



# CENTRE OF INDIAN TRADE UNIONS

## ELEVENTH CONFERENCE

“ Com. P. Ramamurti Nagar ”  
9 - 13 December 2003  
CHENNAI, TAMILNADU

## CONFERENCE DOCUMENTS





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**“Com. P.Ramamurti Nagar”**

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## **AGENDA**

1. Condolence Resolution
2. Presidential Address
3. Report of the General Secretary
4. Statement of Accounts for the year 2000, 2001 and 2002
5. Commission discussion on six subjects and report thereon
6. Resolutions on national and international issues
7. Declaration on the task before CITU on the problems of working women
8. Amendment of the CITU Constitution \*
9. Election of Office Bearers, General Council and Working Committee.
10. Any other subjects with the permission of Chair

*\* (Please see pages 4)*

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## PROPOSED AMENDMENTS TO CITU CONSTITUTION

(See item 8 of the agenda)

Section	EXISTING	PROPOSED
9. (A)	<p>The General Council shall consist of :</p> <p>(i) The President (ii) Vice-Presidents (iii) The General Secretary (iv) The Treasurer (v) Secretaries (Explanation: The number of Vice-Presidents and Secretaries will be decided by the Conference at each session) and (vi) Other members elected by the General Session of the CITU on the basis of: (a) one representative for every 5,000 members and any part thereof exceeding 2500, election Through cumulative voting.</p>	<p>The General Council shall comprise (i) Office-bearers (ii) 425 other members elected by the general session of the CITU Conference as per norms noted below:</p> <p>The 425 seats as above will be distributed among the State Committees of the CITU in proportion to their respective membership strength to the total membership of the CITU forming the basis of election of delegates to the general session of the CITU Conference.</p> <p>{Explanation: This 425 shall include 125 members of the Working Committee, as in Section 10. (1)}</p> <p>(aa) The delegates from each state shall elect the member(s) from the respective state as per number determined as at (a) above)</p> <p>(aaa) The names of members of the general Council elected as above shall be approved by the general session of the CITU Conference.</p>
10. (1)	<p>The Working Committee of the General Council will consist of (a) All office-bearers of CITU, (b) and members elected by the General Council by a system of cumulative voting subject to para (d) of section-4. The number of members will be decided by the Conference at each session.</p>	<p>The Working Committee of the CITU shall comprise:</p> <p>(a) Office-bearers and (b) 125 members elected by and out of the General Council from each state in the same manner and proportion, as described in Section 9. (A) (ii) (a). (c) The names of members of the Working Committee elected as above shall be approved by the meeting of the General Council.</p>
10. (2)	<p>The Working Committee shall meet at least twice a year.</p>	<p>The Working Committee shall meet at least once a year.</p>
11. (1)	<p>(a) The office-bearers of the CITU shall consist of:</p> <p>(i) a President (ii) a General Secretary (iii) Vice-Presidents (iv) a Treasurer, and (v) Secretaries</p>	<p>Add at the end;</p> <p>(Explanation: The number of Vice-Presidents and Secretaries will be decided by the Conference at each session)</p>



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurti Nagar”**

**9-13 December 2003  
CHENNAI, TAMIL NADU**

## TIME-TABLE

9.12.2003:	10.00 AM	:	Reception to Conference Jathas
	10.30 AM	:	Flag hoisting – Homage to martyrs
	11.00 AM-1.30 PM	:	INAGURAL SESSION Welcome Address Condolence Resolution Presidential Address Greetings by Central Trade Unions Resolution against the brutal offensives of the TN Government against democratic rights
	3.30 PM-5.30 PM	:	Delegates' Session Introduction of General Secretary's Report Presentation of Treasurer's Report
	6.00 PM-8.00 PM	:	Delegates' Session Greeting the International Delegations Messages greeting the Conference Discussions on General Secretary's Report
10.12.2003:	9.30 AM-1.30 PM	:	Delegates' Session
	3.30 PM-8.00 PM	:	Delegates' Session Discussions on General Secretary's Report Greetings by Fraternal Organisations
11.12.2003:	9.30 AM-1.30 PM	:	Delegates' Session Discussions on General Secretary's Report Adoption of Amendments to the Constitution
	3.30 PM-8.00 PM	:	Discussion of the Draft Declaration on tasks on Working Women's front
12.12.2003:	9.30 AM-1.30 PM	:	Discussion in the Commissions
	3.30 PM -7.00 PM	:	Discussion in the Commissions
	7.00 PM-8.00 PM	:	Meeting of the CITU Secretariat
13.12.2003:	9.30 AM-12.30 PM	:	Delegates' Session Presentation of reports on commission discussions Adoption of Credential Report Reply by General Secretary Adoption of Report & Statement of Accounts Election of Office Bearers and General Council
	1.00 PM	:	General Council Meeting
	1.30 PM	:	Election of Working Committee Concluding speech of the President Vote of thanks
	4.00 PM	:	Mass Rally

Tea Break - 11.00 AM to 11.30 AM & 5.30 PM to 6.00 PM  
Lunch Break - 1.30 PM to 3.30 PM



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

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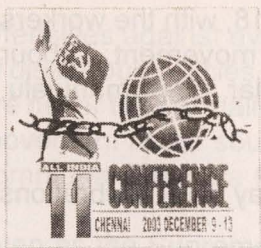
**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## DEBATE ON REPORT OF THE GENERAL SECRETARY TIME ALLOCATION FOR STATE-WISE DELEGATIONS

NAME OF THE STATE	Time allocated (Minutes)
Andaman & Nicobar	7
Andhra Pradesh	25
Assam	7
Bihar	7
Chhattisgarh	7
Delhi	7
Goa	7
Gujarat	7
Jammu & Kashmir	7
Jharkhand	10
Haryana	7
Himachal Pradesh	7
Karnataka	12
Kerala	85
Madhya Pradesh	7
Maharashtra	7
Orissa	7
Punjab	7
Rajasthan	7
Tamilnadu	30
Tripura	12
Uttar Pradesh	7
Uttaranchal	7
West Bengal	110
CITU Centre	7

*(Time allocation has been done keeping provision for translation time)*



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## WELCOME ADDRESS

**C**omrade President, Esteemed Guests from International Fraternity, Leaders of Central Trade Unions and Mass Organisations, Delegates and Invitees,

I extend our warm welcome and revolutionary greetings to all of you, on behalf of the Reception Committee of the XI Conference of the Centre of Indian Trade Unions.

In the long and chequered history of over three decades of the CITU, it is the second time that we, in Tamilnadu, have been bestowed with the proud privilege of hosting the all India Conference. You all know that in 1979, we were given the first opportunity of hosting the IV Conference of CITU. The toiling people, democratic masses, and the multitude of CITU cadres in Tamilnadu are deeply indebted to you all for conferring again this honour on us.

While welcoming you to this city of Chennai, formerly known as Madras, I wish to recall the innumerable and glorious struggles waged by the working class, extending back to the earliest days of our independence movement.

Tracing the origin of strike struggles towards late 19th and early 20th centuries, several labour historians have recorded a few important strikes between 1882 and 1890 itself by the working class of Tamil Nadu, then known as Madras Province.

In Coimbatore, a textile conglomerate of Tamilnadu, the spinning and weaving mill workers embarked upon a strike as early as in May, 1890.

The Southern India Spinning and Weaving Co. at Madras recorded five strikes between the years 1881 and 1890. Government Press Workers at Madras went on a six-months long strike in 1903, demonstrating the fighting resolve of the nascent working class.

The working class movement in its infancy was growing and gaining in strength in the cradle of the nationalist and freedom struggles. The celebrated doyen of the freedom movement in Tamil Nadu, V.O. Chidambaram, led the heroic strike of Coral Mill workers of Tuticorin in 1908, braving savage punishment by the colonial rulers.

It is to be noted here that Mahakavi Subramania Bharati, the renowned nationalist poet and a close associate of V.O. Chidambaram, hailed the October Revolution as an epoch making revolution and as one of the most significant events in the history of mankind.

It is also the proud privilege of Madras that the Madras Labour Union, formed in 1918, with the workers of Buckingham and Carnatic Mills, laid the foundation for a modern trade union movement. Labour Veterans, B.P. Wadia, Annie Beasant, Thiru Vi. Kalyanasundaram, Sakkarai Chettiar, G. Ramanujalu, and G. Selvapathi were among the founder leaders of this movement.

The city of Madras has also the historical honour of conducting one of the first ever May Day Celebrations in India in the year 1923, which was organised by Comrade M. Singaravelar.

This glorious past and rich tradition of the working class of Tamil Nadu, which I have recalled so far, is only to reaffirm our determination to carry it further forward.

### **Comrades!**

We are meeting here at a very critical point of time in the history of the international working class movement. Imperialist powers, led by the U.S.A., utilising the present unipolar world situation, are mounting multipronged offensives - militarist, economic and ideological against the freedom and Independence of countries and the democratic rights of the people. Socialist ideology is under the most virulent attack of the reactionary forces.

Our country is in the throes of a deep crisis, in the political, economic and social spheres. Capitulation to the IMF - World Bank dictated economic 'reforms' prescriptions by the successive regimes at the centre has virtually resulted in the abdication of the country's right to self-reliance in the economic sphere with ominous portents to the sovereignty of the country.

The resurgence of right wing, reactionary and communal forces, during the last five years of the BJP led governance at the centre, has thrown up a formidable challenge to the unity of the working class and the people by their fascistic and genocidal onslaughts. The threat to national unity from secessionist forces, aided by imperialist powers, is assuming alarming proportions. The added strength gained by the fundamentalist and obscurantist forces is spreading communal virus throughout the country and is eating into the vitals of people's unity.

The CITU, with innumerable sacrifices made by our martyrs, all over the country, has the proud distinction of being in the forefront of the struggle to defend freedom, people's unity, economic independence and labour rights. Our movement today stands at the centre-stage in this struggle rallying round the democratic, secular and patriotic working people.

In Tamil Nadu, we, in our own humble way, are carrying on the fight against the anti-people and anti-worker policies of the NDA government at the Centre and the despotic AIADMK rule in Tamil Nadu.

You are well aware that Tamil Nadu recently witnessed both the heroic strike by over 13 lakh government employees and teachers as also the unprecedented state terrorism let loose by the A.I.A.D.M.K. regime here. Enemies of the working class may rejoice with unconcealed glee over the totally unacceptable interference of the Supreme Court of India declaring, in essence, that the workers of the country cannot lay any claim to right to strike. But, the time tested militant leadership of CITU is meeting here in this Conference with a firm resolve to give a fitting rebuff to the powers that be and declare that the working class will defend its inalienable right to strike, by organising more and more of intensified working class actions.

The State Government here had earned notoriety in its brazen misuse of the draconian POTA, blatant

offensives against every aspect of democratic rights of all sections of the people and senseless pursuit of disastrous policies of economic 'reforms'. Though the ruling AIADMK and its Chief Minister Jayalalitha are never tired of claiming the legacy of Periyar Ramaswamy, the founder of the Dravidian and rationalist movement in the south, it has passed the obnoxious Anti-conversion law, which is sweet music to the communal hindutva forces in the country.

Even as the Supreme Court verdict came out with its pronouncements denying the workers their right to strike, the CITU promptly pointed out that this is not just an onslaught on workers but on the very democratic rights of the mass of the people. The subsequent dramatic events following the sentences of imprisonment delivered by the Legislative Assembly of Tamil Nadu on the news media persons - including those of the national daily 'The Hindu', which is in its 126th year of publication - taking cover under the hitherto uncodified privileges of the legislature, have proved the point beyond doubt. The working people, both in Tamil Nadu and elsewhere in the country, stood in the forefront to defend the freedom of the Press, in solidarity with the entire media persons protesting against the draconian move of a despotic regime.

In this background, this 11th Conference of CITU is meeting at a defining moment for the trade union movement in the country. With the entire spectrum of the trade union movement having unitedly resolved to enter a decisive action phase to defend the right to strike, it is hoped that this Conference will chalk out plans to carry the resistance struggle to further heights and to chart out the further path of advance of the Indian working class and democratic movement.

Our State Committee, entrusted with the hosting of this five-day long session, has accepted it as a great responsibility and tried to do its best. The Reception committee has endeavoured, to the best of its ability, to make your stay here as comfortable as possible. We may fall short in fulfilling your needs in some aspects, for which we seek your comradely forbearance.

Workers of the World Unite!

Inquilab Zindabad!!

C.I.T.U. Zindabad!!!

**N.Sankaraiah**  
**Chairman**  
**Reception Committee**



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

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## PRESIDENTIAL ADDRESS

**D**istinguished Guests, Comrade Delegates and Friends,

Let me greet you all assembled here in this inaugural session.

The CITU is holding its 11th Conference in this historic city of Chennai, after a gap of 24 long years. Tamil Nadu has produced several outstanding personalities, who have made their invaluable contributions to the working class movement in our country. We recall the pioneering role of leaders like V.O. Chidambaram Pillai, who organised the young workers of Coral Mills in Tuticorin at the beginning of the 20th century; M. Singaravelar, who hoisted the red flag on the sands of Marina Beach to observe the first ever May Day in India; Annie Besant, B.P. Wadia, Sakkarai Chettiar, Selvapathy Chettiar and Thiru Vi Kalyana Sundara Mudaliar, who led the workers of Buckingham and Carnatic Mills and founded the first ever organised trade union - the Madras Labour Union - in the country; P.Jeevanandam, who bravely led a number of struggles of workers throughout the state; M. Kalyana Sundaram and K. Anandan Nambiar, who organised the railway men's movement; A Balasubramaniam, A. Nallasivan, and V.P. Chintan, who made an indelible imprint on the trade union movement in Tamil Nadu; not the least, P. Ramamurthy, whose immense contribution to the labour movement was befittingly recognised by the CITU in electing him as our founder General Secretary. There are many more names in the galaxy of trade union leaders in Tamil Nadu, whose lives have also been a memorable saga of struggle and sacrifice, whom I am unable to recount here due to constraints of time. Let me pay our humble homage to the memory of these departed leaders and other countless martyrs in Tamil Nadu, who adorn the pages of trade union history with their self-less dedication and work.

I also record here the contributions of two other living legends - K. Ramani and R. Umanath, who are carrying forward the rich legacy of the veteran leaders in this part of the country, from the days of the independence movement till date, guiding the CITU as beacon lights.

It is here at Chennai, that in 1979, our founder President B.T. Ranadive gave a clarion call for the formation of a Confederation of Trade Unions in the country, a cherished dream, for which we have to work hard to make it blossom into a reality. Let me congratulate our Tamil Nadu committee for undertaking the task of hosting this 11th Conference here.

I am glad to observe that the CITU has intensified its activities during the last three years after our Tenth Conference in Hyderabad from 27th to 31st of December, 2000. We have led many industry-wide and nationwide struggles, besides local movements and actions for the protection of the workers' rights. We are the front rank fighters against the implementation of the World Bank dictated policies by

the central government and many state governments led by BJP, Congress and the state based bourgeois parties, who are in fact vying with each other to satisfy the profit mongering national and multinational corporations, on the plea of attracting investment.

This was a period of struggles against the encroachment of the hard earned privileges and rights enjoyed by the Indian working class. The privatisation drive of public sector industries, the attempt to curtail the legal rights enjoyed by the workers, the steps taken to impose reduction of welfare amenities, downsizing, outsourcing, retrenchment and closures etc are dealt with in the General Secretary's report.

This period also witnessed the growth of communalism to a dangerous level. We have seen in Gujarat the state sponsored genocide of minorities, led by Narendra Modi - the RSS Chief Minister and the daily increasing vicious outbursts from the RSS - VHP leaders like Togadia , Ashok Singhal and others, abetting communal tensions and raising the issue of building the Ram temple at Ayodhya. The government machinery is increasingly being used to change the secular educational framework and for the penetration of RSS elements in the key posts of administration including that of defence etc.

The overriding danger during this period is the increasing imperialist offensives. We have witnessed increasing attempts at occupation of Independent countries by US imperialism with their allies, even ignoring the United Nations. The latest example of the brazen display of military might by the war-alliance led by the United States and Britain is their attack on Iraq.

The period ahead is a period of all embracing battles by the working class for a policy change – a change in the imperialist dictated policies.

This is evident from the changing mood of the Indian working class. Even those trade unions, which choose to go along with the liberalisation policies of the ruling bourgeois parties at the centre and the states, will be forced to join this massive movement. If they refuse to do so, they will lose their clout with even those sections of workers who are at present with them. This is not because of any political pressure from outside but because of the daily increasing adverse impact of globalisation on the workers.

This is not the case only with India, but with the rest of the world also, as is being witnessed in the developed countries and elsewhere. The theory on which the bourgeois leaders were banking - that "the working class has lost their fighting power", the fighting power for social change, is being torn to pieces in the United States, Europe and elsewhere in the recent period.

Comrades, let me elaborate further on some aspects of the present situation, which are of utmost importance.

At the outset, I wish to recall briefly the attack against the government employees and teachers by the Government of Tamil Nadu, in unilaterally curtailing their pensionary benefits and many other existing privileges. Naturally, this invoked a lot of resentment among the employees and forced them to go for a protest strike action, in which almost all the employees, around 13 lakhs, took part. To suppress the agitation, the Government resorted to the unprecedented step of amending the Tamil Nadu Essential Services Maintenance Act (TESMA) through an ordinance and providing, *inter-alia*, for summary dismissal of the employees. Using this draconian law, one lakh and seventy thousand employees were dismissed from service and other punitive actions initiated against many thousands, which is unprecedented in the history of India and the world itself. In this situation, some trade unions sought

the intervention of the judiciary. A division bench of the Supreme Court of India through its verdict declared that the workers have no fundamental, legal, statutory, moral or equitable right to go on strike. The details of the verdict are very much known to you.

Many a renowned personalities and legal luminaries including Soli Sorabjee, the Attorney General of India, have gone on record that this judgement was against the spirit of the present legal arrangements existing in the country like the Industrial Disputes Act and the fundamental rights guaranteed in the Constitution, and demanded steps to reverse the impact of the judgement.

Besides the legal provisions, we all know that even under the present capitalist order, the right to collective bargaining is a 'basic right' and the mainstay for ensuring at least a minimum tolerable human existence for the working class. Today in the present society, unemployment is so huge that thousands compete for a single vacancy. The job seekers are forced to agree for subhuman wages. The right to collective bargaining is the main weapon, which the workers use for achieving better service conditions. Collective bargaining can be effective only with the right to strike. And that is why the right to strike is essential to ensure social justice and human living conditions to the working class. This is the reason for the united opposition of the trade unions and the democratic sections of people to this verdict against the right to strike.

Civil servants throughout the world are exercising their right to strike against the governments' attempts to curtail the existing rights and for the betterment of their working conditions. Though we have seen the escalation of government employees' actions throughout the world in the recent months, nowhere have we witnessed the 'Jayalalitha model' of treatment to them.

The inhuman and uncivilised treatment meted out to its employees by the Government of Tamil Nadu is condemnable not only because it is against the workers but also against the democratic polity of the country itself. Therefore, it needs no stress that it is the duty of every trade union worth its salt to rally the workers as a class in the fight for restoring the "right to strike".

Before proceeding further, let me make a mention about foisting of cases against the political leaders of the state charged with treason for supporting the strike by Tamil Nadu government employees and teachers. These cases against leaders like Karunanidhi, the DMK Chief, N. Varadarajan, Secretary of the State Committee of CPI (M), R. Nallakannu, Secretary of the CPI State Committee and E.V.K.S. Elangovan, the then State Working President of Congress, further expose the autocratic anti working class nature of the Jayalalitha government.

The latest incident of the awarding 15 days' imprisonment for the publishers and four senior editors of '*the Hindu*' and the editor of '*Murasoli*' by the Tamil Nadu legislature goes to show the developing despotic nature of governance in Tamilnadu. The Chief Minister Jayalalitha wants to suppress the media from exercising their legitimate right of reasonable criticism which is guaranteed by the constitution. We are not against the parliamentary privileges as such but it should not transgress or curtail the fundamental rights guaranteed by the Constitution. The existence of a strong independent fourth estate is a guarantee for democracy. However the Supreme Court has temporarily stayed this order and sought for explanations.

Even earlier, we have witnessed Jayalalitha's intolerance and despotic nature in the use of the draconian POTA against her political opponents, which is also under question mark today. It seems that she forgets that the final arbiters - the people of Tamil Nadu - are closely watching this drama. I am confident that they will decisively act to teach her a lesson.

## INTERNATIONAL DEVELOPMENTS

We were periodically taking note of the international developments during our Working Committee and General Council meetings after the Tenth Conference with special emphasis on the increasing imperialist offensive. Hence a detailed account is neither necessary nor possible now.

In sum, the events of last three years go to show that the tentacles of imperialist led globalisation reach into every part of the globe spearheaded by the new trans-national corporations. The World Bank, the International Monetary Fund and the World Trade Organisation, economic regimes, are mainly working in the interests of the transnational corporations and systematically intensifying the bondage of the weaker nations.

The United States, the single super power with its unrivalled mighty military and economic strength, publicly proclaimed that they have the right to intervene politically and militarily into any country over the world "in pursuit of protecting their national interests," ignoring the entire existing international legal framework including that of the United Nations. This is the most dangerous phase of imperialism today.

The inter-imperialist rivalry has developed significantly especially during and after the Iraq war, and a multi polar trends are manifesting wherein many countries of Europe and Asia, Russia and China are coming together on many issues to resist US hegemony.

The US imperialism stands exposed and is increasingly getting isolated from the people world over, while the anti-imperialist movements are getting strengthened on a world scale along with the fight against capitalist system itself. These are, in short, the main features of the international arena.

We all know that after the September 11, 2001 attack on World Trade Centre in New York, the United States along with its allies, led two wars. One was against Afghanistan and the other against Iraq. In both, they won by using their superior military might. But after these victories, the United States is in a quagmire faced with stiff opposition from the people of these countries with daily increasing patriotic resistance.

The situation in Iraq is getting worse day by day for the occupying forces, because of the increasing guerrilla type attacks and attacks using sophisticated weapons - car bombs, rockets and missiles etc, with daily increasing casualties for the occupying military forces. The total death of American military personnel after the official declaration of end of major combat on May 1 is said to be more than the total casualties officially stated during the war. Besides, the planned attacks on the oil supply lines jeopardise the American target of oil export. In short, the situation is worse than the Vietnam war scenario. US is resorting to heavy bombing on the guerrilla centres, which reminds us of Hiroshima and Nagasaki where the American Imperialism tested their atom bombs. In Iraq too, they are testing their latest weaponry.

However, the continuing attacks against the occupying forces is demoralising the American military personnel and they are increasingly becoming homesick. Because of the worsening security situation in Iraq, Japanese government decided to put on hold sending its army to Iraq. Philippines declared that they will withdraw their armed personnel from Iraq quickly without notice if the security situation worsened.

The situation in Afghanistan too is very much disturbing for the US. The Taliban forces are regrouping

and are already in control of certain areas again.

The people's resentment in America and Britain against occupation of Iraq is very much on the rise. On October 26th, one lakh people demonstrated before the White House demanding that the US pull out from Iraq. This was the biggest people's protest after the official ending of war.

We have witnessed the mood of the British people during the state visit of George Bush on 18th November'03 to London. The British government had to mobilise a security cover of 14 thousand police officers fearing the people's protest. However, the government could not stop the huge demonstration against the "unwanted guest" - Bush.

The failure of the authorities to unearth the "weapons of mass destruction" during or after the war and the confessions that they were forced to make in the American Congress and the British Parliament that the intelligence dossier relied on for the war was wrong and exaggerated, infuriated the people of USA and Britain. Besides, the latest exposure about the proposal made by Saddam Hussein to the American authorities, just before the beginning of the war, that he would permit the American military personnel to Iraq for finding out arms of mass destruction, which they ignored and went to war, has further aggravated the people's ire.

The real imperialist strategy was drawn up much ahead of Iraq war.

Their aim was to gain control over Central Asia and the Middle East, where the world's largest reserves of oil, gold and other valuable mineral wealth is concentrated, for establishing their global hegemony. For this, they have taken control of Afghanistan and the next target was predetermined to be Iraq. Hence, they refused to accept the report of the U.N weapons inspectors or the suggestion made by Saddam Hussein at the last minute and went to war. It has once again been proved that imperialism and truth rarely go together.

I do not wish to go into the other details, but will only make a short reference to the peculiarities of Iraq War.

1. This war started ignoring United Nations.
2. It started on a false premise.
3. It saw the biggest anti-war protest demonstrations, unprecedented in history.
4. Bush and Blair, who led this war, are facing people's fury in their countries.
5. These anti-war demonstrations have an anti-imperialist edge.
6. The US and its allies are frantically struggling to wriggle out of Iraq without loss of face.

This little elaboration about the Iraq war is made to expose the present imperialist agenda. They are also targeting Iran, North Korea, who are in their view 'axis of evil' and Syria.

While the entire capitalist world is struggling to come out of the recession and to show economic growth, Socialist China is advancing fast and predicted to pose a challenge to the USA in the next few decades. It has registered an average GDP growth rate of 10% in the last two decades. The standard of living of its huge population has shown a marked improvement. Its advance in science and technology has been demonstrated by the successful manned space mission.

The four decades old US imposed economic blockade against Cuba is not only continuing but fresh threats are also being made by George Bush. The blockade on trade and economic transactions,

investment and even travel to Cuba is being intensified, besides encouraging insurgency led by the so called Cuban Americans living in Miami, despite the enormous public criticism against it around the world as well as in the US. Though United States is isolated in the UN and the comity of nations, it refuses to lift the embargo against Cuba. This again goes to prove the US imperialist arrogance.

