Kong, Taiwan and Malaysia participated in the conference. The total number of delegates was 67 excluding 15 delegates who belonged to different Philipppianes unions. The Congress of South African Trade Unions (COSATU) also was to participate but they could not come because of the situation arising out of the assassination of Chris Hani, the General Secretary of the South African Communist Party. Ramanika Gupta from CITU and Sukomal Sen, General Secretary of the All India State Government Employees' Federation attended the conference.

After the introductory session on April 29, the plenary session began next day. Crispin B Beltran, Chairperson of KMU on behalf of the Philippines Trade Unions, presided over the session. Senator Wigberto E, Tanada, a nationalist leader was the guest speaker. He gave full details of present situation and struggle for democracy and against imperialism. Thereafter one delegate each continent including Sukomal Sen from Asia made introductory speech.

Third day was the International Labour day—May Day. A highly decorated big procession was organised. A rally was also held after the procession. A large number of women participated in the rally. It was addressed by several leaders including Ramanika Gupta. May 2nd to 5th were earmarked for exposure trips by the delegates to various Labour Centres and slum areas of Metro-Manila. The delegates visited factories union offices and intermingled with the slum dwellers and gathered rich experience about the living conditions of the country—a victim of imperialist exploitation.

The plenary session again began from May 6, 1993. The reports of the various exposure group were placed and discussed by the delegates. Five Commissions were formed on the basis of the reports on

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## **Democle's Sword Over National Textile Corporation**

**P.K. GANGULY**

The National Textile Corporation Ltd., is going to be the first major victim of the IMF prescribed policy of the Narasimha Rao Government to demolish the public sector. After much talk of sickness, the Government has now taken a move to close down 42 NTC mills, throwing out about 80,000 workers and officers.

As a part of the restructuring of the NTC, the Cabinet in its meeting held on 10th August, 1992 approved a so-called turn around strategy to revamp the NTC mills. The most important features of the turn around strategy according to the government's emphasis itself is as follows:-

- 1) Voluntary Retirement Scheme: To get rid of 72,866 workers, 6569 staff and 549 officers, totalling 79,984 by closing 42 mills, at an expenditure of Rs.689 crores.
- 2) Workers' rehabilitation at an expenditure of Rs 50 crores.
- 3) Selective disinvestment of shares and privatisation of the units.
- 4) Modernisation of selected mills at an expenditure of Rs.532 crores.
- 5) Sale of surplus land
- 6) Workers' Co-operatives.

Of course in implementing the schemes the government will waive or reschedule the loans provided to NTC towards cash loss reimbursement.

The concept of modernisation has been based on selective modernisation of only the "viable" units. The government has identified that there are 14 "unviable" units, which will show no result at all even if they are modernised.

As a matter of fact, productions in these mills along with some others totalling 22 have been practically stopped. The management is giving no work to the workers despite repeated demand for the same. Now on the plea of "idle wages" the government wants to close them outright.

49 mills are to be restructured through the process of amalgamation and merger. Through this process 35 nationalised units would be merged into 15, closing down 20, and 14 managed units would be merged into 6, closing down 8. Thus another 28 mills would be closed down through merger. Therefore in

all 42 mills would be closed down-14 outright and 28 through merger.

At present, 25 mills are under a modernisation scheme under the 7th Plan period with an outlay of Rs.129 crores. But as admitted by the Government itself, the process of modernisation is under jeopardy as the fund of Rs.129 crores is not forthcoming from the Financial Institutions.

Then Rs.532 crores modernisation plan as mentioned in the present turn around strategy is for the remaining 55 mills (NTC has got total 122 mills) under the 8th plan period. But the actual cost of modernisation of the 55 mills and earlier 25 mills will obviously be much higher than the estimated or approved amount due to escalation of cost. The government itself has calculated the cost escalation as much higher than 20 percent. But even with the formulation of the scheme, the Financial Institutions have refused to extend any loan to NTC as under the provisions of the recently amended Sick Industrial Companies Act, cases of 7 out of 9 subsidiaries of NTC have been referred to BIFR.

Therefore the Government proposes to sell off the surplus land of the NTC mills in the country to get the modernisation fund. But according to govt.'s own data, the total normal surplus land available to NTC from all the subsidiaries in the country including the managed mills at Kanpur and Bombay are 933.79 acres valuing at Rs.160.53 crores only. Therefore the surplus land cannot be also the source of the modernisation fund.

The final offer of the government was to give away the sick mills to the workers to run then as co-operatives.

Now, with this grandiose plan the government called a special meeting on NTC on 26th June inviting the Central Trade Unions and Members of Parliament, who are members of the Consultative Committees attached to the Textile and Labour Ministries.

All the trade unions unequivocally rejected the government's plan and assailed the government for going ahead in finalising its scheme bypassing the trade unions in total violation of the decisions of the Tripartite Industrial Committee on Textiles.

It is to be recalled that the Govt had constituted

a Special Tripartite Committee to discuss the impact of the new industrial policy on workers. In the second meeting of this Committee held on 20th January, 1992, the Labour Minister announced constitution of further six Tripartite Industrial Committees - one on Textiles. In the first (and the last) meeting of the Textile Committee held on 21st February, 1992, it was decided that the NTC would submit the status papers on the NTC mills to the trade unions. Thenafter two and half months the committee would meet again to discuss the situation and nothing would be done unless decided by the Tripartite Committee. But the Govt never called any meeting, nor any documents were supplied to the trade unions. On the contrary the so-called Turn Around Scheme was prepared by the Government and approved by the Cabinet in August, 1992. They actually called the trade unions on 26th June to say "yes" to the obnoxious scheme. Even on 26th June the trade unions had no relevant papers with them.

Having failed in its efforts, the govt constituted a sub-committee of the Special Committee on NTC to go through the cases and place its full report to the Special Committee on 7th August. The Textile Minister was the chairman of the Sub-Committee, which included six trade union representatives, four MPs, the the Secretaries of the Textile and Labour Ministries and the Chairman of NTC. CITU is being represented by P K Ganguly in the Sub-Committee. The other trade union representatives are Hari Bhau Naik (INTUC), B D Joshi (AITUC), V Tiagi (HMS), V A Satam (BMS) and N M Barot (NLO). The four MPs in the Sub-Committee are Tarit Topdar (CPI-M), Gurdas Dasgupta (CPI), K Ramamurti, D Sadul (Cong-I). It was decided that both the updated status paper on the NTC mills and the Turn Around Scheme would be sent to the trade unions immediately and one month would be given to them before the Sub-Committee meeting is held. But the documents were sent to them just about five days before the sub-committee meeting, which was held on 22nd July.

