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THE WORKING CLASS

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CENTRE OF INDIAN TRADE UNIONS
WORKING COMMITTEE MEETING
JAIPUR, 13-16 NOVEMBER 1999

NOTICE

A meeting of the Working Committee of the CITU will be held at Jaipur (Rajasthan), from the 13th to 16th November 1999. A mass rally will be held on 13th November at 2.00 PM. The working committee meeting will commence sharp at 10 AM, on 14th November 1999, to consider the following agenda:

1. Confirmation of the minutes of the working committee meeting held at Ghaziabad on 27.5.99.
2. Presidential Address.
3. Report of the General Secretary.
4. Holding of a Special Workshop on Organisation, during January 2000.
5. Holding of the Tenth Conference of the CITU, at Hyderabad, during December 2000.
6. Verification of Membership of Central Trade Unions for the year 1997.
7. Resolutions
8. Any other subject with the permission of the Chair.

Every working committee member will have to pay Rs.350/- for boarding and lodging arrangements.

Comrades are requested to arrange their railway reservations both ways to avoid eleventh hour difficulties. Direct trains are available to Jaipur from Chennai, Calcutta, Mumbai, Amritsar, New Delhi, Ahmedabad, Varanasi, Indore, etc.

All members are requested to inform their arrival at Jaipur Junction or main bus stand (Central Bus Terminal, Sindhi Camp) at the following address:

Com.Ravindra Shukla,
General Secretary,
Rajasthan State Committee of CITU,
B-4 MLA Quarters, Jaipur-302001
Phone - 0141-368303, Fax: 0141-361757

The climate in Jaipur will be moderately cold. Members are, therefore, requested to bring with them light woolen garments.

The exact venue of the meeting will be announced later.

All members are requested to positively attend the meeting.

M.K. PANDHE
General Secretary

THE WORKING CLASS

CITU MONTHLY

OCTOBER 1999

HERE & NOW
SUDHIR TAILANG



We sponsored this survey! How come we're losing!? It seems our pollster has defected!

(Courtesy: The Hindustan Times)

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EDITORIAL

13TH LOK SABHA AND AFTER

Four phases of polling in the Lok Sabha elections are already over. By the time, this issue of 'The Working Class' reaches your hands, the fifth and final phase will also be over. The Election Commission, which has undertaken this onerous job, facing several odds, will get down to the business of the counting process, declaration of results, and reporting to the President. He, in turn, will officially constitute the 13th Lok Sabha.

"The Working Class" does not want to enter the fray, predicting which party or combination will get sufficient numbers to form the next Government at the Centre. There are already enough and more of opinion/exit polls indulging in this guess work.

The moot point to be watched is whether the new Government at the Centre will be led by parties with secular credentials or by parties wedded to communal ideology.

The working class looks forward 'expectantly' for a Government that will undo the harm perpetuated by the forces dividing the people on communal lines; a government which will uphold the unity of our people with all their diverse socio-cultural identities.

But, yet another area of major concern for the working class will be the realm of economic policies under the new dispensation.

Elsewhere in this issue, we have reproduced an analysis, by a news agency, of the election manifestoes of the Congress and the BJP - the main contenders for power. It had noted the convergence of views of both these parties on carrying forward the reforms prescriptions of the IMF-WB-WTO regime. It had also highlighted that only the Left Parties are consistent in their quest for a reversal of these policies and advocating a pro-people alternative.

Whatever be the role of the Left parties in Government formation, with their strength in the new Lok Sabha, they will continue to resist further measures seeking to implement the dictates of the IMF. But, the fight inside the Parliament forum, will, by itself not bring about any significant change in the economic policy issues. For this, the mass struggles outside will have to be intensified.

Thus, the working class and the trade union movement has its task cut out very clear. It will have to resume its struggle against the ruinous economic policies of liberalisation, privatisation and globalisation, with much more vigour and determination. Unity of the class and ever increasing mass mobilisation in the arena of future struggles is the only way ahead.

LIBERALISATION BOOSTS BILLIONAIRES IN INDIA

M K PANDHE

Eight years of liberalisation in India has increased the number of people below the poverty line to a great extent. But during the same time the liberalisation has also given a big boost to several billionaires who have garnered huge assets in a short period. This fact was highlighted by a special supplement by Business Standard in August last.

These billionaires are considered to be most successful businessmen who have been able to

shareholdings are owned by several charitable and Parsi Trusts which constitute the holding company Tata sons thus creating an impression that all the profits of Tatas go for charitable purpose. Similarly Birla families have several "charitable organisations" to show less accumulation of wealth. By these methods they are in a position to avoid payment of taxes to the public exchequer and continue the process of garnering more and more assets.

THE TOPMOST BILLIONAIRES

Rank	The Promoter	Flagship Company	Net Worth in Rs.crores
1.	Azim H, Premje	WIPRO	17606.17 (75%)
2.	Shiv Nadar Rajendra Pawar Vijay Thandani	NIIT	6913.02 (71.92%)
3.	Dhirubhai Ambani & family	Reliance Industries	5046.20 (27.14%)
4.	N.R. Narayan Musthy and Associates	Infosys Technologies	4742.87(30.65%)
5.	Malvinder Singh Shivinder Singh	Ranbaxy Laboratories	3384.72 (36.56%)
6.	Kumar Mangalam Birla and family	Grasim Industries	2978.53 (41.96%)
7.	Rahul Bajaj & family	Bajaj Auto	2583.76 (44.23%)
8.	Subhas Chandra	Zee Telefilms	2224.84 (46.4%)
9.	Y.K. Hamied	CIPLA	1907.10 (54.38%)
10.	R.C. Burman & family	Dabur India	1828.96 (80.14%)

(The figures in bracket denote percent share of the promoters in the companies controlled by them)

accumulate huge profits at a faster rate. The journal listed 100 billionaires whose total accumulated net worth comes to Rs.100909.15 crores. At least 15 of these entrepreneurs do not own any factories and produce nothing. they sell products and information technologies and make profits.

Surprisingly the list does not include the name of topmost industrialist Ratan Tata who is the Supreme boss of Rs.40,000 crore Tata group of companies. Though Tata sons own over Rs.9,000 crores of stake in these companies on paper he is not owning the shareholdings. On paper these

The data presented in the journal does not include the black money generated in the country by the big businessmen since the data is based on the published balance sheets of these houses prepared for the tax purposes. Therefore the actual accumulation of wealth by these billionaires is much higher than shown in the study. The journal itself points out.

".....the list leaves out some people who have made their wealth through real estate or from the stock market, or those who own privately held companies. In some cases, wealth of some people may also be underestimated because the ranking

only takes into account their shareholdings in listed companies.”

The study shows that traditionally known big business houses have gone down in their ranking may be due to the system of ranking which only takes balance sheet holdings as the basis. However, the study lists 10 billionaires whose net worth is the highest as on 30th July 1999. (see Table on page 4)

As a result of liberalisation and concessions given in the budget the wealth multiplied in one year by the leading houses is indeed staggering. The highest growth in terms of percentage recording during the year 1998-99 was by Sukhram fame Himachal Futuristic. Its networth increased by 540 per cent in one year alone. In actual terms it was a spurious gain of over Rs.400 crores in one year of BJP rule. Out of 100 billionaires studied by the Business Standard 41 billionaires have more than doubled their networth during 1998-99. Despite recessionary trends in the country these tycoons could increase their networth in such a scandalous proportions thanks to the concessions given by the Finance Minister Yeshwant Sinha in his two budgets. The billionaires who could multiply their networth more than twice in one year alone are listed below:

M.R. Narayan Murthy of Infosys Technologies (269.76%), Subhash Chandra of Zee Telefilm (243.72%), B. Ramlinga Raju of Satyam Computers (229.90%), T.P.G. Nambiar of BPL (220.78%), B.K. Parekh of Pidilite Industries (262.13%), DVS Raju of Visual Soft India (375.96%), P.G.Chabria of Finolex Cables (426.60%), P.V. Ramaprasad Reddy of Aurobindo Pharmaceuticals (236.90%), P.K. Khaitan of

Electrosteel Castings, (232.59%), K.B. Suri of Morepen Laboratories (383.09), Kamal K. Singh of Rotta India, (204.02%), Amarchand R. Gala of Navneet Publications (414.49%), Ashank D. Desai of Mastek (312.66%), Irshad Mirza of Mirza Tanners (394.37%), Jaiprakash Gour of Jaiprakash industries (210.16%), G.I.Mirchandani of Mire Electronics (224.26%) and BVR Mohan Reddy of Infotech Enterprises (273.63%).

Twenty three billionaires have increased their assets by more than 100 per cent during the same period. The Union Finance Minister was watching these super profits as a silent spectator. Had he taken steps to mop up the due share of the Govt. exchequer from these profits for overcoming the industrial sickness of lakhs of our units, the economy of the country would have advanced further and lakhs of jobs could have been protected. However, the BJP Government adopted the policy of encouraging super profits which resulted in adding to the wealth of billionaires in the country.

These billionaires must have liberally contributed to the BJP election fund to ensure such a party come back to power so that the possibility of multiplying their networth every year can be ensured.

The study highlights the growing inequality in the Indian society after the adoption of the structural adjustment programme.

The editor of the journal laments that in a country with a billion of population there are only 100 billionaires. He, however, is unconcerned how many hundreds of million are below the poverty line in India.

BILLIONAIRES GALORE DESPITE RECESSION !

Billionaires in India have managed to almost treble their fortune during last two years' period, despite deep recession and all round decline in every sphere of the economy. Recession and closure led to more closure and sickness of industry hence more loss of jobs and earnings for workers and common people. Employment declined in net terms and poverty got deepened pushing 52.5% people below the poverty line as per a recent ILO estimate.

Investment in real economy consistently declined over the years, published balance sheets of the companies showed drop in profit. But still the moneyed class, who hold the key to governance of the country, got their fortuitous fortunes multiplied three times by tuning the economic system and the policy measures in their favour. Recession and slow down are engineered to deny the workers' demand for a better living, create ground for retrenchment, wage-cuts and lay-offs. And at the same time, the same system multiplies the fortunes of the moneyed class which contribute nothing to the society, to the economy, to the country's benefit.

This is a loot on the country, on the common people !

CHALLENGES EMERGING IN POST-POLLS SITUATION

W R Varada Rajan

The Working Class' has, in this issue, editorially commented on the tasks facing the working class, in the aftermath of the general elections. Here, we attempt to focus on the immediate challenges emerging in the post-polls situation.