Israel is the creation of United States as its outpost in West Asia to be used as a strategic base to impose their suzerainty in the Middle East. The US was helping Israel to build up its army with sophisticated weapons including the nuclear armaments. Now Israel has become arms trader in West Asia. The US is also supporting all the measures taken by the Israeli government to scuttle the formation of a free motherland for the Palestinian people, while always posing that it is neutral and trying to bring peace in this area. Of late the much publicised "road map to peace" proposed by the United States also proved to be a plan for legitimatising Israeli aggression and to impose a pliable administration in Palestine removing Yasser Arafat. The Israeli threat to assassinate Arafat created a big furore all over the world. The Security Council's resolution condemning the threat to Arafat's life got the majority vote of eleven out of fifteen with three abstentions. The United States used its veto and thereby justified Israel's patently criminal threat and has been thoroughly exposed in this episode.

On November 20th United Nations Security Council unanimously endorsed a West Asia road map for solving permanently the Israeli-Palestine conflict. The Palestinians welcomed this move; Israel was critical. The United States too supported this resolution with some amendment in the language on terrorism. How this is going to work out is still a moot question.

### **WTO: CANCUN DERAILEMENT**

The imperialist countries are using the WTO as an instrument to promote their own interests through their protectionist policies, while imposing conditionalities over the developing countries and the weaker nations and insisting on complete opening up and tariff reduction on agricultural, industrial and other products. 22 developing countries, including China, Brazil, South Africa and India, came together in the recent WTO Ministerial Meeting held at Cancun, Mexico and could successfully block the US – EU agenda, at least for the time being. Thus, the Cancun meeting virtually failed. But even after this, US made it clear that they will proceed with their own trade treaties with other countries.

The Cancun Ministerial Conference too witnessed big protest demonstrations by farmers and workers, during which one Korean peasant stabbed himself to death to highlight the plight of the peasantry under the WTO regime. Thus, the Seattle pattern repeated here too, which has become a developing phenomenon in each and every gathering of World Bank, IMF and WTO leaders.

The World Social Forum is also creating big anti-globalisation platform in which the trade unions, NGOs and other organisations are becoming a part. The antiwar movement, which engulfed the globe is another phenomenon of great significance. Convergence of all these can create a world-wide resistance against imperialist led globalisation with an anti capitalist edge, provided coherent objectives are defined. The working class, as a class, must close their ranks and play a leading role in this movement.

However, we should not forget that the struggle has to be carried on nationally for a change of policies. There is an argument that the nature of capitalism is changed and it has lost its national feature and it is internationalised as part of globalisation and hence the fight for social change has also lost its national boundaries and got globalised. But in actual practice, the United States, European Union and Japan all operate trade barriers of one sort or another against each other and especially against the

third world goods. None of them pursue an open door policy. In reality, they attempt to identify, balance and promote the common interests of each country's monopolies – indeed, of each imperialism. They do not abolish inter monopoly and inter imperialist conflicts. Therefore, the intensification of struggle nationally, against the ruling class is of utmost important and only then can the policy be changed. A full scale elaboration on this is not possible now.

The canard that 'the working class movement' has lost its significance in the fight for social change is also to be exposed. The experience is otherwise. If the class is united and made politically conscious, it can play the leading role. The changing mood of the workers in the increasing class struggles in Europe and other countries, especially in Latin America, goes to prove this point.

Latin America, the US backyard, which was once their safe preserve, is slowly becoming a thorn in their flesh. The election results in Venezuela, Brazil, and of late Argentina, exhibited a new trend that the political forces which oppose US imperialist domination were chosen to power by the people after ding-dong battles. Though the US tried to destabilise these governments by encouraging reactionary forces they could not succeed. They are coordinating with each other to follow independent economic policies and developing fraternal relationship with Cuba, which opens up a new situation in South America. These developments are influencing Latin American politics very much.

The latest Bolivian development is a pointer. Sanchez de Lozada, the President of Bolivia was following the dictates of US on every issue and of late he decided to export natural gas to the United States, through Chile which provoked big unrest. The people wanted the natural gas reserves should be used for the Bolivian people's benefit. There was also discontent among the peasantry on the Cocoa eradication policy pursued by the government under American pressure and the huge corruption of authorities. Big demonstrations took place in which lakhs of people, especially workers, peasants and students participated. To suppress this government unleashed military terror and killed over 55 people. Dissent developed among the ruling coalition and finally the president had to run away from Bolivia seeking asylum in United States. The Vice President took charge of the government promising immediate election and announced change of policies. According to political reports, the situation strengthened the hands of the political figure considered to be the main enemy of United States, Evo Morales. It is predicted that a new situation has come in Bolivia, the land of 'Che Guevara', with the possibilities of a leftist taking over the reins of the government in the coming elections. The situation in Colombia and Ecuador too are disturbing for the Bush administration. This, in short, is the changing scenario in Latin America.

## **WORLD ECONOMY TODAY**

The world capitalist economy presents a gloomy scenario. The growth rate in advanced capitalist countries is at low ebb. Growing Budget deficits, trade imbalances, debt burdens, besides deflationary virus are haunting the developed economies. The 'United Nations Economic and Social Survey 2003' speaks of a persistence of a slow down in investment, trade growth and rising unemployment. The Bank of International Settlements, in its annual report for 2003, observed that during the past year, "economic disappointments, interrelated developments in the geopolitical, economic and financial spheres held back growth and led to great uncertainty about the future." It also said that "the weakening of the dollar may set off fundamental changes in the global economy."

The US economic growth last year was 2.5% but in the first half of this year, it went down to 1.5%. The latest prediction of 2.8% for 2003 might be due to the interest rates reduction of last June. The US budget was in surplus of 281 billion dollars in 2000. In the current fiscal year, there is a deficit of 401

billion dollars. The forecast for the next year is a deficit of 540 billion dollars, which is 5% of the GDP. Germany's GDP rose by 0.9% at an annual rate in the third quarter of 2003 while France's is 1.6%. Euro area as a whole was expected to grow by 1.5% in 2003. However, the latest forecasts put it only at 0.4%. While the unemployment rate in Germany is 10.7%, it is 9.3% in France. Unemployment rate is high in the entire area.

The EU small description Euro shows that the mighty US economy and the other advanced economies of the world are facing economic slow down and crisis.

Now, let us see the effect of globalised world capitalist economy at work. Let me quote the observation made by Juan Somavia, the Director General of ILO, in the 91st ILO Conference held on 3-19 June, 2003 at Geneva: "The persistence of poverty is a moral indictment of our times. While there are some signs of progress, the fact remains that never have we seen so much wealth while so many continue to live in abject poverty."

"Poverty is a complex, deep-seated, pervasive reality. Virtually half the world lives on less than US\$2 a day. More than 1 billion people struggle on \$1 a day or less. And, an even greater challenge lies beyond what statistics can measure – poverty breeds a growing sense of powerlessness and indignity, of being unable to think, plan or dream beyond the daily struggle to survive." That is the fate of more than 300 crores of people. He further added: "To be sure, poverty is a global phenomenon that occurs in every society. No nation is immune. In 20 industrialised countries, for example, over 10 per cent of the population, on an average, was living below the poverty line in the mid-1990s."

The data shows that in the developing countries and the less developed countries - the poverty ratio is well beyond 50 % to 80%, while the corporate world was amassing huge wealth. This is the actual result of the world capitalist economy under imperialist led globalisation. It has helped the concentration of wealth in developed countries, especially the USA. The finance capital has been used by US monopolies for short term investment for earning quick profits putting many countries in serious crisis. The US share of world industrial production rose from 23% in 1990 to 28% in 2001, while the share of the weaker nations has dwindled. **This shows the fact that imperialist globalisation has not globalised production and prosperity. On the contrary, it has globalised "misery, poverty, hunger, disease, inequality and destruction."**

The tall claims made by the captains of capitalism at the beginning of 1990s that "they are out to build a new world order, a crisis free capitalist society using the modern technological (IT) revolution" is thus exploded "within a very short span of time". The world capitalism today is facing a serious crisis resulting in indescribable miseries for large majority of the world population. The notion of "crisis free capitalism" is a pipe dream.

## **DEVELOPING WORKING CLASS STRUGGLES: NEW TRENDS**

The "jobless growth" model of capitalism is now changing to a "job killing" mode. In order to keep the profits high in every industry, the number of jobs is being reduced by various methods including the use of new technologies. Downsizing, outsourcing and shifting of industries to low wage areas, reduction of welfare amenities, besides the attempt for direct wage reduction etc., are becoming the order of the day. Naturally, this is resulting in increasing working class resistance every where.

The unemployment rates throughout the world are on the increase and reaching unbearable levels. In

the US, 3 million private sector jobs were lost in the last two years. Long term unemployment has tripled and is the highest since 1994.

In Europe, nationwide and industry wide strike actions were staged by the industrial and service sector employees. This has been reported by the capitalist press as the biggest strike action after 1995 and in the case of Austria, after the Second World War.

In America too, working class actions are on the increase. The attempt to terminate overtime pay for 8 million workers attracted big protests. All the trade unions in one voice joined this action. As per the existing law, the working week is 40 hours. On average, they work for 50 hours. Overtime payment rate is 1 ½ times and therefore the cut will result in a huge reduction in their income. The American workers are also demanding restructuring of ailing industries and job protection.

In other parts of the world too, the working class is moving against the attacks on their rights and privileges in the name of economising production, which I do not wish to deal with in detail.

The "conservative trade unions" too are forced to join these actions, though they were earlier supporters of globalisation. Many of them are connected with ruling parties too. They are faced with a dilemma whether they should be with the workers in their struggles or with the government. However, the developing trend is positive in the case of a large majority, which is reflected in the case of the AFL-CIO, the British and European Trade Unions and elsewhere, and this should be taken note of. However, in our case this trend is still weak.

Comrades, before I close, I wish to point out some areas where our attention has not been sufficiently focused and which need correction. Though our influence and strength is wider and stronger today, we, however, are yet to develop as a decisive force in the Indian trade union movement; we still remain weak in larger areas, which needs greater attention.

## **FIGHT AGAINST UNEMPLOYMENT**

In this Conference, we have to closely examine our activities, achievements and failures to evolve methods to further strengthen the CITU and prepare the Indian working class for the decisive battles ahead.

We are going to discuss, as part of our deliberations in this conference, a paper on unemployment, which is very important. It is not necessary for me to explain the present status of unemployment. Suffice to say, it may exceed 1/3rd of our population, especially in the context of 'jobless growth' and 'job killing revival'.

The registered unemployment, according to central Labour Minister's statement on 30th April 2003 in the Lok Sabha, is 4.7 crores and the unregistered is estimated to be more than three times, which 50% are women and youngsters. Add to this the increased job losses in the agricultural and industrial sectors and this might double or more the number.

The Planning Commission has already admitted that the growth of employment is less than the growth of labour force. Therefore, there is no scope, as it is, for the absorption of the army of unemployed into productive activity unless and until a policy change is made. Therefore, a fight for policy change is a must, in which organised trade unions must play the leading role.

A correct criticism is made against the trade unions that they are not taking up the issue of unemployment for a serious fight. The Indian Constitution provides for right to vote for state and central legislatures but however no guarantee is provided in the Constitution for the right to employment i.e, the right to live.

Therefore, it is absolutely necessary that we must demand that the government must take steps to guarantee the right to work as a Constitutional right and till then provide for unemployment relief. We must pay the required attention to this aspect of the struggle.

## **PROBLEMS OF THE PEASANTRY**

As part of the globalisation agenda, the central government has taken steps for the removal of the quantitative restrictions on import of agricultural products which paved the way for dumping these items into our country at cheaper rates and has affected large sections of our peasantry, leading to price crash. The reduction and removal of subsidies for electricity, water, fertilisers and pesticides, the stopping of government procurement to save the peasantry from distress sales and price crash etc, has resulted in the ruination of the peasants, particularly the small and medium peasants. Hundreds of peasants in several states including Andhra Pradesh, Karnataka, Maharashtra, Punjab etc committed suicide.

The total agricultural production is showing a downward trend. Production of commercial crops like oil seeds, cotton, sugarcane, Tea, Coffee has shown absolute decline or a virtual stagnation. The huge job losses in the agriculture sector and the loss of purchasing power of these sections have serious adverse impact on our economy.

The problems being faced by the Indian peasantry, which is the large majority of the Indian people, needs our special attention. All talk of fighting against the policy of globalisation without taking up the issues of the peasantry is meaningless. The working class should take up this responsibility of helping the peasantry in the fight against the dangerous consequences of the policy of globalisation as a priority job.

At the end, I must remind you of the dangerous consequences of the increasing offensive of communalism abetted by RSS-BJP combine using their governmental clout at the centre and elsewhere, which has now reached dangerous levels. Our country's unity, the secular fabric, which keeps its vitality and strength, are all facing serious threat. In these circumstances, I need not emphasise that the working class and the CITU should be in the forefront of the fight against it.

The fight against the issues projected above calls for building up maximum unity of the working class, peasantry, youth and other sections of the population for a policy change.

I need not remind you about the socialist objective enshrined in the CITU constitution, which demands an all embracing struggle against capitalism and imperialism.

**Thank you!**



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurti Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## REPORT OF THE GENERAL SECRETARY

**D**ear Comrades,

Since the 10th Conference of the CITU held in Hyderabad in 2000, several important developments have taken place in the national and international arena having long term impact on the working class and the trade union movement in India. We have to review them in a dispassionate manner and evolve our approach to meet the new challenging situation facing us.

1.2 Four stalwarts of the CITU have passed away in this period, whose absence will strongly be felt by this conference.

1.3 Com. Niren Ghosh, a Secretary of CITU since its foundation, who contributed immensely to strengthening of the CITU, passed away on 1st July, 2001. As President of West Bengal State Committee of CITU and an outstanding leader of jute workers, his services to the working class will always be remembered.

1.4 Com.Susheela Gopalan, our Vice-President and a veteran leader of the left and democratic movement, passed away on 19th December, 2001. She played a notable role in developing CITU activities among working women. She took great interest in problems of workers in traditional industries in Kerala and as a Minister in the Left and Democratic Front government in the State, she did her best in protecting the interest of workers in traditional industries. Her memory will always be cherished.

1.5 Com.Suryanarayana Rao, a Vice-President of CITU, passed away at Bangalore on 1st July 2002. He was also the President of the Karnataka State Committee of CITU for many years and connected with several important unions in Karnataka. He led innumerable struggles in the state and worked tirelessly to build CITU in the State. As a relentless fighter his contribution will forever be in our memory.

1.6 Com.N Prasada Rao, our former Vice-President, whose tireless efforts made the 10th conference a grand success, passed away on 29th November, 2001. As a prominent Kisan leader he shifted to the trade union front and played a meritorious role in building CITU in Andhra Pradesh. Despite advancing age, his indomitable spirit was always a source of inspiration to us and we shall cherish his memory.

1.7 We have also lost many other valuable comrades during this period. We have paid homage to these departed leaders and martyrs, while adopting the condolence resolution. Let us pledge to carry forward the tasks that they left behind.

## **2. INTERNATIONAL SITUATION**

2.1. Our President in his address to this conference has dealt with the developments in the international arena.

2.2 As noted in his address, the Bush Administration has become synonymous with the most right wing and imperialist circles in the United States. The bourgeois media itself refers to Bush-Blair & Co. as neo- conservatives. The National Security Strategy of the United States, outlined by Bush, has spelt out the US determination to attain world domination through aggressive militarist interventions, in whichever part of the world they choose, under the guise of "global war against terrorism". However, it is not without a flipside for the USA itself. The cost of Iraqi occupation has seriously affected the US economy and has led to the weakening of the dollar against all major currencies like the Euro and Yen. The Corporate frauds, collapse of NASDAQ, Enron fiasco etc. have led to a serious crisis in the economy. Though the Bush Administration is seeking to derive maximum advantage in the present unipolar world situation, acute divergences have surfaced within the imperialist camp itself.

2.3 The failed conspiracy to topple President Chavez in Venezuela and the victory of Lula da Silva, the Left candidate, in the Presidential elections in Brazil, the largest country in South America are encouraging developments.

2.4 China has emerged as a strong country making rapid strides in its economy. For the first time, after China entered the WTO, the recent ministerial meeting held in Cancun in Mexico ended in a collapse. The emergence of Group of 22 (G-22) developing countries, with China, Brazil and South Africa in the lead, is a significant outcome of the derailed Cancun Meet.

2.5 Worldwide, there is growing evidence that the neoliberal policies, aimed at restructuring global economy to the advantage of the MNCs of the advanced capitalist countries, have failed to bring the world economy out of recession and crisis. Together with this, there has been a surging tide of resistance struggles against the World Bank, IMF and WTO dictated policies throughout the world.

2.6 These important features in the international situation form the backdrop at this present juncture. Keeping this in view, let me proceed to recount the important developments in the national situation.

## **3. GLORIOUS ROLE OF LEFT FRONT GOVERNMENTS**

3.1 Before proceeding to recount the national situation, I wish to make a reference to the glorious role played by the Left Front governments in West Bengal and Tripura.

3.2 Twenty five years of Left Front rule in West Bengal is a glorious chapter in the post-independent history of India. No state government was as stable as in West Bengal. No other political combination could win 6 elections consecutively. Com. Jyoti Basu, our Vice President, had the longest term as a Chief Minister in India. We are proud of the achievements of the Left Front government in West Bengal.

3.3 The Left Front government in Tripura, despite difficulties created by extremists backed by the Congress Party, has won several victories and championed the cause of the toiling people of the state. The Left Front there is growing from strength to strength as a result of mass support to the pro-people policies of the government.

3.4 As Com. B T Ranadive noted, the Left Front Governments are the outposts of the working people's

struggles against the policies of the Central Government.

#### **4. NATIONAL SITUATION**

4.1 During the period since our 10th Conference at Hyderabad, the country witnessed an all round degeneration of the social, political and cultural values, accompanied by total disaster on the economic front.

4.2 The Atal Behari Vajpayee led BJP government has been in office for the fifth year now, thanks to the so-called secular parties in the motley coalition named the National Democratic Alliance, which have lent the rabid right-wing communal party both credibility and parliamentary majority.

4.3 The Vajpayee regime has been marked by its pro-imperialist foreign policy tilt, resurgence of worst communal rioting, lawlessness and incendiary violence, scams and scandals involving the NDA ministers and leaders, a shift back to aggressive 'hindutva' plank for vote bank mobilisation and onslaughts on the democratic rights of the common people.

#### **5. PRO-IMPERIALIST TILT**

5.1. The Vajpayee Government has given a go by to India's consistent policy of non-alignment, over which there had been a general consensus amongst all political streams in the country since independence. Under the NDA rule, our foreign and defence policies have totally been subordinated to and dovetailed with the interests of US imperialism. This has brought down India's image considerably before the international community. In almost all international issues the NDA regime is virtually echoing the US line, overtly or covertly.

5.2 After the attack on the World Trade Centre on 11th September 2001, the Bush administration in the USA mounted a fresh offensive to bring into fusion a 'new world order', which is nothing but a euphemism of imperialist hegemony over the entire world, in the name of global war against terrorism. The Vajpayee government readily made common cause with the USA; it fully endorsed the US military operations in Afghanistan, ostensibly on the plea of capturing Osama bin Laden; it is also fully supportive of the continuing occupation of Afghanistan by US armed forces. The government has developed very close relations with the Karzai government in Afghanistan, which is a puppet regime sponsored and nurtured by the USA. It tried its best to promote the interests of the big Indian Corporates vying to secure construction contracts in Afghanistan.

5.3 There was worldwide opposition to the US and British imperialists' planned militarist intervention on Iraq with the declared objective of forcing a regime change in the country and on the spurious plea of destroying weapons of mass destruction. But, the NDA regime was not forthcoming to join the international community against such imperialist designs. The government was only harping on a sanction from the UN but even as the US and Britain defied the UN authority and launched the horrendous attack on Iraq, targeting scores of civilians – including women and children, the Vajpayee government did not raise its voice in protest. It even opposed the moving of a resolution in Parliament to condemn the US attack. When the strong public opinion in the country forced the government to accept passing of a resolution in Parliament, it tried to dilute the wording of the resolution disapproving the role of USA.

5.4 During several rounds of dialogue between the Bush administration and the Vajpayee regime on the question of India sending our troops to Iraq to assist the occupation army of the US, the NDA

government was almost willing to accept whatever was mandated by the Bush administration. Only the firm opposition of the left parties, later joined by the Congress, has till now stalled sending of Indian troops to subserve US interests in Iraq. Here again, the NDA regime was willing to serve the big corporate interests in securing some crumbs by way of getting sub-contracts from US MNCs. The NDA regime even extended berthing facilities to US warships in the Kochi port area, with scant respect to the overwhelming sentiment expressed by the people against the US operations in Iraq and its continued occupation there.

5.5 With the situation in West Asia hotting up due to the US backed attacks by the Israeli forces against Palestine, the Vajpayee regime was openly hobnobbing with Israeli rulers. It extended invitation to the Israeli Prime Minister Ariel Sharon to visit India. Even as genocidal attacks against Palestinian civilians were being carried out daily, the Vajpayee government extended a red carpet welcome to Sharon. The NDA government shamelessly pitched for defence deals with Israel with the US blessings. Such moves by the NDA government have alienated India from the entire Arab world and marked a further shift towards US imperialism. NDA government's security advisor Brajesh Mishra and Deputy Prime Minister L K Advani had openly advocated a triangular alliance between India, US and Israel, in the name of fighting terrorism.

5.6 The NDA government has been vying with its counterpart in Pakistan to please the Bush administration and secure favours from the US masters. Never before have we witnessed such a continuous stream of senior US officials visiting India, as in the recent past. The spokespersons of the NDA regime have frequently been appealing fervently to the USA to reign in Pakistan to stop cross-border terrorism, unmindful of the resultant harm of internationalising the Kashmir issue. The Musharraf regime in Pakistan also has been competing with India in this game of wooing the USA. This has only helped the US imperialism, which is trying to impose its own solution on the Kashmir question. Already, trifurcation of Kashmir on communal lines and flexible relations between POK and Kashmir Valley are being trotted out by US officials. After the trouncing of the BJP and ouster of the National Conference government in the elections in Jammu & Kashmir, the NDA government's leanings with the US are becoming increasingly evident.

5.7 The people of J&K are now fed up with extremist violence. The economy of J&K is also adversely affected due to lack of economic activities and decline in the number of tourists. Under these circumstances, the NDA Government's policies are only strengthening the hands of extremists and US imperialism, which is striving to destabilise India and strengthen its influence in the region. They also hamper a satisfactory solution to the Kashmir problem.

5.8 The strategic alliance with the US and the joint Indo-US defence exercises, in all three wings of our armed forces, entered into by Vajpayee government, pose a grave threat to even the security of the country.

5.9 When George W. Bush administration in the US has assumed for itself the role of world policeman, vested with the divine right to attack any country it chooses, the slavish attitude shown by the NDA regime is only helping the US imperialists to strengthen their stranglehold on the entire Asian region, South as well as West.

5.10 During his recent visit to USA, Prime Minister Vajpayee openly pleaded for further cementing of the strategic alliance with the US imperialists. Both governments expressed identity of views over several international issues facing the world today.

5.11 The working class and the trade union movement in the country must step up the campaign against imperialist offensives militarist, economic and ideological and rouse the patriotic masses of the country to revive their rich tradition of anti-imperialist struggle in the coming days.

## **6. RESURGENCE OF WORST COMMUNAL INCENDIARY VIOLENCE**

6.1 Since the last conference the country has witnessed a resurgence of the worst communal incendiary violence, riots and lawlessness, inflicting serious damage to the secular fabric of the Indian society.

6.2 The sangh parivar outfits like the Vishwa Hindu Parishad, Bajrang Dal and others have been on the rampage against the minority communities in several parts of the country. The RSS has been making consistent attempts to spread hatred against the minorities by openly demanding that they must all admit that their forefathers were of Hindu origin. Saffronisation of education through official machinery, by arbitrarily changing text books, distorting and falsifying history to suit the communal designs of the parivar, imposing saraswati vandana during official functions, clandestine penetration of communal elements in the army, bureaucracy and even judiciary are some of the moves brazenly indulged in by them.

6.3 The Gujarat carnage, which started soon after the ghastly crime of torching the bogie of the Sabarmati Express at Godhra railway station, burning to death 58 "karsevaks" returning from Ayodhya, has gone down as the most despicable communal genocide perpetrated ever since independence. It was a pre-meditated plan aimed at ethnic cleansing, masterminded by the BJP Chief Minister Narendra Modi, at whose bidding the state administration and police acted in connivance with the saffron brigade. Haren Pandya, the then Home Minister of Gujarat, who exposed the complicity of Chief Minister in the communal riots, was murdered under mysterious circumstances with his father openly accusing the Chief Minister as the king pin behind the murder.

6.4 Communal terror, reminiscent of the horrific days of fascism in Hitler's Germany, was in full blown action for over a month in Gujarat. Over 1000 Muslims lost their life in communal riots, in which a large number of men, women and children were burnt alive. People saw inflammable materials ferried in police vans for supplying to the rioters, while BJP leaders were openly exhorting them to massacre Muslim men, women and children. More than a lakh people belonging to the Muslim community were forced to leave their dwellings and languished in relief camps, where even basic civic facilities for human existence were deliberately not provided by the administration, not to speak of any genuine relief to the victims. Even in the matter of paying compensation to victims of riots, Modi openly exhibited his communal bias. The communal prejudice of the Modi government was again evident from the double standards adopted in handling the Godhra crime and the post-Godhra carnage cases. It is a stark fact that all the detenués under POTA in Gujarat were Muslims, and just one was Sikh. Not a single Hindu communalist was arrested under the POTA.

6.5 After the communal orgy in Gujarat, Prime Minister Vajpayee wondered with what face he would face the international community. But he and his cohorts in the BJP not only turned down the universal demand for removal of Narendra Modi from power but also put the onus for the entire communal carnage in the State on 'Godhra'.

6.6 The BJP hailed Modi as the role model for their future game plan. In a cruel bid to exploit the horrendous situation for electoral benefit, Modi pitched for early elections, which the Election Commission rightly turned down. The Prime Minister had no qualms to authorise a Presidential reference to the Supreme Court, calling into question the decision of the Election Commission. Fortunately the

apex court upheld the Election Commission decision.