This time, not only the trade unions, but all the four MPs also opposed the move of the Government. The consensus was for modernisation, but modernisation with expansion and without retrenchment and with the objective of catering to the vast domestic market. Merger or amalgamation also without any redundancy, since modernisation has to be with expansion. VRS was opposed by everybody, which could not be discussed as an official agenda. Members further objected to the term "idle wages" and urged upon the Government to start the mills with modernisation. They exposed the government's

policy of turning the mills sick deliberately and then stop operation and make a hue and cry on the "idle wages". The entire game was to mislead the people by repeatedly raising the bogey of idle wages, only to prepare the ground to justify closures of the concerned mills. The question of disinvestment and privatisation was totally opposed.

Ultimately the Minister of Textiles G Venkatsamy agreed to have case to case study of the mills by the sub-committee so that alternative viabilities could be formulated. He himself proposed that the Sub-Committee should visit centers like Kanpur, Bombay, Ahmedabad and Calcutta, meet the trade unions and workers at local level and make fresh appraisal for revival of the sick mills. The next meeting was fixed on 28th July when the details of such programme are expected to be finalised.

It has to be noted however that the Damocles's Sword still hangs over the NTC mills, because it is the policy of the government, under imperialist pressure, to demolish the public sector and embark upon a path of unbridled privatisation. Over the decades since independence the government has progressively climbed down from the position of establishing the public sector to that of destabilising it. And now under the pressure of IMF/World Bank, it has audaciously taken the move to close down the 42 mills and throw out of jobs 80,000 workers in one stroke.

It has to be recalled that the NTC was incorporated in 1968 and the mills taken over were nationalised by an Act of Parliament in 1974. In this process 122 mills were taken over. The mills taken over were amongst the weakest in the Textile Industry, and they were nursed back to the level of viability. The total installed capacity of the mills accounted for 18 per cent of the spinning and 29 percent of the weaving capacity of the organised mills sector in the country. Over the years, the NTC improved its performance in many operating areas. The production value of the nationalised mills went up from Rs.225 crores to 1975-76 to Rs.700 crores in 1986-87. That of the managed mills also went up significantly. The overall sales realisation of cloth per meter went up from Rs.2.00 to Rs.6.17 during the period. That of yarn per kg also went up from Rs.12.27 to Rs.29.33 during the same period. The average count improved from 26.8s to 34.4s. Productivity went up from 52.6 gms to 61.00gms in spinning. Spinning and weaving utilisation increased from 68 per cent and 65 percent to 72 percent and 71.1 percent respectively.

But in tune with the path of monopolisation with each Textile Policy, the NTC mills started sinking.

The situation accentuated with the 1985 policy formulated by the Rajiv Gandhi Government, which made a sharp turn towards privatisation and denigration of the public sector. The net losses of the NTC started progressively increasing. It was Rs.117 crores in 1985-86, Rs.263.43 crores in 1987-88. Infested by the rampant corruption in the management (which even the Textile Minister admitted in the meeting) along with that policy, now under the new economic policy the cumulative losses have amounted to Rs.2734 crores upto March, 1993. With the policy of destabilisation of the public sector, the performance of the NTC mills started showing all round decline — in production of cloth, production of yarn, in export and in institutional sale.

The government suddenly discovered that excess manpower and "high" wages were the main factors responsible for the mounting losses. So in one hand the wages including DA of the NTC workers were put far below than those in other public sectors, while on the other hand Labour Rationalisation Scheme was formulated. The South India Textile Research Association (SITRA) worked at that there were over 91,201 surplus workers in NTC. That meant that almost 50 per cent workers (out of nearly 2 lakhs) were to be squeezed out. During the 7th Plan period itself over 28,000 workers were thrown out by retrenchment or VRS. From nearly 2 lakh workers, staff and officers, the total complement in NTC as on 31.3.93 is 1,37,193 including the managed mills. That means over 62,000 workers and officers have already been thrown out of NTC during the last several years only. Now in the present Turn Around Strategy, the govt proposes to throw out another 80,000 workers and officers. Out of this about 29,000 have already been thrown out through VRS during the past couple of years since the imposition of the new economic policy. Since the government is bound to remain supine to the IMF dictates, the NTC is on its way out in the coming years. The immediate victims will be 42 mills with 80,000 workers the first major victims of the Exit Policy, showing the guideline to the other public sectors. The fight in the Sub-Committee despite total opposition by the trade unions will be limited to the Sub-Committee level only. The only way out from this scourge is direct agitational action by the NTC workers. The CITU Co-ordination Committee meeting held on 18th July has suggested statewise action programmes. The struggle to save the NTC mills must boost the success of the forthcoming Bharat Bandh and industrial strike on 9th September

## Workers Representatives Protest Privatisation Move of Cycle Corporation of India Ltd.

Cycle Corporation of India Ltd, was declared sick and referred to BIFR and as such there has been created an atmosphere of uncertainty about the future of the industry.

A delegation, comprising of the Joint Action Committee of the Working Unions, i.e. CITU, INTUC, AITUC and Executive Staff Assn headed by Shri M K Pandhe, General Secretary of CITU met Shri P A Sangma, Minister of State for Labour Yesterday the 26th June 1993. The delegation expressed concern at the BIFR's decision to ask for promoter from private sector and referring the CCI to IDBI.

The delegation urged upon the Labour Minister to prevail upon the Heavy Industry Ministry so that it respect the commitment of Prime Minister before the Special Tripartite meeting by accepting the rehabilitation plan prepared jointly by the functioning trade unions, officer's association and the management, which has been duly filled before the BIFR and submitted the Special Tripartite Committee also. The delegation requested the Labour Minister to recall the assurance of the Prime Minister and also of himself that such viability plan prepared jointly will have automatic ratification by the BIFR.

Submitting a copy of the said scheme to Shri Sangma also the delegation apprised him of its confidence that if the plan as suggested is accepted the CCIL will not only come out of red but would also be a source of perpetual foreign exchange earning through export of its prestigious product of Raleigh, Rudge and Humber.

The Hon'ble Minister gave a patient hearing and firmly assured that he would see that the fund is made available and the industry survives and prosper.

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ogy should be made available to the labour as well instead of only to the capital was the opinion of an executive.

In his concluding remark M K Pandhe, General Secretary of CITU thanked the speakers and the delegates. He noted that despite various limitations the seminar, first of its kind was by and large useful. The speakers expressed different views from their respective experience and perspective. It has to be appreciated that crossing the circle of economism the seminar addressed the problems of related to the economic and industrial development of the country and strongly opined upholding the time tested role of public sector.