The economy, notwithstanding all the bravado of "back on rail" refrain by the Prime Minister and his ilk, is in bad shape, by all accounts. The worsening of the economic situation is marked by spiralling prices of essential commodities, 'despite claims of 'lowest inflation rate', prolonged industrial recession, closure of factories, ever mounting loss of jobs in thousands, continuing fall in exports, widening of the trade deficit, recurrence of oil pool deficit, the run-away government expenditure, fall in the revenue and what not.

THE 'KARGIL TOLL'

The Finance Minister of the BJP Government had, even amidst electioneering, hinted on the need to impose a 'Kargil tax'.

The observer of Business and Politics on 10th September, 1999, summed up the situation in the following report:

"The Kargil conflict did make a large dent in the finances of the central government, notwithstanding claims to the contrary by the finance minister as well as other political leaders... Total central government expenditure went up by 11 per cent in June and by a sharp 21 per cent in July, against the decline of 13 per cent in April

and one per cent in May 1999, according to the Centre for Monitoring Indian Economy, (CMIE).

"Central government expenditure would be much higher than these figures suggest, if one excludes loans given out which have declined sharply....Loans to States and public enterprises showed a sharp decline of 38 per cent during April-July 1999....

"As expenditure shot up and receipts stagnated, there was a steep rise of 45 per cent in gross fiscal deficit in July 1999 over July 1998. This underscores the fact that the Kargil war did harm the central government finances....

"The gross fiscal deficit during April-July 1999 was Rs.45,931 crore, which is 57 per cent of the total deficit budgeted for the current fiscal year 1999-2000." Without speculating on the composition of the new Government that would be, one will have to sit with fingers crossed over the portent of things to come, in the context of the above report.

"CHARTER OF COMMITMENTS"

Yet another 'contribution' of Yashwant Sinha, which needs to be taken serious note of, is the "Charter of Commitments" released by him, as a supplement to the manifesto of the BJP-led combination. This "charter" is placed at the altar of big business and corporate sector, pledging to fully abide by their tall orders.

An obnoxious feature of this "charter" is the proposal to allow

the provident and pension funds - hard earned moneys of the workers - to be invested in the stock markets. Workers' savings will be diverted to the speculative share market operations, admittedly for giving a boost to the capital market.

Another Commitment in the "charter" is resurrection of the exit policy, which was very much talked about in 1991 and after, at the time of initiation of the economic reforms policy. The proposal is for creation of a separate insolvency tribunal to take up cases relating to winding up of companies.

The "charter" does not fail to commit large scale disinvestment of shares of public sector in the name of revamping. It will be the foremost responsibility of the trade union movement to ensure that the government in the offing does not tread the path of this "charter of commitments."

OFFENSIVES TO COMBAT

For the employees of the public sector, besides the task of defending their enterprises against every attempt to liquidate them, the challenge of frustrating the move to deny them their long over-due wage revision is also on hand. The most retrograde proposal to link whatever wage increase offered to a 10 year settlement period - as against the existing 5 years - has to be defeated. All these call for further united and intensified struggle, under the banner of the Committee of Public Sector

Trade Unions.

One subject that is bound to rock the Parliament - whatever be the Government that will assume office - is the drastic change in the telecom policy, made by the caretaker Prime Minister himself, in the run up to the elections. Apart from issues of propriety and the element of scam, this change in policy, if allowed to be carried through the 13th Lok Sabha, will spell disaster for the Indian Telecom Industry. Fight on this front has to be carried on beyond the floor of Parliament as well, not only by telecom unions but also by the general trade union movement.

The oft-repeated promise by successive governments in this decade to their masters in the IMF and World Bank, to open up India's insurance sector, will also well be one of the immediate challenges to be met. Any attempt by the new Government to get the Insurance Regularity Authority Bill passed by the Parliament will have to be resisted fiercely, through united movement.

CHANGE IN LEGISLATIONS

Trade union movement will watch with keen interest, what the new Government propose to do with the two appointees - Chairman and Secretary - on the Second National Labour Commission, which has remained a non-starter. But, more seriously, the trade unions must confront the attempts to carry out the drastic amendments to the three key legislations - viz., Industrial Disputes Act, Trade Union Act and Contract Labour Act - reportedly cleared by the Vajpayee cabinet, virtually aimed at total casualisation of

jobs and deregulation of labour market. If the new Government is allowed to succeed in amending these industrial legislations, the trade unions will be totally crippled.

The working class and the trade union movement will have an immediate job on hand - To pressurise the new Government to amend, if need be thorough an ordinance itself, the payment of Bonus Act, removing the obsolete income parameters. An overwhelmingly large segment of workers have, for years, been pushed out of the purview of the Bonus Act itself. During the past several years, the Government of India, had indulged in a sterile exercise of seeking the views of the trade unions, employers and State Governments on this question, but religiously shelving the subject, each time.

TRIPS RELATED ISSUES

A vital policy issue coming up immediately, is the forthcoming ministerial conference of World Trade Organisation (WTO) at Seattle, Washington, from 30th November to 3rd December 1999. The agenda is trade related intellectual property rights (TRIPS). This is of concern not only to our country but also for all the third world countries. The last agreement on TRIPS at Marakesh in 1994 will come up for a review. The rich countries will use the occasion to further lighten their grip over the third world countries and try to take away whatever little remains of their economic sovereignty. Issues like extension of patent period to 20 years, extend patenting to plant varieties and micro-organisms, with a view to benefit the agro-business multinationals, etc., warrant a

collective resistance by Third World Countries. It may be recalled here, that eminent experts and intellectuals had recently met the President, K R Narayanan, in this regard. They deplored that the Government of India had neither made any preparations not attempted to evolve a national consensus on this vital issue.

The trade union movement has to urge the new Government to take urgent steps not to waste this opportunity, opening up in Seattle, to defend the country's interests.

UNITED MASS ACTIONS

The long overdue legislations like Agricultural Workers' Bill, Workers Participation in Management Bill, amendments to protect the interests of the workers in the Sick Industrial Companies Act, legislative and other measures needed to be taken in the light of the Indian Labour Conference recommendations relating to unorganised labour etc., also will form the agenda to be pursued by the trade union movement with the new government.

In the era of liberalisation and globalisation, which our country's rulers have embarked with disastrous consequences unfolding every passing day, the trade union movement must unitedly resist the attempts at marginalising the trade unions and demeaning their role as a social partner.

The post-general election situation calls for a united approach by the trade union movement and largest ever mobilisation of all mass organisations to face the challenges!

The CITU unions must be in the forefront in this struggle!

Accident Free Rail Travel - Only A Dream?

(Not a month passes without a train accident being reported some where in the country. The tragedy at Gaisal on 2.8.99 was the most disastrous of all the train accidents in the year. Accident free rail travel - will it only remain a dream for passengers in India? We give below extracts from some exercises made in this regard by railway workers' unions and others. -Editor)

ACCIDENTS OR MAN MADE CALAMITIES?

Why do "accidents" happen in Indian Railways with clock like regularity? Can nothing be done to prevent them?

As on 31st May this year, 94 coaches of the Electrical Multiple Units (EMU) which form the Mumbai Suburban locals (which carry the largest number of passengers in the world) were overdue for periodical overhauling (POH). Such POHs are to be carried out at 18 months intervals. Rehabilitation is to be carried out every 12 years. The POH was earlier being done at 12 monthly intervals or after the coaches had run for a specific number of kilometres, whichever was earlier, as laid down in the manufacturer's manuals. This was changed to 18 months -intervals because of shortage of manpower, inadequate infrastructure and shortage of coaches to meet the requirement of increase in the number of services.

In the case of Mail/Express passenger carrying coaches also, day to day maintenance and POH schedules are being sadly neglected. There are mandatory instructions that all incoming coaches should be given 6 hrs maintenance-attention in the washing pits. This is seldom done. 279 coaches are overdue for POH in the Central Railway alone.

The extremely unsafe condition of the tracks and the backlog of track renewals is staggering. Cold weather patrolling of sections, having long welded rails (LWR), as directed in the manual is not being done anywhere in the Indian Railways. Welding of rails is not done as per laid down procedure.

The condition of Locomotives which haul the Mail/Express and Goods trains, regarding their

maintenance and POH, is almost unsatisfactory with 11 locomotives working in the Central Railways overdue for POH as on 31st May 1999. The signalling system has progressed from the mechanical, manually operated system to the present day very highly sophisticated electric systems like the automatic system, Route Relay Inter Locking system, etc. But, the reliability of these systems depends upon how they are maintained, repaired, replaced, etc. The fact is that many equipments and installations of the Signalling System are overaged and are not being replaced. Their reliability is, therefore, questionable.

Calculated and systematic propoganda has been on, since some years, that the Railways are overstaffed.

The facts are otherwise. Loco drivers have to work for more than ten, twelve hours a day. The motormen of Mumbai Suburban locals have to work without any rest. Vacancies are not filled up and services are increased periodically, without adequate staff. Station Masters, Guards and other Operating Staff are compelled to work over hours. Maintenance and repairs in all areas are sadly neglected, because the manpower provided is not enough to cope with the ever increasing expansion of the system.

Accidents happen not because of some minor human error by some Railwaymen at the lower levels, but because of deliberate neglect of safety by the policy makers at the ministerial level and bureaucracy.

(P R Menon, General Secretary, National Railway Mazdoor Union)

POPULISM AT THE COST OF SAFETY

"The railways must focus on consolidation and upgradation of essential infrastructure rather than on network expansion and populist, but financially ruinous projects," the Railway Safety Review Committee, headed by retired Supreme Court Judge H R Khanna says in the first part of its report

submitted to the Railway Board recently. Highlights from the report:

* The government to provide a one time grant to the railways to enable it to adopt effective safety measures including radio communication facilities, train protection and warning and track circuiting

systems.

* Introduce other safety enhancing devices like train actuated warning system at level crossings, axle counters, flasher lights and other emergency provisions in locomotives and modern track data recording cars.

* Better education and training standards for all categories of railway personnel to reduce the human element in train accidents.

* Although train drivers are the most vital element of rail safety, they are neglected in such important safety related aspects as training, working conditions and job environment. They should be trained on modern simulators and their skills continuously upgraded through refresher training.

* Higher educational qualifications for candidates seeking employment with the railways;

matriculation should be the minimum educational requirement.

* Even the duties of gangmen (traditionally a preserve of illiterates), has undergone a dramatic change with increased mechanisation of track maintenance, which demands greater nimbleness of mind and power of understanding.

* The Railway Recruitment Boards should be revamped and training methods improved.

* An immediate survey of the inadequacies in rolling stock so that shortcomings can be made up immediately and advanced Thermit track welding technology introduced.

* Manipulation of accident and safety related statistics by rail employees should be viewed as grave an offense as being responsible for causing accidents.