6.7 The Election Commission, the National Human Rights Commission, the Minorities Commission, the Supreme Court were all targeted by the BJP and RSS outfits for showering the choicest abuses. Modi embarked on a 'gaurav yatra' unleashing another round of hate campaign against the minorities and to scare them away from voting against the BJP.

6.8 The return of Narendra Modi to power after the Gujarat elections further emboldened the forces of aggressive Hindu communalism to seek to replicate 'Gujarat' model in the rest of India. Fortuitously, the verdict of the people in the subsequent elections held for the Himachal Pradesh Assembly put spokes in their wheel, at least for the time being.

6.9 Post-elections, Narendra Modi has been continuing his criminal divisive policies keeping alive the unfortunate communal polarisation that has descended in Gujarat. The trial of the Best Bakery case has highlighted that Modi is a law unto himself, who has ensured that every criminal goes scot free and the victims are demoralised. The Supreme Court in the Best Bakery case had come out with a very strong indictment of the Vajpayee's prescription of and Narendra Modi's practice of 'raj dharma'.

## **7. SCAMS AND SCANDALS GALORE**

7.1 The BJP used to take the high moral ground claiming to be a 'party with a difference'. The enormous scams and scandals that are piling up with every passing day during the last few years of the governance of the 'party with a difference' have razed such tall claims to the ground. The only difference witnessed is the dogged refusal by each and every one of the Ministers associated with these scams to own moral responsibility and bow to the democratic demand to step down from their posts. Even if some are forced to resign, it has become the 'rajdharma' of the present Prime Minister to reinduct them into his Cabinet!

7.2 The Tehelka scam has exposed the murky deals going on in defence purchases under George Fernandes. Jaya Jaitley, the chief then of Samata Party, Laxman Bangaru, the then President of BJP were both caught red-handed on video cameras. Both of them, as also George Fernandes himself, were forced to quit their posts. The Tehelka tapes also exposed the deviant sexual escapades indulged in by senior army officials.

7.3 The 'coffin scam' that came to light manifested how the NDA regime was trading over the dead bodies of our valiant soldiers who died in the Kargil war. The reports of the Comptroller and Auditor General and the Central Vigilance Commission have also exposed several murky deals, resulting in funneling hundreds of crores of rupees from the national exchequer. The NDA government has indulged in a criminal act by purchasing defective and expired ammunition for the army. The refusal of the Ministry of Defence to give the CVC Report to the Public Accounts Committee of Parliament has only exposed the anti-national goings on in purchasing war material by the army. The plea that it would affect the morale of the army was totally wrong since it was only bringing to light the criminal behaviour of the army officials, Ministry of Defence and the Minister of Defence himself.

7.4 George Fernandes, who had to resign after the Tehelka exposure, has been reinducted in the Vajpayee Cabinet, even while the Tehelka enquiry is still going on. His induction became necessary, as the NDA government was unsure of its stability.

7.5 The petrol pump scandal exposed that more than half of the total 3857 allotments had been made

to the relatives of leading lights of not only the NDA but also the RSS and VHP, throwing to the winds all norms with impunity. The media expose and the uproar in Parliament revealed the ugly face of the 'party with a difference'.

7.6 A large number of plots in the prime locality of New Delhi were also allotted to organisations belonging to sangh parivar in New Delhi at nominal prices causing huge loss to the public exchequer. The BJP President Venkaiah Naidu's acquisition of land meant for SC/ST through fraudulent means, when he was an MLA in Andhra Pradesh has also become public.

7.7 The privatisation and disinvestment deals are also tainted with massive corruption. The case of Centaur Hotel in Mumbai clearly exposed this, when the hotel was handed over to an RSS supporter for Rs 83 crores, who resold it for Rs 115 crore within three months. Sterlite Industries, which was blacklisted by SEBI, was given BALCO at a nominal price. The role of the Prime Minister's office in the costly purchases of shares by UTI causing huge loss was exposed in Parliament by a Shiv Sena MP. A fictitious company which was inaugurated by the Prime Minister sold a large quantity of shares to UTI for Rs 960 per share, whose market value later came down to Rs 2 per share. The conspiracy to handover the stake in oil companies to the Reliance group by resorting to several dubious and corrupt practices is the talk of the day in the country.

7.8 Another ex-Minister from the MDMK who had to resign after the exposure of corrupt deal on transfer through his personal assistant, has also been re-inducted as a Minister of State. But the very next day of taking oath of office, he was to face interrogation by the CBI, in the 'Bribe for Transfer' case involving his personal assistant.

7.9 Even as the election process is set in motion in the five states, another scandal involving the Minister of State for Environment and Forests, Dilip Singh Judeo, caught red handed accepting wads of currency as bribe money from a mining 'agent', had hit the media. After putting out lame allegations of 'conspiracy' hatched by political opponents, the BJP was forced to show the door to the tainted Minister. In a horrendous defence, the Minister had admitted accepting money to 'fight' religious conversions through 'private army', which again is reprehensible. This again has laid bare the hollowness of the BJP claim to be a 'party with a difference'.

7.10 The nation is shocked at the magnitude and speed with which the rot of corruption had engulfed the NDA government and the sangh parivar in its entirety. But, those guilty of criminal ways of amassing fortunes shamelessly continue in power with the motto 'the more the merrier'!

## **8. SHIFT BACK TO 'HINDUTVA' VOTE BANK POLITICS**

8.1 In the backdrop of the communal orgy that swept them back to power in Gujarat, the BJP and sangh parivar had become so jubilant that they adopted Modi as the mascot to ride atop the bandwagon of aggressive hindutva ideology and revert back to the communal vote bank politics.

8.2 This shift is not a freak idea floated by any sangh parivar spokesperson. Prime Minister Vajpayee himself claimed that with Gujarat, the BJP has entered the phase of victories. Vajpayee virtually charged the Muslim community with not having sufficiently condemned the Godhra incident. He made out as if the minority community in Gujarat had invited the mass killings, arson, rape et al against their own community by not coming out with enough condemnation of Godhra. For a person, holding the constitutional office of Prime Minister, it was nothing but constitutional impropriety to accuse an entire community for the crime committed by a few, even when nothing conclusive was established as to who

perpetrated the horrendous crime in Godhra. It may be recalled that when Gujarat was rocked with the saffron attacks against Christian churches and believers in Dang District, it was the very same Prime Minister who called for a national debate on conversions.

8.3 Praveen Togadia, of the Vishwa Hindu Parishad, who ran a concurrent campaign along with Modi during the electioneering, had detailed out the future plan of the 'sangh parivar'. He had declared that the 'hindutva' storm would not be limited to Gujarat. This is nothing but an open declaration that the communal polarisation patented through bloody assaults in Gujarat, would be replicated throughout the country. He had the temerity to hand down death sentence for all opponents of 'hindutva' - read secularists - which 'would be carried out by the people'. He was going round the country, organising events, distributing 'trishuls' on a massive scale to 'arm' the saffron followers with weapons to carry out attacks against those whom they consider to be enemies of 'Hindutva', fashioned on the lines of the post-Godhra genocide in Gujarat. This operation was code named as 'Trishul Diksha' and the traditional 'trishul' was 'modified' to serve the purpose.

8.4 Shrill assertions have been made that India would be a 'Hindu Rashtra' within the next two years and also that the geography of Pakistan would undergo a change.

8.5 A full-scale agenda comprising Ram temple at Ayodhya, anti-conversion law throughout the country, a common civil code, abrogation of Article 370 of the Constitution (which gives Jammu & Kashmir a special status), deportation of all Bangladeshi intruders and a statute for cow protection had been spelt out by this rabid exponent of 'hindutva'.

8.6 Come elections, the communal 'hindutva' forces and their political arm, the BJP, up the ante of 'Ayodhya issue' for narrow political gains. Having reaped rich political harvest on this plank, the BJP cannot but revert back to its vote bank politics using the 'Ram Mandir' card. The Rama Janmabhoomi Nyas of the VHP has asserted that the date of starting the temple construction at the disputed site would be announced any time. The RSS and its various frontal outfits have visibly demonstrated that they have no respect for the Constitution of the country or even the judiciary.

8.7 Vajpayee in his speech during the funeral of Mahant Paramhans stated that the Ram temple would be constructed at the disputed site as per the wishes of the saint. VHP and RSS have demanded that the government should enact a law in Parliament to allow the construction of Ram temple without waiting for the judicial verdict. L K Advani has also categorically stated that construction of the temple at the disputed site was a desire of the majority of the people of India.

8.8 The NDA Government despite its agenda had earlier approached the court to allow the undisputed land to be handed over to the Hindu Trust for the construction work. The Kanchi Sankaracharya was used to sell the idea of construction of Ram Temple at the disputed site, which miserably failed.

8.9 This resurrection of communal mobilisation has been helped by the Lucknow bench of the Allahabad High Court, when it ordered excavations at the Babri Masjid site. Such a step was totally unwarranted and fraught with ominous portents, with this job being entrusted to the Archaeological Survey of India (ASI), under the grip of the BJP headed Ministry of Culture. The 'sangh parivar' predicted that the ASI would come up with evidence of a temple having existed beneath the debris of the masjid, pulled down by the frenzied saffron mob led by the top leadership of the BJP on Dec 6th, 1992.

8.10 End August 2003, the ASI submitted its report to the court, which has only confirmed the worst fears manifested by secular forces at the time this flawed experiment was launched. The ASI report is

patently concocted and fabricated. Archeologists and historians across the country have come out with concrete exposes, punching holes in the ASI report. The court is yet to take a view on the report itself. But, the BJP and the VHP bandwagon would obviously not wait for the court to draw its inferences even. They have raised a loud orchestrated hue and cry for the disputed site to be handed over to the mandir protagonists for building the temple there, with their claim of having been 'endorsed by the ASI findings.'

8.11 The BJP establishment has gleefully exploited this development as they thought it would place them in 'advantage BJP' in the semi-finals of electoral politics during the recently held polls in five states, to be followed by the Lok Sabha polls in 2004.

8.12 The Rae Baerili special court handling the Babri Masjid demolition case ordered filing of charge-sheets against Murl Manohar Joshi, Uma Bharati and others, though mysteriously discharging the Deputy Prime Minister, L K Advani. This again is a murky affair with the CBI, over-lorded by the self-same Deputy PM, having gone about its job with subjectivism and selectivity in gathering evidence and framing charges. The maneuvering by Advani to extricate himself from the court has caused some fissures in the BJP. The drama of resignation by Murl Manohar Joshi, Union HRD Minister, and its withdrawal at the instance of Prime Minister has only exposed the role of BJP in the demolition of the Babri Masjid.

8.13 Despite all these happenings, the so-called secular allies of the BJP in the NDA are persisting with their rank opportunism just for the sake of enjoying the fruits of staying in power at the Centre. The BJP, the political outfit with a Hindu majoritarian philosophy, is fast resurrecting, albeit covertly, that very part of its agenda, put in the back burner for the sake of roping these allies into the NDA. It is now clear that these allies have reneged on every bit of their commitment to secularism. These allies have clearly been marginalised by the BJP, which has cornered all the important portfolios in government for its own Ministers. These parties will be held answerable by the people for all the misdeeds, non-governance and disastrous policies of the BJP.

8.14 The Congress Party, the main opposition party in the Parliament, is also adopting the policy of soft Hindutva and seeks to derive electoral advantage by appeasing the communal forces. It faltered when the BJP unilaterally fielded A.P.J. Abdul Kalam as its Presidential candidate and finally ended in supporting him. Its Chief Ministerial candidate in Gujarat election was Shankar Singh Vaghela, a former BJP leader. The weakness exhibited by the Congress party in resorting to a 'soft hindutva' plank virtually made the Gujarat elections a one way journey. The Congress Chief Minister in MP, Digvijay Singh, advocated a central legislation to ban cow slaughter and also resorted to appeasement of Hindutva forces on the Bhojshala dispute. This attitude of the Congress Party is helping the communal forces to carry forward their communal agenda. Nor does this party have anything basically different to offer to the people on the economic policies.

8.15 The aggressive 'hindutva' of the 'sangh parivar' brand has to be fought decisively, without any compromise over the principle of secularism. Their intention is to sidetrack the most pressing problems of the people and the utter failure of the NDA governance on the economic front with a high pitched rhetoric on non-issues in the run up to the impending polls in five States and the general elections in 2004. The working class must remain vigilant and raise the consciousness of the people to frustrate the attempts by the BJP and the 'sangh parivar'.

8.16 The trade union movement must resolutely oppose the communal forces since they deliberately divert the public attention from the real issues of the nation. They seek to divide the people on communal

lines to get electoral advantage. This is posing a serious threat to national unity and integrity and efforts must be made to defeat their vicious game in the country.

8.17 The trade unions should note that imperialist agencies are helping the communal forces since it suits their overall game to divide the people and weaken the national unity. Huge moral support and material resources are pumped in by the imperialist agencies to various outfits of the communal forces.

8.18 The working class should also keep in mind that minority communalism also strengthens the hands of majority communalism. Their activities are also disrupting the unity of the democratic movement and the struggle against globalisation. The minority communal forces also receive help from imperialist agencies because both majority as well as minority communalism help the overall design of imperialism by complementing each other. It is, therefore, the utmost important task before the TU movement to fight the machinations of both shades of communalism which alone will lead to the preservation of national unity and enable the TU movement to march forward for social progress.

8.19 The working class of the country must rise to the occasion. It must be in the forefront of the struggle to defend the unity of the people, carry forward the resistance against communal fascism, safeguard secular principles and frustrate the design to perpetuate communal polarisation in the country.

## **9. ONSLAUGHTS ON DEMOCRATIC RIGHTS**

9.1 All the while in power, the NDA regime has continuously been targeting the democratic rights of the people.

9.2 In the aftermath of the terrorist attack on Parliament, the Vajpayee government introduced the draconian legislation Prevention of Terrorist Activities, first as an ordinance and later as nothing but a replica of the notorious TADA of earlier times. It constituted an outright attack on civil liberties. The democratic forces came out with full throated resistance to the POTA, but the NDA regime was totally insensitive. Even the NDA allies have now turned critical and started demanding repeal or changes in the law, after several instances of gross misuse of the provisions of POTA. But, the Vajpayee regime is only attempting a mild tinkering with the legislation, while retaining its basic undemocratic thrust of attack on civil liberties.

9.3 The BJP has, during this period succeeded in installing its own nominees in the two highest offices of the Indian Republic viz. the President and the Vice President. Through nominations to the Rajya Sabha the BJP Government is now confident of overcoming any obstacle in the upper house of the Parliament also, for their measures which may require legislative enactments.

9.4 The Vajpayee regime is gleefully maintaining a studied silence over the several judicial pronouncements which, during the liberalisation era, place obstacles in the exercise of the democratic right to dissent and protest. The Supreme Court judgement against bandhs and hartals and the recent verdict against the right to strike of workers and employees have all been considered a complementary necessity to the political and economic programme of the NDA governance.

9.5 Even before the Supreme Court verdict relating to the right to strike, Vajpayee during his visit to Kerala openly denigrated the trade union culture of the state, while addressing a meeting of global investors. That the Vajpayee government is remaining totally unresponsive to the demand to undo the damaging impact of the Supreme Court pronouncements on the workers' right to strike is not without significance.

9.6 At the same time, the Vajpayee regime has scuttled the Women's Reservation Bill, aimed at empowerment of women, despite the Left parties and the Congress fully backing the enactment of the legislation.

9.7 Even as the Supreme Court verdict came out with its pronouncements denying the workers their right to strike, the CITU promptly pointed out that this is not just an onslaught on workers but on the very democratic rights of the mass of the people. The subsequent dramatic events following the sentences of imprisonment delivered by the Legislative Assembly of Tamil Nadu on the news media persons, including those of the national daily 'The Hindu', taking umbrage under the hitherto uncodified privileges of the legislature, have proved the point beyond doubt. The working people, both in Tamil Nadu and elsewhere in the country, stood in the forefront to defend the freedom of the Press, in solidarity with the entire media persons protesting against the draconian move of a despotic regime.

9.8 The working class and other sections of the toiling people should rally together to further heighten the struggle against these onslaughts on democratic rights and civil liberties.

## **10. TN STRIKE AND SUPREME COURT VERDICT**

10.1 An unprecedented attack witnessed during this period is that of the Jayalalitha government in Tamil Nadu unleashing state terrorism against its 13 lakh employees and teachers, who embarked on an indefinite strike from 2nd July.

10.2 The Tamil Nadu Government had armed itself with a draconian Tamil Nadu Essential Services Maintenance Act (TESMA) 2002 and invoked its stringent provisions to detain over 2300 leaders of the staff and teachers' unions, at midnight on 30th June, 2003. The employees were protesting against downsizing and drastic curtailment of pension and other benefits. The Government then came up with an ordinance giving itself the summary power of dismissal en masse. Summary dismissal, without even giving individual notices, of 1.7 lakh employees, was resorted to in a brazen display of authoritarianism. In this extraordinary situation, the Tamil Nadu CITU had to intervene in the judicial proceedings, initiated by a section of the leadership of the striking employees, in the interests of those victimised.

10.3 In this background, the pronouncements of the Supreme Court Bench on Tamil Nadu Government employees' strike have come as a rude shock, in as much as they tantamount to depriving the workers of the country of their basic democratic rights. The Supreme Court chose to term 'strike' as 'the most misused weapon' and pronounced that 'there is no fundamental, legal, equitable or moral right to strike' for government employees. It made a sweeping remark denying the right to strike of all workers in the country.

10.4 This Supreme Court verdict signifies a new attack against the working class and its organisations. The Supreme Court pronouncements synchronise with the 'hire and fire' regime, which has been the clamour of the employers. The denial of right to strike by the Apex Court is also an attack on civil liberties. It constitutes an ominous portent not only for the trade unions and labour rights but also for the democratic rights and institutions as well. We have to take this challenge seriously.

10.5 The CITU vehemently opposed the pronouncements of the Supreme Court and declared that the workers would refuse to silently suffer any intervention in the exercise of their democratic rights and re-assert their right to strike work. The entire trade union movement, the Attorney General, several former Judges and leading lawyers have all come out taking exception to the tenor and substance of

the apex court verdict. Two national conventions – one organised by the central trade union organisations and the other by state and central government employees, organisations – held in Delhi during September denounced this attack on right to strike and demanded that the government of India should take measures to nullify the pernicious impact of the Supreme Court judgement. This demand will be pursued by the entire spectrum of the trade union movement in the country through intensified actions, including strike. The CITU unions should take maximum initiative to carry forward these action programmes to defend the unalienable right of the working class to strike.

## 11. OTHER SIGNIFICANT DEVELOPMENTS

11.1 During this period, a favourable situation emerged in Jammu & Kashmir, after the PDP-Congress Coalition Government came to power in the elections held in the state. This has ushered in a conducive atmosphere to carry forward the democratic process. However, forces which are opposed to the democratic process have resorted to attacks on innocent people in different instances that have occurred in Jammu & Kashmir.

11.2 In Tripura also, extremist attacks took a heavy toll of innocent lives in the massacre on August 14 this year. The extremists had unfortunately been backed by the Congress-INPT alliance in the State. The Central Government also has not been sufficiently helping the Left Front Government there in its efforts to counter the extremist violence.

11.3 The divisive forces have been stepping up their violent attacks in other parts of the country as well. In Assam and the entire North-east region, extremist violence continues unabated.

11.4 The horrific bomb blast in Mumbai and the attack in the Akshardham temple in Gujarat and the attempt on the life of A.P. Chief Minister, Chandra Babu Naidu, the horrific lynching of dalits in Jajjar district in Haryana and several other incidents have heightened the need to fight all divisive, extremist and anti social forces and to protect the unity of the people.

11.5 After the last elections in Uttar Pradesh, an opportunist coalition government of BSP and BJP assumed office. Despite frantic efforts by the BJP and gross abuse of power by both the state and the central governments, this alliance ultimately fell under the weight of inherent contradictions in the unprincipled alliance. This, no doubt, is a serious set back to the BJP. The new Government that has assumed office has to address the grave challenges that have surfaced there.

11.6 The new phenomenon of proactive judiciary, termed as 'judicial activism', has a twin impact in the present scenario. While the people affected by the commissions and omissions of the executive seeking the intervention of the judiciary to redress their grievances cannot be faulted, several judgments of the courts in recent times have not augured well for the people in a democratic welfare State.

11.7 We have already noted the totally unacceptable interference of the judiciary with the right to strike of the working class. The Ranchi High Court has recently ordered ban on strike by steel workers at Bokaro. The Meghalaya Government had come out with an ordinance banning not only the strike by students in that State but also putting a ban on the media reporting on the strike, infringing on the freedom of the Press itself. The judiciary has also caused serious dislocation to the work and livelihood of lakhs of workers, in different parts of the country, as in the case of ordering wholesale closure of industries in Metropolitan cities in the name of pollution control. The apex court orders, reversing its own earlier pronouncement in the Air India case, had worsened the lot of contract workers in the country. The Kerala High Court order against bandhs and hartals, later upheld by the Supreme Court,

the apex court order against holding of processions, rallies etc. throughout Tamil Nadu, the order of a single Judge in Kolkata High Court banning processions from 8 a.m. to 8 p.m. on all working days in the city and such other interventions by the court have manifested the keenness on the part of the judiciary in India to facilitate the liberalisation process, rather than to uphold the basic democratic rights of the people.

11.8 The increasing criminalisation that has pervaded our society and polity has its disastrous impact on the democratic and trade union movements as well. The huge army of the unemployed youth fall victim to these criminal and anti-social forces.

11.9 The Jayalalitha government in Tamil Nadu has also enacted an anti-conversion law, which is a most retrograde one, in the prevailing inflammatory situation, created by aggressive communal forces. Another Supreme Court verdict favouring common civil law, without reckoning with the extremely grave situation on the ground, is also not in the right direction.

## **12. ATTACK ON LABOUR RIGHTS**

12.1 During this period the Government of India had mounted a serious attack on trade union and labour rights. In fact, the so called second generation reforms are based, inter alia, on the Govt's game plan to totally dismantle the labour laws and impose conditions of slavery on the working class.

12.2 The Report of the Second National Commission on Labour, headed by Ravindra Varma, was presented to the Prime Minister on 29 June, 2002. Prime Minister Vajpayee almost instantly declared that the Government would vigorously pursue the labour reforms agenda and implement the recommendations of the Labour Commission report. He asserted his government's resolve to change the "archaic labour laws".

12.3 This report, in essence, represents an attack on workers' rights and is anti democratic. It is a perfect blue print for a wholesale attack on workers, right to organise, bargain and agitate! CITU had brought out a comprehensive critique of the Commission Report in a publication on the subject and launched a countrywide campaign to oppose the anti-labour recommendations of the report. It must be remembered that the NDA Government had already been moving in the direction of translating the substantive recommendations of the SNCL into legislation by way of removing all the protective provisions of Industrial Disputes Act and the Contract Labour (Regulation & Abolition) Act.

12.4 The Government unilaterally included the Report of the Second National Commission on Labour in the agenda of the 38th session of the Indian Labour Conference (ILC), held on 28-29 September 2002. The Government move was to secure some sort of a green signal from the tripartite forum for a go-ahead on implementation of the Report of the Second National Commission on Labour. The CITU opposed this move.

12.5 The Prime Minister, while inaugurating the ILC, claimed that the Commission report had endorsed 'the broad thrust for labour reforms envisaged by the Government' and asserted: "the Government is currently examining the recommendations of the Commission and will take suitable action thereafter". He also appealed to the trade union representatives to extend support to the Government's agenda on labour reforms.

12.6 All the central trade unions opposed the unilateral move of the Government to embark on implementation of the Commission report in haste. The government was forced to commit to further

consultations with the trade unions.

12.7 But, the consultation promised by the government turned out to be farcical. A few tripartite meetings and seminars were held under the aegis of the VV Giri National Labour Institute and the government sought to forge a fake consensus as having emanated therefrom, despite serious objections voiced by the central trade unions.

12.8 Meanwhile, the Labour Minister had gone before the media admitting that a Group of Ministers (GoM) has finalised the draft amendments of the Industrial Disputes Act removing all embargo on retrenchment, lay-off and closure to ensure total liberty for the employers to install a 'hire & fire' regime. The same Group of Ministers had hurriedly finalised the draft amendments to Contract Labour (R&A) Act to facilitate total contractorisation of the entire workforce. And both the amendment bills are slated to be introduced in Parliament.

12.9 During the post liberalisation period, the labour departments and the enforcement machineries - both at the centre and most of the States - are tuned by the governments to allow labour-law-violations by the employers with impunity by way of stopping inspections and not entertaining or discouraging complaints or deliberately delaying the conciliation/adjudication process.

12.10 The Government of India introduced the Factories (Amendment) Bill, 2003 in the Lok Sabha on 29.7.2003, to amend section 66 of the Factories Act, 1948 to facilitate employment of women during night shift. This has stoutly been opposed by the Central Trade Unions and no consensus had emerged in any tripartite forum on this subject.

12.11 In a separate move, the Ministry of Labour had come out with a notification containing a proposal for amendments to the Industrial Employment (Standing Orders) Central Rules, 1946, to introduce a new classification of 'fixed term employment workman.'

12.12 In the name of 'umbrella legislation for ensuring a minimum level of protection to the workers in the unorganised sector' a draft bill was prepared and circulated by the Ministry of Labour. It was mostly confined to providing a structure of welfare boards for administering contributory social security and welfare measures to be framed afterwards, without any provision for employment protection, minimum wages etc. for the workers. The government is moving ahead to introduce the bill, after it has been cleared by a Group of Ministers, headed by the Dy. PM, without incorporating the suggestions unanimously put forth by all the central trade unions at different stages of consultations. It appears that the government is only aiming at deriving political mileage by claiming to have introduced a protective legislation for the unorganised workers, keeping an eye on the ensuing elections.

12.13 If the Government of India, despite the TU opposition, were to go ahead with amending the labour laws unilaterally, it will have to meet stiff resistance of the united trade union movement all over the country.

**12.14 ATTACKS ON SOCIAL SECURITY:** The NDA government had initiated moves to undermine the existing streams of social security, whereas the dire need is to extend social safety net to the overwhelmingly large sections of work force, which are not covered under any of the formal schemes in operation now.