# PSU-Disinvestment Scam—A National Corollary To NEP

JIBON ROY

Now there remains no ground for confusion or lack of clarity about the real direction of industrial policy floated by the Government of India in 1991. Whatever shrouding has been there are unveiled by Prime Minister himself. Shri P V Narasimha Rao in his speech delivered at Calcutta recently on the auspices of Prasantha Mahalanobish birth centenary programme has made emphatically clear that the main direction of his govt's industrial policy is to leave the productive activities largely to private sector. If Prime Minister is taken seriously, there can not be any sense of respite about the govt. intention on PSUs future. Being truthful to the market philosophy the Govt. of India, is allowing some people to take flesh out of it, before it is declared dead economically. In fact the govt. is making no stone unturned to see the PSUs die natural death and it is quite in consonance of the general policy direction of the present govt. The entire modalities of privatisation either by way of disinvestment or outright transfer of ownership are being meticulously drawn as the instrument of transfer of public wealth to private monopolists, obviously national and foreign.

## The Morality of appropriation (i)

One should understand that the policy of reversal of Public Sector's leading role in industrialisation does not end at privatisation alone. Alongwith that the Government has to find avenues for mobilising funds in the coffer of monopolists enabling them to take over. Even a cursory scrutinisation of policies declared during the last two and half years, in the name of economic restructuring would reveal that the Government was working overtime for the national monopolists so that they can seize the new opportunities of becoming junior partners of foreign multinationals and thus appear as local outposts of foreign investors. Inherent logic behind the security scam or the scam in disinvestment of PSU shares is very revealing. At the time of a mission of slaughtering a massive economy built up with blood and sweat of millions of people in four decades time the logic of ethics or morality is taken just as secondary one. Assisting the appropriation of fund for the private, whatever may be the course, subordinates all social

values. The mindless mission of minting the coffers of corporate houses is an important complement of NEP.

## Startling CAG Revelation ; but no penance

The Comptroller and Auditor General of India in his 14th report of 1993 placed before Parliament during the last session has found serious irregularities and fraud in the disinvestment process. The Report has found that several thousands crores of rupees have been diverted to unknown private coffers. The CAG revelation has unearthed the following:

a) The Floor price of share was fixed abnormally low

b) Floor price has further been lowered without any sanction from any appropriate authority making gains to unknown buyer ranging between 126.62% and 615.53% .

c) Department of Public Enterprises(DPE) has allowed the Banks and mutual funds to dispose the shares to foreign banks and the private sector without appropriate sanction of the Government.

d) Subcommittee formed by DPE has disposed off the share of those PSUs which were kept out of disinvestment schedule by a Government decision.

e) The CAG has nailed the Government for using the disinvestment funds to meet the revenue expenditure and expressed concern at the fluttering away of public assets in the process.

The merry going attitude of the Government of India and setting the officers in DPE who were responsible for the irregularities free left no ambiguity that the entire exercises have been conducted with the blessing of Finance Ministry & the persons in the helm of affairs.

## Govt. decision has been allowed to be flouted deliberately:

The Department of Public Enterprises(DPE) had originally decided to initiate process of disinvestment only in respect of 41 PSUs against the total number of 244 as was in March 1991. It had further

decided that the PSUs engaged in power generation and transmission, oil, defence production would be kept out of the process. Similarly, those PSUs where Government equity had been below 60% were supposed to be left over. It had been further decided that the share would be sold to only Public Financial institution and their further sale to the public would be regulated strictly.

DPE then constituted a Committee with few high officials in the Department with Shri Suresh Kumar, Secretary of the Department in the charge. But, this committee ignored all norms within the framework of which the committee was supposed to operate and adopted all possible incriminating ways for passing enormous gain to unknown private hands.

### **Meticulous fraud**

1) In determining ground price the officials have defrauded the PSUs in three ways:

i) Ground price has been determined on the basis of book value which goes many hundred times below the market price. It is because of the system changing depreciation cumulatively, alongwith astronomical increase in the prices of land and capital in reality after the investment had originally been made.

ii) Secondly, the DPE Sub-Committee has deliberately depressed the share price of the most premier PSUs share by way of clubbing them arbitrarily with average PSUs and it was done in the name of disposing the shares of the later category.

iii) Thirdly, against the Government decision of restricting the value of each bundle of PSUs share to be unloaded around Rs 5 crores the DPE sub-committee added shares of more companies to take the value of each bundle in the ranges between Rs 8.61 crores and Rs 12.91 crores. What was most incriminating was that the sub-committee decided to sit over the matter without making any corresponding notification. As a result, the mutual funds and banks took the apparent position that they have quoted on the assumption that value of bundle goes around Rs 5 crores notified previously. The CAG report says that the composition of the bundles were determined even before the ground price has been fixed.

iv) Fourthly, flouting the decision of its own, Government listed the shares of SAIL, Hindusthan Zink, NALCO, IPCL, Cochin Refineries, Andrew Yule, National Fertilizers, Fertilizers and Chemical and many other companies which were kept out of disinvestment by Government decision.

2. Bungling made in the process of real offloading clearly reveals that the deals were premediated

with the heads of Financial institutions in one hand and the owners of foreign bank and unknown buyers on the other.

Bundles of shares with a ground value of Rs 8000.00 crores fixed at an extremely low price has been off loaded when the financial institutions and mutual funds have together the buying capacity of only between Rs 2000 to Rs 2500 crores, the CAG report says. The result had obviously been catastrophic.

In a condition of depressed market release of huge bulk of share could attract only pre-arranged customers with obviously low tender value. The CAG says that in the first phase of disinvestment 72.61 percent of the bids received only one bidder and out of 406 bundles 289 bundles had been disposed on the basis of single bid tender and represented 71% of the total bundles sold. The CAG says that the second phase opened during February 1992 was not better, four out of 19 bidders appropriated 68% of the total bids.

ii) Secondly the refusal of BPE to regulate the re-sale of the shares as was officially decided by the Government has facilitated the siphoning of huge money in a chain through swift change of hands.

iii) Thirdly, most interestingly the CAG has detected that the DPE sub-committee had unscrupulously dropped the most pertinent condition generally incorporated in any share deal concerning the remittance of a percentage of the premium to the principle owner in case of re-sale of share. This also has deprived the PSUs to keep track with the share off loaded to financial institutions and mutual funds.