(Courtesy: Observer)

TALL CLAIMS, UNSAFE CONDITIONS

"The railway administration is making tall claims on maintaining safety before the general public and various media are being used to propagate the view of the administration. Even the Hon'ble Minister of Railways declares on the floor of Parliament that there will be no compromise on safety. But it is observed that trains are allowed to run in unsafe condition by adopting various methods as:

a) eliminating examination of freight trains in the name of rationalisation, (b) extending run from end to end, (c) issuing instructions contrary to general rules, (d) converting through trains for allurements to compel to perform unlimited hours of duty (e) allowing to run without guard when there is no emergency (f) attaching unmatched coach/vehicle violating General rules and subsidiary rules, etc."

(All India Guards Council Conference Resolution)

WHY HUMAN FAILURE?

"We must know that some of the reasons for human failure erupt from staff working under unfavourable conditions and undue pressure from the administration, like shortage of staff, forcing staff to work without strictly observing the safety rules, use of sub-standard materials, over aged engines, tracks, rolling stocks.

Past history shows that whenever there is a serious railway accident with heavy casualties, a high power Enquiry Committee headed by some judge is appointed, just to defuse the situation. Later on, the suggestions and recommendations of these committees are implemented partially subject to the acceptance of the Railway Board. It is on record that a large number of those recommendations remain on paper.

The Railway Ministry also does not give due importance to the safety aspect of train working, due to low allocation of fund in the Railway Budget for safety purpose."

(AIREC in a Resolution dated 24/25 August 1999)

CALLOUSNESS

During the last five years, Indian Railways had criminally neglected safety, as manifested by non-utilisation of even the low allocation of safety funds. Almost 20% of allocation were not utilised between 1994-95 and 1998-99. The details:

Year	Allocation	Unutilised (Rs in crores)
1994-95	225	56
1995-96	285	77
1996-97	296	68
1997-98	230 (Over spent Rs 21 crore)	
1998-99	350	40

(Source: The Economic Times)

(Courtesy: The Railway Worker)

BARBARIANS AT THE GATE !

It's a take over time again. The takeover bazaar is brimming over with companies waiting to be picked up.....There is little doubt that many company managements are about to be roughed up by corporate raiders. A decade ago, at the height of an earlier bout of merger mania, Wall Streeters had ominously called these raiders the barbarians at the gate.

How difficult will it be for the raiders to cross the moats

180 crore..... Since the dawn of 1998, a spate of Merger & Acquisition(M&A) deals have shaken the financial markets from their earlier state of somnolence. Take a look at some of the headline-grabbing deals so far this year. Hindustan Lever Ltd(HLL) has taken complete control of Lakme-Lever, a joint venture with the Tatas in which it earlier had a 50% stake. Wockhardt has bought out the Tata stake in

likely to finance takeover tycoons than ever before; second, the FIs, which often hold the balance in corporate battles, are now saying that their main job is to maximise returns they earn on their investments rather than protect entrenched management; third and perhaps most significantly, slower growth and thinner profit margins are forcing companies to either perform or sell out.

Take the two R-factors first :

(Liberalisation of Indian economy since 1991 has, among many things, unleashed games of takeovers both through stock-market and through other routes. Crore of Rupees are changing hands within the country and also in foreign accounts in buying or selling out of companies which neither contributes in increasing production nor generates any employment. Rather, such takeovers or mergers of companies led to the affected companies being lean and thin resulting in drastic reduction in workforce. Scarce resources of the country is being transacted in gambling operation in the stock markets and corporate circles and banks and financial institutions are readily supplying the fuel under the liberalised regime. In fact take-over operation through manipulative and speculative activities in the share market has become an attractive medium of earning fortunes for Indian big business and MNCs which does not bring any benefit for the country's economy and common people. MNCs are the biggest the biggest beneficiaries of the take-over game alongwith Indian big business getting some remnants. Liberalisation regime which started in this country while making much noise on "competition" is giving birth to new monsters of monopoly giants mostly under foreign control. Even the eminent business analysts of the corporate circles could not overlook such ominous syndromes. Reproduced below the excerpts of an article on the matter by Sandy Dias and Niranjana Rajadhyaksha published in "Business World". (22 March, 99).—Editor)

protecting company management ? Not too difficult, it would seem. Take consumer durable leader, Videocon International. At the end of February, its share price was barely a third of its asset value and a fifth of its book value. So a corporate raider could buy up the company and at one inexpensive stroke, grab around a quarter of the country's consumer durable market.... According to one estimate, it would cost a mere Rs 33 crore to take over the company, a steal, since Videocon has annual sales of Rs 1715 crore and asset and cash worth Rs

pharma company Merind..... But the multinational companies grabbed the headlines by striking the biggest deals. HLL took over Tomco. Heinz bought over Glaxo's food business and Ramesh Chouhan sold his soft drink brands to Coca-Cola. In many cases, acquirers were ready to pay huge amounts to catch their prey. Heinz, for instance, forked out an unbelievable Rs 210 crore to Glaxo..... Will the third wave (of take over game) which is now gathering force, be different from the first two? Yes, say business analysts....Banks are now more

restructuring and recession. Over the past couple of years, much of Indian industry has been busy chopping and changing..... This is bound to lead to more M&A activity as companies put up non core businesses for sale... This has one important implication as far as acquisition prices go. Since there is a willing seller, very often buyers can acquire companies at relatively low prices..... The other R-factor, recession has also help keep prices down. For a couple of years now, much of Indian industry has been caught in a cruel pincer: growth has tapered off and profit margins

have become thinner. The recession has put even core businesses of many companies under strain.....

Have low stock prices, a result of industrial slowdown, also stoked M&A fire?....According to M/s Ferguson's Mahajan, the fall in stock prices often means that influential investors are no longer content to be passive spectators.... In one celebrated case, the FIs threatened to sell their stake in Modi Rubber if the company continued to drift downwards.....

(Moreover) Although nobody is saying in clear terms, a merchant banker working on one of the current high profile deals admits that there are episodes of pure speculation as well. The Americans call it greenmail...The operation is simple. A raider sitting on a pile of cash bids for a company. The sitting management is drawn into a protracted battle. The share price of the target zooms. The bidder then sells out and

walks away with a handsome profit. " Don't be surprised if eventually many takeover battles end up in greenmail" warns the merchant banker.....

(Further) The takeover artistes are finding it ever easier to get money to finance their aggressive ambitions. This is important, because in India most acquisitions are paid in cash..."Funding takeovers is increasingly being seen by banks and the FIs as similar to funding assets" says the Assistant director (global corporate finance) of ANZ Investment Bank. Already local institutions like State Bank of India and ICICI as well as foreign ones such as Hongkong Bank and Citibank have announced their intention to set up separate funds to finance takeovers.... Yet many large companies are building up war chests to finance takeovers. Among them are HLL and Reliance, both of which are traditionally cash-rich companies. Others are trying to

keep money ready....

At first, the sight of so many takeover battle raging across the corporate arena leads to load of excitement. But perhaps it is also necessary to take a long view. According to business analysts issues are: will industry become more efficient after the current round of consolidation(read takeover) is through? Second, will shareholders benefit when their companies are bought and sold? Third, will we see the emergence of new monopolies, as the small fry are eaten up by big fish? The answers seem quite clear. Research the world over shows...in general mergers (or even the threat of a takeover) force the companies to become more lean and mean...And monopoly? That's a real threat. The country badly needs anti-trust legislation to protect consumers from the monopolies that could emerge And that is something to ponder over: will the mergers(takeovers) eventually create monsters?

ECONOMY ON RAILS! HEADING WHERE ?

During the recent election campaign trail, all big-wigs of the BJP led combine have been heard clamouring about their tall claim to have brought the country's economy on rails of growth and progress. Examples of hundreds of investment proposals, both domestic and foreign, are being cited to show as to how, in their stewardship, the recession stricken economy is bouncing back to recovery. But, the reality is just otherwise.

The OBSERVER dated 25-09-99 carries this report:

MORE PROJECTS ABANDONED THAN COMPLETED

More projects have been abandoned than completed in last three years. This suggests that Economic reforms, especially import liberalisation have increased the risk of projects becoming un-viable..... In the three years ended July 99, projects worth Rs 188470 crore were completed while projects aggregating to Rs 259160 crore were abandoned. As per year wise break-upprojects worth 84660 crore were abandoned in 1998-99, compared to Rs 97560 crore in 1997-98 and Rs 76910 crore in 1996-97, according to The Economic Update published by Duff and Phelps Credit Rating(DCR) India.

....Declining trend in investment continued with gross fresh investment declining for the third consecutive year to Rs 177800 crore in the year ended July 1999 from Rs 306700 crore in 1996-97 and Rs 205800 crore in 1997-98. Net fresh investment slumped from Rs 171810 crore in 1996-97 to Rs 47200 crore in 1997-98 and to Rs 23620 crore (1998-99 end July)....

PRESENT PHASE OF THE GLOBAL ECONOMY

K.N. RAVINDRANATH

The present day Global economy is dominated by multi national corporations of the developed nations. We can see the gigantic face of the supremacy of the M.N.Cs if we examine the fields of raw materials, the control of production capacity of various products, the control of modern technologies and R & D, their role in the financial sector, world trade and commerce.

During the half a century after the second world war, capitalism had further expanded globally. This was not without any crisis. During the last five decades, there were economic recessions, depressions, depreciation of national currencies, sickness of industrial units and lock-outs and crumbling of financial institutions etc. But crises emerged mainly in the form of national problems of each countries, and at different periods.

GLOBAL CRISIS

But when we enter the 21st century, we see that the world capitalist economy is passing through a serious crisis, not confined to any particular country or any particular national economy. The present crisis of the capitalist world has engulfed all the nations of the globe.

One of the main features of the worsening of the global crisis is the problem of overproduction. It is experienced in the major productive sectors of the industrial world as well as the agricultural sector. In almost all sectors of the industry, including the steel, automobile, ship building, machine manufacture, textiles, tyre manufacturing, electrical appliances, cables etc, the problem of over production can be seen. In all these branches, the installed capacities are more than the global demand. In these circumstances, various industrial units are forced to indulge in cut throat competition to sell products in national or global market.

In this context, the imperialist powers under the leadership of the U.S.A. are pursuing the neo liberal policies to restructure the global economy in order to consolidate and strengthen their own position and their respective multi national corporations on a global scale.

IMPORTANT CHARACTERISTICS

We have to take note of some of the important

characteristic features of this neo-liberal policies (Globalisation, Liberalisation and Privatisation):

(a) By globalisation, the separate national economies of individual countries are integrated into the global economy, controlled by imperialist monopolies. In other words, the destruction of the independence of national economies. As a result, national markets will be dominated only by the operators of global market, i.e. the multi-nationals.

