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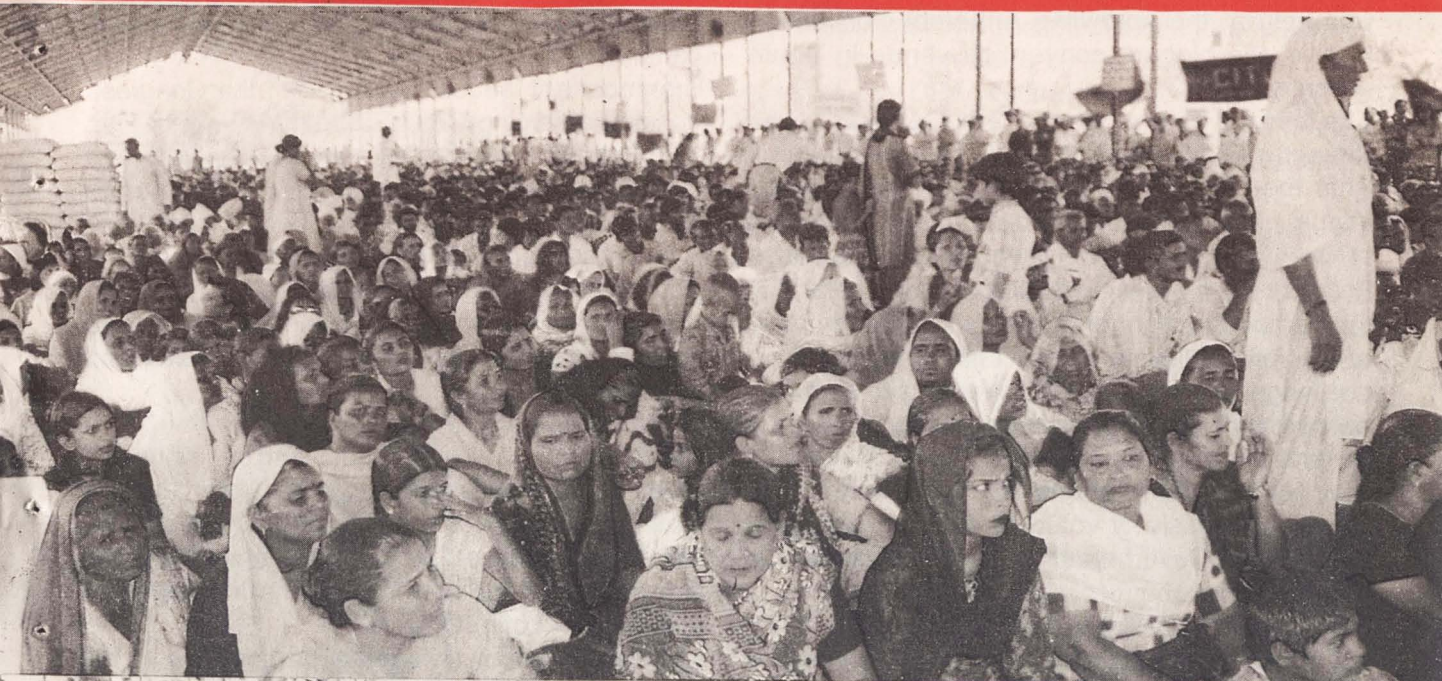
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THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU



Workers' Rights Rally in Panipat on 28th May

(M.M. Lawrence, Secretary, CITU and K.V.A. Iyer, Vice President of Water Transport Workers' Federation of India, represented the CITU at the 9th Congress of Central Única dos Trabalhadores (CUT - Central Workers Union) held on June 5 to 9, 2006 in Sao Paulo. Here is a report by Lawrence. - Editor)

BRAZIL: 9th CONGRESS OF CUT

The 9th Congress of Central Única dos Trabalhadores (CUT - Central Workers Union) was held at the sprawling Anhembi Convention Centre, the biggest convention venue in South America.

The central theme of the 9th Congress was Strengthening Democracy and Promoting Labour. This theme was prominently displayed in the venue. In discussions and resolutions adopted at the Congress, anxiety was evident because Brazilian right has the tradition of never accepting the democratic right of the left. The Government of the leftist alliance led by Lula is facing tough challenges in this respect. Working to secure a second term for leftist alliance and for Lula in the general election due later this year in November was perceived to promote labour interests. The Congress massively voted to support a second term for the Government under the leadership of Lula.

Besides about 3,000 delegates of CUT, delegations from international trade union organisations and of international organisations of public sector workers also attended. There were 80 delegates from 45 central trade union

organisations from 30 countries. Secretary for Brazil of OXFAM, ILO and the representatives of Friedrich Ebert Foundation also attended the CUT Congress.

The important issues discussed in the Congress included enlarging CUT's base in new segments, an alternative organisation model for informal workers, a strong strategy to counter right wing trend in the context of a new central right wing union, more coordination with social organisations in the struggle for extending public policies, strengthening democracy, expansion of space and mechanism for social control, social inclusion and justice in development projects.

Central theme in all discussions and decisions had clear perspective aimed at socialism and a strategy to fight U.S. hegemony and imperialism with a perspective for real sovereignty for Latin America and far more coordination between countries in Latin America.

Men and women delegates participated in the discussions with total equality. There were healthy debates. Opposing points of views on each and every subject discussed (including amendments to CUT Constitution) were given even chance throughout the proceedings. Flexibility was evident throughout. Official positions sometimes underwent amendments after thorough debate. The resolutions were put to vote and all decisions and resolutions were adopted democratically.

The delegates from international organisations and of Central Trade Unions from abroad were introduced to the Congress through a video presentation. The foreign delegations shared the stage with the leadership of CUT. Very few delegations were given chance to address the Congress of CUT. CITU was one amongst them. (M.M. Lawrence greeted the Congress on behalf of CITU with a brief address, which was received well with a standing ovation and show of solidarity).

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THE WORKING CLASS

CITU MONTHLY

JULY 2006

YOU SAID IT by Laxman



Vegetables, diesel, petrol, power...
prices of everything going up. I wonder
how people with money survive!
Sometimes I feel we are lucky and don't
have to bother about prices!

Courtesy: The Times of India

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EDITORIAL

FIGHT FOR RESERVATION, FOR EMPLOYMENT!

The anti-reservation 'struggle' by a section of students and doctors in the wake of the announcement by the Human Resource Development Minister of the UPA regime that the reservation for OBCs will be extended to the higher educational institutions like the IITs, IIM and AIIMs has revealed the ugly face of the deep rooted caste bias and prejudice inherent in our society.

The provision for reservation for socially and economically backward classes (in education and jobs) is aimed at compensating the so-called lower castes for the centuries-long deprivation that they have undergone. These communities have suffered discrimination and been denied equal opportunities in the past. Hence, the reservations are a sort of compensatory discrimination in their favour. The working class should take a positive view on the reservation issue. We must, therefore, resolutely counter the 'anti-reservation' moves, as they reflect the machinations of vested interests to maintain the status quo.

At the same time, we should always keep in mind that such reservation is only a limited step to provide opportunities for the dalits, adivasis and other backward classes to acquire education and jobs. The reservation, by itself, will not permanently solve the problems of the downtrodden communities.

We must also be conscious that emancipation of the downtrodden sections of the society is not possible without basic land reforms and changes in the socio-economic system, which is ridden with both class exploitation and social oppression.

The present phase of disastrous pursuit of liberalisation-globalisation policies has only served to complicate the situation further. The jobless - rather job-loss - growth pattern has given rise to acute discontent among the youth. Hence, it is necessary that our struggle should also focus on right to employment, increasing the number of seats in the institutions, following the socio-economic criteria laid down in the Supreme Court judgement for the other backward classes and making suitable provisions for weak and poorer strata within those communities, which do not come under the reservation categories.

The CITU unions and activists should intervene in the present situation with a correct perspective on this reservation issue, which has a divisive potential injurious to class unity. This task brooks no delay.

Call of Sponsoring Committee of Trade Unions:

ON TO NATIONAL CONVENTION OF WORKING CLASS!

A meeting of the Sponsoring Committee of Trade Unions comprising the Central Trade Union Organisations viz. AITUC, AICCTU, CITU, HMS, TUCC, UTUC and UTUC-LS and all India Federations/Associations of employees and workers (in Bank, Insurance, Railways, Central and State Govt. offices/departments, Telecom, Postal, Defence, Petroleum, Civil aviation and other sectors) was held on June 3, 2006 at New Delhi. The meeting took stock of the present situation and the immediate issues confronting the trade union movement. After further discussions on June 5, 2006, it decided to convene a national convention of working class to decide further course of actions. The declaration unanimously adopted at this meeting is reproduced below:

The Sponsoring Committee of Trade Unions expresses its deep concern over the steep deterioration in the working and living conditions of the working people, as a result of the anti-people policies vigorously pursued by the government.

The continuously rising prices of all essential commodities has created enormous hardship for the poor and common masses; the government is planning to hike the issue price of food grains under PDS, besides cutting down the allocations; it failed to step up procurement programme in time, allowing private traders and MNCs open field to stock and hoard; and then the Govt started large scale import of wheat; all these are endangering the food security of the country. The government is not heeding to the genuine and practical demand for recasting the tax structure for petroleum and instead seeks to effect another hike in petrol and diesel prices, which will have cascading effect on the already rising price level. In the midst of such a situation, the government has arbitrarily released a new series of Consumer Price Index for the Industrial Workers with the base year 2001 = 100, lazily ignoring the unanimous opposition of all the central trade unions. The new series deplorably aimed at artificially deflating the price indices leading to severe cutbacks in the Dearness Allowance entitlements of crores of

workers.

The rural distress is getting more and more acute with the numbers of farmers committing suicide running into staggering height. The government is yet to bestow attention to address this critical problem of rural and agrarian situation.

The government has not kept its commitment on implementation of minimum wage law for farm labour and enactment of a comprehensive protective legislation for all agricultural workers. Same is the fate of its promise to enact legislation for the workers in the unorganised sector, to ensure guaranteed minimum wage, social security and employment protection etc.

There is rampant violation of labour laws and attacks on the workers by the employers and the police together are being mounted in various states. No labour laws are being implemented in the EPZ/SEZs. There has been a proliferation of contract employment resulting in worst exploitation of the workforce. Inspection and enforcement machinery under the existing labour laws is in a state of total collapse.

Outsourcing and downsizing of workforce is systematically pursued in all sectors, including the financial sector and Govt departments which, apart from leading to worse labour practices, is posing a serious threat to the industry itself.

The judiciary - from the apex level downwards is passing verdicts one after another favouring the employer class and placing fetters on the working class even in matters of exercising their democratic, labour and employment rights. The government is sitting silent despite repeated pleas of the trade unions to step in and legislate to remove the pernicious impact of such anti-worker judgements.