### **Unprecedented Loot:**

1. Comptroller and Auditor General Report has calculated only the loss because of lowering down the ground prices, which according to it is a premium for "unprepared" offloading of share and has been calculated as Rs 3,442.00 crores. This figure is equivalent to half of the fast disbursing aid pledged at Paris, three times of the IMF loan for the current year. In percentage the bundles have been disposed at a rate of 36% of the floor prices.

The Indian Express in its Delhi edition of 13th July 1993 has made out a case study depicting how the dropping out of 'claim-back-provision' in case of resale has enabled siphoning out govt money. The study has also unearthed the magnitude and charter of the fraud.

The Indian Express says that the Allahabad Bank bought a bundle (No.66) of shares on February 10,

1992 at a cost price of Rs.13.12 crore which changed hand twice to reach a leading foreign bank, notorious in its own name in India, the City bank, at a price of Rs.38.81 crores. The City bank, was buying them for a "fiduciary", which means a client held in trust. The market value of this bundle was running around Rs 44.3897 crores at that time. The bundle contained the shares of SAIL, Bharat Petro, IPCL, Hindustan Zinc which were forbidden to be offloaded by the govt decision. The sale of share has been sold to financial institution @ Rs.13.24 when its market value was around Rs.200/-.

The Peoples Democracy in its July 18th issue has computed the figures of losses incurred by 10 PSUs as under:

Name of PSE	Under realisation on the basis of reserve fixed by Govt (Lakhs)	Under realisation on the basis of the current market price (as per Economic Times of 31.10.92) (Lakhs)
BPCL	10611.00	103111.00
BHEL	13682.08	79277.76
HCL	748.21	748.21
HOCL	7410.40	16096.00
HPCL	7954.46	122228.06
HZL	51152.59	51152.59
HMT	1190.35	2854.87
SAIL	43318.72	132902.47
RCFL	16853.92	16853.92
NLC	32693.62	50641.37
	<b>185615.35</b>	<b>575866.25</b>

### Extra Constitutional authority dominate:

The CAG to its jurisdiction has rightly seen the deals as the flouting of the government decision by the officials of course with tacit support of govt. And it was the fact that the DPE sub-committees had no official sanction to (a) dispose PSU shares of those companies which were specifically decided by the govt not to be disinvested (b) allow the resale of share. But one cannot believe that such a colossal loot could have taken place without the knowledge of the policy makers in the Finance Ministry. On the contrary, it could be guessed that the entire exercise had been given effect at the instance of the persons in the helm, obviously through extra constitutional means. A government whose loyalty is divided between the parliament and World Bank, it ultimately goes to the grip of the powerful one subjugating the other. In such a situation extra constitutional authority emerges and dominates in all governmental function. Pre-

determined decisions are implemented ruthlessly without caring for the legal or constitutional authority. We should not be mindless about the fact that the Cong(I) Govt is bent upon to pass the industrial initiative to private sector when constitutional direction remained to be the establishment of a socialist state. The reality is that the people are being made to reconcile with extra constitutional authorities and everything in finance ministry is being dictated from the side.

To the best of its spirit the very process of disinvestment and privatisation flouts the constitutional provision. Persons in the helm have landed themselves in a position that it will do whatever World Bank desires. It is not the disinvestment alone, all the privatisation proposals are rotating round the kind of gift making exercise. IISCO privatisation proposal is illustrative where assets of 16,000 crores is proposed to be transferred against Rs.180 crores.

The immediate subjective need for the government was to satisfy the World Bank conditionality of reducing the fiscal deficit. Through the disposition of capital asset at throw away price the govt has met the revenue expenditure to arrest deficit and inflation. The involvement of policy makers comes further into the light when it is seen that the officials responsible for the colossal loot are not even questioned. The king pin in the DPE Sub-Committee Shri Suresh Kumar, the secretary of the dept. is allowed to retire merrily with all benefit even after the CAG revelation.

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IMF/World Bank policies and their impact; unemployment; migration; women and trade union movement.

All the reports of trade unions from the countries specifically mentioned the crisis of capitalism. The disastrous role of IMF and World Bank on the economy of their respective countries, privatisation, dismantling of public sector, inflation, unemployment wage-freeze, curb of trade union rights were the common features of all these reports.

The reports of the third world countries were really appalling. Sukomal Sen was included in the Commission of IMF/World Bank policies and their impact and Ramnika Gupta was in the Commission on Women. All these reports were discussed on 7th and in the morning session of 8th May.

On 8th the last day of conference, declaration and plan of action were adopted. The evening of the 8th May was declared as 'Solidarity Night.' The conference debunked the imperialist propaganda against socialism. It emphatically urged the working class and trade unions world over to resist imperialist and to fight for the final collapse of the crisis-ridden capitalism and to reaffirm for achieving a socialist order of society.

## Employees Pension Scheme— Some Reactions from the Grass root

[The CITU has already expressed and recorded its unequivocal opposition to Employees Pension Scheme recently declared and proposed by the Labour Department, Government of India. The CITU made it clear that it would not accept anything less than 'pension' as a third retirement benefit and strongly oppose the proposed diversion of employers' contribution to provident fund to Pension Fund for the purpose of recently declared EPS.

Unfortunately all the Central Trade Unions are not wholly united on this aspect and some of the Central TUs came out openly in support of the scheme in some way or other. The Government of India has been taking advantage of this difference and vacillation within the TU movement on pension and trying to spread confusion on this aspect.

In the joint meeting with Labour Minister the decision of Government of India of (i) Diverting Employers' contribution in PF to pension fund for EPS and (ii) discontinuance of Govt's contribution of 1.16% to Family Pension Fund came under heavy criticisms among other issues. But curiously enough Govt is trying to hoodwink the people by projecting that it is reconsidering its decision regarding Govt's contribution to Family Pension Fund @ 1.16% and thus all the difference over the Employees Pension Scheme proposed by the Government stands wiped out. In some of the statements made by the Labour Ministry such confusion has been sought to be floated. Unfortunately some of the Central TUs are also playing similar tunes, although employees and workers at the grass root level expresses their firm opposition against the scheme. Recently BMS has published a booklet titled "some light on controversial Pension Scheme of Provident Fund," which has created strong reaction among the unions at the grass root level. We are publishing below the excerpts from letter dt 14.7.93 issued by Phillips Employees Union, Bombay to the Vice President, Bharatiya Mazdoor Sangh detailing their strong reaction on the Booklet published by BMS which practically sought to support the Government scheme.—Ed]

"Dear Sir,

We have just received a copy of your booklet titled "SOME LIGHT ON CONTROVERSIAL PENSION SCHEME OF PROVIDENT FUND." While we must thank you for the courtesy of sending it to us, we must state that we are shocked by what has been mentioned in the booklet. We are studying your booklet thoroughly and we will send you a detailed reply shortly. However, we would be failing in our duty if we did not immediately point out and contradict the glaring error in the booklet, which, otherwise may serve only to misguide the working class.