(b) The U.S. imperialism has unleashed a multi-pronged attack against Nation-States in order to weaken them. For this purpose, they use institutions like World Bank, I.M.F., W.T.O. etc. They also propagate that the State shall not interfere in the freedom of market as well as in the economy.

(c) The U.S. and the imperialist forces are raising threats against the independent existences of modern States. If we look back to the history of the formation of modern States, two mainstreams could be seen. One of them is the movements of Renaissance and the industrial revolution in Europe and the other is the freedom struggles of various peoples against the colonial and semi colonial systems which resulted in attaining independence of the young third world countries.

(d) The imperialism is, and the M.N.Cs are, trying to get hold of the national economies of the third world countries, to establish their supremacy in the world, through the neo liberal policies.

POLITICAL TURMOIL

While this process is being carried on in the economic sector, the world political situation is also in turmoil. The U.S. became the sole super power as a result of dismantling of socialism in U.S.S.R. and East European countries. The Clinton regime has already initiated action for further consolidating its supremacy in the world. Clinton administration has come out with its new military strategy.

The U.S. imperialism declared that the cold war was over. In these circumstances, the relevance of the continuation of the NATO was also questioned. There was a great demand for the discontinuation of the military bases of the U.S. in various parts of the world. During the initial years of the 1990s, the U.S. Government made some

reductions in their military budget. But neither the NATO was dissolved, nor the U.S. armed forces were withdrawn from various parts of the world.

The Clinton administration is now giving new dimensions to the American military strategies. The Pentagon is utilising the benefits of the most modern information technology etc. for restructuring the U.S. military. Through the artificial satellites stationed in the space, they get the detailed maps of each and every nation. The Pentagon knows the most vulnerable and strategic centres of each country.

They can very easily attack a country through missiles with precision, in case it is declared as a hostile State. Instead of deploying the ground forces and navy, as in conventional warfare, it is easy to unleash a missile attack. They are allotting more funds for the production of missiles with radio active and nuclear warheads.

NEW STRATEGY

Together with changes in the military strategy, the Clinton administration is openly violating international laws and agreements. The military actions against Yugoslavia were carried out by passing the security council and in violation of U.N. charter. The U.S. has vetoed the UN resolution passed by the majority of the nations of the world against the economic embargo against Cuba. The U.S. President has unilaterally declared recently that the treaty by the U.S. and the erstwhile U.S.S.R. for limiting the number and manufacture of the Inter Continental Ballistic Missiles (ICBM) was no longer applicable to America. Accordingly, the U.S. Congress sanctioned 1050 crore dollars for the manufacture of the new missiles. The U.S. Govt. has declared that it will give nuclear missiles and other weapons to Japan in contravention of all International treaties. Now they have declared that NATO will intervene militarily in any part of the world, if any war or threat of war exists. The U.S. is now raising new threats to the world peace, even after the end of the cold war.

FIGHT FOR SUPREMACY

The imperialist powers are together in imposing the neo liberal policies on the third world countries and restructuring of global economic system. This does not mean that there are no disputes, conflicts and tensions among the imperialist powers.

For example, the old European imperialist forces now organised under the umbrella of the European Union are trying to get supremacy in the world trade, commerce, as well as the emerging restricted global economic system. Likewise, the Japanese monopolies, even though they are also experiencing the hard days of economic recession, are competing with the European Union and with the U.S., in an effort to improve and strengthen their own position. As a result, while the U.S., European Union and Japan are cooperating on the one side, at the same time differences and conflicts are also coming out. These differences and conflicts are not confined to problems of international trade but extend also to political issues.

The Euro currency introduced in Jan. 1999 by the European Union has challenged the supremacy of the American Dollar in the International trade.

WIDER UNITED RESISTANCE

All these global situations are becoming threats to the freedom and sovereignty of all third world countries and peace loving nations. The economic systems of the third world countries are plunging towards grave crisis and destruction. Thereby, social problems like illiteracy, unemployment, poverty etc. are further worsening.

The disparity between the developed and the developing nations has widened.

Even in the developed nations, unemployment, disparity between the rich and the poor and the population below the poverty line are on the increase.

American imperialism is posing new threats to the socialist countries like China, Vietnam and North Korea.

The international situation has come to a point which necessitates wider and unified agitation against the policies of Globalisation, Liberalisation and Privatisation. The present situation demands that Trade Unions, in cooperation with peace loving peoples and countries, have to oppose war and threats of war unleashed by U.S. imperialism and its allies. The Trade Union movement must uphold the freedom and sovereignty of third world countries, including our own. We are for peaceful interaction between countries irrespective of their social system and for extending international trade and cultural exchanges. But we cannot allow our national interests to be jeopardised.

WTO STYLE LIBERALISATION, LEADING WHERE?

(When the Indian rulers had embraced the so called liberalised economic regime at the dictates of World Bank and IMF, recklessly opening the country's economy and the market to the multinational vultures, they have painted a rosy picture of a dreamland: Foreign capital will pour in on Indian soil in billions to create hundreds of factories and lakhs of employment, showering prosperity on mass of the Indian folk, while the domestic economy would be immensely benefited by the liberalised international trade regime. The electronic and print media had given a warm welcome to those policies. Subsequent governments also, including latest BJP led one with "swadeshi" brand name, pursued the same policies more vigorously with more deceptive postures.

On the other hand, the critics of such policies in the left and trade union movement viewed those policies as suicidal ones and forecast that given the international political scenario, the Fund/Bank authored policies being monitored through WTO mechanism are specially designed to benefit the big multinational capital owned by few rich countries in the world - no doubt at the cost of the developing countries.

The Trade and Development Report, 99 released by UNCTAD in its review on the on-goings in world trade, has come out with stark revelations on an absolutely unequal unjust economic order imposed on the developing nations by the WTO mechanism. Reproduced below are the observations of two national dailies on the UNCTAD report.-Editor)

CONCERNS OF THE DEVELOPING COUNTRIES

The Trade and Development Report (TDR,99) has identified immediate concerns for developing countries with regard to new round of trade negotiations. First, the Uruguay round and its implementation process has done little to improve market access for their export of goods and services. Second, World Trade Organisation rules have been unbalanced in several important development related areas such as protection of intellectual property rights and use of industrial subsidies, while special and differential treatment, which the Uruguay Round accorded to Developing countries, has been inadequate.....

There is also growing concerns that the cost of Trade Related Intellectual Property Rights(TRIPS) agreement to developing countries is outweighing its benefits....

(Business Standard 21-09-99)

UNCTAD SPEAKS OUT

Round External trade liberalisation, forced on the developing countries by the tight fist of Official Development Assistance and the loaded Uruguay Trade Agreements has not put the world's poor nations on the promised path of sustained growth. True, an open trading system accelerates growth across nations, but the rich countries decide what is open and what is not. This has provoked UNCTAD's Trade Development Report(TDR) to use pretty strong language: "Developed countries cannot on the one hand justify protecting mature producers in their agriculture and high technology sectors and on the other, deny such possibilities to developing countries.....

The trouble is that the OECD countries skew multilateral trade rules(their subsidies to agriculture at \$ 350 billion is double the value of developing country export) and also the developing countries cannot get their act together on a positive trade agenda. In vain, TDA's call for an "assault" on tariff peaks and on their frequency and escalations in products of interest to the developing countries.....The rich countries have foisted external trade liberalisation as an absolute good and given the short shrift to the poor nations....

They(developing countries) were lured into liberalisation by global capital flows....TDR points out, much of the capital inflow does not go into productive investment but into reserves to ward-off speculative outflows. India is a case in point. Reserves cost more than they earn. TDR's estimate that reserve accumulation(or credit to the rich world) cost the developing countries a cool \$ 50 billion in the nineties should inspire introspection on the unequal economic order into which India and other poor nations are being absorbed.

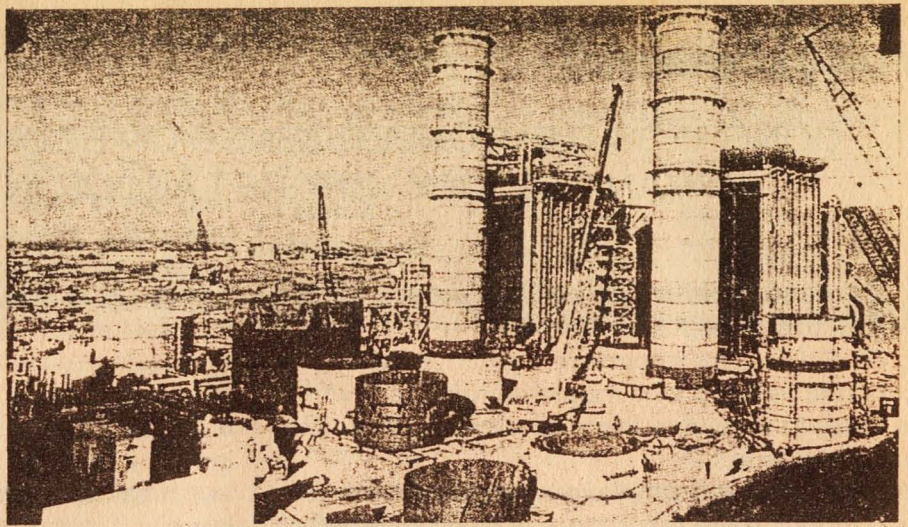
(The Financial Express, Editorial 22-09-99)

DEAR POWER

LYLA BAVADAM in Mumbai

The controversial Enron power project is back in the news, and the price of governmental profligancy, and worse, is becoming all too evident. Power consumers in Maharashtra will soon begin to feel the direct impact of the extremely unfavourable terms on which the project was finalised. Initiated in 1993 when Sharad Pawar was Chief Minister, it was subsequently scrapped and "renegotiated" by the Shiv Sena-Bharatiya Janata Party coalition Government.

In May, 1999, Phase 1 of the project was commissioned, and in June the Maharashtra State Electricity Board (MSEB) purchased 236 million units of electricity from Enron's Indian subsidiary, the Dabhol Power Company (DPC), at the exorbitant rate of **Rs.4.96 a unit**. This burden is certain to be passed on to the consumers in the near future, according to A.D. Golandaz, vice-president of the Mumbai MSEB Workers Federation. He said: "There is likely to be an increase in the power tariff after the Assembly elections. Consumers will soon be paying higher rates." Only by hiking the power tariff, could the MSEB hope to meet the high cost of the power it purchased from the DPC, Golandaz added. In addition to the cost of acquisition of power, the MSEB is to pay the DPC Rs.230 crores towards pre-and post-commissioning charges; the DPC has sought an additional Rs.120 crores towards fuel charges incurred during trial runs.