The government has cut down drastically the interest rates on EPF, GPF, CMPF, PPF and small savings instruments affecting the interests of ordinary workers and senior citizens and the Finance Minister has hinted at a further reduction to 7.5 per cent in EPF, which is totally untenable. The government is still adamantly persisting with its move to put in place the Pension Fund

Regulatory Authority, in a bid to privatise and handover the pension funds for speculation.

There is a relentless pursuit of privatisation and disinvestment of profit making and strategic sector PSUs including nationalised banks, Insurance, telecom, airports, government departments etc; coal, oil and mineral blocks are handed over to private vested interests; private and foreign capital is allowed entry even in defence production, in detriment of national interests; the ill advised move to allow FDI in retail trade is threatening the livelihood of scores of small vendors and traders; no tangible steps are in evidence for revival of sick/loss making but potentially viable PSUs.

The government has failed to take steps to review the Electricity Act, 2003 and the National Electricity Policy, 2005. Meanwhile, privatisation and unbundling of SEBs are pursued hectically.

The budgetary policies of the government are skewed, fleecing the poor and ordinary people and freeing from tax burdens the rich, affluent and the speculative FIIs.

These and other such measures resorted to by the government are nothing but a betrayal of the interests of the working people and a repudiation of the people's mandate for a change in the

economic policy regime from that of the earlier NDA regime.

The Trade union movement cannot accept the situation lying down. Thus the Sponsoring Committee calls upon the working class to unite and fight back the anti-people policies through countrywide united struggle.

The Sponsoring Committee calls upon the working class to launch intensive countrywide campaign on the above demands and related issues which will culminate in a NATIONAL CONVENTION OF WORKING CLASS in the last week of July 2006*. The Convention will decide on the course of united countrywide action and the time-table of the programmes. The sponsoring committee also calls upon the working class to prepare for intensified countrywide united action to compel the Govt to retrace its retrograde policies.

The Sponsoring Committee appeals to all Central Trade Unions to join the united struggle

*(*It has since been decided that the national convention will be held on July 25, 2006 at the Mavlankar Hall in the Vithal Bhai Patel House complex on Rafi Marg in New Delhi).*

The Sponsoring Committee also called for observance of a national protest day on July 7, 2006, preparatory to the national convention.

DISINVESTMENT OF NALCO AND NLC:

FM OVERRIDING COMMON MINIMUM PROGRAMME

While reiterating its strong opposition to creeping privatisation through disinvestment of profit making PSUs, CITU denounced the Government's decision to disinvest 10% equity of National Aluminium Company Ltd. (NALCO) and Neyveli Lignite Corporation.

Despite the strong opposition of the employees, the trade unions, supporting parties of the Government and in case of NALCO, even the Union Mines Minister himself who has publicly stated on 20th June that his Ministry is against disinvestment of profit making PSUs, Finance Ministry is pushing ahead its own agenda, which is neither "Common" nor "Minimum". The "minimum", the people expect from the Government now, is to arrest the soaring price rise immediately, which is hitting the people. The "common" programme for resource mobilisation is not sale of asset but recovery of income tax and corporate tax arrears, which has reached Rs. 1,17,000 crore. UPA Government instead of addressing the priority issues is pursuing asset-stripping exercise, overriding the nodal ministries and NCMP.

The earlier disinvestment of 12.85% of NALCO had led to grabbing of 1.15% share by its competitor HINDALCO and 2.91% by FIIs. CITU apprehends similar entry of FIIs, HINDALCO and Sterlite Group of BALCO through the disinvestment process in NALCO.

CITU urged the Government to desist from the disinvestment of profit making PSUs and to concentrate on bringing down the price of essential commodities and recover the tax arrears for revenue mobilisation. CITU is confident that employees of NALCO & NLC and trade unions of all affiliates would give a fitting reply.

NALCO workers at Angul have gone to a one day strike on 23rd June at the call of all the unions there. We will publish detail report in the next issue.

TOWARDS A UNIVERSAL SOCIAL SECURITY SYSTEM OR A MERE BUNCH OF UNREALISTIC RESCRIPTIONS?

W R VARADA RAJAN

The National Commission for Enterprises in Unorganised sector, set up by the UPA government in September 2004, with Arjun Sengupta as Chairman, has presented its report on Social Security for Unorganised Workers on May 16, 2006 to the Prime Minister. Ever since, there has been considerable hype built up over the prescriptions incorporated therein. The contents of the report, however, demand a careful and in depth scrutiny.

Admittedly this exercise is a sequel to the commitment made in the NCMP of the UPA regime, which reads as under:

"The UPA Government is firmly committed to ensuring the welfare and well-being of all workers, particularly those in the unorganised sector who constitute 93 per cent of our workforce. Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, etc will be expanded".

AGRICULTURAL WORKERS

There is yet another commitment in the NCMP specifically aimed at the huge workforce in the rural unorganised sector viz. agricultural workers, as follows: "The administration will ensure the fullest implementation of

minimum wage laws for farm Labour. A comprehensive protective UPA legislation will be enacted for all agricultural workers".

The latter has been hanging fire ever since the National Commission on Rural Labour, headed by C. H. Hanumanth Rao, submitted its report way back in 1991. A draft bill has been doing rounds in the government circles, which was virtually laid to rest during the NDA regime. One would have expected the UPA to revive that comprehensive bill for agricultural labourers keeping in line with its above noted NCMP commitment. Unfortunately, the UPA dispensation had maintained a studied silence on this, despite repeated reminders from the Left parties, trade unions and organisations of agricultural workers.

The Arjun Sengupta Commission seeks to bring the agricultural workers also under the umbrella of its over arching scheme of social security for unorganised workers. This is not without a purpose. The Hanumanth Rao Commission had recommended a package of minimum social security benefits to be provided to the rural labourers by the state as a matter of high priority. These included old age pension, life insurance, maternity benefit, disability benefit (accident

compensation) and minimum health care and sickness benefit.

The NDA government replaced an earlier scheme of paying a lump sum exgratia amount to the family of the rural worker in the event of death due to accident with its Krishi Samajik Suraksha Yojana. This scheme, launched in July 2001 in 50 districts in the country, required a contribution of Re. 1 per day by the agricultural workers matched by a contribution of Rs. 2 by the Government of India to a scheme implemented by the Life Insurance Corporation of India. It is pertinent to recollect here that the National Commission on Rural Labour had recommended life insurance benefits with a caveat that the premium be met by the state. As Arjun Sengupta report has noted, the Ministry of Finance took a decision to close this scheme, due to paucity of funds, retaining the same for the workers registered till 24.02.2004.

In this backdrop, it makes little sense to propose a 'contributory' social security scheme for the unorganised workers including the agricultural workers. The Central Trade Union Organisations in their several representations to the successive governments had unanimously emphasised that there should be a separate bill

for the large and distinct segment of agricultural workers, while insisting that the same should be moved simultaneously along with the one for unorganised workers. The UPA government must take a call on this in the context of its own NCMP commitment and must in any case not lump this vast segment of agricultural workers with an omnibus 'informal sector', which has come to be used interchangeably with the 'unorganised sector' in the present liberalisation paradigm.

COMPOSITION AND TERMS OF REFERENCE

The present UPA exercise on unorganised sector is faulty both in terms of the composition and terms of reference of the Arjun Sengupta Commission. The terms of reference are very elaborate covering all aspects related to the unorganised sector enterprises. They also include, specifically, elements of employment strategy and 'review of labour laws consistent with labour rights, and with the requirements of expanding growth of industry and services, particularly in the informal sector, and improving productivity and competitiveness'. The last item in the terms of reference relates to 'review of social security system available for labour in the informal sector and make recommendations for expanding their coverage'. These are obviously matters of serious concern to trade unions. Yet, the government did not think it fit to give representation to trade unions in the composition of the

Commission.

The Commission on its part appointed an advisory Board as also a task force on social security. In these two bodies representation had been given to NGOs and academics but not to trade unions. The Commission has presented its report only on the last item of its term of reference viz. social security. All other tasks assigned to the Commission are yet to be completed. At least from this point of time, the defect in the composition of the Commission should be corrected by including trade unions. The Commission on its part should also associate trade unions in all its further activities and give representation to them in the bodies constituted by it. The terms of reference included 'entrepreneurship development' in small enterprises, which means giving a further thrust to proliferation of informal sector. This is in contrast with the Government of India commitment in successive international labour conferences to take measures to mainstream the units and the workers in the informal sector, in step with the ILO concept of addressing the decent work deficit.

NATIONAL SOCIAL SECURITY POLICY

The Commission Report laments: 'India is yet to evolve a comprehensive national social security policy with regard to its entire population'. There has been a persistent demand from the trade unions for evolving such a comprehensive policy. The report of the Second

National Commission on Labour has also emphasised this. Its suggestion in this regard was for the setting up of a National Social Security Authority, which will formulate such a comprehensive policy. The present Commission Report, however, limits itself to working out a skeleton scheme, which does not address all issues of insecurity faced by the unorganised sector workers. The report suggests that the government frame the scheme as recommended by it and set up a national social security board to guide and monitor its implementation through similar boards at state level. Even the draft of the National Advisory Council (NAC) contained a suggestion to constitute a National Social Security Authority. There is no perspective even outlined as to how and when a national policy on this vital aspect of workers' welfare will be put in place. The government needs to address this core issue.

CONCEPT OF SOCIAL SECURITY

The Commission has opted for the concept of defined contributions in its architecture of social security scheme for unorganised sector workers. The scheme so formulated visualises provision of health and medical care benefits through social insurance. The Commission has failed to take into account the prescriptions and experiences available at the international level. The report captures the proposed Indonesian model of social security in detail, which will be

established in accordance with 'the three pillar approach' viz. "(1) Social assistance for citizens who lack the financial means or access to their basic needs ... financed by state budget or by community funds; (2) a compulsory social insurance scheme financed by employers and employees and (3) A voluntary private insurance, in which a person may opt to take out additional insurance." This Indonesian National Social Security System typically follows the model outlined by the World Bank in its report 'Averting Old Age Crisis', which flagged off the debate on pension reforms in India and outside. There is no need to point out that the unorganised workers in India fall entirely within the first of the three pillars noted above. The Commission Report correctly identified the problem of unorganised workers as that of deficiency or capability deprivation (inadequate employment, low earnings, low health and educational status and so on) and adversity (absence of fallback mechanism to meet contingencies). Ironically, the Commission has proceeded to frontload the third pillar, with an amalgam of the first pillar, in the scheme proposed by it. This is bound to fail as the past experience of Krishi Samajik Suraksha Yojana (cited earlier) and the Unorganised Security Workers Social Security Scheme (2004), which is virtually closed, as recorded in the Commission Report itself.