12.15 In the name of pension sector reforms, which are mainly intended to flag off private insurance schemes in the era of opening up of the insurance sector, the Government has made up their mind to

switch over to the "Defined Contributions" concept from that of "Defined Benefits' concept. The move is also towards shifting to personal and social insurance schemes from social assistance schemes. These moves are made only with the fiscal and financial policy concerns in view. The NDA government had already announced that a new scheme on these lines would be introduced to cover the new recruits in the government service.

12.16 Even during the last session of the Indian Labour Conference, the Government of India mooted the idea of "identifying the appropriate mix of public sector-private sector participation in social security."

12.17 This is a totally erroneous and dangerous move, as the private sector seeks to participate in social security only eyeing the huge corpus of private pension funds that could be generated, which could be diverted to the equity market in the country.

12.18 A steep deterioration has resulted in the existing social security schemes, during the years of liberalisation.

12.19 The number of members exiting from the EPF has been on the increase. The number of exit cases was 12,24,568 in 1995-96, the figure had gone up to 20,28,866 in 2001-02. Between these years, the number of ceased members totalled to 1,15,86,627.

As against this huge figure of over 1crore members having exited the EPF since 1995, the total number of EPF members availing benefits from the Employees' Pension Scheme, under different classifications of pension, as on 31st March, 2002 is only 9,33,561,excluding the cases of children pension, as it is payable concurrently with the spouse pension.

12.20 The arrears of Provident Fund, accumulated due to the default of the employers, in not remitting the contributions as required under the Act, have also increased over the years. The arrears at the end of the year 2001 - 02 are:

Exempted sector	Rs 383.20 crore
Unexempted sector	Rs 953.04 crore
Total	Rs 1336.24 crore

Of these, 71.23 % for unexempted sector and 92.48 % for exempted sector are considered to be non-realizable!

12.21 In a shocking revelation of the state of affairs prevalent today, a computerised verification of the covered establishments and membership conducted by the EPFO administration recorded that 46.12% of the total covered establishments were found to be inoperative establishments (establishments which do not have even a single member with any balance in his account) and of the total membership of the EPF, 32.44% were non-contributing members (in whose case no contribution was received even once during the last three years) and 14.84% were non-existing members (in whose case no contribution has ever been received).

12.22 The Government of India is taking vigorous steps to implement the recommendations of the Project OASIS Committee, though the same was unanimously rejected by the Central Board of Trustees of the EPF. The very same recommendations are now being recycled in the name of the Insurance Regulatory and Development Authority.

12.23 The interest on the Employees Provident Fund was 12% since 1989-90. But, from the year

2000-01, the Government has reduced the rate of interest every successive year from 12% to 8 %, though the reduction from 9.5 to 8 % has been postponed for the current year.

12.24 Already, the EPF Organisation is mulling proposals to drastically curtail the benefits under the existing Employees Pension Scheme, 1995, citing the lower yield on the corpus of the Pension Fund caused by the lowering of interest. The Government of India has not taken any action on the recommendations made for introducing beneficial amendments to the Employees Provident Fund Scheme, 1952. The last annual valuation carried out under the Employees Pension Scheme 1995, was as on 31st March, 2000. All the four valuations, so far done, had only resulted in a paltry relief of 4% of the pension amount for the four years. Three more valuations are overdue and yet to materialise.

12.25 The Supreme Court of India has recently pronounced the judgement in the pension case, upholding the Employees Pension Scheme of 1995. This has serious and adverse implications for the working class of the country.

12.26 The Government of India has not taken any action on the recommendations made for introducing beneficial amendments to the Employees Provident Fund Scheme, 1952.

12.27 In the ESI Corporation, the workers' side had been raising the issues like extending healthcare benefits to workers who are going out on VRS. But there has been no positive response from the Government. Here again, there moves are to privatise the ESI dispensaries and curtail the existing benefits by unbundling the services under the Scheme.

12.28 The administration of the schemes under the EPFO and ESI has suffered seriously because of laxity in enforcement, under the spurious plea of promoting voluntary compliance.

12.29 We have planned to hold a separate discussion in a Commission during this Conference on this subject, so that we can launch a vigorous movement to mount pressure on the government for a genuine social security for all.

### **13. DECLINING ETHOS OF TRIPARTISM**

13.1 The NDA regime has also undermined the tripartite consultation process during these years.

13.2 Several tripartite committees have not been reconstituted and meetings are not held regularly in respect of even those, which have been constituted. The lack of seriousness in the conduct of proceedings of the apex tripartite fora of the Indian Labour Conference and the Standing Labour Committee has reflected the declining ethos of tripartism under the present ruling dispensation.

13.3 The government had given a go by to the time-honoured practice of incorporating the report on action taken on the conclusions of the previous session (s) of the Indian Labour Conference (ILC) as a part of the agenda of every session of the ILC. An undesirable departure was made from this practice, which was followed up to the 37th session of the ILC held during May 2001, at the time of holding the 38th session of the ILC during September 2002 and has been continued in the 39th session of the ILC in 2003 as well.

13.4 The CITU had articulated in several tripartite meetings, held in the recent past, that such fora have been reduced to mere talking shops and appealed to the government to restore the dignity of the Indian Labour Conference. But, the approach of the Government of India continues to be marked by

callousness, lending further credence to such impression.

13.5 Though the Prime Minister inaugurated the sessions of the ILC held during the last three years, he chose only to repeatedly urge the trade unions to fall in line with the government policies of liberalisation and globalisation, without responding to the crucial issues raised by the central trade unions, which are seriously agitating the minds of the workers in the country.

13.6 The Ministry of Labour had been adopting a whimsical approach in the matter of allocation of seats to the central trade unions on tripartite committees.

13.7 The Ministry of Labour, during 1999, had come out with a proposal for allocation of seats to the central trade union organisations (CTUOs) with the representative quotient of CTUOs, worked out on the basis of their last verified membership (as on 31.12.1989). But, this had seldom been followed by the Ministry, with the partisan intent of favouring the BMS, which is the trade union outfit of the sangh parivar.

13.8 The CITU had made several representations to the Ministry of Labour, pointing out the irrationality of allocating three seats each to BMS and INTUC in the Central Board of Trustees of the Employees Provident Fund, four seats to BMS and two seats to INTUC in the Employees State Insurance Corporation, with only one seat to CITU, whereas CITU was entitled to two seats on both bodies as per the representative quotient itself.

13.9 The committees of both the EPF and the ESIC at the regional levels also are packed with several representatives of the BMS, denying representation to the CITU and other central trade unions, even in regions where they had been given representation for long years.

13.10 Similarly, in industry wise tripartite committees also, representation is given by the Ministry of Labour to their favoured union, without reference to the membership strength of the various central trade unions in those industries. Even when the CITU had substantiated the brazen favouritism indulged in by the Ministry, in the case of plantation, transport, jute etc. industries, where the CITU had the largest membership, the government chose to turn a deaf ear.

13.11 The CITU, along with the AITUC, has been deprived of representation on the CBT, EPF under a spurious proposal seeking a panel of three names against one seat allocated, for the Labour Ministry to indulge in pick and choose. This move defies logic and goes against the democratic right of a representative organisation to choose its nominee in a tripartite body. Despite repeatedly being urged to retract from the unreasonable stance adopted in this respect and restore the representation of CITU and AITUC on the CBT, the Ministry of Labour persists with its obstinate stance.

## **14. THE ECONOMIC SITUATION**

14.1 We had noted in the Report of the Tenth Conference held in December 2000 the declining trend set in throughout the economy owing to the vigorous pursuit of the policies of liberalisation, privatisation and globalisation after the BJP led NDA occupied the seat of governance. During last three years' period, not only has this trend of all round deterioration in the economy attained a terminal character, it has brought about severe distortions in the entire economy as a whole.

14.2 However, the official spokesmen predicted loudly about the prospect of reversal of the declining trend and beginning of recovery. "We are at the end of the tunnel now, heading for a turnaround" had

been the statements made by the Finance Minister every year. All official publications like the Economic Surveys, Annual Reports of RBI etc repeated such false predictions in successive years. But in reality, all such predictions have been proved to be misplaced optimism, deliberately aired to hoodwink the people.

14.3 In fact, the onset of the second decade of the liberalised policy regime, signalled further aggravation of the pace of economic downturn. The annual average growth rate of Real GDP during 1992-2001 had been 6.1%. The said rates in the next two years in 2001-02 and 2002-03 remained well below the previous decade's average at 5.7% and 4.3% respectively indicating a clear trend of further downslide. In fact, in the first year itself of the Tenth Plan period the growth rate dipped to almost half of the rate targeted by the Tenth Plan document, mocking at the wisdom of those planners who dreamt of 8 per cent growth annually. The same is the scenario sector-wise. The annual growth rates in agriculture, industry and services during the previous decade (1992-2000-01) had been 3%, 6.6% and 7.7% respectively. In 2002-02 and 2002-03, all those three sectors witnessed a lower growth rate on the average (agriculture: 5.7% and -3.2%, industry: 3.2% and 5.7%, services: 6.5% and 7.1%) than the previous decade's aggregate rates. (Annual Report, Reserve Bank of India, 2002-03).

14.4 Despite above, the current RBI Annual Report and also the Economic Survey again predicted a rosy picture on the prospect of recovery in the coming years, which even the data contained in those Reports cannot substantiate. Nor can such rosy predictions be substantiated by the sectoral trends noted during the first quarter of the current financial year 2003-04 as the growth rates remained much below the previous year's average. The intention of promoting such misleading optimism is just to mislead and befool the people and cover up the utter bankruptcy of the economic policy regime.

14.5 The sufferings of the people have increased immensely owing to the retrograde policies and their disastrous fall-out. Closure and industrial sickness aggravated, unemployment and joblosses increased to an alarming level despite slower growth in population and the labour force. Poverty got deepened and widespread leading to all round deterioration in quality of life for the mass of the populace. As the Human Development Report (UNDP) noted India's position in terms of human development index has gone down further from 123rd to 127th out of 175 countries.

## **15. INDUSTRIAL SCENARIO: ALL ROUND GLOOM**

15.1 The annual growth rate in industries during the period under review ( 2001-02, 2002-03) has been around 4.45% on the average which is way below the annual average growth rate of 6.6% in the last decade till April 2001. If looked into in disaggregated term, the picture turns even more gloomy. In the manufacturing sector representing the economy's productive potential, the last two years' average growth rate dipped to only 4.75% per annum compared to 7.2% during the last decade. In mining and quarrying it was only 3% on the average during 2001-03 which is quite consistent with the continuously declining trend since 1996. In electricity, gas and water supply, the growth rate averaged out to only 4.1% compared to near 6% growth during the last decade. In the Construction sector also the growth rate dipped from 6.9% in 2000-01 to 5.4% on the average during 2001-2003. In the service sector which has been claimed by the Govt to be the driving force of growth, the average growth rate (6.8%) during the last two years fell well below the last decade's average growth rate (7.7%).

15.2 In respect of infrastructure industries, on which so much noise has been made by the Govt in its budget formulations in successive years, the picture is no brighter either. As the Annual Report of Reserve Bank of India (2002-03) noted, " Performance remained below targets in power, finished steel, crude petroleum, fertilizers and petroleum refinery products in 2002-03." In electricity, annual

growth rate has fallen from 7.2% in 1999-2000 to 3.9% in 2002-03, in steel from 15% to 6.9%, in cement from 14.3% to 8.8% and in petroleum refinery products from 25.4% to 4.9% during the same period. In respect of crude petroleum production, of the last four year period from 1999-00 to 2002-03, two years witnessed absolute decline in production. In the current financial year (2003-04) also, the infrastructure sector continued with its dismal performance. For the April-August (2003-04) period, growth rates for all the six infrastructure industries further dipped much below the rates achieved in the corresponding period previous year (2002-03). It fell from 7.3% to an unimpressive 3.8% for all the six infrastructure industries taken together. During April-August 2003-04, growth in petroleum refinery product was 5.2% compared to 6.2% in the corresponding period last year, in crude petroleum it was (-)1.9% compared to 6.3%, in coal it was 3.5% against 7.6% last year, in electricity it was 2.3% against 4.2% last year, in cement it was 4.7% against 11.6%, and in finished steel, it was 8.1% compared to 11.2% last year. (The Financial Express, 23-09-2003)

15.3 Throughout the entire post liberalisation period, liberal concessions have been doled out to encourage private sector participation in infrastructure projects. The private sector has long been granted free hand to enter into the power-generation sector. Yet the growth in electricity generation has slowed down. The road-sector has been granted industry status to facilitate fund-raising in easy terms and to permit floating of bonds. The Financial institutions including the Reserve Bank of India have liberalised and relaxed the lending norms in consonance. Despite all these palliatives, private sector participation in the infrastructure projects as well as the growth in the infrastructure sector remained grossly inadequate. In fact, investment by private sector in infrastructure projects showed a negative growth in 2000-01 as well as in the first half of the 2001-02, as observed by the Business Line(19-07-2001). As observed by the RBI Annual Report, "infrastructure growth in the first quarter of 2003-04 still trails behind that in the first quarter of previous year (2002-03).

15.4 Fact remains that the entire industrial economy has plunged in deeper crisis. Industrial sickness and closure have become more widespread and workers have been the worst victims. There has been severe erosion in the productive capacity of the economy as well as its capacity in absorbing investments owing to deep-seated recession. This is reflected in sharp decline in the capital goods sector and also in the growth of gross domestic capital formation. The growth rate in capital goods production dipped from 6.9% in 1999-00 to 1.8% in 2000-01 followed by an absolute decline by (—) 3.4% in 2001-02 and in 2002-03 it has recorded a growth of 10% which means that the growth in real terms remained well below the 1999-00 level. On the other hand, the gross domestic capital formation has sharply decelerated from 25.2% of GDP in 1999-00 to 23.7% in 2001-02 reflecting the gloom in investment scenario. As the Annual Report (2002-03) of Reserve Bank of India noted, "the deceleration of investment rate has essentially reflected the failure of investment demand to absorb available resources."

15.5 The above observation of the Reserve Bank of India explodes a myth that the "resource crunch" is the root of all ailments in the economy and the neoliberal policies are the solution. In fact the situation is otherwise. The neoliberal economic policies have brought the condition of the economy to such a disastrous pass that despite availability of resources, the economy is failing to absorb the same in the form of investment. Such severe loss of investment appetite that too in a developing economy like ours reflects the severity of distortions in the economy created by the faulty policies. Such degeneration is also reflected in the sharp drop in the commercial credit off-take from the banking system despite availability of funds and gradual drift in the business profile of the banking system towards speculative securities trading. The Economic Survey (2002-03) reported 50% rise in operating profit and 80% rise in net profit of the Scheduled Commercial Banks in 2001-02 and at the same time observed that such "significant increase in profit was mainly on account of increase in other incomes, particularly incomes from securities trading" owing to slowdown in credit off-take by the commercial

and industrial sector despite significant rise in deposits and resultant liquid-fund accumulation. The previous year's Economic Survey (2001-02) also reported the identical trend of distortion in banking activities with "sharp deceleration in growth of non-food credit, mirroring weak demand of commercial credit owing to economic slowdown" and "huge rise in banks' investment in securities trading, much above the SLR level".

15.6 Another aspect of the distortion in the economy owing to neoliberal policies is that despite decline in the performance in all the sectors, profit level of the corporate remained more or less unaffected. The entire burden of the economic downturn has been passed on to the working people and common populace. While industrial sickness, closure and consequent job losses and sharp fall in the level of earnings and quality of employment are the consequences fallen upon the people at large, the profit level of the big corporates have gone up. As the RBI Report (2002-03) noted, "The financial performance of the private corporate sector has shown substantial improvement in terms of profitability." Notable distortion can be noted from the results of 1236 companies surveyed by the RBI which shows that the gross profit of those surveyed companies has grown faster than the growth of sales and the net profit (after tax) has grown more than double the rate of growth of sales. This means that profit of the corporate sector has grown more than proportionately, compared to their contribution to growth of production and wealth and also that they have saved more in payment of taxes, thanks to increasing concessions showered on them by the Govt.

15.7 Hence, despite all tall claim by the liberalisers, the balance sheet of the industrial economy shows all round decline in growth, investment and employment generation along with huge rise in the concessions granted to the business class and increasing profit for the corporate lobby, both domestic and foreign. This also mocks at the claim of the Govt that India has become the second fastest growing economy after China. Neither the figures of growth rates do substantiate such claim nor the growth figures alone do reflect the real crisis. The small and medium scale units in the traditional sector which provided employment to several millions are almost facing extinction owing to the erroneous policies. Much noise is being made about the employment generation in the information technology (IT) sector but the fact remains that it is still less than 0.1 percent of total employment and suffers from extreme vulnerability and uncertainty. Further, employment generation in the IT sector is still dependent not on the domestic economic activities but almost entirely on outsourcing of jobs from the first world countries which itself started facing stiff opposition from the workers of those countries and can disappear or face a drastic decline at any time.

15.8 As the Report of the last General Council meeting of CITU noted, " The aggregate figures of growth rates do not reflect the depth of the crisis and decline in the industrial economy which , in real term, is becoming even more severe with every passing day. Whatever new industrial ventures are coming in, are far below the alarming extent of erosion of both productive capacity and employment-potential due to increasing closures and consequent job-less-ness. A study made by ASSOCHAM noted that 'In the post economic liberalisation era, industrial growth in most of the 'BIMARU' States (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh) except Rajasthan has failed to pick up, witnessing a sharp decline in the number of industrial units.....While in Bihar, the number of industrial units declined by 57 per cent from 3,671 to 1,570 and Madhya Pradesh it dipped by 21 per cent from 4,163 to 3,269....Among southern states, Andhra Pradesh witnessed a sizeable fall in the number of industrial units from 15,972 to 13,164'. (Business Line, 6-01-2003). Even the Annual Report (2002-03) of the Union Labour Ministry had to record the increasing trend of lock-outs, lay-offs, closures and retrenchments in the industrial economy, in the face of a visible fall in the mandays lost owing to strikes".

15.9 The huge concessions granted to the business lobby have been further supplemented by criminal violations of labour laws with equally criminal patronage to such violations by the Govt at the centre and most of the govts in the States, by liberal exemptions from the application of labour laws to various sectors—all wrapped with the glossy cover of so called pragmatism and investment friendliness. The period under review witnessed the worst forms of violation of all labour related statutes throughout the country particularly those pertaining to minimum wages, contract work/outsourcing and basic social security measures like PF, ESI etc. Yet, investment succumbed, production collapsed, closures and lock-outs galored and employment dwindled in totality but the profit level increased. The surplus thus extracted was not out of the increased economic activities and creation of wealth but out of sucking the blood and sweat of labour. And this is the real face of distortion in the economy created by the neoliberal policies.

15.10 As the eminent Economist Prabhat Patnaik has explained, "The claim that the budget is 'growth oriented' is based however, on invoking a myth, namely that doling out of concessions to the capitalists (including the foreign ones) ipso facto promotes growth. This self-serving proposition is utterly vacuous, both theoretically and empirically. Capitalists invest only when demand is sufficiently buoyant ; when this is not the case, no matter how large a transfer is made to them from the public exchequer, they would not invest. They would simply pocket the transfers, which is why this self-serving argument is put forward with particular vehemence precisely in periods of recession."

## **16. POLICY OF BANKRUPTCY AND DISTORTION**

16.1 In fact the bankruptcy of the entire model of Fund/Bank dictated reform got thoroughly exposed within a decade of its operation. The central point of the model of liberalisation was complete withdrawal of the Govt from all economic activity and total opening up of the economy. After a decade of its pursuit, now the industry lobby is raising demand for more Govt investment in projects and other infrastructural activities. And now they are shouting at top voice for more Govt investment in construction and other activities. In this background, the FICCI Secretary General, suggested the central Govt to come forward to fund those projects and generate a "multiplier effect" on the economy and expand the domestic market and purchasing power to address the problems of recession. ( Financial Express, 9-07-2001)

16.2 Here lies the contradiction in the entire policy model. The Govt has to forego the revenue earning sources through liberal tax concessions to corporate and MNC lobby, at the same time it has to contain inflation and also contain fiscal deficit. It has also to spend for infrastructure, electricity generation, roadways etc. At the same time it has to give away the regular income generating sources in profit making PSUs to its corporate friends and MNC masters for a song. It has to allow liberal interest waiver for the defaulting corporates out of the funds of the nationalised banks, at the same time blaming the banks for poor performance and high NPA.

16.3 Then where from will the money come for investment in infrastructure etc ? The mass of the common people are the only source to be squeezed regularly. But that again will dampen the domestic market further, deepen the recession and affect the industrial capacity utilisation. Side by side complete opening up of the economy, as has already been done, will take away a major share of the already squeezed market. Whichever direction, one moves within the framework of liberalised model, prescribed by the World Bank/IMF, it will end up in further deterioration of the situation towards terminal sickness of the entire economy. What is required is the reversal of such policies and replacement of them by a people-centred policy (not corporate centred) focused on demand regeneration, improvement of purchasing power of the mass of the people and strengthening of the domestic industrial base and not

running after the Fund/Bank-WTO dictates thoughtlessly pleading their irreversibility as being pleaded by the Govt spokesmen in all forums.

## 17. STATE OF UNORGANISED SECTOR

17.1 The state of unorganised sector workers and gradual changes in the profile of the composition of unorganised or informal sector also manifest the severest extent of atrocity and exploitation the neoliberal policies are imposing on the entire workforce who keep the wheels of the economy running. The unorganised sector in the traditional sense, basically dominated by manual, low-skilled and unskilled labour intensive work is facing severe crisis which is reflected in declining real income of the workers to the level of destitution. The absence of any social security coverage for this vast mass of unorganised sector workers nor there being any tangible protection for them against loss of jobs, chronic underemployment etc, the conditions of the overwhelming majority of the workforce is deteriorating fast.

17.2 As for example, the brick-kiln workers who form a major chunk of unorganised sector workers and are normally governed by piece rate wages are witnessing consistent decline in their earnings and sharp reduction in days of employment during last three years even in the areas where the level of unionisation is quite high. In the forest sector, which is affected by speedy infiltration by the multinational companies through long term lease arrangement of the forest resources, the workers, predominantly from tribal and downtrodden section of society are also facing repressive working conditions, increased workload and lower earnings. Besides, ongoing deforestation and privatisation of the state-run horticultural and afforestation activities are also affecting the workers in this sector. In the construction sector, the continuing recession has resulted in greater joblessness, underemployment and hence loss of earnings for the mass of the workers despite 5.4% average annual growth during the last three years. Among the loading-unloading workers based in various mandis throughout the country, the situation is even more precarious owing to increase in the number of jobseekers in this occupation due to influx of the rural unemployed and various other factors. In the Beedi industry which is composed of both factory and home-based work, notable decline in work is being noticed owing to downslide in business, the burden of which is being entirely passed on to workers through increased workload along with lower wages. In the garment sector, which is also composed of both factory-based and home based work, the situation is almost the same. The handloom sector is also facing severe crisis owing to faulty textile policy of the Govt. Almost same is the situation in other unorganised sector occupations in the traditional sense.

17.3 In the process of liberalisation, the profile of the so called unorganised sector is also undergoing a drastic change. With proactive patronage from the Govt and the administration, the organised sector is offloading substantial portion of highly skilled manufacturing and servicing jobs in the unorganised sector through rampant outsourcing. Numerous high-tech units have started mushrooming in the informal sector in a big way with altogether different service conditions manifesting highly intensified exploitation. Through such process of outsourcing and offloading jobs in informal sector, the capitalist class is seeking to drastically downsize the organised sector and switch over to a system of decentralised production in the informal sector at much less than half the labour cost through increased workload, prolonged working hours, abysmally low rate of wages compared to the rate prevalent in organised sector for similar work and without any social security obligation. This signals the onset of the process of gradual informalisation of the entire production system. The textile spinning sector, garment sector, information technology sector etc are examples of such informalisation process. Trade union movement is yet to infiltrate in these new areas of high-tech informal sector where both the level of technology and intensity of exploitation is much higher than its counterpart in the traditional sector. The mushrooming

of these new segments of the unorganised sector also exposes the ferocity of capitalist exploitation let loose in the liberalised policy regime.

## **18. DOWNSLIDE IN RURAL ECONOMY**

18.1 Agriculture and the allied sectors have been the worst victim of slowdown and decline during the liberalised policy regime. The annual growth of the agricultural sector during last three years till 2002-03 remained around 0.7% on the average and out of those three years, agricultural GDP witnessed negative growth in two years. Foodgrains production has also recorded an absolute decline in 2000-01 and 2002-03 and in 2002-03 it fell below the 1996 level of production and all major commercial crops like oilseeds, cotton, sugarcane, tea, coffee etc also faced a similar decline in absolute terms or remained virtually stagnant. All blame for the agricultural collapse has been put on drought, but the problem is even deeper.

18.2 The naïve protagonists of the liberalisation policies may seek to justify the decline in food grain production on ground of overflowing godowns with foodgrain stock. But how will they justify the sharp dip in the production of commercial crops? In fact the market as a whole is being sought to be taken away from the reach of Indian agriculture under the new policy regime. The complete liberalisation of agricultural imports, coupled with reduction in input subsidies has been putting downward pressure on agricultural production. This is being further aggravated by drastic slowdown of procurement by Govt. Depressed prices of agri-products has led to further reduction in prospect of investment in agricultural economy. And worst sufferers are the landless agricultural workers and the marginal farmers who are facing widespread joblessness, starvation, destitution and suicides in the background of godowns bulging with huge food-stocks. In the rural economy of our country starvation deaths are co-existing with surplus foodstocks. Side by side the foodgrains are being sold to private traders or exported abroad at below cost price in the name of reducing stocks.

18.3 Despite all liberalisation measures and all concessions to big landlords, the gross capital formation in agriculture as percentage of GDP is consistently falling to reach merely 1.3% in 2001-02. Annual growth rate in agricultural employment also has gone down from 1.51% during 1983-93 0.34% during 1993-2000 and during the current year it has fallen further below. Per capita availability of foodgrains has also been going down every year during the entire post liberalization decade.