Construction work under way at the Dabhol Plant in June 1998. The first phase of the project was commissioned in May 1999.

There are two issues at stake here. One is that consumers will soon be paying a far higher tariff for power purchased from the DPC compared to power that the MSEB purchases from other producers. The other is that the MSEB's purchase of power from the DPC, with which it has entered into an agreement, will have a deleterious impact on other power producers. They have already been forced to cut back on generation, since the MSEB no longer purchases power from them. The MSEB has a 30 per cent stake in the DPC, and under the terms of a Power Purchase Agreement (PPA) with the DPC, it is committed to purchasing power from the DPC.

Power that was hitherto purchased at far lower per-unit cost from other power utilities in the State, such as the Tata Electric Company (TEC) and the National Thermal Power Corporation (NTPC), will now be purchased from the DPC at a higher rate. The MSEB purchased power from the TEC, which generates a surplus of between 200 and 400 MW, at the rate of **Rs.2 a unit**; in the

case of the NTPC, the rate was **Rs. 1.35 a unit**.

The MSEB says that despite a claimed power shortage in the State a few months ago, it did not purchase power from the NTPC because its units were shut down for maintenance. However, a trade union source said that the Government's claim about a power shortage was intended to prepare the ground for power purchase from the DPC. The source alleged that in May, the Government deliberately slowed down the pace of maintenance work at the MSEB power stations in order to induce an artificial shortage.

The MSEB has reportedly asked the TEC to step down its power generation by about 200 MW. The TEC, which sells power to Gujrat, could be in trouble with its lending agencies if its capacities remain underutilised. According to TEC sources, in the absence of a regulatory authority, the company is unable to force the MSEB to honour a standby agreement, under which the MSEB should purchase power from the TEC if its own plants are shut down.

(Courtesy: Frontline)

CONGRESS-BJP CONVERGENCE ON ECONOMIC REFORMS MANIFESTOES IGNORE LABOUR INTERESTS

Manifestoes of major political parties for the forthcoming Lok Sabha elections are significant for two important trends pertaining to economic reforms and industrial relations, which are likely to influence the post-election industrial relations scene.

Interestingly, both employers' organisations and trade unions have taken note of the convergence of views of the two leading political formations, namely the BJP-led National Democratic Alliance (NDA) and the Congress on a number of economic policy matters, especially those related to accelerating the economic reforms.

The leading chambers of the country like the FICCI, CII, Assocham, PHDCCI, for instance, have analysed the NDA and Congress manifestoes and come to the conclusion that both have the potential of giving boost to economic revival. Some of them think, the NDA manifesto is more reform-oriented. The FICCI analysis has concluded that there are about a dozen vital economic policy issues where the NDA and the Congress manifestoes appear to be in agreement. These issues are related to infrastructure development, inflow of foreign direct investment, employment generation, fiscal matters, growth prospects, service and agriculture sectors and so on. The FICCI has also noted that financial sector reforms, disinvestment of PSUs have found place in the two manifestoes, in one form or the other.

It is not surprising, on the other hand, that the Left parties, the two Communist parties in particular, are sharply critical of reforms. The CPI(M) manifesto has dubbed the BJP as the "swadeshi agents of MNCs" and accused the BJP of having forgotten its earlier promise to provide one crore jobs a year. This obviously is the Left comment on NDA's reiteration of promise of giving "the entire national development efforts a human face with total eradication of poverty as the ultimate goal". BJP manifesto adds: "For this, *Berozgari Hatao* — eradication of unemployment — is our call". The NDA manifesto nowhere mentions what it did in this regard during its 13-months rule.

There is a marked contrast between the manifestoes of NDA and Congress when they deal with labour or industrial relations problems. The NDA manifesto holds out the promise to undertake a review of "all laws and regulations" relating to industry so as "to free it from bureaucratic control; and institute a system of voluntary compliance of laws". It also assures "speedy redressal of industrial sickness". It also promises to expedite "comprehensive reform of the PSUs, including restructuring, rehabilitation and disinvestment". On the other hand, in so far as "Labour" is concerned, the NDA manifesto's approach is remarkably casual. Its promise to the organised and unorganised labour is that it will be made "an equal and proud partner in the production of the nation's wealth and in its progress". This probably is for public consumption without meaning it in practice, for little was done during the 14 months rule regarding labour participation in management. The only other promise is to "strictly" implement laws relating to equal pay for equal work for men and women. The NDA's policy approach on issues of industrial relations seem to begin and end there. NDA manifesto does talk about '*Berozgari Hatao*', about measuring growth by generation of gainful employment, of strategic pro-poor policy, of creating a hunger-free India in the next five years etc.

The Congress manifesto outlines the party's policy on industrial relations in some detail and says the party "salutes" the trade union movement on the key role it has played in securing and enforcing the rights of the working class. But then, it advocates the need 'to forge a national consensus' on a new industrial relations bill that reflects the contemporary needs of the economy. The Communist manifestoes are critical of the economic policies of both the BJP and the Congress. The CPI(M) manifesto, for instance, has said that the Congress party's basic policies do not provide a democratic alternative to the BJP. "Whether it be privatisation and further liberalisation, opening up of insurance or the patents bill, the Congress does not offer any

alternative to the disastrous performance of the BJP-led government," says the CPI(M) manifesto. In the heat of election battle, assertions made in manifestoes may not mean much, but the post-election scene is bound to bring to the fore colluding as well conflicting features of the pre-election postures on economic matters, especially concerning organised and unorganised labour. These assume a grim shape when seen in the context of growing industrial sickness, leading to growing unemployment. Even the promises of increasing employment will be put to test, whichever party or combination comes to rule the Centre.

(INDIA PRESS AGENCY - INDUSTRIAL RELATIONS LETTER - 31 AUGUST 1999)

ROLL CALL OF POVERTY

Nine countries were found to have poverty levels of 50% or more:

Guinea - Bissau	-	88.2%
Zambia	-	84.6%
Madagascar	-	72.3%
Uganda	-	69.3%
Niger	-	61.5%
Senegal	-	54.0%
India	-	52.5%
Nepal	-	50.3%
Kenya	-	50.2%

(ILO statistical study of Global Labour Trends, September, 1999)

MYTH OF FALLING INFLATION RATE !

In the run up to the general election, the BJP led govt at the centre is making much hue and cry over the falling inflation rates during the current weeks and claiming the credit of containing price rise and the success of their economy-management. But the situation is not the same and the prices of all essentials are continuously rising, making the life miserable for the common people. Reproduced below are some excerpts from the reports of some National Dailies on the subject:

"INFLATION DIPS TO 1.56% : FOOD PRICES CONTINUE TO RISE

The annual rate of inflation fell by 0.4% for the week ended in August 14, 99, despite continued rise in the prices of food articles.....Low rate of inflation witnessed during the current year, is mainly due to a higher base last year when the prices of food articles, especially vegetables had shown abnormal surge....Remarkable rise in vegetable prices this year....index for vegetables has risen by 2.3% during the current week....index for primary articles rose by a sharp 0.4%(over the last week on account of sharp increase in prices of major non-food and food articles....index of food articles climbed up by 0.3% points during the current week (over previous week)....due to costly jowar(4%), barley(3%), maize, gram and vegetables(2% each), ragi and eggs(1%each).... (The Financial Express-30-8-99)

LOW INFLATION , COSTLY ESSENTIALS !

The annual rate of inflation in India is currently at its lowest level....less than 2% from mid July onwards. The low inflation rate should logically mean the ruling coalition led by BJP would be crowing about this fact in the run up to the coming general election! But that is not exactly the case. Inflation rate appears specially low when measured by official wholesale price index(WPI). If instead, one looks at various consumer price indices(CPIs), the picture is not that rosy. Needless to add, latter indices reflect the rise in retail prices more faithfully. Thus when the WPI went up by less than 2%, annual inflation rate measured by different consumer price indices is much higher,—at an average of around 5.5%. More importantly, consumer price indices vary from city to city. These indices indicate that the inflation rate has ranged between 7% to 12% in different parts of the country. In cities like Srinagar, Jammu and Kashmir, the indices have risen by over 12%.....(Pranjy Guha Thakurta/ IANS-The Observer-30-8-99)

INFLATION RATE DECLINES.....

The Inflation rate based on the wholesale price index(WPI) fell to 1.56% for the week ended in August 14....The inflation rate calculated on a point to point basis is touching low levels mainly because of the higher base effect. The unusually high prices of vegetables last year have resulted in price increases not being (read looking) very sharp this year..... prices of food grains increased by 14% over that in the corresponding week last year.....(Business Standard-30-8-99)

Maharashtra

SEMINAR ON PUBLIC SECTOR

Bank Employees Federation of India organised a seminar, on the Public Sector vis-a-vis the Government policy on liberalisation, privatisation and globalisation and equitable development of the country on 31.7.99 in Mumbai. Hundreds of Bank and other employees attended the seminar. P.N. Subramaniam, General Secretary, Grindlays Bank Employees Union, presided. G M V Nayak, Secretary, BEFI welcomed. Main speakers in the Seminar

were: Sitaram Yechury of CPI(M) and Ashok Rao, of National Confederation of Officer's Associations of PSUs. The seminar highlighted the disastrous aspects of the economic policies of the Govt. of India authored by World Bank and IMF aimed at dismantling and total privatisation of the public sector network in the country. Public Sector industries also contributed a lot in social and economic development of the backward areas of this vast country. The move to dismantle

and privatise the PSUs and close down the Sick PSUs would severely jeopardise the self-reliance of the country besides aggravating unemployment and wider imbalance in the economy. The seminar called for unity of the workers and all sections of the democratic people in the struggle against the anti-national and anti-PSU policy of the Govt. Sadasivan of the University and College Teachers Association, also spoke.

WEST BENGAL: BONUS DEMAND DAY OBSERVED

The CITU, AITUC, HMS, INTUC, UTUC, UTUC(LS), TUCC and several other organisations jointly called for observance of 'Bonus Demand

Day' on 10.9.1999, throughout the state of West Bengal. It was in pursuance of the demand for promulgation of an ordinance for removing all ceilings in the

Payment of Bonus Act. Workers and employees all over West Bengal staged one hour strike on 10.9.99 in each shift and also held demonstrations.