STATE MODELS IGNORED

The Commission Report has

analysed in detail the different models, in vogue in several states, of providing social security to the unorganised workers and even noted the fairly beneficial aspects of a few of them. But, in working out its own scheme, the Commission has virtually ignored these beneficial aspects of the state models. For instance, the state schemes have by and large adopted the social assistance concept – the lone exception being Gujarat – without incorporating any element of insurance. The Commission Report itself admits the validity of social assistance concept in the following words: 'Given the low earnings of the workers in the informal economy, there is a strong case for providing social security to the informal workers without contributions from workers'. Ultimately, however, the Commission has proposed a scheme incorporating only one solitary element of social assistance concept in the form of an extended National Old Age Pension Scheme, providing a monthly pension of Rs. 200 for the BPL workers in the age group above 60 years. For the rest, the scheme heavily relies on social insurance concept only, requiring contributions from unorganised sector workers. The Commission Report justifies this approach in the name of giving a sense of ownership to these workers. Even if it were to be so, the quantum of 'some contribution' insisted by the Commission could have been patterned on several of the state models,

where the contributions from workers range from 50 paise or one rupee per month to Rs. 60 per annum or a token registration fee. In fact the trade unions had unanimously suggested levying of a small registration fee coupled with a token renewal fee. This failure to factor in the beneficial aspects of state models tends to make the proposed scheme a non-starter.

UNREALISTIC PRESCRIPTIONS

The contribution rate prescribed by the Commission for the worker is Re. 1 per day totaling to Rs. 365 per annum, irrespective of the actual number of days worked. This is to be supplemented by contributions from employers/government to take the total amount to Rs. 1095 per annum. The Commission proceeds to distribute this Rs. 1095 into three segments of national minimum social security - Rs. 380 for health benefits and maternity cover; Rs. 150 for life insurance, and Rs. 565 for old age security, through which the benefits would be provided. Further, the Commission has clarified, 'Rs. 1095 has to be suitably indexed to take care of inflation.' However, when it comes to the benefits under the social insurance schemes suggested as above, there is no word of they being indexed to inflation.

As per data made available by the National Sample Survey Organisation, the number of days worked for agricultural workers in rural areas has come down to 71 days in a year. How

does one expect such workers to contribute Rs. 365 for buying the social security, when even their subsistence is a question mark? Similar is the case of unorganised sector workers, who do not get employment on a regular basis and in most cases are denied even the notified minimum wages.

Even assuming that the unorganised sector workers pay up this Rs. 365 per annum, the benefits proposed under the scheme are meager and delivery thereof is doubtful. For instance the health insurance policy will fetch only reimbursement of Rs. 15000 for a family of five, maternity benefit up to a maximum of Rs. 1000, death (by accident) benefit of Rs. 25000 and sickness cover during hospitalisation for 15 days (excess of 3 days) at Rs. 50 per day. (The death and sickness benefits will be available only for the earning head of family.) There will be no provision for reimbursement of cost of medicines during domiciliary treatment. The life insurance cover will fetch a benefit of Rs. 15000. All these are limited to the policy period and will cease on its expiry. There is no provision in the scheme for any pension for the worker on completing 60 years, except for those under the BPL category. They are 'free' to buy an annuity from any insurance company from out of the PF accumulations they are supposed to get under old age security! Even in respect of this PF amount there will be a lock-in period of ten years, during which the worker will not be

allowed to get refund of his money even if he were to lose the job and be permanently disabled. There is no provision anywhere in the scheme to cover contingencies like disability, unemployment etc. With such a shallow benefit package, the Commission has incorporated very stringent conditions in the draft bill annexed to the report to the effect that 'every registered worker shall be eligible for the national minimum social security benefits only if payments of regular contributions have been made' and that renewals (of the identity cards for being eligible for the benefits of the scheme) 'would be allowed on payment of arrears of contribution, if any.' In sum, these render the prescriptions of the Commission unrealistic and unimplementable, given the ground realities of employment and earning conditions of the unorganised workers.

R E T R O G R A D E RECOMMENDATIONS

The Commission Report has recommended that the contribution of Rs. 1095 (distributed into three segments) be handed to the insurance companies (Rs. 380 for health benefits and maternity cover; Rs. 150 for life insurance) and Mutual Funds (Rs. 565 for old age security), which is earmarked as Provident Fund with an assured interest of 10 per cent. Why Mutual Funds? 'The experience of the last several years suggests that the annual return has been well above ten per cent.' At the same time, the Commission records

that Mutual Fund Organisations will not be in a position to guarantee a minimum return. There are even recommendations that the shortfall in this interest rate of 10 per cent will be topped up by the National Social Security Fund and that State Boards may declare (illusory?) bonus also in case there is excess realisation! This again is a cleverly designed variant of the New Pension System, which is meant to privatise the social security and divert the contribution of the workforce to the speculative share market. As regards the benefits under the twin insurance schemes, they will depend on the health infrastructure that may or may not be available in the vicinity of where the unorganised workers live and there are underlying conditions that the claim to premium ratio should be within 70 per cent. The Commission report also notes, 'the experience of the general insurance companies with regard to health insurance services is rather limited'. Yet. It exudes optimism that over long periods this may work! The retrograde nature of these recommendations is self-revealing.

FINANCES NOT TIED UP

The Commission Report fails to suggest measures to raise financial resources for implementing even the very limited scheme proposed by it. It leaves it to the government to decide on how to mobilise resources – either through a cess or a tax.

The trade unions had unanimously suggested that the

Central government should allocate at least 3 per cent of the GDP annually for social security, which should be progressively increased. The unanimous conclusions of the Indian Labour Conference held in December 2005 had recommended:

The floor level social security schemes like life and accident cover, health insurance and maternity benefit should be funded by the central government.

The administrative and infrastructure expenditure under the proposed legislation should be borne by the central government for the initial period of five years.

As against this, the Commission had calculated that the contribution of the central government will be 0.17 per cent in the first year and go up to 0.39 per cent in the fifth year, as the Commission proposes to spread the coverage of the unorganised sector workers under its scheme over a period of five years.

The Commission report has noted that the public social security expenditure as a percentage of GDP is around 25 per cent for E U member countries and around 18 per cent for OECD member countries. It is 3.6 for China and 4.7 for Sri Lanka, while in India it is only 2.6, that too after including 0.9 per cent expenditure for health (for the year 1996). The Second National Commission on Labour, however, noted, "the developed countries are spending up to 40 per cent of their GDP on safety nets. But, in India, the public expenditure on social security is a mere 1.8 per cent while even in Sri Lanka it is 4.7 per cent". The divergence in these estimates notwithstanding, the glaring fact is the stubborn refusal to take into reckoning the global practices, when globalisation is the 'mantra' of the day.

Central and State Governments are required to share the contribution to the scheme proposed by it in the ratio of 3:1. Given the resource crunch faced by the governments in all the States and the fact that several of them are already implementing some kind of welfare measures for the unorganised sector workers, it is doubtful if the states would be willing to shoulder this additional burden.

More interestingly, the Commission Report records the response of the Ministry of Finance (at the

centre) as just 'the matter is being processed'. Hence, we are unsure whether the Government of India also is willing to undertake even the very nominal contribution proposed by the Commission!

Hence, in our view, the scheme proposed by the Commission need a thorough overhaul and should be restructured taking into account the unanimous inputs provided by the trade unions. The service conditions, minimum wages and employment regulation relating to unorganised sector workers should also be part of a composite bill. Trade unions should make concerted efforts to bring pressure on the UPA government to bring about meaningful and practical legislations for the benefit of the agricultural and unorganised workers, a task which brooks no further delay.

Com R P Manchanda

CITU pays homage to Com R P Manchanda, leader of the insurance employees, who died at the PG Institute, Chandigarh, on 8th June 2006. He was suffering from cancer and was hospitalised for some time.

Com Manchanda was born in a village in the present Pakistan and migrated along with his family during partition to settle at Ropar in Punjab. The barbarity committed during partition, in the name of religion, made him hate communalism and uphold secular values all through his life. He also remained in the forefront to defend the unity of the country when Punjab was in the midst of the separatist movement.

He joined the LIC in 1957 and became a member of the AIIEA, in which he found a powerful weapon to fight injustice. Soon he was elected its Chandigarh Divisional Secretary and rose to become the President of AIIEA, which position he held till 2003. He played an important role in the struggles of insurance employees against automation, lockout, and split of the LIC, on Bonus, Privatisation etc. Manchanda also organised the Punjab University Employees' Association and led their struggles because of which he was detained under the Defence of India Rules and dismissed from service. He was later reinstated under pressure of a strong movement.

ILO: INCREASING CLOUT OF PRO-IMPERIALIST GLOBALISERS

SWADESH DEV ROYE

The 95th session of the International Labour Conference (ILC) was held at Geneva, Switzerland from 30th May to 16th June 2006. A total of 4,500 accredited and registered participants attended the session. They represented 166 member states. The worker members in the Indian delegation were Swadesh Dev Roye, CITU, H. Mahadevan, AITUC, Sankar Saha, UTUC (LS), Thompan Thomas, HMS, N. Adyanthaya & R.D. Tripathi, INTUC and H. Dave & Ravi Raman, BMS.

This year's agenda included the following major items – (i) Occupational Safety and Health – Standard settling second discussion, with a view to adoption of a Convention supplemented by a Recommendation (ii) The employment relationship – Standard setting, single discussion, with a view to the adoption of a Recommendation (iii) The role of the ILO in technical cooperation – General discussion and (iv) Global report under the Follow-up, to the ILO Declaration and Fundamental Principles and Rights at Work. As usual tripartite committees were set up in the conference on different items of the agenda.

Mr. Cestmir Sajda, the Deputy Minister for European Union and International Relations in the Ministry of Labour and Social Affairs of the Czech Republic was elected President of the conference. Shri N. Adyanthaya of INTUC (India) was elected as one of the three Vice Presidents of the conference representing the workers' group.

The Governing body of the ILO elected Mr. Membathisi Mphumzi Shepherd Mdladlana, Minister of Labour of the Republic of South Africa, as Chairman for its 2006-07 session. It has also decided to hold the next session of the ILC from 29th May 2007 to 14th June 2007.

Report of the Director General

The main focusing issues of the three parts report of the DG included the menacing growth of unemployment, changing pattern in the world of work and decent work agenda for the entire international working community. The issues have been prefaced by the DG thus, "The absence of

work, the quality of work, voice at work, continued gender discrimination and unacceptably high youth unemployment are all at the heart of politics today." Pointing out the reaction of the people the DG said, "And people are reacting in conversations at home, in the secrecy of the voting booth and, when necessary, by forcefully voicing their complaints on the streets."

Exposing the campaign that FDI generates employment and need flexible labour laws the DG has put in concrete terms that, "The job-creating potential of FDI is one of the main reasons cited by governments for policy changes to attract MNEs. An OECD study on policy competition for FDI suggests that the danger of increasing downward pressure on labour standards always exists. Nonetheless, it concluded that there is no robust evidence that low-standard (in labour matter) countries provide a heaven for foreign firms. This finding is confirmed by a detailed ILO analysis of the possible links between FDI flow and stronger freedom of association, collective bargaining rights and democracy." Negating that FDI generates employment the report noted, "As described, the job-creating potential of FDI can be overstated. Empirical research in developing countries does not show strong employment and labour market effects. A rising share of FDI in total investment tends to reduce the overall employment elasticity while shifting the pattern of labour demand."