18.4 The first phase of the Situation Assessment Survey (SAS) conducted by the National Sample Survey Organisation has blown the cover on the myth that growing liberalisation of the Farm sector has benefited the farmers. It has concluded that "the poor and marginal farmers in particular, forming close to 80% of all the farmers in the country, received undependable, weak and indifferent institutional and policy support and.... witnessed adverse changes in their income" ( Economic Times, 06-02-2003). All these thoroughly expose the falsehood resorted to by the Official Survey figures claiming the reduction in rural poverty level in recent times.

## **19. EXTERNAL SECTOR**

19.1 Much noise is being made on the so called economic recovery citing a sudden spurt in export in 2002-03. But what is being sought to be camouflaged is that 19.2% growth in export in dollar terms in 2002-03 is preceded by 1.6% fall in export in 2001-02. The last two years 2001-2003 annual average growth of export remained only 8.8% which is way below the 15% growth in export in just previous two years(1999-2001). Such a phenomenon does not signify any stable performance in the export front as promised by the protagonists of liberalisation. Fact remains that India's share in export trade remained

stagnant at 0.6% since 1991 during the entire post liberalisation period nor has the profile of the exportables from India undergone any notable change.

19.2 On the other hand the trade balance continued to remain negative even in the years when import recorded an absolute decline. This exposes another important fact. Even in the year when the growth of import was quite low at 1.7% along with a comparatively high growth in export at 21%(2000-01), the trade balance was in deficit by as high as US\$ 5976 million signifying the declining trend in the prices of Indian exports and increasing trend in the price of import even in the background of deepening recession and collapsing prices in the world economy. A disaggregated study of world trade further reveals that during the entire post liberalisation period, the prices of exportables from India and other developing countries have been facing a severe downward pressure whereas the prices of exportables from the developed countries remained more or less stable in real terms. Hence the terms of trade continued to remain adverse and in fact, got into greater adversity for the developing countries. Hence an occasional spurt in export in India brings little or no material gains for the Indian economy as a whole as the continuity of such adverse terms of trade leads to more outflow than inflow of resources in respect of the developing countries and India remained no exception to that.

## 20. ONGOINGS IN WTO

20.1 Such adversity in terms of trade is being sought to be perpetuated further in the ongoing exercises in WTO. The Doha declaration of WTO sought to impose new agendas for the WTO ministerial meet at Cancun which we have dealt in detail in our report in the last General Council meeting. The game plan was to make the developing countries succumb to accept the "Multilateral Agreement on Investment (MAI)" regime along with the rich nations' proposals for competition policy, trade facilitation and transparency in Govt procurement etc which would have given the MNCs absolute liberty to plunder the economy of the developing countries and cripple all regulatory authorities of the developing countries' governments. All these issues are designed to perpetuate the situation of adversities on the developing countries at the behest of the MNCs and the block of rich nations consisting of European Unions, USA, Canada and Japan.

20.2 But in the background of increasing disillusion among the people with the ugly face of neoliberal globalisation and mounting protests all the world over, the rich nations' block could not get their ugly design through at Cancun. Cancun witnessed massive protest demonstrations in the midst of which the otherwise vacillating Governments of the developing countries could take a firm stand of opposition to the design of the rich nations' block. The South African Govt played the leading role along with Brazil and China in focusing the concern of the developing countries particularly on the trade distorting farm-subsidies prevalent in USA, Canada and European Countries in arrogant violation of the principles of 'free-trade' upheld by WTO and blocking the discussion on other agendas which ultimately led to the failure of the Cancun meet to draw any agreed conclusion.

20.3 The Cancun development is indicative of a distinct change in the situation. The Seattle meeting of WTO (the first ministerial meet after the formation of WTO) did not manifest much opposition within the Ministerial forum but still could not draw any conclusion owing to situation arising out of violent demonstrations outside the meeting. The Doha meeting of WTO could manage to force the ministers of the developing countries to agree to the Developed countries' agenda for the next meeting of WTO despite murmuring by a few countries. But the WTO meet at Cancun witnessed brave and united resistance by the representatives of major developing countries to the ugly design of the rich nations' block to impose the terms of unequal trade on the developing countries. This has become possible owing to rising peoples' struggle all over the world against WTO machinations which compelled the

representatives of the governments of the developing countries to take a firm position against the rich nations' block on the issue of farm subsidies which ultimately led to formation of the G-22. This also exploded the myth that in the era of so called globalisation the rich nations' dominance on the developing countries cannot be resisted or defeated and has thus generated new confidence in the anti-globalisation struggles gradually developing throughout the globe.

20.4 The Govt of India, despite vacillation on many issues, joined the opposing block. Nevertheless, we must note that on many of the issues promoted by the rich nations' block like the issue of further reducing import tariff, trade facilitation and so called transparency in Govt procurement, the Govt of India's representative, the Union Commerce Minister demonstrated a weak lukewarm stand much to the detriment of the national interest.

## **21. EMPLOYMENT AND GROWTH SCENARIO**

21.1 The economic policy measures with a clear bias towards supply side management, or to put it more bluntly, the policies tuned by the capitalist lobby, particularly the foreign capital lobby in their favour, cannot bring any relief to the aggravating unemployment situation, not to speak of employment generation. The role of most of the governments in the developing countries remained to toe the line drawn by the IMF, World Bank and WTO triumvirate with a resigned attitude of it being fait-accompli as already explained above. In such a background, the unemployment situation is bound to aggravate.

21.2 Such a policy approach has led to a grave distortion in the economy underlining the vicious transfer mechanism from crores of common populace to a handful of capitalist-landlord lobby. Despite decline in industrial growth rate, the profit margin of the corporate sector is showing a steep rise. The huge concessions granted to the industry lobby robbing the common people, has allowed them to reap consistently higher return without any tangible improvement in investment, production, creation of value, and generation of employment.

21.3 Rather, in the backdrop of prolonged industrial recession and squeezing market, the corporates are making hell bent effort to defend their "top-line"(profit margin) by desperate downsizing and retrenchment. As admitted by the Task Force on Employment Opportunities headed by Montek Singh Ahluwalia, member, Planning Commission and an avowed liberaliser, the employment situation has gravely worsened both in terms of quantity and quality.

21.4 Despite a decline in the growth rate of labour force from 2.29% per annum during 1988-1994 to mere 1.03% per annum during 1994-2000, employment growth rate slumped more sharply from 2.43% to 0.98% during the same period. In the 1990s, the employment growth was never more than 0.8%. In the ultimate sense, the employment growth rate has already turned negative, if the downsizing, both forcible and voluntary, being vigorously practiced in the corporate sector is taken into account. As per an estimate, more than ten lakh jobs were lost in the organised sector alone in the process of 2001-2002. Only in central public sector units, four lakhs jobs have been axed out in the process of last few years. One lakh ten thousand were lost in the banking sector alone. Some ten thousand jobs have been lost in the IT sector in 2001-02 alone. Added to this is the announcement made by the union finance minister regarding reduction of manpower in central govt deptts at the rate of 2% per annum, courtesy the recommendation of Geethakrishnan Commission(Expenditure Reform Commission). As per a recent report, more than 9000 jobs have been lost already in the central govt deptts after submission of the Report and another 17000 central govt jobs have been targeted to be axed by the end of the current fiscal ( The Financial Express,16-08-02).

21.5 It has also been claimed in the Govt's agenda paper placed in the 38th session of Indian Labour

Conference held on 28-29 June 2002 that employment generation has taken place mainly in the unorganised sector. As against this claim, one may take note of the findings of the current Economic Survey (2001-02) that in the Agricultural sector and in the mining & quarrying sector representing substantial part of the unorganised sector employment, total employment got reduced in absolute term by around 50 lakh and 4.3 lakh respectively during 1993-94 and 1999-2000, while in the construction sector the employment has grown by around 51 lakh during the same period, thus showing a negative employment growth in those three sectors together representing the major part of the unorganised sector employment.

21.6 Hence, whatever the economists hired by the liberalisation camp may preach, the employment generation potential of the present brand of economic reform turned totally negligible, rather negative. This is another dimension of the distortion in the economy created by the so called policy of liberalisation.

## **22. ON QUALITY EMPLOYMENT...**

22.1 Further, one thing also must be taken note of while dealing on employment particularly in the informal sector including the agricultural sector. The official employment statistics do not reflect the underemployment situation in the country including seasonal unemployment. Moreover, in a country like ours with a high poverty ratio and without any all embracing social safety net, no body in the lower rung of the society can afford to remain without any job, however insignificant it may be, in order to just survive. In such a situation even rag-pickers are considered employed in the official employment-statistics including those seasonal workers, most of whom resort to destitution or even begging during the period of unemployment. All these categories also fall within the broad definition of the so called unorganized/ informal sector in the employment statistics compilation process. Just survival instinct has made those millions of poor to take up anything for earning their square meal and they get considered as employed in the employment statistics.

## **23. TASK OF EMPLOYMENT GENERATION**

23.1 Hence the task of employment generation, or to put it more appropriately, for enhancing the employment generating potential of the economy substantially, the whole direction of the economic policy regime is required to be changed. To put in the words of the Special Group appointed by the Planning Commission, chaired by Dr S P Gupta, "the group views that to reach country's development target both in output and employment, in a viable and equitable fashion, several major changes from the past economic policies and launching of innovative pro-employment programmes will be needed in the immediate future..." The Special group also observed, "if experiences of the late nineties are extrapolated, i.e., repeated in future, then India is going to face increasingly higher incidence of unemployment, with an ever increasing gap between the demand for jobs and supply of job opportunities."

23.2 Secondly the Special Group also suggested tuning the Govt policies in the direction of promoting labour intensive and capital saving technology. Such a task cannot be achieved by leaving the whole thing to market forces, and herein also is required a change, rather reversal of the policies. Referring particularly to small and medium scale units and also the unorganised sector, it has been recommended by the Special group that, "Appropriate programmes and policies should be devised for suitable reallocation of capital in favour of labour intensive industries...to boost the growth..It will also have to be ensured that the rule of level playing field is applied for this sector." This sector is required to be given discriminatory patronage as against the large-scale sector, and also protection which the market-god cannot ensure. The present policies require a reversal in that direction also.

23.3 Thirdly the pre-requisites for improving the productivity, efficiency and quality consciousness of the unorganised sector, identified for greater employment generation is to lift them from the state of unorganised character and provide for an institutional framework and mechanism for monitoring, regulating and assisting their operation in all aspects including labour matters to put the things in the proper direction. Such institutional framework and mechanism is also required to ensure that the dispensation granted to them is not usurped by the large players by proxy without discharging the employment responsibility. Here also, a reversal of the present day approach is required. It is pertinent here to quote from the Overview chapter of the Report of the Special Group which says, "In the attempt to increase the labour productivity (in the unorganised sector), more emphasis should be on the growth of this sector.... Further, to improve the job quality and its security, major changes in the legislation will be needed regarding basic social security measures, working conditions, minimum wages and protection of labour interests." Unfortunately, the same Planning Commission, while talking loudly on the target of 8% GDP growth, has finalised the tenth plan policy measures in just the opposite direction of what has been suggested by the S P Gupta Committee.

23.4 And fourthly, the disastrous effects of withdrawal of quantitative restrictions on import on small scale industries and also on the agricultural and agro-based occupation are also required to be addressed seriously instead of keeping 'hands tied' on the plea of 'WTO Compatibility'. There are ways and means to address the situation and what is required is the political will of those in governance to assert for the developmental needs of the country and not the foreign suppliers.

23.5 There is also enough scope for augmenting employment generation in the organised sector as well. In the first instance the Govt must stop its thoughtless downsizing spree, seriously affecting public services in many fields. Despite all noise of 'excess manpower' it is a matter of record that our country is having one of the lowest Govt/public sector employment to population ratios in the world. In India, the ratio is two per thousand, much below the Asian average of 4.5 per thousand, whereas, in the developed countries, the ratio is six per thousand. And the downsizing spree in Govt depts is accompanied by handing over many profit making public sector units and many important public utilities for a song. The private corporate sector is further encouraged for drastic downsizing resulting in abnormal increase in workload and surging of their profit level without any concurrent rise in production or wealth generation. It must be noted that the profit level of the Indian corporate sector continued to be on the higher side despite all recession, manipulation of accounts notwithstanding. In this area the Govt must play a more assertive and regulatory role in enforcing the existing regulation effectively.

23.6 Simultaneously, the policy of thoughtless opening of the economy requires to be changed and a suitable regulatory mechanism is required to be instituted to provide for a level playing field to the Indian industries and to protect them from unequal competition. Even in the present world scenario such measures are possible and again what is required is the political will to assert before the so called big brothers. The policy measures must protect our domestic industries, both in the public and private sector from being marginalised by unfair dumping by the MNCs. The crippling silence on the part of the Govt in the face of arrogant imposition of anti-dumping duties on Indian steel by USA, and the free flow of steel on Indian soil from the CIS countries at less than cost prices, in violation of WTO norms, non-tariff protection measures against the exports of developing countries including India by the European union and USA etc are the testimony of the backbone-less trade policy which can be reversed, WTO rules notwithstanding.

23.7 The mindset of the policy makers requires a change or those making the policies have to be changed altogether. And such change can be achieved through countrywide militant united struggle by the working class along with other section of population against the policies with a firm determination

not to surrender to the pleadings of irreversibility of the present situation being made by the Govt and various other agencies.

## **24. OUT TO ERASE PUBLIC SECTOR**

24.1 The economic reform and for that matter, the dismantling of the public sector has been carried out by successive Governments keeping the mass of the people in the dark. It is unfortunate that the national assets built with public money and at the cost of the sweat and blood of the workers are handed over to private profiteers without even carrying out a nationwide public debate. Even a pro-reform forum has noted, "Reforms have been debated in the English language press, in Parliament and in elite forums of discussion, but even though India had two Parliamentary elections since 1991, reform have not been thrust into electoral politics as a major issue ..." (India in the Era of Economic Reform, Harvard University, 1996).

24.2 The mad drive for privatisation carried out by the Government is not guided by financial or managerial prudence but because of the ideological position taken by IMF/WB/WTO with rich countries led by United States pushing from behind, that there should be no public sector any where in the world. Private oligarchies want complete command over the entire world economy and they will not tolerate even a token presence of PSU on their way. The BJP-led government is more than obliging to meet their dictates.

24.3 It may be recalled that the Congress (I) government started the privatisation game through the 1991 policy statement declaring, "a part of the government's shareholding in the public sector would be offered to mutual funds, financial institutions, general public and workers." The UF government continued the process by establishing the Disinvestment Commission. The BJP-led NDA Government's point of priority to completely destroy the public sector from the industrial map of the country was set into motion with the creation of a separate Disinvestments Ministry, with Shri Arun Shourie as the Cabinet Minister in charge for the Department of Disinvestment. Thus the rabid anti-public sector policy pursued by the BJP-led NDA Government is at its peak. The notable features of the current privatisation onslaught are that the blue chip profit making PSUs which were decorated with the classification of 'Ratnas' are the top targets. In the process blue chip profit making strategically important PSUs are being privatised one after another.

24.4 It is a matter of serious concern that strategically important profit making blue-chip PSUs which are being desperately pushed for privatisation by the Ministry of Disinvestments include HPCL, BPCL, IOC, Shipping Corporation, NALCO, Ports & Docks, Airports Authority of India, Coal India Ltd. Since the establishment of the Ministry of Disinvestment, 34 public sector units have been privatised under strategic sale route. A sum of Rs.11,344.00 crore has been raked in by the Government out of the said strategic disinvestments deals. (PE Survey 2001-2002). Apart from the Hotels of ITDC and HCI, the PSUs which have been handed over to private hands include: MFIL, BALCO, CMC, HTL, IBP, VSNL, PPL, STC, MMTC, HZL, Maruti Udyog, IPCL

24.5 Having failed to privatise HPCL and BPCL due to the judgment of the Supreme Court restraining the Government from privatisation of these oil PSUs without prior approval of Parliament, the Union Cabinet Committee on Disinvestments has decided to split and privatise Indian Oil Corporation (IOC). It may be noted that IOC the only company in the country amongst the Fortune 500 companies identified globally and is also the 17th largest petroleum company in the world.

24.6 The Union Ministry of Disinvestments has brought out a "Manual on Privatisation" wherein the process of loot on national wealth through fast track privatisation as prescribed by the World Bank has

been put under a policy frame work. While dealing at length various methods of valuation of the PSUs under sale, the manual recommends a particular method-“the discounted cash flow method (DCF)”, which ensure price-fixing for the PSUs under sale at a low level, without any consideration of its huge asset base and replacement cost, solely to the advantage of the prospective buyers. This is a mechanism to handover the national assets to private business tycoons at throw away prices. It is not without reason the Comptroller & Auditor General (CAG) has found “intrinsic fault” in the valuation method recommended by the Govt’s Disinvestments Manual and commented, “As per international valuation standards, depreciated replacement cost (i.e., Asset Valuation method) would have been the most appropriate method.”

24.7 Yet another document betraying the interest of public sector produced by the Ministry of Disinvestments is titled ‘Understanding The Strategic Sale Agreement’. A unique scope has been created by the Government by providing for the buyer to grab money from the seller (PSUs). The theme of the policy outlined in this document, according to the Disinvestments Minister Arun Shourie: “This means that the government could actually end up paying private bidders to rid itself of loss-making PSUs.” The infamous provisions of post-closing-adjustment laid down in all the major privatisation-agreements as in the deals on BALCO, PPCL, Modern Food, CMC, HTL etc, have already led to huge pay-back to the private buyer a major amount by the Govt. In some cases, as in the case of PPL in Orissa, the claim for such pay-back by the private buyer is more than the purchase price of the concerned PSU, which the Govt may be agreement-bound to accept.

24.8 The Vajpayee Government has become so desperate to handover the entire public sector net work to the private business houses and foreign MNCs that they are extending out of way concessions to attract private capital. Recently the Government have announced a policy called ‘infancy time’ of three years to the privatised PSUs with accumulated losses. Under this policy the private owner of the sold out PSUs shall be extended liberal loan by public sector banks and such loan shall be kept out of NPA norms for three years. It is reported that 24 PSUs under this category are marked for sell-off this fiscal. The entire move has been termed as, “commercial banks to increase their exposure to privatised government companies through higher working capital loans.” (Economic Times:29.05.03)

24.9 That none can beat Shourie in his shameless naked avowed advocacy for private sector and in his tirade against public sector is further evidenced, apart from the above examples, from yet another document authored by the Department of Disinvestments (DoD). Among the objectives of privatisation listed by the DoD in the document, one is to reduce the wages of workers in the name of ‘cost control’. The success of trade union movement in central public sector in realising a bit better wages compared to the private sector is a matter of heart burning for Shourie. The wages as percentage of sales in public sector in 1990-91 was 18.6 per cent and that of private sector was 8.9 per cent and in 1997-98 for public sector it increased to 23.3 per cent while for private sector it decreased to 6.5 per cent. Now Shourie’s DoD document notes, “whereas the private manufacturing industry was able to take measures to cut cost (better read cut wages) the public sector could not take such measures”. Thus, private exploitation of labour is the bench mark of efficiency for Shourie.

## 25. REVIVAL OF SICK PSUs

25.1 The Govt has finally declared that they are not going to do anything for the revival of the sick and loss-making PSUs, made to turn sick by the Government’s own discriminatory policies only. Such PSUs are slated for closing down and the decision of closure of eight public sector units has already been announced and many more are actively being processed by the Govt. The irony is that the government is hellbent to close down those eight PSUs despite the fact that the cost of closing down

forced VRS on employees and decided to pay the amount in five instalments... Those who refused are being troubled through transfers." In the name of VRS actually compulsory retirement is being forced down. Multi-skilling means, to Sterlite, that workers should do all jobs including lower type of jobs. All facilities enjoyed through decades are being withdrawn. Medical facilities have practically been stopped. A newly built canteen hall for workers has been converted to office, because Sterlite feels such a canteen for workers is a luxury. All agreements, conventions and time-tested systems and practices, attained during the public sector period of BALCO have been thrown to winds. In violation of terms and conditions of the sale and the court orders, the Sterlite management has retrenched 1400 workmen.

28.4 So far as Modern Foods is concerned, "It is unbelievable that in just over two years, Hindustan Lever Ltd (HLL) has cut off staff strength from 1,650 to 850 and is in the process of shifting its Delhi machinery to Jaipur while the Faridabad unit has already been closed" (TOI 27.05.03). The HLL management have declared that the acquired Modern Food employees shall continue to get less pay than the HLL employees. An Executive of the company has been quoted, "we will not pay a Modern Foods employee the same salary. If, however, we recruit a new employee and post him at Modern Foods, he will get the same compensation as his Hindustan Lever counterparts," In case of workers in the privatised ITDC hotels, there has been a "cut in their overall compensation due to some perks getting nixed post disinvestments." (Business Standard 27.6.02) Similarly, the employees of the privatised Hindustan Teleprinters Ltd are facing drastic curtailment of their existing benefits and a situation of forced VRS.

28.5 Newspaper reports say that the Sterlite Group has decided to merge BALCO and Hindustan Zinc Limited (also privatised by Arun Shourie at a very cheap price to the Sterlite Group) and go for a foreign loan or a foreign partner. It is feared that BALCO will soon go into foreign hands.

28.6 The aforementioned facts are clear testimony as to how Arun Shourie, the Disinvestments Minister has been speaking untruth that the BALCO and Modern Food workers are happy with the post privatisation situation.

## **29. OVERVIEW OF STRUGGLES**

29.1 Since our 10th Conference in December, 2000 we have witnessed intensification of struggles at all levels. There have been some remarkable developments in the movements. The emergence of new combination of forces and more importantly a steady and distinct phenomenon of convergence of movements at the state and the national level. We have reasons to be gratified by our role in shaping the course of struggles. However, we should analyse our performance in the context of the situation, the scope for our achievement and our success in achieving our goal.

29.2 Immediately after the 10th Conference a National Protest Day was observed on 24th January, 2001 against the derogatory policies of the NDA Government. Participation was not uniform all over the country. This programme was not taken very seriously in most of the states. As a result the mobilisation was not satisfactory. Demonstrations to express solidarity with the peasants and agricultural workers were organised on 7th February 2001 on the final day of their dharna programme on 5-7 February, 2001. As per our reports this programme was better organised.

29.3 BALCO workers wrote a new chapter in the history of anti-privatisation movement. A commendable role was played by the CITU affiliated union. CITU also played an important role in organising solidarity actions. CITU unions from other sectors contributed more than Rs10 lakh. The workers from

Visakhapatnam came in a bus to express solidarity with the striking workers. The 67-days strike could not succeed because of vacillation by other unions. Nevertheless BALCO workers movement remains a landmark and an inspiration to the working class of India.

29.4 A 2 hour strike was organised on 16th April 2001 at the joint call of Central Trade Unions including INTUC in industrial establishments, against the budget of Central Government. The response was generally good in most of the states.

29.5 Kerala observed Bandh on 12th March, Gujarat observed Statewide strike on 16th April and Maharashtra Bandh was observed on 25th April against the budget of Govt. of India. CITU was instrumental in unifying other trade unions and political forces to make these calls successful. The budget announced cut in PF interest rate, suspension of LTC and 2% reduction of workforce every year, 10% in 5 years, and other anti-people measures.

29.6 State Govt. employees, Central Govt. employees and teachers assembled in a convention on 27th May and gave a call for 1-day strike on 25th July, 2001. CITU attended the convention and lent full support. The Strike was successful in 3-4 States and in 7 other states it was partially successful. But this movement received support from British TUs and some other organisations abroad.

29.7 Strike call by workers of Defence industry for two days on 23-24 July against privatisation was called off at the last minute by INTUC and BMS on verbal assurance by the Minister. Call for a nationwide general strike in 2001 fell through as INTUC and BMS broke away and declined to join such a strike.

29.8 At the initiative of CITU along with others, the call for Global Trade Union Action Day on 9th November(2001) (one day before the WTO ministerial meeting at Doha), against WTO policies was observed with great enthusiasm all over the country. International call by ICFTU, WFTU & WCL was supported by all the central trade unions in India. Regional centres affiliated to Shiv Sena, AIADMK, MDMK, TMTUC also joined the campaign.

29.9 The agricultural workers and peasants also joined the 9th November, 2001 demonstrations. There was a good response in most of the States.

29.10 The call for observing National Protest Day against Govt's economic policies on 14th March, 2002 was also a success. INTUC was hesitant in the beginning but joined the demonstrations later on. A good demonstration was organised before the Parliament.

29.11 Countrywide strike in Public Sector units on 16th April 2002 remains a landmark in our history of joint movement in PSUs. BMS officially participated in the strike action. INTUC did not join it but several INTUC affiliated federations and unions joined the strike. The CPSTU Convention on 5th March 2002 which gave the call for strike was the largest ever gathering of more than 600 delegates from all the PSU's.

29.12 One remarkable feature is that despite this being a call for strike in PSUs, state govt. employees all over the country, Bank, Insurance federations massively joined the strike on 16th April. All the federations of Port and Dock workers joined the nationwide actions. Unorganised Sector workers and all the 4 Anganwadi federations joined the strike so also a large number of private sector workers. There was total industrial strike in West Bengal, Andhra, Himachal and a Bandh in Jharkhand. Private sector employees organised solidarity demonstrations in many states.

29.13 Coal workers went on a 3-day strike from 3-5 December, 2001 at the joint call by CITU, AITUC, HMS & BMS in protest against central govt's policy on privatisation of coal mines. INTUC central leadership did not endorse it but mine level leaders of INTUC joined the strike and it was a total success.

29.14 The Coal workers' struggle continues because of Govt. of India's reluctance to implement the agreement they had to sign on the eve of 7-days strike-call in August, 2002. All the 5 federations belonging to CITU, AITUC, INTUC, HMS and BMS are jointly fighting to stop the closure of mines, outsourcing of production of coal through contractors, corruption and misuse of machinery. They demand scrapping the plan for privatisation and call for effective steps to revive sick units like ECL. A convention of coal workers held on 14th September 2003 called for a phased programme of action to culminate in a massive demonstration before Coal India head quarters at Kolkata on 17th December 2003 where the programme of nationwide strike action would be announced.