To prove that the Employees' Pension Scheme (EPS) is beneficial, you have chosen the case of Sri K L George whose details are as follows:

Shri K L George A/C No.KN 2326/1733 Opted for F.P.S Date of Birth: 05.04.1936 Date of joining N G E F: 22.06.1966 Due date of retirement: 30.04.1994

You have, in addition, given details of his wages, etc., and tried to work out the pension payable to Mr George. According to your calculations, the pension payable to him is Rs 1167/- p.m. Further, based on this pension you have shown under the heading PENSION OPTIONS how he would get 'Return of

Capital' of Rs 116700/-.

Actually, nothing could be further from the truth. You have, obviously, taken the years of service under Family Pension Scheme into account while calculating 'Pensionable Service'. We would refer you to clause 2.19 of the EMPLOYEES' PENSION SCHEME published by Provident Fund Organisation (PFO), which defines the term 'Pensionable Service'. According to clause 2.19, "Pensionable Service" is the contributory service provided that "Member" has rendered "Eligible Service," required for payment of benefit under the "Scheme". Now, clause 2.17 states that "Contributory Service" is the period of "Actual Service" for which contribution to this "scheme" has been received. Past service rendered under the Family Pension Scheme is taken into account only for determining eligibility of the employee for receiving pension. All these terms and their value can be well explained by taking the very example you have chosen.

In the cases of Mr George, if the EPS is made effective 1st April, 1993, his "contributory service" will be only 13 months and hence his "pensionable service" would amount to only 1 year. Ordinarily, he

would not have been eligible for pension. But, because of his past service under Family Pension Scheme, his "eligible service" exceeds the minimum service of 10 years prescribed, and he, therefore, becomes "eligible" to receive pension. Now, what pension should he get is a separate question altogether and is dealt with in clause No.4.1.1. Since Mr George will be more than 55 years of age on "Scheme Date," and since he has completed more than 19 years past service under Family Pension Scheme, he will be entitled to a pension of only Rs 400/- and not Rs 1167/- calculated by you. Thus, you can see that the actual pension is Rs 767/- less than you have shown in your booklet. Correspondingly, your figure of Rs 1,16,700/- shown as Return of Capital is off the mark by Rs 76,700/-.

On pages 25 to 27 of your booklet, under the heading SUMMARY OF BENEFITS UNDER THE EMPLOYEES PENSION SCHEME, what you have mentioned differs considerably from booklet brought out by the PFO. In the PFO's booklet, for existing members over 50 years of age, there are special provisions because of the fact that only Contributory Service is to be taken into account. Thus, pension payable to these employees is as per the Special Provisions.

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We believe that, on account of this, millions of workers, who are members of the Family Pension Scheme today, and for whom the EPS is being made compulsory, will be losing a substantial sum. For them, this so-called welfare scheme will be a curse in disguise. All those who are under the impression that "Pensionable Service" means the sum total of service under the Family Pension Scheme and the Employees' Pension Scheme, are in for a rude shock'. AITUC's 13 concrete proposals suggested for amending the scheme, clearly reflect their doubts, especially in point 11.

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It really pains us to point out the errors in your booklet. As a respected leader of the workers, and also a member of the CBT, you will surely agree, in the light of our clarification, that the information in your booklet is highly misleading and tends to present a wrong picture to innocent workers. In fact, we

## National Convention of Central Govt. Employees

A national convention of the constituent organisations of the Central Govt. Employees National Council (JCM) was held on 12th July '93 at the Constitution Club, New Delhi.

The convention considered the long pending economic demands of the Central Govt. Employees which included merger of a portion of D.A. with basic pay, permanent wage review committee, 20% Interim Relief, non-implementation of various arbitration awards and removal of ceiling limits for productivity linked bonus.

The speakers in the convention severely criticised the negative attitude of the Central govt. towards the genuine economic demands of the employees. The non-implementation of the arbitration awards was a matter of serious indignation of the employees.

The convention has decided to resort to strike action to compel the Govt. to come forward for a expeditious satisfactory settlement. The resolution that was adopted in the convention noted— "In considered opinion of this Convention unless the Government takes positive steps for expeditious satisfactory settlement of the demands the Central government Employees including Railwaymen will be left with no alternative other than resorting to strike against their wishes. Such a situation, if allowed to be developed will disturb the Industrial peace which will have serious repercussions on the industrial, economic and social life of the country".

have with us the leaflet dated 4th March, 1991, (copy marked Exhibit-F sent herewith), and it is really unfortunate that almost all the suggestions made by you in the leaflet have been totally ignored by the Government. Yet, in your new booklet, you are not only supporting the Scheme, but also trying to cover up the Government's misdeeds. That is the reason for our shock, and the fact that the booklet has been printed under the aegis of Bharatiya Mazdoor Sangh."

# SOUTH AFRICA : MAKING HOPE A REALITY

*Hemant Kumar*

An international conference on Southern Africa took place at Church House, London on Monday 14th and Tuesday 15th June 1993. It was organised by the Anti-Apartheid Movement in cooperation with the United Nations Special Committee against Apartheid. The Convenors were Archbishop Trevor Huddleston and Mwalimu Julius Nyerere. The Organisation of African Unity extended full support to the conference which was attended by 450 participants from over 40 countries including the representatives of UN and its agencies. The sole representative from Indian Trade Unions was Com. Hemant Kumar representing the CITU.

The theme of the Conference was 'Making Hope a Reality' and the twin objectives outlined by the convenors were supporting and promoting the process of transformation in South Africa from an apartheid state to a United, non-racial democracy and addressing the need for a new agenda of international solidarity with the people of Southern Africa.

Mwalimu Julius Nyerere delivered the keynote address in the opening session which provided the framework for the conference's deliberation. In his address Julius Nyerere complimented India for being the first country to raise the question of apartheid in the UN.

In his hard hitting and frank speech he criticised the West for its double standards especially those who thought it respectable to do business and have political relations with the South African Apartheid regime.

The international conference therefore, focused on its first objective by examining how the international community could best promote democratic change in South Africa. The South African participants shared their experience of the struggle for democratic change.

In this regard the Angolan experience narrated by the Secretary General of the MPLA Mr Lopo Do Nascimento was noteworthy. He said "After 30 years of war, Angola saw with hope the signing, in Portugal of the peace accord in which the international community played an important role."