Dealing with unemployment the DG has pointed out, "Unemployment in terms of people with no work at all is at its highest point ever and stand at nearly 192 million worldwide or about 6 per cent of the global workforce. Of these unemployed, the ILO estimates that 86 million, or about half the global total, are young people aged 15 to 24... Despite robust economic growth of 4.3 per cent in 2005 that increased world output by some US \$2.5 trillion, the global economy is failing to deliver enough new jobs for those entering the job markets. From 1995 to 2005, the number of unemployed people rose from 157.3 million to

191.8 million, an increase of 21.9 per cent. This pushed up the unemployment rate from 6 to 6.3 per cent. Some 80 per cent of the world's workforce lives in developing countries. 430 million jobs will need to be created by 2015 simply to keep up with the growth of the labour force which will take place in that part of the world"

Consequent upon the fall of employment, trade union membership too has been witnessing fall in many countries of the world. Tracing the reason behind such fall the DG has noted, "The main cause of decline in the industrialized countries is the fall in employment in heavily unionized industries such as coal, railways, steel, shipbuilding and manufacturing in general. Recruitment in new service sectors and in smaller establishments has not compensated for these falls. Public sector unions have suffered less membership loss than those in the private sector. The fall in union membership is much less marked in countries where unions play a prominent role in the social security system."

Ever since the ILO adopted the report titled "A Fair Globalisation: Creating Opportunities for All" the ILO has been diluting its earlier critical stand on globalisation. It is a matter of serious concern that despite admitting the inefficacy of the present model of globalisation in providing a better humane living for all, the Director General still sought to find a solution within the frame work of free market-globalisation itself. Lending tacit support to the demand of the employer class for anti-labour reform of labour laws supposedly to address the business competition, the DG has noted, "On the other hand, the effects of intensified global competition are felt particularly by business, to require a faster pace of adaptation less constrained by law or collective agreements. As a result labour law is currently in a state of more or less constant adjustment. Between 2000 and 2005, the ILO was actively engaged in labour law reform deliberations over 50 countries ... A number of countries have eased regulations to lower the costs to employers of hiring and firing and/or introducing new work arrangements."

However, the deliberations in the main plenary session of the conference as well as in the different committee sessions clearly reflected the rising

discontent against and louder disapproval to the ongoing process of neo-liberal imperialist globalisation. Most of the workers delegates attending the conference from both developing and developed countries, and even the Government representatives from many of the developing countries from different continents generally and particularly from Asia, Africa and Latin America strongly pointed out sufferings of the workers as a direct consequence of the neo-liberal globalisation programmes and policies prescribed and imposed by the trio World Bank-IMF-WTO.

Special Plenary on Child Labour

The 95th ILC conducted a full-day Special Plenary Session on Child Labour. The theme report was titled: "The end of child labour : Within reach". During the session a Round Table was also organized within the plenary. The session was conducted based on a Global Report under follow-up to the ILO Declaration of Fundamental Principles and Rights at Work presented to the conference by the ILO Office. The report contained a very detailed study on the issue. In the preface to the study report, Juan Samavia, DG, ILO has said, "The fight against child labour in the world continues to be a daunting challenge, but this Global Report provides evidence that a breakthrough could be in the making. We are beginning to see an encouraging reduction in child labour – especially its worst forms – in many areas of the world." Of course data provided by the ILO itself show that some 217.7 million children in the age bracket of 5 to 17 years are engaged in child labour around the world. Out of this some 126.3 million are caught in the worst forms of child labour.

ILO has drawn an action plan to eliminate child labour. The action plan proposes that "the ILO and its member States continue to pursue the goal of the effective abolition of child labour by committing themselves to the elimination of all worst forms of child labour by 2016. To this effect, all member States would, in accordance with Convention No. 182, design and put in place appropriate time bound measures by the end of 2008." While further detailing out the action plan it has said, the proposed action plan rests on three pillars:

- 1) supporting national responses to child labour, in particular through more effective mainstreaming of child labour concerns in national development and policy frameworks;
- 2) deepening and strengthening the worldwide movement as a catalyst; and
- 3) promoting further integration of child labour concerns within overall ILO priorities.

Committee on Occupational Safety and Health: It may be recalled that in the 93rd session of the ILC this issue was deliberated and conclusions were drawn. The present exercise was in continuation to the previous one. The final outcome of the Committee deliberations was adoption of (1) Convention on the promotional framework for occupational safety and health (2) Recommendation on the promotional framework for occupational safety and health (3) Resolution concerning asbestos

Committee on Employment Relationship: This issue was discussed in the 91st session of ILC in the year 2003 and adopted a resolution noting that, "one of the consequences associated with changes in the structure of the labour market, the organization of work and the deficient application of the laws is the growing phenomenon of workers who are in fact employees but find themselves without the protection of an employment relationship." The existing legislations are unclear, too narrow in scope or otherwise inadequate." The three forms of employment identified for protection with an instrument and legislation were, "DISGUISED EMPLOYMENT", "AMBIGUOUS EMPLOYMENT" and "TRIANGULAR EMPLOYMENT. The Committee passed the recommendation titled – "Employment Relationship Recommendation, 2006. A Resolution dealing with establishment, monitoring of implementation mechanism has also been adopted in the ILC.

Committee on Technical Cooperation: Most damaging exercise has been carried out in this Committee. Under the guise of technical cooperation the functioning of the ILO has been dangerously assigned to the agents of imperialist globalisation. Such policy step has been justified in the name of addressing resource crunch for

carrying out the functioning of the ILO. The conclusions drawn by the Committee directs ILO to undertake "cooperation with United Nations, the Bretton Woods Institutes and other developmental actors both inside and outside the United Nations System, in order to influence the broader multilateral system effort, through United Nations Development Assistance Frameworks ..." Further, it continued to say, "In order to increase the resource base and foster ILO/donor agency partnering for the purpose of funding the ILO's operational programmes, it is necessary to examine new methods of working that meet beneficiaries' and donors' expectations." To entrap the ILO under the conditionalities of funding it has been asked that, "Public-private partnership have potential as a source of funding." It is under such major multiple policy directions, which shall deliver the most dangerous blow to the nearing one hundred year old UN Institution. Committee on Application of Standards: The Committee have reviewed the situation relating to implementation of various conventions and recommendations of ILO in various countries and also scrutinized the cases of complaints of violation of ratified conventions received and examined by Committee of Experts on application of ILO standards. This exercise in the ILC has rather been pushed to political design by the ICFTU leadership acting to further the cause of the imperialist forces. Such impression emanates from experience that, countries which refuse to kneel down before the imperialist forces are generally selected for scrutiny by the Committee. In course of the presentation of the report of the Committee in the plenary session many government and worker speakers came out heavily against the ICFTU machinations and pointed out how the most industrialized countries despite repeated violation of labour rights are given clean chit by the 'custodian of labour rights!'

In his closing address the DG underlined the achievements of the conference in the realization of the two instruments on employment relationship and occupational safety and health. He said, "they both set standards for the twenty-first century which are relevant and applicable for countries all over the world and all stages of development."

IN DEFENCE OF PUBLIC SECTOR ENTERPRISES

Ashok Parthasarathi

An important element of the Industrial Policy Resolution 1956 was the commitment to establish a large public industrial sector to progressively attain the "commanding heights" of the economy. Accordingly, over the last half a century, some 150 such enterprises were set up in a whole range of economic sectors. The IPR 1956 assigned to them several social responsibilities — from employment generation to regional development. It, however, emphasised that those responsibilities were to be taken on only consistent with the companies being run as efficient commercial enterprises in a mixed economy. The Annual Survey of Public Enterprises, which has been put out by the Government for some 25 years now, shows, contrary to what the private sector controlled media would have us believe, that objective has been met in good measure.

Where then does the so-called low return on investment and poor profits of the public sector come from? It comes from the 103 textile mills, which had been milked dry by their private sector owners and which Indira Gandhi had to nationalise in 1973 to save the jobs of some seven lakh employees. If one removes these 103 enterprises from the 243 public enterprises in existence today, their returns on investment when taken as a whole shoots up from 2-3 per cent to 7-8 per cent, which is entirely satisfactory.

What is more, the Board of Public Sector Turnaround, which the present government set up about a year ago, has come up with detailed plans for feasible turnaround strategies for the only 35-odd public sector enterprises making losses. My detailed discussions with the chairman and some of the members of the Board reveals that many of even those 35 enterprises would have never gone into loss (seven are expected to make profit in 2006-07) had the Administrative Ministries they were attached to fulfilled even minimal responsibilities. These included ensuring the enterprises did not remain headless for up to 18 months in some cases, processing their

investment proposals speedily through the government, ensuring that the siting of the plants were not in totally incorrect locations, intervening to help the managements settle labour disputes, and ensuring that proposals for acquisition of foreign technology to remain competitive were approved speedily. So, as opposed to the popular image that it is the Ministers and other politicians who have been responsible for the poor performance of the public sector, it is the civil service that has been to blame.

There are many reasons for this but I have found in my 32 years in government, during which I played a major role in the establishment and building up of 15 profit-making public enterprises in the electronics industry, that two reasons were, and continue to be, of particular importance. First, a lack of knowledge and expertise in how business is run: how many Secretaries and Joint Secretaries of economic ministries and with associated public enterprises can even read the balance sheet of a company? Secondly, a strong ideological bias against public sector companies and a strong bias not only in favour of the private sector but even more so in favour of foreign enterprises, particularly multinationals. The staple reading material of top civil servants is *Newsweek*, *Time*, and *The Economist* — all periodicals not just strongly anti-public enterprise but against even a major role for the state in the process of economic development. Practically no Secretaries to the Government read left wing periodicals such as the highly respected — not just at home but internationally — *Economic and Political Weekly* or the left wing magazines *Frontline* or *Mainstream*. What is more, when it comes to looking outside for economic models the U.S. model dominates their thinking with most of them knowing little of the dominantly public sector experience of France or Italy, which have numerous, well run and efficient public enterprises.

More recently, much has been made of China's privatisation or closing down of a number of the

300,000 public enterprises that existed as recently as 1995. However, the fact that the 160,000 public enterprises that remain in China today are vibrant, generate significant profits, and account for 35 per cent of the country's huge exports, is never mentioned. Nor is it mentioned that but for the public sector our atomic, space, and defence programmes just would not be possible — even the largest companies in the private sector are just not up to the job. Nor are the contributions of the public sector to regional and backward area development mentioned. Which private company would set up a plant to produce highly sophisticated digital electronic switching systems for the nation's telecom system at a highly backward location called Mankapur in the Gonda district of Uttar Pradesh where the enterprise had to build kilometres of roads, bridges and culverts, provide all the amenities for a 15,000-people township, train rural labour, and yet produce products that are world class in every respect. The Indian Telephone Industries did in the 1980s.