Tamil Nadu

WAGE SETTLEMENT IN SUGAR INDUSTRY

An industry-level bipartite settlement had been concluded on 29.7.1999, between the representatives of the South Indian Sugar Mills Association (SISMA) and the trade unions, providing for wage increase and other benefits to the workers in Sugar industry in Tamil Nadu. The settlement has been signed by the CITU, AITUC, INTUC, Labour Progressive Federation (DMK) and Anna Thozhilsangha Peravai

(AIADMK). Some of the benefits accruing from the settlement are:
* Merger of Rs.900 out of present DA entitlement with basic pay with attendant revision of scales of pay, increment-rates and fitment benefit.
* Increase in basic wages ranging from Rs.280 to Rs.429 per month.
* Personal pay calculated at the rate of one increment for every six years of confirmed service.
* D.A. at the rate of Rs.2.15 per point increase in the 1960 Price

Index.
* Increase in House Rent Allowance ranging from Rs.80.50 to Rs.143.50 per month.
* Goodwill amount ranging from Rs.2300 to Rs.5900.
* The settlement will be in force for a period of four years from 1.4.99 to 31.3.2003.
The settlement will apply to the workers of the member-mills of SISMA in cooperative, public and private sectors.

(Report from K. Vaidyanathan)

REPORTS & EVENTS

WAGE SETTLEMENT IN UB ENGINEERING

The protracted negotiations between Engineering Labour Union(CITU) and UB Engineering Ltd., Pune have finally culminated into a successful signing of the wage settlement at Pune on 4th August,1999 in the presence of Managing Director D.S. Shevade and Ajit Abhyankar (President, ELU(CITU), Pune, Sadashiv Bhat (Gen. Secretary, ELU(CITU) Pune and Satish Chavan,

Secretary, CITU, Pune.

The wage settlement, the third in series after 1993 and 1996 between the parties, incorporates an average wage rise of Rs.1,650/- (Direct + Indirect) per employee per month, the minimum being Rs.1,200/- and maximum Rs.1,850/-. The tenure of settlement this time, however is two years unlike the previous settlement. The said settlement shall benefit about 500 employees

comprising of Site Engineers, Supervisors, Administrative Staff etc., being solely represented by ELU(CITU).

UB Engineering is a well established company in the construction and erection industry, having to its credit a large number of successful erection of power, chemical, fertiliser, cement, steel, civil and refineries projects in India as well as overseas.

MINIMUM WAGES BOARD SAFFRONISED ?

The BJP Government, (Ministry of Labour), has recently constituted the Central Minimum Wages Advisory Board as per the Notification dated 2.5.99 issued in the matter.

It is quite surprising to find from the Notification that the Board is dominated by persons of the Bharatiya Mazdoor Sangh(BMS), the trade union wing of the BJP. As per the Minimum Wages Act,

the Chairman of Central Advisory Board has to be an independent person, whereas A.V. Sambasiva Rao, an Advocate and Vice-President of BMS has been made the Chairman. The other members, viz., Sudhakar Kulkarni, Rajendra Singh Chauhan, Sultan Singh Sekhawat and Suresh Sharma are also leaders of B.M.S. and they cannot be considered as independent

members. It is thus clear that in gross violation of law, the Minister has filled up the Board with the members of his party and the constitution of the Board in this manner is objectionable.

The CITU has taken exception to this notification and urged the Govt. to withdraw the present notification and reconstitute the Advisory Board in consultation with the central trade unions.

THE FARCE OF A LABOUR COMMISSION

Though the Government of India announced the setting up of a Second National Commission on Labour (NCL), it has remained a non-starter. The BJP Government neither held any proper consultations with the central trade unions nor followed a transparent procedure in this regard. After the election process was set in motion, the Labour

Ministry moved the Election Commission for giving clearance to notify the appointment of the NCL. The Election Commission turned down the proposal. But the farce does not end here. Here is what Soma Basu, correspondent of 'The Hindu', has reported: (1 August, 99)

"The Election Commission (EC) has rejected the Union Labour

Ministry's proposal to go ahead with the notification for appointment of full-time and part-time members to the second National Commission on Labour (NCL).

The Union Labour Minister, Mr. Satyanarayan Jatiya, had put up the request with the EC seeking permission for the notification which is pending for more than

REPORTS & EVENTS

seven months now.

The letter from the EC, in fact, said that since setting up of the NCL was announced by the Minister on January 8 and as it is there had been a delay by the Labour Ministry in appointing the members, the matter could very well wait for another three months till the new Lok Sabha is formed. While the Labour Ministry has no choice but to adhere to the EC guidelines, it could well mean a lost chance for the selected members. The selection of the 10-member NCL - including one chairman, one member secretary, two full-time and five part-time non-official members - was completed in May by the Labour Ministry, though amid a lot of controversy.

The major central trade unions in particular were agitated over the Labour Minister's alleged flouting of norms in the appointments. They alleged that the Minister

"hand-picked" the appointees keeping the trade unions in the dark. Accusing the Minister of not following any selection procedure and appointing members known for their proximity to the BJP and the RSS, the trade unions had threatened to protest the notification and also launch a non-cooperation movement against the "favoured" NCL members.

To silence the issue, the matter was kept in abeyance for some time but subsequently sent to the PMO for approval. According to sources, the names of chairman and the member secretary were immediately cleared but some time was lost in obtaining consent for the other members. By then fresh elections were announced. But interestingly enough, immediately after clearance from the PMO, the septuagenarian politician, Mr. Ravindra verma, who was the Labour Minister in Morarji Desai's Cabinet, and an

Orissa cadre IAS Officer, Mr. Nilanjan Sanyal, assumed offices of the chairman and member-secretary respectively in June - without waiting for the full committee approval.

The tenure of the NCL is for two years from the day of constitution of its full committee. But now, the NCL is running with two members and it was on this ground that the Labour Minister tried to push the case citing urgent necessity to start the commission's mandate by issuing the notification.

Since that has not happened, the onus will now be on the new Labour Minister to either retain the appointees selected by his predecessor or go for a complete change. The fate of the present chairman and member-secretary may not be sealed but the duo in any case would be drawing benefits (salary and other perks) in cognito till the commission gets truly functional."

HIMACHAL PRADESH: STATEWIDE RALLIES

Huge demonstrations, dharnas, hand mass rallies were organised on 16.9.99 throughout the Himachal Pradesh, against the disastrous economic policies of the Central and State Governments of BJP. Workers participated *en masse* in these actions in Sirmour, Pounta Sahib, Kinnaur, Solan, Waddier, Parwanoo, Kullu, Kangra, Hamirpur, Bhana Nagar, Rohru, Mandi and Shimla. CITU State Committee had given the call for the programme. In HP hundreds of workers are facing a grim

situation due to lock out, etc. The BJP government misled the

The Bangladesh Garment Workers and Employees Federation has organised a South Asian Workshop on the Health and Safety Conditions of Garment Workers from 9th to 13th September, at Dhaka. T A Lata from Tamilnadu represented the CITU in the Workshop.

people by promise of providing employment through Hydro electric projects in the State. But the State Government has no concrete plans on this. Nor it had made any provision to give employment through the 2051 mw Parvati Hydro electricity project. The State Govt is, on the other hand, trying to sell this project to the private sector. The State Government had opened the "Deen Dayal Hospital Complex" under the ESI scheme. But ESI cards have not been distributed to the workers till date.

THE LIFE AMBOBAI LEADS...

Ambobai is a beedi worker in Sholapur.

With her eyes filled with tears, Ambobai said: "I have been rolling beedis for 35 years... even before I married. Look at my hands... how cut and scarred they are... I have backache and my legs pain constantly and I can no longer roll 1500 beedis a day, as I used to do earlier. Now I can roll only 800 to 1000 beedis, and that means I get only thirty rupees. How far does that stretch?"

Ambobai is forty five years old, and has been rolling beedis since she was ten. She lives in a *zopadpatti* in Sholapur with her three young sons. Her husband, who was a handloom worker, died four years ago, and since then she has been struggling to keep her family alive. Her two elder sons, 15 and 12, both work in a small restaurant from 7.30 in the morning till 2 in the afternoon. They earn only Rs. 10/- each for this labour. She has just started sending her youngest son, who is 10, to school.

She said that she gets work regularly, but whereas the rate for rolling 1000 beedis is Rs. 39/-, the

contractor cuts nine rupees on various pretexts, like '*chaat*' (rejects) and gives only Rs. 30/- This is also not paid daily but weekly, so she has to take a loan to meet her daily expenses. The interest on loans is very high, 10 to 20 per cent a month. She pays Rs. 150/- per month as rent for her hut, plus thirty rupees for electricity and another twenty rupees for water from the common tap. In her family they eat roti more than rice. They consume 1 kilo of atta per day. She has a ration card, but buys atta from the market at Rs. 11/- a kilo, because the quality of the grain in the ration shop is so bad. They eat Rs. 5/- worth of dal per day, expenses for tea come to Rs. 10/-. She uses one cake of soap, which costs five rupees, for the whole month.

"With a daily income of only fifty rupees, it is so difficult to make ends meet. I just pray that none of us falls ill... where will the money for medicine come from?" Ambobai wakes up at 5 a.m., then does the housework which takes several hours. Her sons have tea and go off by seven o'clock, to return only by 2 p.m. She starts

working on the beedis by 10 am. She cooks at lunch time, making enough for for dinner also. At 3 pm she makes tea for the whole family. After that the children go out to play and once again it is time to make beedis. This work continues until 10 pm when she eats dinner and then goes to sleep at eleven.

Ambobai regretted not being able to send all her boys to school, but they cannot manage without the money the two older ones bring home. She has been participating in union activities only recently, because when her husband was alive he never sent her out of the house. She said "I like being with the others in the union, but when I am out of the house the whole day, the beedis are not made. That means that sometimes we are unable to cook any food. I can go hungry but what about my children?"

The life Ambobai leads is no different from that of the lakhs of other beedi workers in many States. It is time to ponder what our union can do to make Ambobai - and others like her - lead a better life.

HIV/AIDS AND WORKERS

HIV/AIDS is more than a health problem and has deep socio-economic rooting. Hence, the battle against HIV/AIDS has to be linked with the issue of right and empowerment.

According to UNAIDS, six million have died of AIDS

worldwide and 30 million are living with HIV. The number is growing every minute. In 1997 alone, it increased by 16,000 people per day. Unfortunately, a well accepted estimate of HIV prevalence in India does not exist. According to the South East Asia

regional office, World Health Organisation, in March 1997, there were 2.5 million HIV positive persons in India. At the end of October 1998, it was reported that 79,574 persons were HIV positive among 3.35 million people screened.