United Nations were important in imposing fulfillment of the provisions and time table.

Mr Mark Robinson MP, speaking on behalf of the UK Government stressed the need for free South

Africa to embark on a path of development by expanding the role of the private sector in the economy. While in sharp contrast the General Secretary of the Congress of South African Trade Unions Mr Jay Naidoo laid down the perspectives of the South African Trade Union Movement in as much what economic democracy would mean to an ordinary South African citizen. He stressed the need to building of a free and democratic South Africa based on internal resource mobilisation rather than on the loan and prescriptions of the World Bank and the IMF. He emphasised that all foreign investment is not charity and hence at the cost of curtailing the democratic rights of the people of the receiving nation. South Africa would thus entertain only such investments which do not trample upon the democratic rights of its people, is not attached with conditionalities and prescriptions and is genuinely in the interest of the people of that country. He also stressed the need for the South African Trade Union movement to fight against corruption which is the hall mark of Apartheid regime and remove the disparities and inequalities in income perpetuated by the system in the African society.

Finally, it was agreed that as the process of transition unfolds in Southern Africa the rest of the international community has to be ready to respond to new challenges. New forms of international solidarity will be required to help meet the needs of the changing situation.

The conference ended with a joint declaration issued by the convenors which stated "London was the venue of the meeting in June 1959 which gave birth to what was to become a unique movement of international solidarity which provided expression to the moral outrage against apartheid provided a framework for action against external collaboration with the apartheid system as well as providing support for those resisting the evil system. Its greatest strength lay in the fact that above all it consisted of ordinary people from all walks of life who were determined to play their part in ridding the world of apartheid."

The declaration also recognised the deep appreciation of the realities of the situation; a recognition of the serious obstacles which will have to be overcome

*[On Page 21]*

# New Offensive of Japan Trade Union Movement

*Interview with Kumagai Kanemichi, Secretary General of ZENROREN*

*[The Japanese Trade Union Movement is facing a serious crisis at present with the monopoly capital taking advantage of the recession to intensify exploitation and with the reactionary political forces launching big offensives to introduce a single seat constituency election system and to revise the Japanese Constitution. We reproducing here the abridged version of an interview with Kumagai Kanemichi, Secretary General of the National Confederation of Trade Unions(ZENROREN), the most advanced national trade union centre of Japan. The interview, which dwells upon the main features of the present situation of the Japanese trade union movement was carried in the June 1993 special issue of the "Newsletter from Japan." — Ed]*

**Q:** What positive role the ZENROREN played in the Japanese labour movement during the 3 years since its founding?

**Kumagai:** At the time of its founding, ZENROREN declared that it would follow the fundamentals of the trade union movement inherit and carry forward its positive historic traditions and promote unity of democratic forces to win common demands of the people.

In the recent spring struggle ZENROREN made a breakthrough by overcoming the low wage rise agreement based on the collaborationist policy of Japanese Trade Union Confederation(RENGO) and the Japan Council of Internal Metal Workers Union(IMF-JC). When 1047 workers of the former Japan National Railways were discharged, we took it as an attack against all Japanese workers.

Keeping full range of workers in sight we have sought to promote a full fledged campaign of all sections of the people to win their common demands. Although Japan is now called an economic super power, long hour intensive labour is causing Karoshi(death from over work). To cope with this situation we have mobilised social opinion for opposing the outrageous practices of big business and for democratic control to be exercised over them, putting forward the slogan "live and work as humans," countering thus the reactionary offensives of the Liberal Democratic Party.

ZENROREN has also made efforts to develop international solidarity of the working people. In the autumn of 1991 we held an international symposium on "Japanese Style Industrial Relations and Trade Union Rights," in which we invited delegates from various countries.

In the political field also ZENROREN has played

a key role in developing nationwide joint struggles against the overseas dispatch of Self-Defence Forces and for the defense of the principle of peace in the Japanese Constitution. ZENROREN was the major force that led to the abolition of the attempted single seat constituency system. It has also played an active role in the economic struggles and the campaigns for peace and democracy.

**Q:** The Japanese monopoly capital is using the present recession to further intensify their exploitation. At the international level also a new form of exploitation has emerged through the scrap-and-build policy. What do you think are new features of this offensive and how are you going to deal with this?

**Kumagai:** The present "rationalisation" offensive has a deep background. As is widely known the Plaza Agreement in 1985 led to the Japan US Structural Impediment talks. In this process, a plan for "rationalisation" by reducing working personnel and the overseas advance of capital were set out in the Meekawa Report in a bid to resolve Japan-US economic frictions.

Japan's overseas advance has noticeably expanded since the Plaza Agreement. According to statistics of the Ministry of International Trade and Industry, the number of enterprises which have advanced overseas has increased rapidly since 1986, forming 54.5 percent of all Japanese companies abroad.

Now that the US and Germany as well as other EC countries are having economic difficulties, the trade surplus of Japan is being questioned seriously.

The present large scale restructuring of business operations and cuts in personnel must be seen as part of their international strategy aimed at resolving contradictions. In pursuit of this strategy, factories

are being closed down and middle and advanced aged workers are targeted for discharge.

**Q: The spring struggle of ZENROREN has called wide attention. Why?**

**Kumagai:** That is right. In this struggle we took the offensive and claimed that big business and the LDP government were responsible for causing the recession. We also launched joint action campaigns in cooperation with various groups of entrepreneurs. Strenuous efforts were made in the struggle for a wage increase.

To counter the "rationalisation with personnel reduction, we encouraged workers to intensify their struggle against it, while the RENGO campaign ran within the framework of economic policy of the government. When monopoly capital was promoting the scrap-and-build policy on an international scale at the sacrifice of workers, the labour-management collaboration policy of RENGO could not win any demand of the workers.

**Q: Attempts are being intensified to suppress the workers' struggle, making use of the situation in the former Soviet Union or Eastern Europe, so as to force them to put up with the status quo. How do you see it?**

**Kumagai:** To open the perspective for the advance of our demands it is crucial to refute the argument that "socialism has collapsed and capitalism has won victory." The argument turning into an attack on workers forcing them to suffer the current poor conditions. It is also an attack from the management aimed at suppressing the trade union struggles.

However, recent political and economic conditions in Europe and the United States show clearly that the contradictions of capitalism have intensified. In Japan too the LDP politics and the big business oriented economy is at an impasse. We, therefore, want to emphasise again the importance of the struggle against the ideological attack.