29.15 In Vishakhapatnam workers of a Israeli owned diamond factory located in the 'Export Processing Zone' went on strike in two phases. First for 10 days in October, 2001 and then from 10th January, 2002 for 39 days. Brave workers fought the battle under the leadership of CITU against repression, arrests, dismissals etc. perpetrated by State Govt. and Multi-National Corporation. K Hemalata, Secretary, CITU was arrested during the struggle.

29.16 A demonstration of more than 20000 Beedi workers before the Parliament on 27th November, 2001 was successfully organised to highlight the grievances of the Beedi workers.

29.17 1,25,000 workers in Andhra Pradesh State Transport Corporation went on indefinite strike from 15th October, 2001. After 24 days, despite repression, arrest, suspension, the workers scored a victory on 7th November when the State govt. was forced to sign an agreement in the face of a Statewide Bandh on 8th November. The strike was led by a Joint Action Committee where CITU had a leading role and was supported by the parties in the opposition and other unions.

29.18 1,25,000 workers in Tamilnadu State Transport Corporation and 30,000 workers in Civil Supplies Department went for indefinite strike from 10th November 2001 under the leadership of Joint Action Committee to press for the demand of bonus for all workers. The strike continued for 17 days. A remarkable solidarity action was shown by other sections of workers through statewide court-arrest programmes. On 23rd November 2001 a statewide general strike was observed.

29.19 Stone quarry workers in Haryana went for one and a half month long strike from 2nd February 2002 demanding implementation of Mines Act, registration of workers and end of extortion by contractors. The entire CITU leadership including the State General Secretary was arrested and the quarry areas were converted to terror camps by police. The workers refused to surrender. A settlement was reached on 20th March. The workers were supported by workers in other sectors through solidarity actions. During the intervening period, Haryana also witnessed militant struggles by the workers of brick kilns, forest-sector and village chowkidars and construction workers.

29.20 CITU led the strike by Daily Rated Workers in Madhya Pradesh when govt. wanted to retrench 28000 workers. Our efforts were supported by other unions and political forces. CITU union also moved the Supreme Court and successfully nullified the orders by the state govt. to take the daily rated workers out of the purview of I.D. Act.

29.21 In Kerala a month long strike by state govt. employees and teachers from 6th February 2002 marked the united action by all sections of people against the arbitrary decisions by the UDF govt. to

cut wages, pension and other benefits. Several hundreds including women employees were arrested. But the people replied by a statewide bandh called jointly by all the trade union centers including INTUC and BMS on 5th March 2002 which was total. The govt. had to come to a negotiated settlement.

29.22 The workers of small scale sector in Nasik have been conducting a long drawn struggle. During this period Dr. Karad, GC member of CITU was convicted for life imprisonment. Now he is on bail against an appeal to the High Court.

29.23 From 8th April, 2002 onwards Medical and Sales Representatives went on relay strike all over the country which continued for nearly two months. A similar movement was launched in May-June 2003. They highlighted the dangers of LPG policies and WTO regulations which went against the interests of the people of India, particularly the rise in cost of medicines. They also fought against the arbitrary dealings of the MNC's in drug industry.

29.24 The programme of observing a national campaign week from 30th May to 6th June on eight demands, as outlined in Siliguri general council was observed in a casual and ritualistic manner in most of the states excepting Tamilnadu and Andhra as per our reports. Most states did not send reports to CITU centre about their observance.

29.25 The call by NPMO to conduct campaign against the communal carnage in Gujarat from 19th June to 4th July was again observed half-heartedly. On the same issues earlier on 15th May a massive joint procession was organised in Kolkata and rallies were held in districts.

29.26 In the aftermath of the publication of the report of the 2nd National Commission on Labour on 29th June, all the Central trade unions came together and called for nationwide action to defeat the anti-worker policies of the govt. A remarkable atmosphere of unity within the entire trade union movement was observed.

29.27 On 15th July 2002 a National Assembly of Workers was organised against the anti-worker recommendations of Second National Labour Commission and other demands, in the Talkatora Indoor Stadium where workers and leaders from all the central TUs participated except BMS. The National Assembly unanimously adopted a declaration to fight against Labour Law Reforms, privatisation, unemployment, joblosses, and liberal imports. The Assembly demanded better social security for workers, annual bonus, 12% interest on Provident Fund and also a comprehensive law for agricultural workers.

29.28 The national assembly chalked out a long drawn united campaign programme which were followed up by Jail Bharo on 8th January 2003, Parliament March on 26th February 2003 and all India general strike on 21st May.

29.29 Several lakhs of workers courted arrest on 8th January. There was spontaneous response in all the States. Workers sat in dharnas, courted arrest, created road blocks and faced police action, lathi charge in many places. Even in weaker states the participation was much better this time. Picketing and dharnas were organised in all important industrial centres apart from state capitals. In some areas almost the entire workforce came out on the street.

29.30 March to Parliament on 26th February 2003 was somewhat disorganised because of the role of some central trade unions, though lakhs of workers assembled in Delhi. CITU organised a 8- kilometer-long procession to assembly point. The confluence of marchers ended much before the Parliament

which disappointed many marchers. They were more disappointed because no date for all India strike was announced there because some trade unions were still hoping to rope in INTUC in the strike. Again participation could have been better if some adjoining states and states like Bihar and Jharkhand could mobilise a larger number of marchers. But, on the whole, this programme was a success.

29.31 21st May 2003 strike:- The response was massive and unprecedented. Despite refusal by INTUC and BMS to join this national programme, workers and employees across the length and breadth of the country, cutting across all affiliations broke their inhibitions and joined the strike. Employees from banks, Insurance companies, defense industries, pharmaceutical industries along with all the state govt. employees and central govt. employees unhesitatingly joined a programme led by predominantly left trade unions and industrial workers and paralysed the country and the administration. Remarkable response from Port and Dock employees, municipal employees, road transport workers, postal services workers, SEB employees marks a great change in the peoples understanding about the effects of globalisation. There was bandh in six states and in some other states a bandh like situation prevailed in many of the districts. The most notable was that the workers of the unorganised sector joined the strike action in a big way and organised road-blockade and rail-blockade in numerous centres throughout the country.

29.32 One remarkable feature is that women's participation on 26th February and 21st May was much better than before. We find that women workers in many industries in unorganised sector not only joined the strike but they were very active organisers. Anganwadi workers deserve a special mention in this matter. Another notable feature is that in some industrial units where the sponsoring unions' influence is negligible, the workers and officers joined hands and observed strike on 21st May. This remains a historic day in our annals of nationwide mass movements.

### **30. OTHER ACTIVITIES**

30.1 Joint Action by workers and officers against closure of fertilizer units had resulted in massive demonstrations and other forms of struggle including Rasta and Rail Roko at different centres.

30.2 Thousands of Anganwadi workers and helpers came out on the streets in every state in February and March 2002 demanding immediate declaration and orders for a rise in their honorarium and implementation from the date of announcement. This movement finally led to their success after many years.

30.3 NALCO movement:- Though CITU is a small force in NALCO but our initiative brought together all the trade unions and political forces except BMS and BJP to form a formidable force of resistance to block privatisation of NALCO. The workers and officers of NALCO came together and demonstrated at the sites, at the state HQ and other cities, one after another and thereafter physically obstructed the private companies to conduct due diligence and finally a successful Orissa bandh on 19th September marked the climax of the movement. Such obstructions continued even after the strike. On 16th June 2003 the Ministry officials and consultants were forced to go back from Bhubaneswar airport because of massive demonstrations. Central Govt. finally had to keep the issue suspended, at least, for the time being. The General Council of CITU held in July 2003 at Cuttack honoured the leadership of the Joint Action Committee. M K Pandhe visited Nalco and expressed solidarity with the fighting workers.

30.4 Steelworkers went on a continuous campaign demanding annual Bonus. Finally an agreement was arrived at following a strike notice in Durgapur and massive 95% strike at Bokaro in December 2002.

30.5 Plantation workers in Assam went on a strike in August demanding annual bonus. Also Assam Bandh was observed in September 2003 in protest against police firing on the tea garden workers in Tinsukia killing seven workers.

30.6 In Kerala, during the intervening period, there were a series of mass movements, demonstrations, seige of the Secretariat and also district and area wise bandhs by workers of different industries. This includes massive statewide General Strike on 6th August 2002 against policies of UDF Govt. Cashew workers, went on mass-hunger strike, headload workers observed 48 hours strike in 2003 paralysing all market places, and the handloom workers, coir workers, toddy workers and workers of various other sectors have launched statewide movements highlighting their grievances and opposing the policies of the govt. Notable was the siege of the Secretariats and collectorates throughout the state by more than five lakh workers led by CITU. Participation of large number of women workers in these programmes underlines the determination to resist the harrowing conditions in the new economic policy regime.

30.7 In Tamilnadu, there was a series of movements all over the state throughout the year 2002 at different times involving different issues. In May 2002 thousands of workers in the unorganised sector courted arrest to highlight their sufferings. Against enactment of TESMA thousands of workers including large number of women courted arrest in July 2002. Joint Action Committee in Tamilnadu organised massive demonstrations in July and the campaign culminated in a statewide general strike on 23rd October, 2002. In September, 2002 Handloom workers courted arrest in thousands to highlight their plights. The movement against privatisation of Salem Steel Plant was heightened in phases and most of other trade unions and political parties supported our demands. This helped the privatisation bid being shelved, at least for the time being.

30.8 In Himachal Pradesh, Hotel workers led a successful 76 days strike demanding reinstatement of 16 dismissed workers. All but one were taken back. 4500 Hydel Project workers at Lurgi went on a 10-day strike which forced the management to accept their basic trade union rights and other demands. The hydel project workers all over the State went on a strike in 2003 against the murder of CITU leader Ashok Kumar in Coal Dam site. The CITU has already emerged as the leader of the entire workforce in the ongoing hydel projects under construction and led numerous successful strike struggles in all the projects. The Project workers movement in Himachal Pradesh has also extended active solidarity to the project workers' struggle in Jammu & Kashmir through physical and financial assistance.

30.9 Andhra Pradesh has witnessed statewide struggles led by village servants to stop their transfer from Revenue Department. The Gram Panchayats and Municipal workers also led their struggles against privatisation and contractorisation of their jobs. Their movement was culminated in a statewide strike on 13th August, 2002. The India Cement workers led a 13-month long struggle including a 20-day strike demanding their basic trade union rights. 5000 workers of Chittivalsa Jute Mill carried on 118 days long intense struggle against unilateral cut in wages and other service conditions and have ultimately succeeded in getting all anti-workers measures withdrawn. All these movements had invited brutal attack from the TDP government and police. Undeterred, the workers have grown in confidence and organisationally in all these sectors.

30.10 In Uttaranchal a total strike was observed in THDC on 30th September, 2002 called by all the Central TUs and Officers and Supervisors Associations. This was followed by a series of movements, hunger strikes and these led to a statewide general strike on 18th November, 2002. Apart from this hotel workers, transport workers, sugar mill workers have launched various movements on their demands.

30.11 In Chattisgarh, unorganised sector workers, forest workers have led the main struggle. State transport workers fought against privatisation though it could not be stopped. Rice Mill workers are conducting a three year old struggle for trade union rights, PF, proper wages and other statutory benefits though this struggle did not meet much success till date.

30.12 At the initiative of Delhi State Committee of CITU, one day strike of industrial workers was organised on 27th March 2003 in Delhi, Ghaziabad and Faridabad on the demands of higher minimum wages, implementation of labour laws and against the ouster of workers and residents from the jhuggi-jhopri clusters in Delhi etc. The strike was preceded by two months long campaign on the issues. Response to strike was partial but the preparatory campaign created good impact.

30.13 The 3-day strike in HPCL and BPCL & KRL on 25-27 March, 2003 is a unique achievement in many sense. CITU was instrumental in forging unity and in the formation of National United Forum against Privatisation of Oil PSUs, which led the strike in the face of all the attempts of disruption. The strike was total in the offices, refineries and marketing areas. The success of this strike heralded a new era when workers in oil industry were prompted to join national movements for the first time in history. Workers in Refineries and Marketing branches of major oil companies like IOC, ONGC, BPCL, HPCL and subsidiaries like NRL, KRL, BRPL joined the all India general strike on 21st May, 2003.

30.14 As a follow-up measure, a national convention of Oil workers was held on 1st June 2003 at Kolkata followed by another all India convention on 28th September 2003 in New Delhi which was attended by even larger number of organisations and from all the oil companies and refineries. The conventions cemented the unity of oil workers and has decided to heighten the anti-privatisation movement including further countrywide strike action. The Convention also decided to go for mass-signature campaign involving common people to expose the real game behind this drive for privatisation. In the next National Convention of Oil workers held at Guwahati on 16th November 2003, which was participated by 150 delegates from 40 oil-sector trade unions covering almost all affiliations and independent unions, decision has been taken to observe countrywide strike in the entire oil sector on 16th December 2003 against privatisation. This is going to be the first ever countrywide united strike action embracing the entire oil sector.

30.15 The Electricity Bill has been passed in the Parliament totally based on dictation of IMF and World Bank. The unbundling of the SEB's and privatisation of the three separate operations namely, generation, transmission and distribution are the final goal after this piece of legislation has been passed. The workers of State Electricity Boards and also the people have fought against this move in the past through great movements. This act is anti-people and anti-national. The working class of India will have to launch bigger movements to defeat the designs of IMF & World Bank. All said and done we must admit that we have not yet been able to launch an effective resistance movement all over the country during the passage of the bill.

30.16 In the case of the Tamilnadu Government employees' strike, the Supreme Court went beyond the issue under consideration and declared that there is no right to strike and strikes have been misused and led to maladministration.

30.17 This was uncalled for. Naturally there was a chorus of protest all over the country by all democratic people including top legal experts and trade unions and political parties. There were demonstration before the Supreme Court and in many state capitals and industrial centres. Massive joint conventions were held against the Supreme Court decision against Right to Strike in Tamilnadu, Andhra Pradesh, West Bengal and few other states. Preparation is underway for similar conventions in other states.

30.18 A national convention was organised by all the central TU's on 26th September 2003, which called upon the working class to unitedly oppose the Supreme Court order banning strike and get prepared for countrywide strike action in the days to come.

30.19 On 9th September 2002, on the eve of the WTO ministerial meet at Cancun, joint demonstrations were held throughout the country at the call of the Sponsoring Committee of Trade Unions to protest against the economic machinations by the imperialist powers on the developing countries. In many places, other mass organisations also joined the protest demonstrations.

30.20 The workers of handloom sector launched various struggles including strikes in some places in West Bengal, Kerala, Tamilnadu, Karnataka and some other places during intervening period.

30.21 There were numerous other movements, activities, campaigns all over the country by public sector workers, workers in organised private sector, in the unorganised sector specially by the women workers. Some movements met with success, others not. But we look back with satisfaction that steadily CITU is coming up to the front as the prime mover of all these movements. This trend and pace have to be maintained by our efforts and more efforts.

### **31. ANTI PRIVATISATION STRUGGLE**

31.1 Faced with the intensified privatisation onslaught launched by the NDA Government against even the profit making strategically important public sector companies, the workers in these strategic industries have been, of late, demonstrating their deep determination to fight back the disastrous policies aimed at liquidating these public sector units.

31.2 The period under review has witnessed the struggle against privatisation by the public sector workers further intensified across the sectors. The redeeming feature is that wherever the prospective buyers are going to visit/inspect (due-diligence) the PSU under sale, almost everywhere they are facing militant demonstrations and are not being allowed to enter the premises. Such spontaneous spot resistance to private buyers by PSU workers was seen in Salem Steel Plant, BHPV, NALCO, HPCL, BPCL, Airports and various other PSUs. The call given by CPSTU for countrywide strike in the public sector on 16th April 2002 against privatisation had to be supported by the BMS leadership also and was responded to not only by the public sector workers enmasse but also the workers from the private sector in a big way at least in seven states of the country. The State Govt employees also participated in the said strike throughout the country. In the countrywide general strike of 21st May 2003, also the public sector workers took part in a big way. Besides the countrywide strike action, numerous sectoral actions have also taken place to resist privatisation. The three days strike in BPCL and HPCL in March 2003 has now paved the way for further strike action in the entire oil sector in the days to come. Other notable programmes are the anti-privatisation struggles in the financial sectors, coal mines, port & dock, NALCO, National Fertilizers, Electricity sector, and Airport Authority etc.

31.3 The above struggles are bringing forth new possibilities. In the face of naïve propaganda by the protagonists of privatisation that the process cannot be reversed, the experience of struggles during the intervening period has shown that the process of privatisation can be halted if powerful struggle is built up involving the common people. The anti-privatisation struggle in NALCO along with the people of Orissa made the Prime Minister declare that NALCO will not be privatised for the time being. The seven-days' strike notice served jointly by all the coal federations in 2002 compelled the concerned minister to commit that the coal mines privatisation bill would not be pursued by the Govt. The countrywide militant movement by the officers and workers of the Airport Authority of India Ltd in

August 2003 compelled the concerned minister to defer the privatisation move of country's two major Airports. Not only that, in the background of widespread discontent against privatisation among the people at large, the Govt of the day has also to defer the privatisation programme in Shipping Corporation and Hindustan Copper only recently. Such halting or deferment of the privatisation move may be temporary in nature but these developments also disprove the theory of so called irreversibility touted by the protagonists of privatisation and their agents and bring forth the reality that privatisation can be halted effectively if powerful militant struggle can be developed countrywide involving mass of the people.

### **32. THREE INTERNATIONAL EVENTS IN INDIA**

32.1 In 2002-03 there were three important International conferences or programmes organised in India where CITU had a predominant role which shows our growing influence at the international level and also the growing confidence of others on CITU.

32.2 In 2002 from November 15 – 17 the 2nd World Congress of International Energy and Mines Organisation (IEMO) was held in Kochi, Kerala. Veteran trade union leaders like Arthur Scargil from London, Alain Simon from Paris and John Maitland from Brussels who are the most powerful leaders in Europe attended the Conference. 100 delegates from Electricity, Coal mines, from India attended the conference which was a great success. M K Pandhe was elected as one of the two co-Presidents of IEMO. This conference has strengthened our ties with the international trade union movement.

32.3 CITU also organised the 2nd World Conference of Oil, Gas and Refinery Trade Unions at Kolkata on 8 – 10 March 2003, as the main initiator of this conference. The International Organising Committee included, apart from CITU, CGT National Union of Chemical Industries (France), Union of Mediterranean Oil Workers Organisation (Libya) and also International Energy and Mines Organisation (Paris). 124 delegates from different countries participated in the conference which was inaugurated by Jyoti Basu, Vice President of CITU and attended by Ram Naik, Union Minister of Petroleum, Md. Amin, Minister of Labour, Govt. of West Bengal and Chairman of ONGC, IOC and others. M K Pandhe, Chittabrata Majumdar and other senior leaders took part in the entire deliberations.

32.4 World Social Forum: "Another World is Possible" is a slogan raised by the World Social Forum in Brazil which is to counter the bourgeoisie neo-liberal protagonists' slogan of TINA (There is No Alternative). To spread out the message Asian Social Forum was constituted which held the first meet in Hyderabad from January 4 – 7 in 2003. CITU, along with other trade unions had a leading role in organising the huge programme where thousands came from abroad, and many more from all over India. Andhra Pradesh Committee of CITU actively worked to make it a success. After this success, the World Social Forum is going to hold their International Congregation in Mumbai on 16 – 21 January, 2004. CITU is having a leading role in organising this big event.

### **33. REVIEW AND ANALYSIS**

33.1 In the last three years there were many positive developments and achievements. Such achievements attain greater significance when we consider the extremely hostile behaviour of the media, the ruling parties and the employer class who relentlessly denounce trade union movement and praise and advocate globalisation and privatisation. Such propaganda has definitely created some impact in the minds of a section of the working class who are mentally split between the two ideologies.

33.2 In this context the role of the leadership of INTUC and BMS has to be studied. After some years

when the effects of globalisation on the workers and the traditional industry was visible which adversely affected the workers lives, the leadership of these unions showed some inclination compelled by the situation at ground level, to participate in the united movement.

33.3 But this did not help them to take a clear stand against globalisation and privatisation because their political peerage are in favour of and are supporting such policies and the strings from behind have pulled them away from movement. Yet again, a study will show that their views and role, on the question of privatisation, are different for different industries like Coal, NALCO, BALCO, Modern Food, Centaur Hotel, Insurance, Bank, Defense, etc. etc., as dictated by the ground level situation. BMS is riven with internal contradictions of Swadeshi and Videshi theories which have added to the confusion among their rank and file.

33.4 Whatever may be the public postures of the BMS leadership, they are working with tacit understanding with the NDA Govt. Their occasional public protests against some of the steps taken by the Central Govt and their staying away from united trade union action on the same issues are just to camouflage their understanding with the Govt. These are meant only to confuse the workers and sabotage the movement.

33.5 All these developments underline the bankruptcy of these organisations to formulate a clear cut policy against globalisation which has eroded the authority of their central command. This was manifested in the activities of their different unions behaving differently, even some of their State Committees walking in and out from the platform of joint movement, sometimes in contravention of the central directive.

33.6 There are instances galore where the members of not only INTUC but also of other unions have looked towards CITU for leadership even where we are weak or a negligible force as in NALCO. The existence of so many "SAVE COMMITTEES" proves this point. Even if there are no formal Save Committees, the workers cannot think of any other leadership or any other configuration minus CITU, to lead their struggle.

33.7 The 21st May 2003 strike has opened a new horizon for the trade union movement in our country. While two major trade unions and the two dominant political configurations have openly opposed the strike call, the response was unprecedented not only in quantity but also in quality. 21/5 call was practically a call from left trade unions. But a big section of organisations and workers who are beyond our influence or organisational link also participated in the strike in a big way.

33.8 All these developments manifest the emergence of a fair level of unanimity of views and actions which CITU has championed so far in respect of the new economic policy and also other national and international issues. Our clear stand on policy matters is winning us more friends from other sections also, from top level intellectuals to small scale industrialists. Notwithstanding all the efforts of the media to play down our role and activities or even denigration of our views, our ideological position and our initiative have brought CITU to the front of the movement of toiling people. But then the big question arises for which we will have to find an answer.

33.9 The big question is that in spite of so many favourable factors working for us where do we really stand organisationally or in terms of membership? The paragraphs above show that we never had a better moment than this. Our strategies and contemporary developments have created a condition where we can develop ourselves to a formidable force capable of intervention and to bring about a change in the anti-people policies of the govt. But that is not happening. We will have to find out why?

33.10 There are areas where we are the only force to reckon with and our leadership is accepted and respected but membership does not cross 10%. In some units we win the co-operative elections or some such direct elections by the workers but we lose the union recognition election. Regrettably, in many units our membership is actually falling percentage-wise.

33.11 There is no disagreement that while outlining strategies we are in a correct path, which are a) independent initiative and b) a continuous endeavour to develop joint movements. We have been fairly amenable to others, views without compromising our basic position in order to build up a broader unity. We have been let down by some other central TUs sometimes, but our sincere efforts to build up united movement continue.

33.12 The issues and nature of united movement have undergone a great change over the years. Previously the issues before the workers were mainly economic issues and, for obvious reasons, there was competition between unions, one-upmanship and mutual bickerings. Now, because of the severe attacks and the crisis, those psychological barriers are almost gone among the shop level workers. Policy related issues are gradually pushing behind economic issues that provide immediate temporary relief. This is also our success over the reformist views in the TU movement.

The purpose of all our activities and strategies is our organisational consolidation. Have we really succeeded much towards that goal? We do not want to pre-empt with a conclusion about our success to that goal. Comrades should candidly and objectively express their assessment in this matter.

33.13 There are other reasons to be disturbed which also should be considered for our study. There seems to be a disconnect between the new generation of workers in new generation industries and our organisation. "They are anti-trade union and anti-CITU" is the answer sometimes. But we must admit that many of those who constitute our rank and file today also avoided us in the beginning. Continuous endeavor from our leaders and cadres have changed their mindset. That sort of initiative seems to be lacking now.

33.14 In many places, we are failing to strike a proper balance between the united movement and independent initiative and also to comprehend that our independent initiative is crucial not only for making "unity of various trade unions for action" a reality but also for the effective implementation of the programmes of united actions. Such a situation stands in the way of our goal of changing the correlation of class forces and organisational consolidation of CITU. All these things should be analysed properly before we can make a real breakthrough.

33.15 In the wake of globalisation there has been a sharp rise of temporary, casual or contract workers even in organised and manufacturing industries. The worst trend is that the employers are engaging workers without any document whatsoever. They are paid starvation wage and no other benefits, not even workmen's compensation, in case of death. In many areas such cases are being accepted by us as normal practice in to-days situation. We must analyse why our comrades have reconciled to the situation or what are the impediments before us to organise those helpless workers.

33.16 There is a persistent complaint that our movements and agitations are becoming stereotyped, repetitive. The charge has some basis. There may be repetitiveness in the form of agitation because in the present socio-economic and political conditions the form cannot change radically everytime. We may and should have some changes in the form but, there again, that also may look repetitive after some time. We are in the process of organisational consolidation of our forces. If, with all our efforts, we are able to organise next year a one-lakh strong procession in Bhopal or can effect a Bandh like

situation in 15 states, that will not look like a stereotype. That impact of a massive participation will break the so-called stereotype. While reviewing our struggles and movements we must admit that there is still a big wall between us and the larger mass of working class. Our job is to break it. If we are successful then both the form and content will change.

33.17 We should be more worried about other elements of stereotypes or stagnating aspects in the organisation and functioning. Even after several workshops in each state on the Bhubaneswar Document if we review our style of functioning we will find that there has not been much of change which is reflected in the status quo of our organisational strength and actual fall of membership in some states which is not resulted by VRS or reduction of workforce.