Then there is differential use of the public and private sector economic policy making. For instance, it is only the public sector banks that have to carry all the burden of social responsibility and to provide credit on a preferential basis, for example, to farmers and the small scale sector. The private sector banks carry no such responsibility. Similarly, in the petroleum sector, the private sector gains in advantage in cornering export credit including tax concessions, while the public sector carries the burden of distribution and subsidies. Where is the so called level playing field?

Then there is the whole issue of corporate governance. There is a long list of some of the most famous names in the private sector that have over the years been indicted for malfeasance, by its so called "promoters".

In contrast, not a single PSE has in all these 55 years been accused of any such wrong doings. This is because both the CBI and the CVC and Parliament's Committee on Public Enterprises subject them to so much multilevel scrutiny and because they are structurally honest entities.

Role of media

The principle culprit for a whole generation of our

people having a negative view of the public sector, however, is the media both print and electronic. This again — like in the case of civil servants — is because of ideological reasons combined with hard commercial ones. Both the types of media put out day in and day out negative information on the public sector, much of which is false or distorted. Very seldom are the positive achievements even mentioned let alone highlighted. To give one example: when the proposal for government to divest 10 per cent more of its shares in the world class engineering company BHEL was at its height last year, a leading TV channel reported in its evening news bulletin on a particular day that the issue involved was that pertaining to "one of the few profit making companies in the public sector." When I wrote a long letter to the Head of the TV channel establishing that there were in 2004, according to the Department of Public Enterprises of the Government itself, 143 profit making public companies, I did not get even an acknowledgement.

The above account calls for the Government to reiterate its commitment to a mixed economy like that in many European countries and see to it that public enterprises that are financially owned by the state are also psychologically owned by the state and are given a level playing field to operate. But there are powerful forces inside the Government itself that are opposed to the public sector again on ideological grounds. To whom Alcatel of France (which just recently acquired the U.S. telecom major Lucent) to become the world's large telecom company being a public sector company is all right, but an equivalent situation here at home is wrong. To whom the Airport Authority of India undertaking the modernisation of the airports of Delhi and Mumbai is wrong but the task being undertaken by two mediums sized private companies with no experience whatsoever in airport construction and operation is the preferred way to go. Who then will truly "own" and protect the interests of the public sector, which is providing such a wide variety of products and services of large volume and at critical points in the economy?

(The writer was Science Adviser to Prime Minister Indira Gandhi and Secretary of the various scientific departments.)

(Courtesy: The Hindu, June 22, 2006)

ABOUT SHARE MARKET

Chittabrata Majumdar

There had been repeated stock market crash in the recent past world over, leading to serious economic crisis in those countries. The share crash on 17.5.2004 when the UPA government was formed with the support of the Left parties and the recent share market crash on 18.5.2006 has raised serious questions regarding sovereignty and self reliance of our economy.

Before this issues are addressed it is necessary to have some preliminary idea about the functioning of the stock market without going into the complexity of share market transactions.

Stock/Share of a company is a part of its ownership. Shareholders owns all the rights of the company commensurate with the number of shares held by him. If the company earns a profit shareholder receives a part of the same as dividend. If the company loses he doesn't get. Similarly, if the share price increases shareholders can sell their share to earn profits. On the other hand if the share prices fall he is a loser if sells his shares.

Shares are not transacted like in an open market where commodities are bought or sold. New companies on its own offer shares through what is called "Initial Public Offer" (IPO) or selling shares in the market. These shares are sold through different merchant banks. The company use the money earned through their IPO for expanding their business. This is known as a primary market. The shares which has already been sold in the primary market are transacted in secondary market. The secondary market is known as stock exchange or share market. In this market the buyer as well as the seller has to list their names through the computerized system of Securities and Exchange Board of India (SEBI). SEBI regulates and monitor the share market transactions in the stock exchanges through out the country. The transactions are also made through a computerized system. Those who get enlisted to this system are known as DEMAT account holder. It may be mentioned that in the secondary market

of share transaction the companies have hardly any role. There is no direct impact on the company with the rise and fall of share prices. If the shares are selling at higher rate the money does not go to the company's account. Or if the share value falls the company does not bear any loss directly. The profit and loss accrued out of the rise and fall of share prices is limited to the shareholders only. However, through change of shareholders the ownership of a company can be changed.

Just like any other product the rise and fall of share price depends on demand and supply. If there is more demand for the shares quoted by a company, their share price also will increase accordingly and vis versa. Similarly, the financial performance of company also affect their share value in the market. However the rise and fall of share is based on your judgment. If your reading of the share market is not correct you may be bankrupt or if yours are right you may get a bonanza. It is a risk based of speculative market. This is natural in a capitalist system. Though some share market specialists feel that an in-depth analysis and the correct perceptions of the share market can help some one in getting a correct judgement on the share transactions.

But apart from this natural rise and fall in stock market there are clear cases of pre-planned share market crash as had happened on 17th May 2004 and 18th May 2006 in Indian stock market. While there are number of retail and small investors enlisted in the share market there are few foreign and domestic share market operators who are commonly called bulls or bears. The number of small of investors may be quantitatively high in number but they cannot bring a crash in the market. As a matter of fact majority of them are biggest losers when the stock market crashes. It is the domestic, especially the foreign bulls and bears operating in the share market who deliberately use this market for their speculative activities and bring crash in the market with specific motivation. In this connection the role

foreign institutional investors (FIIs) who come here to buy shares in our market should be clear before our mind.

The money the FIIs bring here are not owned by those institutions as it is. Substantial portion of this fund is from dubious sources. They will not disclose the dubious source of their fund or their identity before coming to share market. But they want their black money to be invested in the share market for further gains. FIIs take the funds from such dubious sources through a contract and that money is used in buying shares. This contracts/agreements are known as Participatory Note (PN). The conditions of such contract and the identity of the source of those who are signing the contract are not disclosed. The money collected through the participatory note is called hedge fund. The hedge fund is used for a short period to get a quick profit in the share market at the earliest.

In the above background Indian government's agreement with the Government of Mauritius is also very significant. The agreement known as Double Taxation Avoidance Agreement (DTAA) stipulates the companies or FIIs registered and operated from Mauritius don't have to pay any tax on the dividends earned through sale of shares in the Indian stock market. Taking opportunity of this agreement FIIs open their office in Mauritius and list their names in SEBI for share market operations. They use participatory notes for using the black and unaccounted money and thus through this DTAA which was signed during the NDA regime, the money earned in the share market go out of the tax net.

Share market regulators are concerned about DTAA, Hedge Fund and Participatory Notes. SEBI, Reserve Bank of India (RBI) and Central Board of Direct Taxes (CBDT) have been making some efforts to control FIIs. SEBI's effort to find out the real beneficiaries under the cover of FIIs, has not yielded any result so far. There are apprehensions that many NRIs are engaged in illegal share transactions through Participatory Notes. When SEBI imposed a fine on a FII like USB for not furnishing requisite information, the same was annulled by Security Administrative Tribunal.

RBI has also been pleading for a long time

against a acceptance of Participatory Notes. But the same was not heeded. CAG in its report laid in the Parliament on 5.5.2006 has specifically recommended that the earnings of FIIs in share market should be treated as business profit and hence taxed. CAG report also recommends review of DTAA. CBDT sent some tax notices to foreign fund manager. Left parties have also been demanding imposition of capital gain tax on share markets transaction. All these efforts to control the speculative market, created panic in FIIs.

If this panic is linked up with share markets transactions in the month of May 2006, the real culprits for the market-crash becomes self-evident. From 2nd May to 17th May FIIs net purchase was Rs. 3725 crore and they sold shares worth Rs. 1686 crore. But between 18th May to 31st May FIIs did not sell any share. Instead FIIs sold share worth Rs. 9087 crore, which led to market-crash.

The market crash on 17th May 2004 was synchronized with formation of UPA Government at the Centre with the support of Left parties. The crash was engineered to put pressure on the UPA Government not to deviate from the path of neo-liberal reform because of Left's policy perceptions. FIIs obviously got an assurance from the economic policy managers to follow the policy of reforms. In May'2006, FIIs got another alarm with increased strength of Left parties after the assembly elections. Panicked by CBDT tax notice, CAG report and the strengthened position of the Left parties to put pressure on UPA Government, a jerk was given to the Government through the crash. They got the result immediately. Union Finance Minister, Chidambaram went out of the way to assure FIIs that no action whatsoever is being taken against FIIs and they are not liable to be taxed.

The present situation can not be allowed to continue when national policies are being dictated by speculative market players in the name of FIIs. Obviously mobilization of public opinion to resist the neo-liberal economic policy, which gives room to even market manipulators to challenge our economic sovereignty, is the only option to save the country from recolonisation.

PRICING OF PETROLEUM PRODUCTS

Any price hike is not justified for the following reasons and alternatives available with the Government:

1. The basis of the required price hike in petroleum products has not been spelt out. The increase sought for, is arbitrary as no cost sheet showing crude cost, refining cost and marketing cost has been shown. For example, the cost of crude oil 70 dollar/barrel means roughly Rs. 19 to Rs. 20/litre.

The cost sheet does not provide actual refining cost and marketing cost along with break up of taxes & duties and reasonable profit before arriving at the required retail cost. At present tax/duty component of petrol and diesel are 57% and 36 % respectively. This has to be restructured to offset any price hike.

2. The economic implication, cited by the government, is notional and not

actual. It is reiterated again that "underrecoveries" are notional losses and not actual loss. It is therefore essential that actual financial position in terms of profit/loss of Oil Marketing Companies (OMCs) as well as stand-alone refineries as per Profit and Loss Account of 2005-2006 and preceding two years should be assessed for proper appraisal. "Reasonable profit" for OMCs as well as Private stand-alone refineries should

THE DECEPTIVE AD-CAMPAIGN ON PETRO HIKE DENOUNCED

The Centre of Indian Trade Unions (CITU), in a statement issued June 8, 2006 denounced the ad-campaign of ministry of petroleum & natural gas to justify a totally unjustified price hike in petrol and diesel without addressing the major issue of pricing mechanism which is totally opaque. The government owes an explanation as to why people have to pay Rs 25 per litre for petrol and Rs 12 per litre for diesel as taxes and duties when the crude oil price is not more than Rs 18 to Rs 19 per litre and why instead of giving tax-relief to navaratna oil marketing companies, the price hike was resorted to. The government must explain the basis of present pricing mechanism, which gives picture of computed/notional figures of profit and loss without referring to actual cost of refining and marketing along with the 'reasonable profit' margin, if any of oil companies including the private stand-alone refineries. The ad-campaign should explain why export duty concession (duty draw back) to the tune of Rs 3500 crore is being extended to exporters of petroleum products when the global price is so high.

The CITU demanded in the interest of navaratna PSUs, the oil cess of Rs 7500 crore this year @ Rs 2500/tonne collected on the crude oil produced by ONGC and OIL, be immediately utilised for supporting navaratna oil marketing companies instead of using the same for managing revenue deficit by the union finance ministry.