**Q: How are trade unions responding to such reactionary political attacks as the attempt for a single seat constituency system and for mal-revision of the Constitution of Japan?**

**Kumagai:** It is necessary to understand that the current move to revise the Constitution of Japan by introducing a single seat constituency system is aimed at defending the interests of big Japanese industries operating overseas. The leaders of RENGO and the business circles of Japan are jointly trying to strengthen the demand for the single-seat election system. Such moves are sure to bring to the surface their contradictions with workers and the people.

**Q: What could be the direction of ZENROREN's**

**movement?**

**Kumagai:** It has become increasingly clear that we cannot defend the lives and rights of workers and the people without struggling against the high-handed and self-centered practices of big business. The possibility is now growing for developing the movement to keep the full range of workers in sight and for joint activities with a wide range of trade unions. During this years spring struggle trade unions in some industries including RENGO affiliated unions, waged joint struggles irrespective of their affiliations. It is important now to further widen and develop our movement and redouble our effort to build ZENROREN with a 2-million membership.

We stress the importance of defending the principles of peace and democracies enshrined in the Japanese Constitution. Our Constitution includes so many positive and pioneering aspects. From this standpoint, our struggle should be strengthened for shorter working hours, fundamental improvement in labour laws, stopping mal-revision of pension system, against personnel reduction and violation of human rights on the pretext of industrial restructuring. At present we need to put all our energy into struggle against the introduction of a single-seat electoral system. As a national centre of trade unions, we seek to play a pivotal role in mobilising a nationwide joint struggle of the people of Japan. ●

*[From Page 19]*

and an acknowledgement of the many challenges which will have to be faced if the vision of a new Southern African is to become a reality. The challenge facing the new democratic government in South Africa will be immense. It will have to embark on programme of reconstruction and development in order to eradicate the injustices of apartheid which have done so much harm to the people of South Africa and to put into effect policies which all overcome its legacies."

The declaration concluded by stating that "A new movement of solidarity is now required to support the people of Southern Africa in their efforts to make their hope a reality."

As the people of South Africa led by the ANC, the COSATU and its many other constituent organisations move towards achieving political freedom to realise its potentialities the challenges are immense in the direction of reconstruction and achieving economic justice without which experience has shown, political freedom has little significance. The progressive trade union movement of Africa is conscious of this reality. ●

## Emphases on Economic Development and Trade Union Struggle in Asia

*P K Ganguly*

The All China Federation of Trade Unions (ACFTU) recently organised an Asian Seminar on Economic Development and the Role of Trade Unions at Guangzhou (Canton) from May 13-19. This was the second seminar organised by the ACFTU on the subject in which the trade unions from the developing countries in Asia were invited. It was attended by representatives from India, Pakistan, Bangladesh, Sri Lanka, Nepal, Singapore, Vietnam, DPRK, South Korea, Philippines, Thailand, Malaysia, Indonesia, Laos and China. Representatives from WFTU and Asia Pacific Trade Union Co-ordination Committee also attended the Seminar. From India all the Central Trade Unions were invited. The CITU was represented by P K Ganguly.

The seminar consisted of two parts,—the first part was the usual deliberations comprising the two plenary sessions and group discussions, and the other part was the visit to the special economic zones of Shenzhen, Shekou, etc in the Guangdong Province and discussions with the trade unions in these zones. The objective of the seminar obviously was to draw the attention of the Asian trade unions to the developmental activities launched by China through economic reforms and drive for modernisation and the role of ACFTU in the process, as well as to consolidate the unity of the trade unions in the developing countries in Asia against the offensive of imperialism to subvert the national and economic sovereignty of these countries. Through the deliberations in the seminar and visit to the developmental work and intense discussion with the local trade unions (units of ACFTU) in the special economic zones, the ACFTU sought to set the example that modernisation by opening up to the world, and safeguarding the national and economic sovereignty can be made compatible, provided foreign investments are allowed to be made strictly according to the domestic laws of the country including the trade union laws, with the on-going process of indigenisation, and not as per the dictates of the foreign investors.

The seminar was conducted by a Presidium consisting of Wang Houde, Vice Chairman of ACFTU and four delegates—one each from India, Bangladesh, Philippines and Thailand, who were elected Vice Chairmen of the seminar. From India P K Ganguly was elected for the Presidium.

### Modernisation —the Main Thrust

Inaugurating the seminar, Ni Zhifu, the Chairman of ACFTU drew the attention of the delegates to the growing poverty and unemployment emerging as grave problems in most of the countries particularly in the developing Asian countries due to uneven distribution of the fruits of production and modernisation and laid stress on economic development through continuous modernisation for the improvement of the people's livelihood and social stability in the countries. He emphasised that China's endeavour was in this direction, and the ACFTU was mobilising the workers in this great national reconstruction, while raising their cultural, technological and ideological standards through various programmes. The entire reconstruction work, he further emphasised, was being done in pursuance of the policy of reform and opening to the outside world, strictly adhering to the four cardinal principles with the objective of economic restructuring to develop a socialist system under which the public ownership will play a predominant role, social justice will be maintained and common prosperity will be achieved. He urged upon the delegates to have free and frank discussions and build up an united trade union movement in the Asian region with such objective.

### Development of Productive Forces

Speaking in the first plenary session, Wang Houde, the Vice Chairman of ACFTU pointed out that China was a populous country of 1.16 billion people. It began its socialist construction on the basis of a backward economy and acute poverty. At the end of 1978 they took a strategic decision to shift the nation's focus of work to modernisation-construction by making economic construction as the central task of the Chinese people and workers. The main criteria to judge the success of such strategic decision was to see whether it helped to liberate and develop the productive forces or not, which is the fundamental task of development of socialism. He emphasised that it did develop the productive forces and the living standards of the people. The GNP of China in the 1990s is going to quadruple that of 1980s.

## The Special Economic Zones

The delegates were then taken to the special economic zones in the Donguan Province. In these special economic zones the Sino-foreign joint ventures, Sino-foreign cooperative enterprises and some solely foreign funded enterprises are operating. The foreign-investors are mostly from Japan and Hong Kong with some European countries also. The places and factories visited were the Baiyunshan Pharmaceutical Corporation, the Shenzhen special economic zone, Shekou Industrial zone, Huasi Stock Corporation, Sanyo Electrical Machinery, Kangjia Electronic Corporation, the Donguana-Nongyuan Joint Stock Corporation, Zhengxing Shoe Company, Xingke Electronic Plant, etc.

In all the above places special meetings were held with the plant level trade unions, local trade unions and the Shenzhen Municipal Trade Union Federation for three days as part of the seminar.