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Most cases of HIV/AIDS are not even diagnosed. 82% of those infected are in the age group 15-49. This is the 'sexually active' as well as the working population. This figure alone suggests massive upheavals in the world of work. Hence for a poor economy like India, the epidemic can spell disaster. The gravity of the situation with regard to the workplace further emerges when the above factors are analysed against the profile of the workforce in India. According to the 1991 census the age group 15-59 years constitutes the workforce in India, consisting of 314 million workers i.e. 37.7% of the total population. 92% of the workforce are in the unorganised sector. 80% of them live in rural areas, 63 per cent are on casual wages, only

15% are in regular salaried employment.

The employers are confused about HIV/AIDS and unaware of its impact at the workplace but unhesitant about dismissing infected worker if they find any.

The trade unions are yet to understand the gravity of the situation and have not yet seen it as a component in their struggle for labour rights.

The workers are caught in a vicious circle of poverty and ignorance. Proper HIV/AIDS awareness is negligible at every level of the industry but misconceptions abound, as the disease remains invisible.

Discrimination against infected people, both in their attempts to get jobs, and to keep them, and in their relationship with employers

and colleagues, is also a problem. This alarming situation demands immediate and systematic intervention by government and trade unions, which is not the case at the moment.

Most of the ongoing AIDS Awareness programmes seem to be based on the Knowledge-Attitudes-Practices (KAP) model. The understanding underlying this model is that an individual's knowledge and attitudes determine health-related behavior. However, any HIV/AIDS prevention strategy must take into account the social, economic, cultural and psychological context of behaviour rather than treating it in isolation.

(From a report by Centre for Education and Communication)

INTERNATIONAL MEET DEMANDS RECONSTRUCTION EFFORTS IN YUGOSLAVIA

On July 17, 1999, a conference was held in Athens to examine the situation in the Balkans. The conference was organised at the invitation of the Building Workers' Confederation of Greece and of the Trades Union International of the Workers in the Building, Wood, Building Materials and Allied Industries, and was attended by trade unions from Austria, Bulgaria, Cyprus, Greece, Serbia.

The resolution adopted at the conference declared: The war aggravated everything, by creating ruin and misery, by successively plunging Kosovars, Albanians and finally Serbs into the roads, by exacerbating hatred and criminal acts in the region which was already marked by armed conflicts.

This is a war of imperialist nature and that it runs against the interests of the peoples of this region.

The decision to start the bombing campaign was adopted by a military alliance, NATO, which has no legitimate right whatsoever to decide such an action.

Attached to the principles of peace, the participating trade unions pronounced themselves for the dissolution of NATO whose existence emerges as a danger. The participants call for the prohibition of nuclear and chemical weapons and for new disarmament steps.

Those countries which took the decision to bomb Yugoslavia have to find the means to reconstruct it.

The reconstruction must embrace all damages caused by the bombings in Yugoslavia as a whole. The trade unions, whose mission is to defend the workers interests, must be consulted about the reconstruction objectives and participate in the monitoring of what is to be done.

The conference invited all building workers unions to provide concrete support by demanding their governments to provide sufficient funding for the reconstruction of Yugoslavia, and to let the Yugoslav people to freely choose their own future.

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BJP GOVT'S ANTI-EMPLOYEE MEASURES

In the name of 'austerity drive' the BJP-led government is heaping miseries on the central government employees. Under the directive issued by the Finance Ministry (*see Box below*), in addition to the ban on recruitment, there would be a cut in 10 per cent of existing sanctioned posts. Net impact of the order is that: no creation of posts, no filling up of vacancies and thousands of central government employees shall be

rendered surplus. Such measures of the BJP-led government coupled with the raising of superannation age to 60 years are bound to aggravate the already alarming situation of unemployment.

It BJP-led care taker ministry can take such anti-employee steps even when the electioneering is on, ostensibly to satisfy the Fund-Bank conditionalities, how far they will go in imposing

repressive measures on the people if they are returned to the seat of power, can easily be imagined.

In a statement released on 13.9.99, the CITU while expressing serious concern at this move has appealed to all the associations of the government employees to unitedly fight back the anti-employee repressive measures of the BJP-led government and ensure the defeat of the BJP-led alliance in the ongoing elections.

FINANCE MINISTRY CALLS FOR AUSTERITY DRIVE

The Finance Ministry has directed all ministries and departments to rigorously implement the 10 per cent cut in posts besides undertaking a ban on creation of new posts as well as on filling up of vacant positions.

Every ministry and Government department shall review all the posts lying vacant, an office memorandum issued by the Finance Ministry said.

Those ministries and departments which had not fully implemented the Government's decision to achieve 10 per cent reduction in the number of posts as on January 1, 1992, should implement the same immediately.

On the creation of non-plan posts, it said the existing ban would continue and should be strictly enforced. Any unavoidable proposals for the creation of plan posts including Groups 'B', 'C' and 'D' should continue to be referred to the Finance Ministry for approval.

The financial advisors of every ministry should ensure that the review of vacant posts was completed in a time-bound manner.

Till the review was completed, no vacant posts should be filled except with the approval of the Department of Expenditure, the memorandum said.

(The Hindu, 13 September, 1999)

SEAPORT INFRASTRUCTURE IN INDIA

Is privatisation a panacea?

The Government expects that a total of about Rs.40,000 crores is needed to modernise Major Ports and about Rs.28,000 crores have to be secured through private sector participation. In the globalised environment there

would be no dearth of private capital. The global private sector can mobilise resources for funding risk free ventures with assured or guaranteed returns with or even without Government's participation. Global experience

as observed by the World Bank is that private capital has gone in a big way to finance toll roads with assured returns, power generation with returns guaranteed by the Government and communications, which is risk-

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free in view of mobile infrastructure.

Worldwide, it is the Government that fund port infrastructure and private sector just participates either by taking over the publicly created assets or by depending heavily for capital from the Government/public port authority. It would be wishful thinking for the Government to expect private sector to be a major participant for capital to fund new port infrastructure. Private sector interests in port infrastructure in India have followed the global pattern, viz, taking over publicly created assets for operation or joining as a partner to gain controlling interests with minimum or deferred investment. Shipping and Port services are the means through which global competition is to be facilitated. These sectors, throughout history, have been heavily subsidised and continue to receive public funding in seafaring and progressively industrialised countries. In the European Union countries, the stress now is how to contain the element of subsidy in ports-services so that entrepreneurs in one European country do not receive unequal advantage over another European country, where the element of subsidy in port's service may be at a different level. Private sector in port operation in Europe serves as a facade to hide the element of subsidy from public authorities.

In the American ports, infrastructure investment for ports is done mainly by public port authorities. The private sector

either takes over the operations of a publicly funded facility or puts a small portion of capital for joint development of any specialised port facility. The World Bank recommends this as a model arrangement to involve private sector participation in ports.

In many other countries private sector is involved in port activities to shed excess labour in port or to gain operational advantage by involving private shipping service providers or just to sell off public assets at throw away prices. Nowhere in the world, private sector is relied upon to provide capital for the creation of new port infrastructure. On the other hand, it is the private sector which looks upon the public authorities for funding infrastructure in a big way. The reasons are clear. It involves huge cost, to be sunk for long periods while returns from port operations are uncertain depending upon the tides in global economy and changing operational strategy, continuously being monitored and adopted by users of ports and trade interests. Specialised port infrastructure cannot be located everywhere like bus stops. It has to be selectively located to get maximum advantage. Far more prosperous and traditional trading nations of Europe have only 5 top container ports.

Total combined container traffic from 9 major ports in India handling containers is only 1.9 million containers. About 75% of this traffic is transhipped at foreign container ports in this region, such as

Colombo, Singapore or Dubai. Taking into consideration this traffic, there is no scope for more than 2 ports, one on the east coast and one on the west coast. Many expert studies have recommended to put up a world class container terminal at Kochi in view of its nearness to the East-West trade routes in shipping trade. The delay in acting upon the recommendations paved the way for the establishment of Colombo container terminal, where 75% of the traffic is generated by Indian ports.

Investing Rs.40,000 crores, most of which is to go for creating container handling facilities in various ports in India, will turn out to be unviable. Because, the annual value of traffic going currently as container cargo in India merely works out to about \$ 25 billion. India's exports have been showing a decelerating trend since 1996-97 and is nowhere near reaching a target of \$100 billion by the turn of the century, from the current level of \$ 34 billion (1997).

What we need is a national transport policy and determination for public funding for shipping infrastructure and not looking in vain for private capital, which is available only for joining as a minor partner to gain control over ports.

(Reports from K V A Iyer)

We regret that due to non-receipt of information from the Labour Bureau, Shimla, we are unable to carry the cost of living Index figures in this issue.-Editor

VERIFICATION

ALL STATE COMMITTEES AND AFFILIATE UNIONS TO NOTE PLEASE

- * CITU HEADQUARTERS TO SUBMIT MEMBERSHIP LIST BY NOVEMBER'99 ON THE BASIS OF MEMBERSHIP AS ON 31-12-97. (*as per annual returns received at the CITU centre*)
- * VERIFICATION PROCESS WILL START BY END OF DECEMBER'99 OR JANUARY'2000
- * EACH STATE COMMITTEE TO SEND NAMES OF TWO COMRADES TO BE CITU NOMINEES IN THE VERIFICATION PROCESS.

SANGH PARIVAR ON INDIAN WOMANHOOD

How does the Indian woman, seen through the eyes of the Sangh Parivar, appear?

Let us take a look at how the BJP and Sangh Parivar have viewed the role of women in Indian society in recent years:

* **On wife-beating:** Ms. Mridula Sinha, president of the BJP's Mahila Aghadi, in a magazine interview in April 1993: "Yes, it is often the woman's fault. She can provoke the man to such an extent that he beats her. And, sometimes, the woman can be so 'ziddi' (stubborn). We tell the woman to try and adjust. After all, it is her family."

* **On polygamy:** In January 1993, Swami Muktananda, while making recommendations on revising the Indian Constitution, was of the opinion that all restrictions in laws on the number of times a man could marry should be removed completely.

* **The practice of Sati:** Swami Muktananda also gave a clean chit to the practices of Sati and dowry, which he called "traditional Hindu practices". In October 1987, former BJP vice-president Vijayaraje Scindia, leading a pro-Sati march after the infamous Deorala incident, when Roop Kanwar was burnt alive in Deorala village in Rajasthan, said: "Sati is very much a part of our traditions."

* **Religious restrictions:** In January 1994, Swami Nischalananda, the Shankaracharya of Puri, protested at women being allowed to recite sacred texts or chant the Vedas. (Note: Two thousand years ago, in early Vedic times, women like Jayabala and Gargi held discussions at length on Vedic philosophy, which form part of philosophical texts.)