The public sector oil marketing companies (OMCs) are obliged to procure from private sector refinery large quantities of petrol, diesel and LPG at import parity price. The CITU demanded that instead of shedding crocodile tears for navaratna PSUs, the government should explain the rationale of providing big bonanza to the private refiner who is earning a refining margin of 12 dollars/barrel as compared to 7 dollars/barrel even two years back. Against an industry average refining cost of 2 to 3 dollars/barrel, it requires a lot of explaining as to how such a big refining margin is being allowed to the largest standalone refiner.

The CITU, therefore, demanded a transparent cost sheet from the government giving break-up of landed cost of crude oil, refining/production cost, taxes and duties etc. The government should also clarify as to what extent it is going to allow standalone refineries to increase their refining margin. Instead of addressing the real issues, the government should not needlessly squander public money on an ad-campaign to delude the people.

be clearly defined after proper assessment.

3. The current level of annual government subsidies of PDS kerosene and domestic LPG is about Rs 3000 crore (till 31.3.2007). This is when the crude price is 70 dollar/barrel. Before dismantling of Administrative Pricing System in 2002, the subsidy on PDS kerosene and domestic LPG from the oil pool account for the year 2001-2002 was Rs 11,140 crore when the crude price was below 25 dollars/barrel. While the subsidy from the Govt. has been shifted to OMCs, the revenue earned by the Govt. has gone up from Rs 96,000 crore in 2002-2003 to Rs 1,26,000 crore in 2005-2006 as can be seen by the figures furnished in the status paper. The net gain is therefore Rs 38,000 crore (Rs 8000 crore in subsidy and Rs 30,000 crore in revenue during last three years.) This policy distortion has

to be corrected in the interest of the common people and Government should share the burden of subsidies with the OMCs.

4. Government should act on recommendations of the report of the Parliamentary Standing Committee, presented to the Parliament on 22.05.2006. Keeping in view these recommendation, read along with the note from the Left Parties submitted earlier, the possible solutions to insulate the consumer from the price rise are:

- Creation of a Price Stabilisation Fund by using the money collected through cess on crude (Rs. 2500/MT) for supporting OMCs. In 2006 – 07 alone cess would amount to Rs. 7500 crore.

- Reduction in excise duty of products. The duty should be specific without any advalorem content.

- In European Union last year a threat was given to

impose 'windfall tax' on stand alone refineries earning a refining margin beyond certain level. In India, such a cess or tax beyond a refining margin of 7 to 8 dollars/barrel may be imposed on stand alone refineries.

- Duty draw back of Rs. 3500 – 4000 crore given as export incentive to exporter of petroleum product to be reviewed.

5. Instead of either burdening the common people with a price hike or transferring the same to OMCs, Government can recoup the revenue loss, if any, though revenue mobilization from speculative market through security transaction tax, and capital gain tax etc. The recent volatility in share market calls for such an effort. Market manipulators rather than common people should be target for resource mobilization for social schemes.

(Extracts from the note presented by the Left Parties to the Prime Minister)

SERVICE TAX ON POSTAL SERVICES OPPOSED

The Central Board of Excise and Customs had ruled that some of the services of the Department of Posts are liable for Service Tax and initiated steps to have all Head Post Masters registered with the Commissioner of Service Tax of the respective jurisdiction. Consequently the Department of Posts had issued instructions for recovering tax at the rate of 12.24 per cent (12 per cent Service Tax and 2 per cent Education cess thereon) on several of the postal services. The move is to bring postal services availed by common people like all types of money orders, Postal Life Insurance, Speed Post etc. under the Service Tax regime.

This move by the Ministry of Finance is to impose further burdens on the common man. The Ministry of Finance exercise of mobilising revenue is highly skewed with attempts to fleece the poor and common man and heaping concessions and incentives on the corporates, MNCs and rich and affluent sections of the society. During successive pre-budget consultation meetings, the CITU had placed practical proposals for widening the tax net by imposing taxes on those who can afford to pay in view of enormous income and profit amassed by them. Instead of taking measures in this direction, the Finance Ministry is zealously pursuing a policy of widening the tax net at the base by targeting the low-end regular income earners and those sections of the public who do not have adequate purchasing power. The CITU, demanding Tax and exempt the services rendered by the Department of Posts from the purview of the Service Tax.

COMRADE K RAMANI: SACRIFICE PERSONIFIED

Comrade K Ramani, an outstanding leader of the working class in Tamilnadu who dedicated his entire life for the upliftment of the downtrodden and oppressed, died on May 30, 2006 at Coimbatore. Thousands of people from all walks of life bid tearful farewell for this tireless worker who finally earned his rest on that dark day.

Born on July 16, 1916 at Idappal village in Palakkad district, Kerala, he had to undergo the pangs of hunger and poverty from his early life. Deserted by his father, his family had to be under the protective wings of little Ramani who had to abandon his early schooling and go out to earn a living. His family consisting of his grandmother, mother, cousin sister and a brother shifted to Coimbatore when Ramani was only 14. He worked as a hotel worker for a monthly salary of Rs 3. Tragedy struck his family in 1930 when his grandmother, mother and his brother died within a period of five days, one by one, due to cholera. Ramani and his cousin tried hard to raise money for their cremation but could not succeed; with tears flowing they had to witness the cremation carried out by the municipality as they did for all orphans.

But Comrade Ramani was a different person. Such sufferings and heartrending experiences steeled his heart. He decided that he would face life with courage and determination and go ahead. He joined as a worker in a textile mill, read Tamil on his own, learnt English through reading

newspapers with untiring personal efforts and kept abreast of the events happening around. Earning a monthly salary of Rs 7 in the textile mill for a 10-hour work, he could see the workers being systematically squeezed and exploited. This led him to take part in the trade union activities. He was inspired by the self-respect movement, which organised May Day programme, Russian Revolution Day etc, and also by the speeches of leaders like P Jeevanandam who stressed the need to usher in a Socialist society and to draw up revolutionary tasks for it. Comrade Ramani's political consciousness was sharpened through this. He was then hopping from one mill to another as he was victimized by successive managements for organising the workers in trade unions, formulating their demands and leading their struggles.

One such struggle was on the eight-point charter of demands of the workers of Lakshmi Mills in Coimbatore which ended successfully with the active intervention of leaders like Comrades P Ramamurthi and P Jeevanandam, who were then the leaders of Congress Socialist Party (CSP) which Ramani had joined. In the year 1939, Comrade Ramani joined the Communist Party along with others in the CSP. And then began a saga of struggle, sacrifice and sufferings. In a false case foisted against him, he was arrested after being underground, and sentenced to 15 months rigorous imprisonment. When he was

COMRADE K RAMANI

We record with profound grief the demise of Comrade K. Ramani, a veteran leader of the working class and democratic movement of Tamil Nadu, who formerly held the posts of Vice-President of the CITU and President of CITU, Tamil Nadu. He was 90. He was also a former member of Lok Sabha and served the Legislative Assembly of Tamil Nadu for four terms. He was ailing for quite some time and breathed his last at Coimbatore late in the night on May 30, 2006. He had undergone imprisonment as freedom fighter and had been subjected to brutalities by the police and jail officials. He was active in the textiles, transport and electricity workers' unions and steered the State Committee of CITU right from the beginning. He has led a number of working class struggles in the State. He was also one among the leading lights of the communist movement. The CITU and dips its red banner in homage to Comrade K Ramani and conveys deep condolences to the bereaved members of his family and comrades in Tamil Nadu.

released in 1941, he was rearrested at the prison gate under Defence of India Rules (DIR) and imprisoned for one and half years and released in 1942. For having organised the struggle for the release of workmen who were arrested in Pankaja Mill firing case, he was imprisoned again for 10 months with rigorous imprisonment.

In the year 1948, the Communist Party of India was banned. Comrade Ramani led an underground life for two and half years and then was arrested and sent to Vellore jail. There he faced worst forms of physical torture by the police and jail authorities but he had an unbreakable spirit and nothing could deter him from the path chosen by him. He was released in 1951 after the ban was lifted. In 1959 he became a member of national council of the undivided CPI. In the background of India-China conflict in the year 1962, the RSS engineered an attack on our Party office in Delhi and Comrade Ramani and Comrade M R Venkataraman stood there to defend and faced the brunt of attack. He was one among those arrested then.

Ideological differences had been simmering on for a long time and in the year 1964, they came out into the open with 32 members of the national council of CPI walking out, leading to the formation of the Communist Party of India (Marxist). Comrade Ramani was one among those 32 members. In December 1964, thousands of CPI(M) leaders and cadres were arrested throughout the country under DIR and Ramani was arrested. He was released after 16 months of imprisonment.

In the year 1967, Comrade Ramani was elected as a member of Lok Sabha from Coimbatore. He was also elected four times to Tamil Nadu state assembly. During 1975-76, in the emergency period of Indira Gandhi government, he was arrested again. The police wanted to shift him from the hospital (where he was undergoing treatment) to the prison. He resisted this and with the intervention of Comrade AKG and PR, he was taken back to the hospital.

Comrade Ramani did pioneering work in organising the workers under trade unions in and around Coimbatore and Nilgiris districts and was in the forefront leading their struggles. He was the president of Tamilnadu unit of CITU for a long

time, leader of Electricity Board workers and employees and known in the textile industry as one of the very knowledgeable leaders. He was the president of the Tamilnadu Textile Workers Federation.

Comrade Ramani is survived by two daughters and a son.

Comrade Ramani is no more. Born in a very poor family, having gone through all the rigours of life with indefatigable spirit and sacrifice, he rose to be an acclaimed leader of the working class. Comrade Ramani continues to live in the hearts and minds of the toiling people as the recorded history of his life shall guide their struggles and living.

JUNE 13: COUNTRYWIDE PROTEST AGAINST OIL PRICE HIKE

At the call of Sponsoring Committee of Trade Unions, countrywide protest demonstration was observed against the unjust hike in the prices of petrol and diesel. In many places of the country, demonstration was held along with the Left parties. In Kerala a complete bandh was observed in protest of the oil price hike. All the trade unions and mass organization joined the strike in a big way.

In Maharashtra, joint rallies and demonstration were held in almost all the 36 districts. In Mumbai demonstration was held under the banner of Joint Action Committee of Trade Unions. In Patna a huge protest march was organised from Bhagat Singh Square converging into a big rally before the railway station. In Rajasthan, besides district level rallies throughout the state, the state capital Jaipur witnessed massive procession and rally. In West Bengal, a five-minute blockade of all vehicles was organised throughout the state on 12th June from 12 noon and massive demonstrations were held before central govt. offices in all the districts on 13th June. In Tamil Nadu, more than 30000 workers and people courted arrest while staging road blockade. Tripura witnessed demonstration and mobilisations in all the subdivisions in the state despite heavy rains throughout the day. Tripura Motor Shramik Union observed 12 hours strike on 13th June completely paralyzing the private transport services. In Assam, rallies and procession were organized in all the major towns. The National Capital Delhi also witnessed huge demonstration before Parliament.