33.18 It has been noted that many of our comrades have at times become victims of the illusion that certain steps taken by the management or employers or Govt at the enterprise level like VRS, curtailment of some rights, exemption from labour laws etc can really bring the enterprise out of the crisis or help in improving the investment climate. Our experience in the country and abroad shows that this is far from the truth and is actually counterproductive. Vigorous downsizing has been continuing throughout the world since the last couple of years which could not bring the world market out of recession, rather the recession is deepening, accentuating the pace of downsizing further. Even the ILO reports noted that countries with the highest labour market flexibility not have a brighter record either of higher employment generation or of growth of investments. In reality large scale job cuts and lowering of quality of employment facilitated by VRS, contractualisation and undermining labour rights have eventually resulted in deepening poverty, squeezing market, aggravating economic slump leading to further economic slowdown even in many developed countries. We have to educate our cadres about this vicious circle of capitalism to effectively fight back such illusions.

33.19 We should also admit that at times our comrades suffer from vacillations to go for movements. We will have to over come this trend because if we want to make a breakthrough and an effective intervention, we have no other option but to intensify our struggles and we can grow in strength in that process only. And we must also note that only through intensification of struggles against the pro-imperialist policies of the Govt and the proactive initiative of the working class movement to involve the mass of the populace in the said struggles, we can defeat the diversionary and divisive strategy of the BJP-led NDA Govt.

33.20 We must also take note of the fact that though our struggles are gaining momentum, they could not yet act in reversing the policies. Here we should not lose sight of the mounting pressure of World Bank, IMF and other multilateral agencies on the Govts of the developing countries including India. Yet there is no room for frustration or falling a victim to the so called theory of irreversibility of the neoliberal policies. Because the opposition of the people worldwide against the Fund/Bank WTO triumvirate has been growing everyday and getting manifested in massive demonstrations against these agencies on each and every occasions of their meetings. We have before us the opportunity to strengthen the voice of such opposition rising worldwide to tilt the balance against the neoliberal policies, to make it powerful enough to ensure reversal of the policies. This is possible as "another world is possible" is gradually becoming the war-cry of people worldwide.

33.21 We ask for an analytical and self-critical debate which can give us a direction for the future. After the debate let us resolutely decide to overcome our weaknesses and attain enough strength to accomplish the tasks ahead.

## 34. UNORGANISED SECTOR

34.1 We have already noted as to how the liberalised policy regime has been swelling the unorganised sector in a big way and how its profile is undergoing a fast change through mass scale offloading of work from the organised sector. In view of the new developments, we have to retune our work in the unorganised sector.

34.2 It is important here to recall the decisions of the General Council meeting held in Chennai regarding our work in the unorganised sector. It was decided to identify and prioritise the sector state wise and plan and concentrate on activities on the identified sector. It was also decided to form state level coordination committees to monitor implementation of the decisions.

34.3 We cannot claim that we could implement the above decisions everywhere. But some advance has of course taken place which has reflected in the increasing share of membership from the unorganised sector in the overall membership of CITU, notwithstanding decline in the membership from the organised sector. Various activities and movements also have taken place in the intervening period, reflecting increased level of activities among the unorganised sector workers. Notables among them are the Beedi workers central rally at Delhi preceded by countrywide campaign and agitation, auto-workers and private transport workers' struggle in AP, Tamilnadu and Karnataka, the struggle of the brick kiln workers, stone quarry workers and forest workers in Haryana, movement of the daily rated workers against retrenchment and loading-unloading workers for higher rates in Madhya Pradesh, rice-mill workers struggle in Chhattisgarh, agitation of the unorganised sector workers in Maharashtra etc. West Bengal, Kerala Tripura, Rajasthan, Bihar, Orissa and Assam also witnessed bigger mobilisation of the unorganised sector workers. Special mention also needs to be made of the struggles of the anganwadi employees on their own demands as well their mobilisation in large numbers in most of the States, in the programmes of CITU.

34.4 Besides above, all central programmes have also witnessed bigger participation of the unorganised sector workers during the intervening period. The countrywide satyagraha on 8th January 2003 and 21st May General Strike require special mention where the active participation by the unorganised sector workers throughout the country and their active involvement in organizing rail-road blockade in various centres of the country has been noticed in particular.

34.5 But despite the above positive development, we must note, we are yet to rise to the occasion in our task of organising these sections of workers effectively. Our activities in this sector still depend much on spontaneity instead of properly planned work in the identified areas. In many states, coordination committees, though formed, remained defunct and whatever initiative is being taken has been from the sector specific leadership. In the absence of such state level planned work in most of the places, we failed yet to unleash a serious campaign on the character of the proposed Bill on Unorganised Sector and thereby expose the BJP led Govt although material for such campaign has been supplied through "Working Class" and CITU Mazdoor". The centre has also failed to pursue and monitor our work among the unorganised sector at the state levels according to the decisions taken. The Secretariat has not been able to convene meeting of the All India Coordination Committee of Unorganised Sector since a long time.

34.6 Moreover, we are yet to start our work among these vast chunk of non-unionised workers in the new areas emerging in the unorganised sector like the high-tech units in IT, electronics, textile and some other segments. We must identify the areas and issues involved and plan our work at the state level so that these section of workers are brought in the mainstream of trade union movement. We

must note that it is the strategy of the ruling class to informalise the entire economy in the name of ensuring flexibility in the liberalised policy regime. Without effectively organising the growing workforce in this newly emerging informal sector, we will not be able to effectively counter the desperate effort of the ruling class to casualise the entire workforce. We can afford to ignore this task only at our peril.

### **35. WORKING WOMEN**

35.1 The participation of women in the activities of CITU has increased considerably after the last Conference at Hyderabad. There is some improvement in the formation of women's sub committees within the unions in industries with large number of working women. Sub committees have been formed in Plantation, Beedi, Electricity Board Employee's Unions, Road Transport Workers' Unions and Medical and Health Workers' Unions in West Bengal, Tamil Nadu, Tripura, Chattisgarh, and Andhra Pradesh etc. It is necessary that this be taken up in other States and to ensure that the women's sub committees function properly.

35.2 As per the decision of the last Conference many CITU affiliated unions have started observing International Women's Day on March 8, by mobilising both men and women workers at the work places. Group meetings, conventions, round table meetings, distribution of leaflets, badge wearing etc are undertaken on International Women's Day.

35.3 Vimal Ranadive Memorial Lecture is being organised every year on 10th April, on subjects of relevance for working women. 'Impact of globalisation on working women in the unorganised sector', 'Labour law reforms and working women' and 'Globalisation, War and working women' were the subjects in 2001, 2002 and 2003 respectively. Eminent economist Jayati Ghosh, the then General Secretary of AIIEA NM Sundaram and the noted columnist Nalini Taneja delivered the lectures in the meetings organised by the CITU centre. In several States like Andhra Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu and West Bengal Memorial Lectures/ seminars etc were organised on these topics.

35.4 The decision of the last Conference to conduct a wide campaign on the major problems of working women culminating in a massive mobilisation in Delhi could not be fully implemented. The campaign was conducted seriously only in Tamil Nadu. This Conference should take a decision to conduct the campaign in a time bound manner and a massive rally of working women should be held in the first half of 2004. All the CITU State Committees should ensure successful implementation of the campaign programme.

35.5 On the whole, though there is some improvement in the implementation of the decisions of CITU related to our work among working women, much needs to be done. A meeting of the General Secretaries/ Presidents of CITU State Committees along with the Convenors of the State Coordination Committees of Working Women was held on 5th December 2002, to undertake a detailed discussion on the continuing weaknesses and to suggest measures to improve our functioning. 37 comrades from 17 States participated in this important meeting. But it is unfortunate that the representation from the stronger States was not satisfactory. No representative from Kerala attended the meeting, while comrades who participated from West Bengal participated only for a little while. The meeting self critically noted that the State Committees of CITU were not paying due attention to the work among working women. The meeting decided that separate State level trade union classes should be held for working women to develop women cadres, before the end of July 2003. But till now no State Committee of CITU has organised such classes.

35.6 The seventh Conference of AICCWW was held on 11- 12 October 2003 at Mumbai. 318 delegates from 19 States and twenty-five industrial sectors, participated in the Conference. The documents adopted in that Conference are being placed in this Conference (see annexure). In view of the increasing number of home based workers in the era of globalisation and the predominance of women among the home based workers, the Conference of AICCWW recommended that the CITU should pay more attention to organise the home based workers. The State Committees of CITU should discuss the issue in detail, identify the areas in which home based work is being carried out, decide priorities and work out strategies to organise them.

35.7 The circulation of the English journal for working women 'The Voice of the Working Woman' has remained almost stagnant at around 3, 500. The subscriptions in some major States like Tamil Nadu and Kerala have shown a decline, while there is some progress in Andhra Pradesh and to some extent in West Bengal. The Hindi bulletin is being brought out as a quarterly and the circulation is around 2,000, mostly among the anganwadi employees.

## **WOMEN IN CITU**

35.8 As per the annual returns, the membership of women in CITU was 20% in 2002. Women constituted 53% of CITU membership in Karnataka and Bihar, Himachal Pradesh in 2002. It was between 20% and 40% in Assam, Haryana, Kerala, Maharashtra and Tripura in the same year. It is to be noted that many unions do not mark the number of women members while filing annual returns. If this is rectified the number of women members will be actually more. It is necessary to identify the capable comrades among working women and to promote them in the respective committees.

35.9 Representation of women as members and office bearers in CITU State Committees has also increased to some extent, though it is not commensurate with the membership. The representation of women in Federations like Plantation Workers' Federation, Beedi Workers' Federation, and Construction Workers' Federation etc has also slightly increased. It is necessary to provide training to these women activists and equip them to discharge their responsibilities more effectively. The CITU State Committees should also ensure that their financial requirements to attend the meetings are met with.

## **ANGANWADI FEDERATION**

35.10 Our Anganwadi Federation has affiliated unions in 20 States. A convention of anganwadi employees was held in Kashmir in which around 2,000 anganwadi employees participated and an organisation committee was formed. Efforts are being made to register a union. recently a union was formed in Andaman & Nicobar Islands by the CITU. The anganwadi employees in Tamil Nadu, who were part of the Noon Meal Employees' Association, have formed a separate union. They continue to be affiliated to the State Government employees' Association, but are affiliated to our anganwadi federation. The anganwadi unions affiliated to the Federation in most of the States like Assam, Andhra Pradesh, Himachal Pradesh, Karnataka, Kerala, Punjab, Pondicherry, Tamil Nadu, West Bengal etc regularly conduct campaigns and struggles on the problems of anganwadi employees. The activities in Maharashtra and Haryana have also improved in recent period. The fourth Conference of AIFAWH was held successfully in Puri in 2002, on the basis on 2001 membership. The membership in 2002 was around 1, 60,000.

35.12 AIFAWH played a major role in the struggle for the enhancement of honorarium of the anganwadi employees and in ensuring that it is implemented from 1st April 2002. The favourable impact generated by our struggles should be utilised to consolidate our organisations.

37.13 CITU State Committees in Gujarat, Madhya Pradesh, Jharkhand and Uttar Pradesh need to pay more attention to organise the anganwadi employees.

### **36. CHILD LABOUR: CITU-ILO PROJECT**

36.1 We have implemented the second project on Child Labour with the ILO. The programme was implemented in 10 States – Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Tamil Nadu, Tripura, Rajasthan and West Bengal, covering 7 industries- Brick Kiln, Construction, Beedi, Handloom, Matches and Fireworks, Plantations and Stone quarries. The main component of the programme was running Non Formal Education Centres (NFEC) for child labour. 20 NFECs were run and non formal education was provided to around 1,000 child labourers in two years. More than 600 child labourers were enrolled into regular schools in two years.

36.2 The main purpose in implementing this programme was, besides providing non-formal education to the child labourers, to make efforts to develop contacts with and organise the workers in the selected industries, who are also parents of the child labour. The two-year programme has been completed in November 2003. In general, our efforts have been appreciated by the parents of the child labour and the community in general. The programme helped in developing contacts with workers in these industries. But this has been utilised to develop organisation in only a few States. The union of beedi workers in Bhopal and one Stone quarry workers' union in Rajasthan were revived. In Assam the NFECs created good impact among the plantation workers. In Tamil Nadu, our efforts earned recognition from the district administration also. In Himachal Pradesh, it helped in establishing contacts with the brick kiln workers. In Haryana, one teacher of the NFEC came forward to work as a full timer of the CITU. Better results would have been achieved if all the concerned State Committees of CITU paid proper attention to it. In Andhra Pradesh, the CITU has implemented a State level Child Labour Programme of the ILO, by conducting a wide campaign on the issue of minimum wages.

36.3 There is need to have a proper understanding of our approach to the problem of child labour. It has, therefore, been decided to have a discussion in a separate commission during this conference.

### **37. INTERNATIONAL RELATIONS**

37.1 During the period between our last conference and now, the CITU had made tremendous strides in developing our relations with the international trade union movement.

37.2 A reference had been made earlier, as part of our activities, to the two important international conferences held in India, in which the CITU had played an important role. This reflects the confidence reposed on CITU by our trade union colleagues in other countries.

37.3 CITU has been an important component of the Southern Initiative on Globalisation and Trade Union Rights (SIGTUR), which had been unifying the trade unions of the South, to unitedly put up global resistance against globalisation offensives.

37.4 We consider our movement to be an integral part of the international working class movement. The global offensives of capital make it imperative for the working class movement worldwide to unite their ranks and intensify the resistance to these offensives. Hence, we value the cooperation of our fraternal trade unions in all the continents of the globe. CITU has not affiliated itself with any of the three international federations viz. the WFTU, ICFTU or the WCL. But, we have maintained cordial relationship with all fraternal organisation across the globe irrespective of their affiliation. We have

attempted to learn from their experience, draw appropriate lessons for carrying forward the struggle against the capitalist class and advance the movement in our country. It is with this perspective that we have been paying serious attention to strengthen our international relations.

37.5 We do not wish to record here elaborately, the visits exchanged between the CITU and other fraternal trade unions, the international seminars and workshops attended by our comrades etc., as detailed information on this had been published regularly in our journals.

37.6 We, however, record here with pride that at the invitation of the trade union centers of various countries across the globe, CITU delegation visited UK, Italy, France, Netherlands, Greece, Cyprus, Philippines, Syria, Libya, Iraq, Vietnam, China, Japan, Brazil, Sri Lanka, Nepal, South Korea, Australia, Cuba and various other countries.

37.7 CITU delegations have also participated in the national congress of the trade centers of Russia, Brazil, France, South Africa, and Mexico. Besides the above we had the occasions to welcome trade union delegations from various countries like Japan, USA, China, Nepal etc. CITU was also represented in the World Social Forum held in Porto Alegre, Brazil and also in the 90th and 91st conference of International Labour Organisation (ILO) held in Geneva in 2002 and 2003. Through all these visits the contacts and relationship with the fraternal trade union organisations have expanded notably which is also reflected in the participation of foreign delegates in our 11th Conference. In the background of increasing onslaughts of globalisation and mounting struggle against the same all over the world, expanding international relations of CITU are definitely a welcome development.

## **38. ON ORGANISATION**

38.1 The state of organisation continues to be a major concern for us. There has been some improvement, but it is hardly more than marginal and uneven in coverage. It is anything but adequate to effectively meet the challenges thrown on the working class by the intensified attack of liberalisation and globalisation as well as the communal offensive.

38.2 It is useful to recall that in the early 1990s we started realising that for effectively confronting the growing onslaughts on the working class and for further strengthening the united struggles, we needed a much stronger CITU. We initiated a prolonged discussion at all levels of our organisation, which culminated in the adoption of a comprehensive document on organisation, now famous as the Bhubaneswar document, by the CITU Working Committee in 1993. It identified in detail the weaknesses and shortcomings of our organisation and laid down tasks to be undertaken for strengthening it. The document was widely circulated and our comrades are fairly acquainted with its contents.

38.3 During the 10th Conference of CITU, we had a special discussion on organisation, which discussed the steps chalked out, during the workshop held in New Delhi in March, 2000, for implementation of our tasks. The 10th Conference adopted a document after in depth discussions, outlining our immediate tasks for the Centre, some of the States and the Federations, besides identifying the tasks in respect of democratic functioning, working women, education, cadre development and ideological work.

38.4 During the period since the last conference, we have made some, though modest, progress. We cannot claim that we have paid enough attention to discharge the responsibility of implementing the tasks set out on different aspects. We can, however, note some positive features.

➡ The task of holding workshops on organisation at State level have been undertaken in most of

the States during the intervening period. The State level workshops organised in different States have witnessed fruitful discussions on the organisational problems faced by those State Committees. However, a few States like Bihar, Gujarat, Karnataka etc. are yet to hold such workshops.

- ➔ The CITU Secretariat initiated a review on "United Struggles and Consolidation of Trade Union Movement", by placing a detailed note for discussion at the meeting of the CITU General Council at Siliguri in April, 2002. This document has since been finalised after further discussions in the CITU Secretariat and the meeting of the Working Committee at Hissar in December, 2002.
- ➔ The CITU Centre has continued the practice of holding meetings with the leadership of Hindi-speaking States. The immediate issues and programmes have been discussed in these meetings. However, the long term and basic problems that the CITU is facing in organisation, expansion and consolidation in the Hindi heartland are yet to be taken up for serious discussion.
- ➔ It is true that we could not advance to expand the organisation towards reaching the target of 40 lakhs membership. The membership figures do indicate a state of stagnation. There has been some decline in membership also in some of the States. However, one aspect of the situation should not be missed by us. Due to closure of industries, down-sizing, VRS, retrenchment etc., we have lost a number of our old bases and membership. Our unions in the State Committees have made efforts to reach out to new areas which has resulted in some expansion. This has enabled us to maintain the development of membership. But, at the same time we must remember that the situation offers much larger opportunities for expansion and demands strenuous efforts by us.
- ➔ The functioning of the CITU State Committees of several States has registered improvement. The State Committee meetings are held more regularly; attendance has improved in many cases and written reports are submitted in some States. However, this can be improved further.
- ➔ Some State Committees have organised training classes. A few of our Industrial Federations have also organised training classes during this period. However, this attempt has not been made by the Committees in all States and Federations.
- ➔ The CITU Centre has made a beginning of discussing the functioning of the Industrial Federations with the Secretariat commencing holding of discussions with the leadership of the All India Coal Workers' Federation during July, 2003.
- ➔ Some efforts were made to improve collective functioning at the CITU Centre, but these were far from sufficient. Though Secretariat members functioning from the Centre have been helping some States, particularly the Hindi States, proper attention could not be paid to planned development. More attention is also required to be paid by the Centre on ideological development of the working class.

38.5 Despite these positive features, the gap between what has been done and what remains to be done is still wide. It continues to be a matter of concern particularly in view of the growing attacks.

- ⤷ We are still far from our membership target of 40 lakhs. Expansion to new areas and new industries is extremely limited. New orientation in enrolment process, enrollment round the year has not generally emerged.
- ⤷ The review of the organisational activities of the industry-wise federations had not been undertaken seriously by any of our federations, except in the case of Steel, Construction Federation and the Anganwadi Federations. Nor did the CITU Centre make efforts to initiate

such a review.

- Much remains to be done in developing collective functioning in all its aspects at the Centre.
- Although in some cases individual central office bearers help the respective state committees, still we are defaulting in the preparation of a “well knit growth plan for priority sector in the state concerned”.
- The Centre has not yet been able to launch any systematic effort for TU education and syllabus for trade union education could not be prepared as promised.

38.6 We need to specifically note another aspect. Since the last Conference, CITU's performance in both countrywide action programmes and state level movements has notably improved. Special mention is to be made on our leading role in countrywide Satyagraha on 8th January 2003, 21st May strike, where CITU's active initiative led to broadening the reach of the programmes to many new areas both in terms of spread and intensity, even in the weaker states. This reflects enhanced organisational initiative of our state level leadership to respond to the situation in a collective manner. Moreover, state level movements covering new areas could be successfully organised in many states. Unfortunately, such successful actions did not lead to desired expansion of our organisational base. As for example, there had been long drawn struggles in the stone quarries and brick-kilns in Haryana facing brutal repressions by the state administration; but the membership from those areas in the state witnessed a decline. Similar examples can be given in other areas. The root of our failure to organisationally consolidate our influence spread through struggles lies in our inability to handle the struggles with a proper organisational approach and also the ineffective organisational machinery and lack of consciousness to address the post struggle organisational tasks. Lacuna in democratic functioning are also responsible for such defaults to a great extent. The Bhubaneswar document has specifically laid down the guidelines to handle such tasks. But we failed to put them into practice, sometimes even remember them at all.

38.7 Secondly, most of our industrywise federations covering important sectors of the economy played an important role in the implementation of the countrywide action programmes during the intervening period. Some of these federations also could organise successful struggles on the respective sectoral demands, both independently and unitedly with others. Federations of Anganwadi workers, Steel, Coal, road-transport and construction can be cited as examples. But we must note, even in respect of most of these active federations, conscious organisational effort to develop a team of all India leadership of the concerned sector is seriously lacking. Moreover, the lack of coordination between the Federation leadership and the leadership of the concerned states, where the Federations are having their units and lack of unified understanding regarding the priorities, still continue to be a problem in some cases. In this regard, some improvement has, however, taken place in respect of some federations owing to joint efforts of the leadership of the concerned federations, states and the centre.

38.8 These are some of the glaring failures. Neither the positive features nor the persisting failures are exhaustive. But they are sufficiently indicative of the wide gap that we will have to fill up in order to emerge stronger.

38.9 The fault line in this respect surely lies with the Centre. And such admissions by way of self criticism offer no consolation. Again, at the state-level and federation level also, the required seriousness was lacking.

38.10 Howsoever good an analysis of the politico economic situation we make and enlist the tasks accordingly, these cannot be implemented effectively throughout the country, unless we strengthen

our organisation and develop CITU into a formidable organisation all over the country.

38.11 It is clear from the above that the question of organisation received serious attention both during the phase of adopting the Bhubaneshwar document and also around the time of workshops. But, the tempo that initially developed during both occasions gradually died down and could not be sustained. As a result while, some improvement took place in some places the process could not be carried further. Often, even the gains achieved faded away subsequently and functioning relapsed to the old position.

38.12 Uneven development of CITU continues with the membership of West Bengal and Kerala comprising around two-third of the CITU membership even today. Prolonged and militant struggles on the issues of the workers are being conducted in many States including the Hindi speaking States like Haryana, Himachal Pradesh etc, in the face of many odds like police repression, physical attacks by management supported goondas etc. Our influence among the various sections of the working class has no doubt increased in almost all the States. But we are not able to convert this into membership and consolidate our organisation. One of the main reasons for this is our weakness in properly linking agitation, propaganda and organisation. Lack of democratic functioning in the Unions, Federations is also one of the major reasons of our inability to organisationally consolidate the gains of struggles.

38.13 The Bhubaneshwar document itself provided for periodical review of implementation of the tasks laid down in it. Although review is some times carried out it is generally of routine nature. The system of reporting from below (as well as reporting back) is almost entirely missing. For a serious review of implementation detailed report from the states and the federation is indispensable. Except a few States like Assam, Tamil Nadu, etc, most of the States do not send timely reports to enable the Centre to make a proper review of the implementation of the various calls. This weakness also has to be overcome to draw collective lessons from our experiences of struggles and plan future activities effectively.

38.14 Today, attack is being intensified everyday: the situation is becoming more and more complex. Discontent against the anti working class and anti people policies of the Government is spreading fast among the working class as well as the other sections of the society and more and more sections of the working class are coming into struggles. In this situation, we will be able to lead the working class in a proper direction if we can make the necessary efforts by strengthening our organisation.

38.15 In this situation, a serious review of implementation of the Bhubaneshwar document, as well as the subsequent tasks delineated, with a view to revive the process of organisational improvement brooks no delay. Immediately after this Conference, it is extremely important that the new CITU Secretariat undertakes such review as its priority task.

## **39. AMENDMENTS TO CITU CONSTITUTION**

39.1 We have given notice of certain proposals to amend the CITU Constitution. Presently, the CITU constitution provides for holding of at least two Working Committee meetings and one General Council meeting every year. Experience shows that it becomes practically impossible to maintain the schedule and sometimes we had to hold the working committee meeting formally for just one hour prior to the General Council to meet the constitutional obligation. Many comrades expressed dissatisfaction over such a ritualistic exercise. The General Council discussed the matter at length and decided to propose an amendment to provide for holding of one meeting of General Council and one meeting of the Working Committee in a year. However, this is only the least requirement and there is

no bar to convene more than one meeting also, should the need arise.

39.2 The General Council also decided that the size of the the CITU Secretariat, Working Committee and General Council to be elected in the All India conference should be as under:

- \* Office-bearers: to be decided each time by the Conference (as at present)
- \* Working Committee: 125 + Office-bearers
- \* General Council: 300 + Working Committee

39.3 The General Council also decided that the representatives from each State in these Committees could be decided on the basis of membership strength proportionately.

39.4 The amendments proposed are to give effect to these decisions. I hope these amendments will meet with your approval.

#### **40. BIRTH CENTENARY OF COM B. T. RANADIVE**

40.1 The birth centenary year of Com B. T. Ranadive, founder President of CITU will begin on 19th December 2003. We must befittingly observe the birth centenary of our great leader, teacher and visionary throughout the organisation through intensive educational activities on the basic working class ideology and its applications with reference to Com BTR's teachings.

40.2 Com BTR's birth centenary year has arrived at a time when the working class movement is facing tremendous challenges arising out of ideological offensive on the working class ideology and the concept of class struggle and socialism by the capitalist class worldwide. This ideological offensive is also having its impact on the working class movement and is getting reflected in various vacillations within the movement. Hence the task of ideological education has attained crucial importance before our movement.