## Trade Union Right by State Laws

It was noted that since China introduced the economic reforms in 1979, the economy of Guangdong Province had grown rapidly with its GNP increasing at an average annual rate of 12 percent. The total industrial output value in the Province had grown at an average annual rate of 30 percent. The workforce in the foreign enterprises in the Province crossed 2 million in 1992, accounting for one-eighth of the people employed by the industrial and commercial enterprises in the Province.

Now, with the number of foreign enterprises increasing, it is necessary to explore the functioning of the trade unions in these enterprises. As the MNCs are characteristically against any trade union activity, so labour relations in these enterprise are complicated and disputes do arise leading to even strikes by workers. Disputes mostly arise due to reluctance by the foreign enterprises to allow to form trade unions; their reluctance to contribute to the trade union fund which according to TU laws are 0.5 percent of the total wage bill of the workers; improper management by foreign investors; default on wage payment; arbitrary pay cut; heavy work load; frequent overwork; work environments not upto the state standards; unreasonable income distribution; lack of respect for workers; failure to abide by agreements, etc.

However, the state authorities intervene in such disputes in favour of the trade unions and successfully induce the managements to strictly abide by the laws. According to domestic and trade union laws, by which the setting up of an enterprise must go hand in hand with that of a trade union, i.e. the trade unions start functioning the moment the enterprises starts operation. Thus while the foreign investors are compelled by the State to abide by the state laws

and rules and the trade union laws to uphold the workers' interests and rights, the workers are also told not to make mistakes.

## Workers' Participation in Management

The State and Trade Union laws further emphasise on workers' participation in democratic management of the enterprises, to which the foreign investors must concede. There are six basic forms for such democratic participation in management:

- 1) Periodical democratic consultation between the trade union and the management;
- 2) Periodical labour-capital consultation between the trade union or workers' representative and the foreign investors or their agents;
- 3) Participation by the Trade Union Chairman on behalf of workers in routine meetings of enterprise administration or factory operations;
- 4) Establishment of trade unions of "workers consultancy groups";
- 5) system of workers' congress;
- 6) workers' representation on the Board of Directors.

With the above practices, which also serve as incentives to work, not only the workers rights and interest are upheld, but it also trims the foreign investors and boosts the economic efficiency of the enterprise. Apart from this, there is job related technical training to all levels of workers and also training for executives intended for factory Directors and Managers.

## Employment Generation

A series of discussions were held on the question of employment in the light of drive for modernisation, adoption of new technologies and invitation to foreign investors. These questions alongwith that of trade union activities were being confronted by the trade unions in all the developing countries with class divided societies.

As was noted, employment has always been a major concern of China and ACFTU, as it is a populous country with rich resources of labour force. Out of a population of 1.16 billions, the urban labour force accounts for 150 millions and rural labour force 420 millions. About 20 million new urban and rural labour force enter the market every year. A substantial number of workers are made redundant due to adoption of new technologies. Nearly 100 million rural labour have to be transferred to new jobs due to mechanisation in agriculture. Under such circumstances, the contradiction between the over supply of labour force and their reduced demand remains acute despite continuous programme and expansion of employment generation. The Chinese Government and the trade unions through various methods work together so as to guarantee employment generation for the new entrants, and reabsorb, rede-

ploy and retrain the surplus labour force.

In this process during the last several years unemployment in China has been reduced from 3.8 percent to 2.5 percent in 1992. This has been possible by readjusting employment structure and policies to open more employment channels. The key to secured employment and reducing the unemployment rate has been the economic development.

The country's average annual economic growth rate has been 8.6 percent in the past 14 years of economic reforms. Apart from reforming the employment related industrial structure and expansion of employment in the newly emerging industries, the Government is boosting the tertiary (unorganised and ancillary) industries, which are labour-intensive ones.

Apart from this, with overall planning for the development of both urban and rural areas, emphasis is laid on settlement of surplus labour force of the rural areas. Township enterprises have been developed by the State for this purpose, which employ over 100 million surplus rural labour with their industrial output value accounting for one-third of the GNP. Besides, Employment Consultancy and Pre-employment Training Centres have been opened throughout the country which train the workers, including the contract workers after completion of the contract, and allocate jobs both to the new entrants and the redundant labour according to the market requirement. Over 8 million job seekers were given job in 1992 in this process. The unemployed are all insured. The trade unions are fully involved in the entire process of this employment generation, including running training centres, employment consultancy agencies and setting up of trade union enterprises like Consumers' Cooperatives, Credit Cooperatives, Housing Cooperatives, Insurance Agencies, etc which employ over 230,000 workers.

### Group Discussion: Reflection of two Systems

With such integrated process the symposium held group discussions mainly on two issues, viz., Transnationals and Trade Union struggle; and Technology and Employment. The discussions naturally focused on the experiences of the workers in two social systems. In the developing countries with class divided societies, there was more or less a common experience of the working class on various issues. There was a growing attack on trade union and democratic rights of the workers by the ruling clique and the employers; there was growing closures and retrenchment; growing unemployment and price rise with the drive for privatisation; and refusal to concede the legitimate demands of the workers. With the growing infiltration by the MNCs in these developing countries and

introduction of new technologies there was redundancy in each industry without any scope for redeployment, aggravating the joblessness and without any unemployment insurance or allowance. This had further posed a threat to the development of indigenous technology and self-reliance. Besides, with the mounting pressure from IMF, World Bank and the imperialist country and with the Doha proposals pressurising these countries to change domestic laws to suit the MNCs, there was a growing threat to their economic and national sovereignty.

In the socialist countries like China, DPRK and Vietnam however, as was witnessed by the delegates, the situation was different. The fruits of production modernisation were equitably distributed with the working class as the ruling class in these countries. China and other developing socialist countries however were engaged in the intense struggle for building socialism in the teeth of impediments created by imperialism.

The delegates appreciated the endeavour of China in building socialism through the new economic reforms under four cardinal principles despite heavy odds.

The Seminar also expressed unanimous concern over the unequal trade imposed by the North on the

South. They called for greater regional cooperation in the spirit of South-South Cooperation and impressed upon the trade unions to take positive interest in the matter, demanding full benefit of modern technology by the developing countries without any domination by the multinationals.

In the concluding note the trade unions recognised the prospect of developing united trade union struggles in the country against imperialism and also develop a common base with anti-imperialism and consolidation of the working class as the basis of the united struggle. The symposium impressed upon ACFTU for more active role in further developing such struggle in the Asian region.

**Book Post**