* **Women's dignity:** Shiv Sena chief Bal Thackeray has, in election rallies, made salacious references to women in public life. Among those he made remarks about were veteran Gandhian Ushabehn Mehta, socialist Mrinal Gore and the fiery CPI(M) leader Ahilyatai Rangnekar.

* **Cultural policing:** In Delhi, the Sangh Parivar demanded that girls should not be allowed to wear skirts to school, ostensibly because of the danger of mosquito bites. (School boys could wear shorts!)

* **Landholding rights:** In 1956, during intense debates in Parliament on the passage of the Hindu Code Bill, members of the Bharatiya Jana Sangh, the earlier incarnation of the BJP, had strongly opposed any changes that would grant rights to women to own agricultural property.

(Ravi Shankar, in *Asian Age*, 20.08.99)

PERPETUATING INEQUALITY GLOBALLY.....

The Human Development Report (HRD) 1999 brought out by the United Nations Development Programme (UNDP) is on the theme of globalisation. The report, no doubt, eulogises globalisation as "the one which has swung open the door to opportunities in the world market." But at the same time it has also catalogued many negative features as well. Writing in Frontline (10 Sep. 1999), Venkatesh Athreya, a leading economist, has summarised how the Report documents the growing inequality among nations and peoples, as under:

* **The income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest rose from 30 to 1 in 1960 to 60 to 1 in 1990, and further to 74 to 1 by 1997.**

* **The richest fifth of the world's nations accounted for 86 per cent of world GDP while the bottom fifth accounted for just 1 per cent.**

* **Corresponding figures for shares of export markets (82 per cent to 1 per cent), foreign direct investment (68 per cent to 1 per cent) and world's telephone lines (74 per cent to 1 per cent), confirm a scenario of staggering inequality.**

* **The assets of the richest three individuals in the world exceeds the combined GDP of all least developed countries with a total population of 600 million people.**

* **Globally, mass deprivation continues unabated with close to a billion adults either totally or functionally illiterate; a billion people cannot meet their basic consumption requirements; 340 million women are estimated to die before reaching the age of 40; more than 250 million children are working as labourers; and nearly 160 million children are malnourished.**

The other side of this picture of stark inequality

and deprivation is the enormous concentration of wealth, productive assets and economic power. This is especially striking in the leading industries of globalisation such as biotechnology, telecommunications and computers.

* **The shares of the global market of the top 10 corporations in 1998 in certain key industries were: pharmaceuticals - 35 per cent, computers - 70 per cent, telecommunications - 86 per cent.**

* **Knowledge - a key productive asset - is very closely held. Industrial countries hold 97 per cent of all patents worldwide.**

* **The Report highlights the role of two key technologies - information and communications technology (ICT) and biotechnology - as the 'drivers' of globalisation. It recognises that what it calls the 'new rules of globalisation' - namely, liberalisation, privatisation and tighter intellectual property rights (IPRs) - are 'creating new risks of marginalisation and vulnerability. It lists the new negative features of these rules of the game;**

* **'...for poor people, technological progress remains far out of reach.'**

* **Tighter IPRs are blocking developing countries out of the dynamic knowledge sector.**

* **New patent laws result in 'a silent theft of centuries of knowledge from developing to developed countries'.**

* **All research and development are skewed to serve the well-to-do. The pharmaceutical industry is a case in point: 'Of annual health-related research and development worldwide, only 0.2 per cent goes for pneumonia, diarrhoeal diseases and tuberculosis - yet these account for 18 per cent of the global disease burden.**

BLOOD DONATION BY PEERLESS EMPLOYEES

For the third in succession, the All India Peerless Employees' Union observed the 3rd Death Anniversary of late Com. Sunil Maitra. A voluntary blood donation camp was organised and a large number of employees enthusiastically came forward to donate blood. Chandra Sekhar Bose former President of AIEA inaugurated the camp. Nilima Maitra was also present on the occasion.

(Report from Anudeb Ghosh)

RIO-de-JENEIRO MEET AGAINST GLOBALISATION

The first International Trade Union Conference against globalisation was held in Havana, (Cuba) in 1997. The second conference was held in Rio-de-Janeiro on 1-3 September, 1999. Indian delegation was led by Sukomol Sen from CITU and TUI Public & Allied Employees. The others were N M Sundaram, All India Insurance Employees Association, A.K. Padmanabhan, CITU, K. Gangadharan, Tamil Nadu Govt. Employees Association and K.V.A. Iyer, Kochi Port & Dock Workers Union. The meet was hosted by Central Union of Workers of Brazil (**Central Unica dos Trabalhadores**, or CUT).

The main session was opened by President, CUT and was addressed by famous economist **Joao Manuel Cardoso de Mele** who dwelt on the disastrous effects of 'Global Capitalism'.

In Brazil the real wage has fallen, the currency devalued sharply, the economy is in shambles but the rich are becoming richer and poor, poorer. Significantly, the elected President of Brazil, after throwing out the former dictator, is following the same economic policies at the dictates of IMF and WB and yet capital is flying out at an alarming rate. The only hope found in this darkness is that workers' and poor people's resistance is growing everywhere, which has to be consolidated to defeat the present scourge of so called globalisation. **Pedro Ross**, General Secretary of CTC of Cuba also addressed the opening session. 3 more sessions were organised to study and deliberate on regional situations, crisis and workers resistance in Europe, Asia and Latin America. The European situation-particularly in Portugal, Spain, Greece and France - is going from one crisis to another and the workers' resistance

is also assuming greater strength every day. The Asian crisis was elaborated by Sukomol Sen. He pointed out that the entire Eurasia region that includes part of former USSR is inhabited by 75% of world population. None of the nation-States including Japan has been able to avoid the crisis that gripped the region following IMF/WB dictated globalisation. The melt down in Russia and East Asia are the most glaring examples showing to what extent damage can be inflicted upon national economies. In Russia, Indonesia and elsewhere, the economic crises have led to grave political crises. In India, the economic slump and the resultant phenomenal rise in price, unemployment, destitution are leading to intensified action by people. He referred to 11th December '98 general strike where millions of workers, peasants and common people participated against globalisation and neo-liberalisation policies.

In the session on Latin America, the same story was repeated which showed how the Mexican crisis has spread out making it globalisation of 'crisis' and not economy.

The perils of Cuba endangered by US imperialism was highlighted and it was also resolved to stand by the Cuban people by all means.

It is only China which has remained unruffled by the so called globalisation. Barring small problems, the economy is growing fast and living standard is improving by leaps and bounds.

The conference adopted a declaration renewing its faith in international consolidation of working class and to, build up strong worldwide actions against Globalisation. (see Box)

(With inputs from Sukomal Sen and A K Padmabhan)

"The centre of our attention must be employment, as well in its qualitative as in its quantitative aspect, and the defence of core labour and social standards. In concrete terms, this means to defend a charter that unifies the workers, having as conditions, the reduction of working hours, land reform, the ratification of ILO's 158 Convention, trade union freedom, elimination of child labour, prohibition of race, gender or any other kind of discrimination in the work place and prohibition of forced work.

The maintenance of state directed public services of good quality, as well as of a system of social security responding to the needs of the workers and their families is essential and must belong to a common agenda.

The uncontrolled capital flow has already demonstrated to be the tool of destabilisation of the economies of our countries and of subordination, by means of the external and internal debt. It is urgent to restart the campaign against the payment of the external debt, as a manner to preserve sovereignty and release resources to social expenses and investments needed to promote development".

(Excerpts from the DECLARATION)

PENSION CASE IN SUPREME COURT

The Supreme Court had held two hearings on the various petitions relating to the Employees' Pension Scheme, 1995.

The first hearing was held on 27.7.99.

At the outset, the counsels representing the workers brought to the notice of the Bench the notification by Ministry of Industry, Govt. of India, No.2(49)/98-DPE (WC) dated 25.6.99 relating to wage revision of Public Sector Executives. Clause 13 of the notification reads like this....

"The rules of the EPS-95 should be amended so that the decisions to either choose EPS-95 or to work out their own new contributory pension schemes must be that of, and made by, the public sector enterprise themselves."

In view of the above, it was argued that EPS-1995 no longer remained a scheme mandatory for the workers to join. The decision to 'amend' the scheme and to make it 'optional' has come from the Govt. itself. It is almost a directive to enable public sector enterprises to work out independent contributory pension schemes to be chosen by the workers. It was also argued that workers of private sector also should be given similar benefits. The Judges wanted the views of the Govt. pleaders on these points which they could not put forth and wanted more time for getting "direction". The Judges allowed them two weeks time and the case was adjourned to come up

for hearing again on 17.8.1999. The apex court resumed the hearing on 17.8.1999 as scheduled.

In an attempt to salvage the Government Pension Scheme, the Ministry of Labour filed an affidavit before the Supreme Court, contending that the Ministry was not in agreement with the move to make the scheme optional. Obviously this was not in tune with the Government of India Notification on Mohan Committee Report. The Notification had been issued with the approval of the Central Cabinet. Hence the Supreme Court passed a further order as under:

"We have seen the affidavit filed by Mr. Jai Prakash Shukla, Deputy Secretary to the Government of India, Ministry of Labour. It appears that there is a disagreement between Labour Ministry on one hand and the Industry Ministry on the other hand. We require a clear stand to be conveyed to this Court and to the other side about what the Union of India proposes to do in this connection, especially in the light of Justice Mohan Committee's Report. As we find that there is a discord between the two Ministries, we request learned Attorney General to remain personally present on the next date of hearing, which is fixed as 12th October 1999, to enlighten us about the stand of Union of India.

It is made clear that in the light of what will be started by learned Attorney General for Union of India, these matters will be taken up for final disposal on that day

without any further adjournment. We have been informed by learned counsel for some of the petitioners and other parties that applications are moved before appropriate authorities for granting exemption from the impugned scheme as per paragraph 39 of the scheme and those applications have not still been decided. If the said applications are pending as on date, we direct the appropriate authorities, i.e., the concerned Governments and also either the Central Provident Fund Commissioner or the Regional Provident Fund Commissioner concerned to look into these applications and to decide the same on merits on or before 30th September 1999 and to inform the concerned applicants regarding the result thereof so that on the next date of hearing of these matters we may be informed about the result of these exemption applications.

Learned counsel for the petitioners have agreed to give a complete list of such applications, moved before the appropriate authorities, to the learned counsel for the Union of India within one week from today.

Copies of this order shall be sent to the Chief Secretaries of the concerned state Governments as well as to the Central and Regional Provident Fund Commissioners for complying with this order".

The case is expected to be taken up for final disposal on 12.10.1999.