CITU LEADERS KILLED BY MANAGEMENT GOONS

Three workers of Chamera Hydel project of NHPC were brutally killed by the goons engaged by the main contractor of the project, M/s Hindustan Construction Corporation (HCC), on 10th June. The project was located in the hilly tracts of Chamba district. The construction workers of the Chamera project were organized under CITU union and they have been demanding implementation of the basic labour laws. The main contractor of the project HCC, instead of responding to the just demand of the workers threatened the union and the workers with dire consequences.

The Hindustan Construction Corporation (HCC) already earned notoriety in such murderous assault on the workers. In Nathpa Jhakri Project in HP itself, they were instrumental in killing Devdutt, a CITU activists. The same HCC has also been responsible for getting construction workers killed in police firing in the Banihal railway project at Jammu and engineered brutal repression on the in close collusion with local administration. Everywhere they violate all basic labour laws with impunity in connivance with the law-enforcement authority itself. The private construction companies executing work of the power projects in Himachal Pradesh have been seriously

violating the labour laws and exploiting workers. These private construction companies do not adhere to even the basic rights of the workers like minimum wages, medical facilities, compensation for injuries and deaths during work and other facilities provided in labour laws. It may be noted that the same company i.e. the HCC, while executing the infamous 1500 MW Nathpa Jhakri Hydel Project had used similar kind of tactics killing Dev Dutt by hiring goons at one of the construction sites.

Himachal Pradesh possesses immense potential of generating hydel power. A large number of companies are entering the state for exploiting this potential. The state electricity board has enough resources to harness such a huge potential. But, going by the dictates and policies of the monetary agencies, the state government, led by the Congress party, is handing over such projects to private companies that too at a meagre 12% royalty. These private companies bribe the state officials to unprecedented heights in order to get such construction projects. As is the universal law no capital especially the industrial one can generate profits without exploiting the workers. The more it does more is the profit. It is this very reason that the managements of a large number of such companies are

inherently against the formation of any union. Because they know once the union is formed the workers shall not only demand minimum wages but also several other associated rights. To get rid of all this, a practice of hiring goons from outside if locals do not agree, is a common trend followed by the managements and is what happened on June 10 where the CITU leaders were killed. After holding several rounds of meetings they were planning to organise the workers and form a union. They were even warned and threatened by the management to stop organising the workers or face dire consequences. As the leaders named above were coming back to their office, they were ambushed and attacked with knives and iron rods. One worker could escape but three others - Baburam, President, Chamba District CITU, Vijay and Dhan Singh were killed on the spot. Somehow one of the activists of CITU managed to escape and it was he who informed about the attack otherwise the reality would have never been disclosed as the site of the project (Chamera III) is in the interiors of Chamba district where the communications system is quite poor.

The murder of these three comrades at Chamera sparked spontaneous reaction among the workers in the entire state. The work in the Chamera project

came to a standstill as the workers came out from work and demanded immediate arrests of the murderers and the concerned HCC officials involved with them. On 11th June there have been total strike in all the hydel projects in Himachal Pradesh at the call of CITU. The highways at several points viz., one leading to Manali, and other leading to Kinnaur were blocked for several hours by the striking workers and local people both at Largi and Rampur project. On 12th June, the Hotel workers in the state went on strike in solidarity from 3 pm to 8 pm and the workers of Shimla from Hotel, construction porters etc joined in a militant demonstration.

At Chamera, more than 5000 workers gheraoed the office of HCC and staged demonstration. Surprisingly the NHPC management who happen to be principal employer and also responsible for all criminal

misdeeds of HCC appointed by them remained a silent spectator till now and local law and order authority also did not take any step to arrest the murderers who have already been identified.

The CITU demanded that culprits and management of the Hindustan construction company be arrested immediately for brutal murder of three CITU leaders. Compensation of Rs. 5 Lakh to the families of the leaders killed in the attack be given immediately. The state government should initiate action against HCC and blacklist this company and all the construction works given in various projects in the state should be taken back immediately. Keeping in view the seriousness of such anti working class attitude of private companies in different projects, the state government should seriously implement labour laws

to protect the interests of the workers in the state particularly in power projects. Failing which, the working class of H.P. would launch a state-wide agitation to press these demands.

CITU General Secretary Chittabrata Majumdar sent a fax message to Union Power Minister, Sushil Kumar Shinde on 11th June demanding his urgent to intervene and blacklisting of HCC besides immediate arrest of the concerned HCC official. On 16th June, again, an urgent message was sent to power minister by Tapan Sen, Secretary CITU expressing dismay over the inaction of the central govt and power ministry in the matter and demanding immediate action before the situation turns worse. CITU also urged the NHPC management to intervene and act as Principal Employer to take stern action against the unlawful activities of HCC.

NON-METRO AIRPORTS: DECEIT AND DECEPTION

The Centre of Indian Trade Unions (CITU) condemned the decision of the government to transfer 35 non-metro airports in private hands despite Airports Authority of India's (AAI)'s repeated assertion to modernise these airports on its own. In a clear case of deceit and deception, government has shifted from its earlier position that privatisation of Delhi & Mumbai airports for modernisation was necessary so that AAI could pool its resources to develop/modernise the 35 non-metro airports, stated CITU. It clarified that it had no illusion that this was a pretext to privatise all the major revenue earning airports of AAI and making AAI, redundant in the civil aviation sector. "CITU's apprehension that under the cover of modernisation, the main objective in the case of Delhi & Mumbai airports was to permit commercial use of prime land by estate-developers masquerading as private partners has come true as government has now come out clearly that private sector would take up jobs of terminal side and city side development. CITU again warns the government of major land scam if it goes ahead with its present plan. The idea of taking out non-metro airports for privatisation leaving out Kolkata and Chennai is obviously aimed to pressurise the two non-congress governments for following suit on the matter of modernisation of these two metro airports". CITU cautioned the government again against such move and called for restraint. It called upon the people to oppose the mindless efforts towards privatisation in major areas of infrastructure, created with blood & sweat of the people, which is likely be followed in other areas like Railways as being pursued by the Planning Commission.

ANGANWADI EMPLOYEES: MASS RELAY HUNGER STRIKE

The Integrated Child Development Services Scheme has completed 30 years. The appraisal of three decades of ICDS conducted by the National Institute of Public Cooperation and Child Development of the Human Resource Development Ministry has noted that 'The scheme of ICDS has performed considerably well in our socio-cultural system during last few years to ensure children's right for survival, growth, protection and development and their active participation in environment where they live, grow and develop. It has attempted to gear up to the popular holistic vision of a comprehensive intervention programme with a child-centred approach respecting all cultural patterns and diversity, and served as an instrument of change to bridge social inequalities in the society.' In fact, ICDS can be developed into an effective mechanism to ensure the right to food, health and education to India's children.

But the anganwadi workers and helpers, who are the key functionaries in the implementation of the ICDS, are not absorbed as government employees with all the attendant benefits. The so-called 'honorarium' paid to them is so low that it is a shame to call it remuneration for any job. Even this meagre honorarium is not paid regularly. They are in such a pitiable condition that while they

teach the women in the community about nutritious food, they are not in a position to give the same to their own children.

They are made to perform a variety of jobs by the state governments, often without any additional remuneration. Not only are they to work in the anganwadi centres, but also the state governments force them to conduct different types of surveys; they are involved in creating awareness on HIV/AIDS, on diarrhoea treatment, in the early diagnosis of upper respiratory infections etc.. They play an important role in the implementation of the Pulse Polio Programme. The government calls them 'social workers', but has no hesitation to throw them out in the name of 'retirement', once they reach 58 years, without any pension or compensation.

Since several years the anganwadi employees have been demanding regularisation of our services and absorption as government employees. They have been demanding wages and better working conditions, not 'honorarium' that provides no honour. They have been demanding social security benefits like Provident Fund, Pension, etc. The All India Federation of Anganwadi Workers and Helpers has been conducting several agitations and struggles, both the state as well as at the national level on their demands. It has been

advocating that strengthening and universalising ICDS would be a step towards ensuring the right to food, health and education of our children, collected 1 crore signatures, mostly from the beneficiaries, on the demand and presented to the HRD minister. But the Central Government has not responded positively.

In this background the AIFAWH has decided to organise a ten-day mass relay hunger strike in Delhi during the monsoon session of the Parliament. The hunger strike will commence from 25th July 2006 and will last up to 3rd August 2006 with the following major demands:

1. Make ICDS permanent for the welfare of children and women and extend it to all human settlements to cover all the children in the country, as per the Supreme Court order.
2. Regularise anganwadi workers and helpers as Grade III and Grade IV employees.
3. Pending this, enhance honorarium to Rs 3,000 for workers and Rs 2,000 to helpers immediately.
4. Provide Social Security benefits like Provident Fund, Pension, Gratuity etc.

More than 1,000 anganwadi employees from different states will sit on hunger strike on each day. The Federation has appealed to all the CITU affiliated unions, mass organisations as well as the entire working class to support and extend solidarity.

REPORTS & EVENTS

PANIPAT : HEROIC STRIKE BY MILL WORKERS

About 18000 of 300 spinning mills at Panipat had been on strike since 29th May 2006 against police atrocities and demanding implementation of labour laws.

On 28th May Panipat witnessed biggest ever rally of the workers drawing participation of more than ten thousand workers at the call of CITU. The employers tried to keep the workers away from rally by calling the workers to work on Sunday, 28th May but mass of the workers stoutly refused to work on their weekly off day and joined the rally. Enraged by this, the employers, mainly the spinning mill owners, set the police force against the workers and right from 28th night, police carried out

massive raids in the workers colonies at different parts of the town, ransacked many houses and did not even spare the women. On 29th, the employers in many spinning mills threatened the workers for joining the CITU rally and as the workers protested through demonstrations before various factories, police lathi-charged and arrested many workers. This led to spontaneous strike in most of spinning mills at Panipat. Everyday from 29th onwards, striking workers assembled at different parts of the town to stage rallies, where leaders of CITU addressed. On 2nd June around ten thousand striking workers assembled before the

Deputy Commissioner's office, when the DC agreed to convene a joint meeting of the employers' association and CITU on 5th June to sort out the issue of labour law violation. In the course of negotiation at the level of DC from 5th June onwards, agreement was arrived at with the union on payment of statutory minimum wages, issuance of identity cum attendance card within a week's time, eight hours' work and equal pay for the women workers as their male counterpart.

CITU called upon the workers to keep vigil over the implementation of the agreement in all the factories.

CHANDIGARH TRANSPORT WORKERS' STRIKE

In Chandigarh Transport Undertaking (CTU), the CITU wrested the leadership of Chandigarh Govt. Transport Workers' Union by overwhelming majority in the secret ballot held on May 18-19, 2006. The management was furious over the victory of CITU. It started terrorising tactics to weaken the union. On 30th May evening, the Director, CTU issued order terminating service of Kamal Prasad (Blacksmith) and Sukhdev Singh (Conductor) without assigning any reason. The workers

en-masse responded with a spontaneous strike from 4 a.m. on 31st May and despite all efforts by the management to break the strike, not even a single bus of CTU could ply. By mid-day the Deputy Commissioner, Chandigarh Administration intervened and called a meeting of the trade unions and CTU management to resolve the issue. From the CGTWU, Jagdish Singh, President, Satyendra Singh, General Secretary, Vijoy Kumar Sainy, Sr Vice President and Santokh Singh, Treasurer attended the meeting

and Director CTU was also present along with other officials. All the termination orders had to be withdrawn and it was decided that in future, in case of any such termination, union has to be consulted and prior approval will have to be taken from the Home Secretary, Chandigarh. Raghunath Singh, General Secretary, Punjab State CITU addressed a big rally of the striking workers, where outcome of the meeting with the authority was announced and strike was called off.

Consumer Price Index Numbers for Industrial Workers on Base 2001=100

State	Sr. No.	Centre	Mar., 06	Apr. 06	State	Sr. No.	Centre	Mar., 06	Apr. 06
AP	1	GODAVARIKHANI	120	122	MHR	44	MUMBAI	121	123
	2	GUNTUR	116	117		45	NAGPUR	122	123
	3	HYDERABAD	113	114		46	NASIK	120	120
	4	VIJAYAWADA	115	117		47	PUNE	121	124
	5	VISHAKHAPATANAM	115	116		48	SHOLAPUR	117	118
	6	WARRANGAL	118	120	ORI	49	ANGUL-TALCHER	117	118
ASM	7	DOOM DOOMA- TINSUKIA	114	115		50	ROURKELA	119	121
	8	GUWAHATI	111	114	PND	51	PONDICHERY	119	121
	9	LABAC- SILCHAR	117	120	PUN	52	AMRITSAR	126	128
	10	MARIANI-JORHAT	112	113		53	JALANDHAR	124	124
	11	RANGAPARA- TEZPUR	109	109		54	LUDHIANA	125	127
BIH	12	MONGHYR- JAMALPUR	121	120	RJN	55	AJMER	117	118
CHD	13	CHANDIGARH	123	122		56	BHILWARA	121	122
CHS	14	BHILAI	118	119		57	JAIPUR	124	125
DLH	15	DELHI	119	120	TN	58	CHENNAI	114	115
GOA	16	GOA	118	118		59	COIMBATORE	116	117
GUJ	17	AHMEDABAD	114	116		60	COONOR	112	113
	18	BHAVNAGAR	114	115		61	MADURAI	113	114
	19	RAJKOT	115	117		62	SALEM	110	111
	20	SURAT	112	115		63	TIRUCHIRAPALLY	118	118
	21	VADODARA	115	115	TRP	64	TRIPURA	110	113
HRY	22	FARIDABAD	118	117	UP	65	AGRA	124	125
	23	YAMUNANAGAR	125	125		66	GHAZIABAD	123	123
HP	24	HIMACHAL PRADESH	117	118		67	KANPUR	123	122
J & K	25	SRINAGAR	114	117		68	LUCKNOW	118	119
JRK	26	BOKARO	116	116		69	VARANASI	118	119
	27	GIRIDIH	128	128	WB	70	ASANSOL	119	121
	28	JAMSHEDPUR	122	124		71	DARJEELING	117	116
	29	JHARIA	122	122		72	DURGAPUR	116	117
	30	KODARMA	128	129		73	HALDIA	111	113
	31	RANCHI HATIA	121	122		74	HOWRAH	116	118
KNT	32	BANGALORE	121	122		75	JALPAIGURI	113	113
	33	BELGAUM	119	121		76	KOLKATA	116	118
	34	HUBLI DHARWAR	119	120		77	RANIGANJ	119	123
	35	MERCARRA	111	111		78	SILIGURI	121	121
	36	MYSORE	119	120					
KRL	37	ERNAKULAM	122	123					
	38	MUNDAKAYAM	121	123					
	39	QUILON	123	125					
MP	40	BHOPAL	121	122					
	41	CHHINDWARA	119	121					
	42	INDORE	117	119					
	43	JABALPUR	122	122					
ALL INDIA INDEX								119	120

SAVING 'NAVARATNAS' OR OBLIGING NORTH BLOCK?

Dipankar Mukherjee

"IF we don't let our navaratnas glow, energy security will cease to grow" – that's how the ad-campaign by Ministry of Petroleum & Natural Gas starts for justifying what it calls a minimum increase in price of diesel and petrol. As a matter of fact prime minister time and again had made pointed reference to financial distress of some navaratnas in petroleum sector. The navaratnas, referred by Ministry of Petroleum & Natural Gas and the prime minister are obviously the three public sector Oil Marketing Companies (OMCs) i.e. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) which are bearing the brunt of steep increase in crude oil prices in the international market, unlike the private oil refiners who take the maximum advantage of high refining margin in the present import-parity pricing mechanism without sharing any part of the same with economically vulnerable sections of the country. Minister of Petroleum & Natural Gas, said "we are also keen to avoid excessive damage to the financial health of our oil PSUs" and price hike as per him was the only option to ensure the same.

In the above background, the financial result of IOCL, the biggest of the three navaratnas, for the year 2005 – 2006 makes an interesting reading. As per the audited consolidated result for the year ending March 31, 2006 profit after tax is Rs. 5115.90 crore. However, this comfortable profit has been achieved because Rs. 6571 crore has been received from government of India in March 2006 in the form of special bond in lieu of under-realisation on sale of kerosene and LPG. Otherwise, the company would have been partly in red. The Union Finance Ministry in the North Block seems to be benevolent in extending the grant.

Is it so? A little deep examination reveals the following:

Against product sale of 48.86 million tonne of IOCL in 2004 – 2005, the product sale in 2005 – 2006 was marginally less i.e. 47.52 million tonne.

However, the excise duty paid was Rs. 22796 crore in 2005 – 2006 against Rs. 16762 crore in 2004 – 2005, which means a net gain of Rs 6034 crore to North Block even though the product sale was comparatively less! Other gains in the tax front are in the current tax for the year 2005 – 2006, which is Rs 1945.02 crore against 1384.75 crore in 2004 – 2005, a gain of another Rs. 560 crore approximately. Add Rs 62.94 as fringe benefit tax which was nil last year. Add all the three and you find more than Rs. 6571 crore has been gained through tax and duty in the year 2005 – 2006! But the shocking revelation is para (c) of the "Notes" to financial result of above navaratna which says, "The Board of Directors has recommended final dividend @ 125 per cent which works out Rs 1460.02 crore, as against Rs 1693.62 in 2004 – 2005".

An amount of more than Rs. 3000 crore as dividend has been paid during last two years to North Block, when IOCL the biggest of the three navaratna OMCs is reportedly and truly under a financial stress. On one hand Ministry of Petroleum & Natural Gas is referring to forecasts which suggest that price of crude is likely to touch even higher levels in the coming month, on the other hand, it allows navaratna PSU like IOC to be literally fleeced to this extent by Union Finance Ministry. Petroleum Minister is hopping from Mumbai to Chennai for getting a relief of Rs. Rs 150 – 200 crore odd from one state or the other, when North Block gets away with an additional Rs 6656 crore tax and duty in 2005 – 2006 along with a dividend of more than Rs 3000 crore in two years. Would any private company pay a dividend @ 125 per cent if its financial health is as bad, as being projected by the government in its ad-campaign for OMCs? When the prime minister says, "However we can not continue to subsidise energy consumption on this scale", the pertinent question from the common man is whether the UPA government is for saving navaratnas, common man or NORTH BLOCK?

(The CITU deputed P Indira, Vice President of CITU, Tamil Nadu, to a Trade Union Training programme for "Capacity building for organising" organised by ACTRAV – Programme for Workers' activities of the International Labour Organisation (ILO). The course was conducted from 6.3.2006 for three weeks at Turin (Italy) where the International Training Centre of the ILO is functioning permanently followed by a study visit to Singapore for one week from 27.3.2006. Indira is sharing here her experiences. – Editor)

AT AN INTERNATIONAL TRAINING PROGRAMME...

The ILO training programme conducts throughout the year, in its campus situated on the banks of River Po, at Turin. The training programme in which I have participated, there were 16 participants in the Asia - Pacific group and 15 from Africa. We were two from India – one representing the HMS and myself from the CITU. Sometimes we had joint sessions.

At the outset, it was reported that, millions of workers all over the world are rendered jobless due to Globalisation, Privatisation and Liberalisation, consequent on which, the problems of informal economy, migration and threat on social security benefits so far enjoyed by workers, are increasing day by day. Permanent or regular natured jobs are converted into contract, temporary, part time jobs. As such, all the trade unions are facing a great decline in their membership. It was found that membership in general, except in India, as reported by CITU and HMS, was declining to the extent of 20% to 50% as a sequel to globalisation. To overcome this crisis, new strategies and techniques are to be learnt by the Trade Union leaders to organise the workers in new areas to increase membership.

Through group discussions, interactions and lectures the evil effects of LPG were explained. The Australian, Canadian and Italian Trade Union representatives also were worrying on their decline of membership. We noted that in the aftermath of globalisation, several trade unions in different countries were functioning like NGOs. Their national centres are receiving millions of dollars from members and providing medical schemes, insurance schemes, compensation on accident, educational aid etc. Frequently unions were compromising on the right to collective bargaining. Some trade unions in Italy and Singapore have adopted the policy of 'tripartism', instead of representing the interests of the workers.

Though the ILO and NTUC had made excellent arrangements, the training programme had some limitations due to the inherent nature of the ILO. ILO is a tripartite body representing the governments, employers and workers. Governments in most of the countries, particularly in the era of globalisation, are siding with the employers. Many are forced to succumb to the pressure of the multinational corporations and the international funding agencies like the IMF, World Bank, the Asian Development Bank etc, which advocate pro employers policies.

This character of the ILO, notwithstanding its name, becomes apparent when while teaching the strategies and techniques to organise the workers, it was also strongly advocated that as it was not possible to reverse the policies of liberalisation, privatisation and globalisation, the best solution would be to compromise. Of course, the course consisted of a few interesting organising techniques such as mapping in a new area to organise and SWOT (Strength, Weakness, Opportunity and Threat) analysis internally and PEST (Political, Economical, Social and Technical) analysis externally, before starting organising in a new area. At the end of the course, I was left wondering whether such courses were not pro-world capitalists to dilute and divert the workers of the Asian, African and European trade unions from marching along the path of struggle, of following the workers in the Latin-American countries, which have turned left.

As an activist of CITU I felt happy as well as proud that CITU's efforts in organising workers in the informal sector, the contract workers, women workers and other sections, based on ideology, policy and strategy, were widely appreciated at the international level. I perceived willingness by some trade unions from other countries to learn from our experiences.