40.3 A year long educational campaign at all levels of the organisation has to be taken up. We may conceive of organising seminars on various ideological, social, political and organisational issues confronting the working class movement besides trade union classes for our cadres at various levels to be planned and implemented by both the State committees and the centre. The year-long birth centenary celebrations of Com BTR will target all the working committee members of our affiliated unions throughout the country to be covered by trade union classes on the issues of history of trade union movement, concepts of class struggle and socialism, danger of communalism, imperialist globalisation, and the organisational and movemental perspective of CITU. A booklet on the life and teachings of Com BTR will be published by Centre to be circulated throughout the country in respective regional languages.

40.4 Com. BTR had enjoined on the CITU the responsibility of mobilising the youth of the country on the demand of the right to work. The menacing dimension that the unemployment problem has assumed in our country is simply leading to growing exclusion of the youth of the country from the socio-political life itself. Further, the post liberalisation regime has aggravated many times the pace of erosion of the employment generating potential of the economy as whole. Both the number of fresh jobseekers and the number of job losers have been increasing phenomenally despite slow down in the growth of population and growth of the labour force. Com BTR in his last writing addressed to the "Right to Work Convention" held in Durgapur, pointed to this menacing inevitability of the capitalist path and called upon the working class and the CITU in particular to take initiative in mobilising the class and the

unemployed together in united struggle against Unemployment and for the "Right to work as a fundamental right". This task should be a focal point of our activities during Com BTR centenary.

#### **41. FORWARD TO INTENSIFIED STRUGGLES!**

Dear Comrades,

41.1 The forthcoming period will witness more concerted attacks by the Indian capitalist class, at the behest of the world monopoly capital. The working class and the toiling masses will face further severe challenges all over the country. With the deepening of the crisis in world capitalism more ferocious attempts will be made to pass on the burden of the crisis on to the shoulders of the working class and the people.

41.2 Utilising the disunity in the developing countries, the IMF and the World Bank are trying to increasingly interfere in the sovereignty of the nation-states in the developing world. Popular protests against the policies of globalisation are growing stronger every-day throughout the world, which are having impact on the policies of the developing countries. Thus, the resistance movement must be heightened to make a powerful impact at a global level.

41.3 The NDA Government persists with the vigorous pursuit of the disastrous policies of globalisation, privatisation and liberalisation, while destroying the secular fabric of the country's polity. It has shamelessly made the country servile to US imperialism. These must be countered through militant mass struggles.

41.4 In India, the major political parties, the Congress and the BJP are ardent advocates of the policies of globalisation. Several other parties in the ruling combine as well as the opposition also pursue the same policies of globalisation. These parties have a sizable influence in the working class, which also pose serious hurdle in the further growth of our united struggle against the policies of globalisation.

41.5 Under these circumstances it is of paramount importance for the trade union movement in India today to heighten the resistance movement many times more to save the country.

41.6 The CITU committees at all levels must redouble their activities to build a much more powerful unity of the working people for bigger struggles against the onslaught of world capitalism. It is our experience that wherever State Committees of CITU have taken the initiative to create the urge for united action at the grass root level, united movements could be strengthened.

41.7 Our industry wise federations should take more initiative in launching industry wise movements so that the attacks on the rights of the workers like down sizing, privatisation, outsourcing, sickness, closures etc. are repulsed effectively. We have to take steps to overcome the frustration prevailing among a section of the workers due to inadequacy of the resistance struggles.

41.8 We must take note of the vacillations and even opposition to the struggles from the leadership of a section of the trade union movement, who do not support the idea of intensification of the struggle in the name of keeping broader unity. While CITU has always stood for broadest unity of the working class and the trade union movement, its vision of the unity is for strengthening and heightening the working class struggles. The ambivalent stand of this vacillating section of trade union leadership creates confusion among the mass of the workers and breeds false illusions as well.

41.9 Today, the need to overcome the vacillations and opposition to intensified struggles is, therefore, of great importance to the working class. This can be done only by a powerful independent campaign among the working class with a view to convince them about the need for heightening and strengthening of the united struggles. It is necessary to organise a powerful ideological campaign independently among the workers about the real face of the capitalist offensive. We have to unify all forces willing to join our efforts to intensify the present struggles and isolate those forces who seek to undermine the united struggle.

41.10 We must remember that the capitalist class will always try to penetrate into the trade union movement with a view to disrupt it from within. It resorts to all corrupt and dubious methods to win over a section of the TU leadership to their side so that the TU movement does not reach new heights. Hence, we must steer clear of such attempts at disruption of the TU movement by the capitalist class.

41.11 It is also our experience that the reformist leadership is unable to withhold their ranks from the path of struggle if the ranks are convinced about the need for struggle. The success of 21st May strike as well as earlier nation wide actions have proved this point succinctly and we must draw proper lessons from them.

41.12 Our document on "United Struggles and Consolidation of Trade Union Movement" has laid down practical measures to be pursued by the CITU at all levels to achieve a change in the correlation of the forces in favour of struggle. We must take effective and urgent steps towards implementation of the guidelines in that document.

41.13 The Sponsoring Committee of Trade Unions has made a signal contribution in building unity of central trade unions and industry wise federations in the struggle against the economic policies. In fact the decade long struggle against the neoliberal policies led by the Sponsoring Committee created conditions for other trade unions also to join the anti-globalisation actions during this period, at least some of them, notwithstanding their vacillations. The role of the Sponsoring Committee as a unifier of the working class should be strengthened, so that it can play more effective role in intensification of our struggles.

41.14 The CITU has to take the initiative to build unity in the common struggle with the movement of peasants and agricultural workers in the country. We must also work to involve and mobilise other mass organisations in the joint struggle against neoliberal policies and activate the NPMO. The struggle against globalisation has to be transformed into a genuine mass struggle of the people in all corners of India.

41.15 The meeting of the General Council of the CITU in Cuttack this year has outlined the perspective course of our future movement in the following words:

"In our perspective for a long drawn action, we must keep in mind the role of strategic sectors in the operation of the capitalist economy. The major sectors can be identified as Energy sector including coal, oil and power, financial sector comprising banks, insurance and other financial institutions, transport sector covering water, air, road and railways, and communication sector comprising telecommunication and postal services. If the workers in these sectors can be mobilised for long drawn simultaneous actions, the major operation of the economy is bound to come to a standstill, thereby compelling the Govt to retrace their suicidal policies... The pioneering initiative of the workers in the crucial sectors of the economy combined with the movement of the working people of different other sectors, particularly in the unorganised sector can produce the desired result of the fight against Fund-Bank-WTO dictated

policies imposed on our country. The huge numerical power of the workers in unorganised sector confronting crude exploitation, deserves our special attention.....Such a strategically structured, well prepared, long drawn united action of the working class is the need of the hour.”

41.16 The recently held national convention against the Supreme Court verdict denying the workers of their right to strike has called for intensified actions. The belated and hesitant response of the Prime Minister is a pointer to the unwillingness of the NDA government to respond to the united demand of the trade union movement. In this, it is significant that the central and state government employees throughout the length and breadth of the country have also decided to meet this offensive with strike action and they have appealed to the central trade unions to decide the date of the strike, to take place in early February, 2004.

41.17 We must intensify our campaign for the strike, in all the states and sectors. Besides the joint programmes involving all the other trade unions who have come forward to join the intensified actions, our own independent campaign for the strike must be carried on among all sections of the working class irrespective of affiliations.

41.18 We must also note that while carrying on our untiring effort in organising militant mass struggles against the policies of the Govt, we must also continue organised campaign from our independent platform against communalism and all kinds of divisive virus being spread by the ruling class to weaken the unity of the people and divert the attention of the people. This task is of crucial importance in view of the strategy of aggressive communalism being resorted to by the BJP bandwagon to retain themselves in political power in the face of their gradual isolation from the people owing to their disastrous anti-people policies. The state sponsored communal carnage in Gujarat, recent happenings on Ayodhya issues and arrogant hate campaign by VHP and other Sangh outfits with active indulgence from the highest seat of governance are the manifestations of such disruptive tactics of the players in the present day governance at the centre. We must effectively combat such heinous ploy of the communal forces in power, if we are to successfully unite the working class and the toiling masses in the struggle against the capitalist and imperialist offensive and bring about the change in the correlation of forces in the right direction.

## **42. OUR IMMEDIATE TASKS**

Comrades,

42.1 We have to sum up our immediate tasks to meet the challenging situation and protect the interests of the working class and the people of the country. We have to gear up our organisation to fulfill the following immediate tasks.

1. Strengthen campaign among the working class about the dangerous consequences of the policies of globalisation and place concrete alternate policies of the democratic path of development;
2. Strive to unite the working class of all affiliations on common slogans against the IMF, World Bank and WTO dictates and launch powerful united struggle all over India;
3. Strengthen the activities of Sponsoring Committees and NPMO and develop them as genuine platforms of united popular struggles to protect the national interests.
4. Expose and isolate forces within the trade union movement which seek to divide the working class and objectively fulfill the requirements of the capitalist class.
5. Develop closer relationship with Kisan and Agricultural workers movement as a bedrock of the popular struggles against the policies of globalisation.

6. Intensity campaign against communal forces who divert the attention of the people to parochial and fundamentalist issues and disrupt the popular unity against the policies of globalisation.
7. Develop closer relations with anti-globalisation movements all over the world while making serious efforts to make the World Social Forum at Mumbai successful.
8. Prepare for a nation wide strike against the attack on TU and democratic rights including right to strike.
9. Strengthen the democratic functioning of CITU as an independent mass organisation and raise its membership to 4 million by the end of 2004.
10. Observe the birth centenary of Com B T Ranadive through a year long intensive educational campaign through trade union classes, seminars, popular lectures etc on ideological and organisational issues and on comrade BTR's teachings.
11. Involve working class more and more in political actions and in the world wide struggle against imperialist machinations and for a universal struggle for a socialist transformation of the society.

42.2 These tasks are extremely important for us if we have to protect the vital interests of the working class and the toiling millions of India and play our destined role. Without giving sufficient emphasis on the Independent role and activities of CITU in achieving these tasks we will not be able to make much headway.

42.3 Let all the unions of the CITU rise to the occasion in achieving these objectives! Shed all lethargy wherever it exists, streamline our organisation so that we can give a good account of ourselves.

42.4 The working class and the toiling people of India have the capacity to defeat the policies of globalisation and nip in the bud all the machinations of imperialist powers and multinationals to subjugate people all over the world. We must have confidence in the ultimate triumph of the people all over the world. No nuclear weapons and militarism will be able to control the world. It belongs to the people who will decide their own destiny.

\* Long live the unity of working class and the toiling people in the struggle to defeat the policies of globalisation!

\* Down with imperialist machinations to subjugate the world!

\* Long live the struggle to achieve Socialism!

\* Long live CITU!

\* Workers of the World Unite!

**M K Pandhe**  
**General Secretary**

# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE



**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## DECLARATION ON THE TASKS OF CITU AMONG WORKING WOMEN

The CITU has formed the All India Coordination Committee of Working Women in a Convention before its fourth Conference at Chennai in 1979. Since the 7th Conference of CITU at Calcutta in 1991, the Conferences of AICCWW (CITU) are being held regularly as part of the CITU Conferences. As part of this 11th Conference of CITU, the (seventh) Conference of AICCWW (CITU), was held on 11- 12 October 2003 at Mumbai. This Conference endorses the reports adopted in the 7th Conference of AICCWW (CITU) and calls upon all the State Committees and the industrial federations to ensure implementation of the tasks set forth by it.

In its endeavour to unite the working class to lead the struggle against exploitation, the CITU realised that unity of the working class cannot be accomplished as long as a big section of the working class- the working women- were outside the purview of the trade union movement. It is necessary to organise the working women by addressing their specific demands, to train and develop women activists to enable them to take up responsibilities in the day to day activities of the unions, to promote them to leading positions in the CITU and its affiliated unions. The AICCWW (CITU) was formed to facilitate this task of CITU. The CITU has also been publishing a journal for working women 'The Voice of the Working Women' in English uninterruptedly since the last 23 years, to take the ideology of CITU among women workers and employees including those in non CITU affiliated unions and to develop them as activists of CITU. The task of organising working women and strengthening the CITU becomes all the more important to resist the onslaught of the forces of globalisation and liberalisation on the working class.

Because of our efforts in the last more than 24 years, there is improvement in the participation of women in the CITU campaigns and struggles. Women's membership in CITU has increased to around 20 %. The representation of women in the CITU Committees at various levels as well as their presence in the committees of the various industrial federations has improved. Many CITU State Committees now have one or more women office bearers. At the same time, some weaknesses still persist, which need to be overcome at the earliest.

Keeping in view the importance of further enhancing our work among working women, the 11th Conference of CITU decides to conduct a wide campaign on the following Charter of Demands of Working Women adopted at the 7th Conference of AICCWW (CITU), by mobilising large number of workers, including men. This Conference calls upon all its State Committees and industrial federations to work for ensuring a massive mobilisation of working women in Delhi in the first half of 2004 to

submit a memorandum to the Speaker of the Lok Sabha.

1. Reverse the anti worker and anti women policies of globalisation and liberalisation.
2. Stop the anti worker amendments to the labour laws, as recommended by the Second National Commission on Labour.
3. Ban retrenchment of women in any form. Create more employment opportunities for women, as a matter of policy.
4. Unemployment benefit should be given to all those who have been retrenched and to those on the employment register.
5. Eight hour work in a day should be strictly implemented for all working women including those in the EPZs and in the unorganised sector. Overtime wages should be paid whenever they are asked to work for longer hours.
6. Equal wages and equal opportunities for work.
7. No discrimination in training, promotion, deployment and retirement in both public and private sectors.
8. Maternity benefits should be provided for all working women including to those in the unorganised sector and agricultural working women. This should cover miscarriages also.
9. National Minimum wages should be fixed as per the recommendations of the 15th ILC and should be strictly implemented.
10. Supreme Court judgment on Sexual Harassment should be strictly implemented in all establishments; Complaints Committees should be formed as per the guidelines of the Supreme Court. Legislation should be enacted against sexual harassment at work place immediately.
11. Ratify ILO Convention on Home Based Workers and enact law for home based workers.
12. Crèches should be provided near the place of work. Working women should be given time to feed their babies.
13. No blanket permission for night work.

The 11th Conference of CITU also decides to strengthen the work of CITU among working women by taking up the following organisational tasks:

1. Organise meetings of the State leadership of CITU along with the State CCWW before the end of June 2004.
2. Form and ensure proper functioning of the State and District Coordination Committees of Working Women.
3. Allot a full timer, preferably a woman, at the State Centre for the work among working women. If a woman is not available, a male comrade should be given the responsibility.
4. An office bearer of CITU State Committee should be given the responsibility to guide the work among working women and the progress of our work should be monitored periodically at the State and national levels.
5. Ensure adequate representation of women in leadership positions in CITU Committees and its affiliated unions at various levels.
6. Identify priority areas in the State and prepare a plan to organise the women working in these sectors/ industries
7. Concentrate on organising the home based workers. Identify the jobs where women home based workers are involved, decide priorities, study their conditions and prepare a plan to organise them.
8. Ensure formation and proper functioning of working women's sub committees within the CITU affiliated unions/ federations with large number of women.
9. Hold separate State level trade union classes for working women on a regular basis

10. Ensure that the expenses of women members for participating in union/ CCWW activities are met by the concerned committees.
11. Gender issues to be incorporated as a part of the curriculum in the general trade union classes for the CITU activists.

Com. P. Ramamurthi Nagar  
9-13 December 2003  
CHENNAI, TAMIL NADU

## DRAFT RESOLUTIONS

### CONDOLENCE RESOLUTION

#### COM. NIREN GHOSH

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, deeply mourns the death of a veteran freedom fighter and stalwart of the communist and working class movement in India, Com. Niren Ghosh. He died in Calcutta on 1st July 2001 at the age of 87.

Com. Niren Ghosh joined the communist movement at a very tender age and as a whole time worker started organizing the jute workers around Calcutta. He dedicated himself to building up the working class movement in the country with unflinching determination. He was one of the founder leaders of CITU and was its central office bearer till his death. A leader rooted in finest communist tradition, Com. Niren Ghosh played a frontline role in upholding the revolutionary line of class struggle as against reformist class collaborationist approach. He contributed immensely in shaping the CITU line of unity & struggle in the trade union movement. He was an ardent advocate of more active initiative by the trade union movement in championing the cause of the peasantry and agricultural workers and more pro-active worker-peasant alliance in action.

As a Parliamentarian also he played an important role in defence of the rights and struggles of the working class, peasantry and the common people.

The CITU and the trade union movement has lost a great leader. This conference pays its respectful homage and dips its banner in memory of the departed leader.

#### COM. SUSHEELA GOPALAN

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, deeply regrets the passing away of Com. Susheela Gopalan, Vice-President of CITU and a veteran leader of the democratic and left movement in India on 10th December 2001. Com. Susheela had been in the forefront of several struggles and made an invaluable contribution to the growth of the TUC movement in the country. She was also a tall leader of the women's movement and till recently was the President of All India Democratic Women's Association. She was also a member of the Central Committee of CP(M), former Minister in LDF Government of Kerala and a former member of the Lok Sabha. The Working Class will always cherish her long association with the working class movement at the National level.



# **CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE**

**“Com. P.Ramamurti Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## **DRAFT RESOLUTIONS**

### **CONDOLENCE RESOLUTION**

#### **COM. NIREN GHOSH**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, deeply mourns the death of a veteran freedom fighter and stalwart of the communist and working class movement in India, Com. Niren Ghosh. He died in Calcutta on 1st July 2001 at the age of 87.

Com. Niren Ghosh joined the communist movement at a very tender age and as a whole timer started organizing the jute workers around Calcutta. He dedicated himself to building up the working class movement in the country with unflinching determination. He was one of the founder leaders of CITU and was its central office bearer till his death. A leader reared in finest communist tradition. Com. Niren Ghosh played a frontline role in upholding the revolutionary line of class struggle as against reformist class collaborationist approach. He contributed immensely in shaping the CITU line of 'unity & struggle' in the trade union movement. He was an ardent advocate of more active initiative by the trade union movement in championing the cause of the peasantry and agricultural workers and more pro-active worker-peasant alliance in action.

As a Parliamentarian also he played an important role in defence of the rights and struggles of the working class, peasantry and the common people.

The CITU and the trade union movement has lost a great leader. This conference pays its respectful homage and dips its banner in memory of the departed leader.

#### **COM. SUSHEELA GOPALAN**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, deeply regrets the passing away of Com. Susheela Gopalan, Vice-President of CITU and a veteran leader of the democratic and left movement in India on 19th December 2001. Com. Susheela has been in the forefront of several struggles and made an invaluable contribution to the growth of the TU movement in the country. She was also a tall leader of the women's movement and till recently was the President of All India Democratic Women's Association. She was also a member of the Central Committee of CPI(M), former Minister in LDF Government of Kerala and a former member of the Lok Sabha. The Working Class will always cherish her long association with the working class movement at the National level.

The CITU dips its red flag in memory of Com. Susheela Gopalan and conveys condolences to the bereaved family members.

### **COM. N. PRASADA RAO**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, records with profound grief the passing away of Com. N. Prasada Rao, a veteran freedom fighter, one of the pioneers of communist movement and leader of the heroic Telengana Struggle. Com. Prasada Rao was one of the architects of the workers and peasants movement in Andhra Pradesh since nascent stage. The All India Kisan Sabha and CITU which worked under his guidance for decades and till his last breath, will long bear the deep imprint of his personality and contribution.

Com. Prasad Rao who was one of the founding leaders of CITU in Andhra Pradesh served as its General Secretary for long 29 years. He also remained a central office bearer of CITU till a few months before his death. His ardent advocacy for consistent effort for revolutionizing the consciousness of the cadres and developing young leadership will ever be cherished. His revolutionary dedication and his strictly disciplined active life will be an eternal source of inspiration for many generations to come.

This Conference pays its respectful homage to the departed leader and conveys its heartfelt condolences to the bereaved members of his family.

### **COM. SURYANARAYANA RAO**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, deeply condole the passing away of Comrade Suryanarayana Rao, Vice-President of CITU, at Bangalore on 1st July, 2002. Com. Suri, as he was affectionately called by all, was also the President of Karnataka State CITU. He made immense contribution to the development of the trade union movement and united struggles at both Karnataka State and at all India level. He was also a veteran leader of the left and democratic movement in the country and was a Central Committee member of CPI(M) and Secretary of its Karnataka State Committee. Drawn into the freedom struggle through the student movement he was jailed for 18 months and in the post independence period also he was jailed for leading struggle opposing emergency. In his death the CITU in particular and the working class in general has lost a leader whose void will be hard to fill. This conference pays its respectful homage to the memory of Com. Suryanarayana Rao and convey condolences to bereaved comrades and members of the family.

### **COM. SHANTI GHATAK**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, records with deep grief the sad demise on November 1, 2002, of Com. Shanti Ranjan Ghatak, a veteran trade union leader, a former member of the CITU Secretariat for a long time, President of the West Bengal State Committee of CITU, a senior member of the CPI(M) State Committee and the former Labour Minister of West Bengal. Com. Ghatak Played a significant role in the development of trade union movement in West Bengal in his early days. As a Labour Minister, with his clear vision and rational approach he handled many a labour dispute in West Bengal, most efficiently. This conference pays its respectful homage to the departed leader and conveys condolences to the bereaved comrades and members of the family.

## ON CONDOLENCES

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, records with deep grief the passing away of:

Com. Biren Roy (West Bengal), Com. D. Janakiraman (Tamilnadu), Com. Ravi Sinha (UP) and Com. Sunil Basu Roy all former working committee members of CITU.

Com. Laxmi De (West Bengal), Com. Abul Basar, Com. Jayanta Das Gupta (WB), Com. Paresh Das, Com. Sudhir Chatterjee (WB) and Com E.K. Menon (Kerala) all former General Council Members.

Com. Shailendra Shaily, VP of MP CITU , Com. S.A. Thangaraj (Tamilnadu), Com. Anjali Kumar Ghosh (W. Bengal), Com. Nirmal Poddar, Com. Badal Bose, Com. Md. Israel, Com. Rabin Majumdar, Com. Shailendra Nath Ghosh (W. Bengal) all trade union leaders who left us during this intervening period since last conference.

This conference pays respectful homage to Com. Shailen Das Gupta, Com. M. Hanumantha Rao and Com. L.B. Gangadhara Rao, all outstanding leaders of the Communist movement in India.

This conference also expresses deep grief at the passing away of Com. Indrajit Gupta former General Secretary of AITUC, Shri G. Ramanujam former President of INTUC, Com. Veereshwar Tyagi, Secretary HMS, Com. KTK Thangamani (leader of AITUC), Com. D.D. Shastri, President of TUCC, Com. Ashutosh Banerjee, President UTUC (LS), Com. K. Adinarayana, veteran leader of the Postal Employees, Com. Tarakeshwar Chakraborty, General Secretary of AIBEA, Com. Ziauddin Ahmed, leader of Bank Employees movement, Com. Prankrishna Chakraborty a leader of refugee movement in Bengal, Com. Geeta Mukherjee, Com. Supriya Acharya, leader of the women's movement in Bengal, Com. Indradeep Sinha, CPI leader and leader of Kisan Movement in Bihar and Com. Jagatpal Singh, leader of agriculture workers in UP, and other leaders of the trade union and democratic movement.

This conference deeply condoles the death of Dr. Arun Ghosh, a renowned economist and a crusader against neo-liberal economic policies, Com. Sudhangshu Dasgupta, an educator and a stalwart of the communist movement in Bengal, Com. Subhas Mukhopadhyaya, a noted Bengali Poet and veteran Urdu Poet and lyricist Com. Kaifi Azmi famous Hindi Poet Harbans Rai Bacchan and noted Dramatist Bishma Sahani and pay our respectful homage.

This conference also condoles the death of Com. Nandeswar Talukdar, a veteran CPI(M) leader of Assam, Com. K. Muthaiah, Communist leader of Tamilnadu, Com. Satyendra More, veteran CPI(M) leader from Maharashtra, Com. Laxmi Sen, CPI(M) leader of West Bengal, Com. S. Samanta Roy, CPI(M) leader of Orissa, Com. ICP Namboodiripad, organizer of communist movement in Kerala and Com. Bhabani Mookerjee and Com. Ranen Sen former President of AITUC.

This conference pays respectful homage to the departed leaders.

The Conference expresses its deep sense of sorrow at the passing away of Sri Krishna Kant, former Vice-President of India and Sri, GMC Balayogi former speaker of the Lok Sabha and Thiru Murasoli Maran, Union Minister for Industry and pays respectful homage to the departed leaders.

This Conference of CITU pays respectful homage to Com. Walter Sislu, a veteran leader of the African National Congress and Com. Meir Vilner, veteran communist leader of Israel.

## ON HOMAGE TO MARTYRS

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, pays respectful homage to all those leaders, cadres and activists of trade union, peasant, agricultural labour, youth, student and women's movement, who laid down their lives in the struggle championing the cause of the toiling people as well as against separatist, divisive and communal forces safeguarding the unity of the people and integrity of the nation.

This conference recalls the towering determination with which innumerable comrades of the democratic movement who have embraced martyrdom confronting the heinous and ghastly attacks of the political gangsters the police and the employer nexus.

This conference in particular expresses deep anguish at the ghastly murder of Com. Ashok Kumar, leader of Parvati Hydel Project (HP) by the employer contractor gangster nexus and offers respectful homage to him.

This conference severely condemns the barbaric brutality on workers and other democratic masses by employer-sponsored gangsters elsewhere in the country.

This conference also respectfully remembers the Comrades who fell victim to the murderous attack of RSS, TUJS, BJP, Trinamool Congress hooligans, and other communal and casteist forces in W. Bengal, Tripura, Kerala, Bihar, Gujarat and other places upholding the cause of democratic movement. The conference severely condemns the killing of many innocent people by avowed communal forces led by the BJP CM in Gujarat and expresses deep sympathy with the bereaved family members.

This conference also condemns the terrorist attack in Jammu & Kashmir killing innocent people everyday and conveys heartfelt sympathy to the bereaved family members.

This conference expresses grave concern at the naked barbarism against humanity led by US imperialism on Afghanistan and Iraq killing thousands of innocent people and rendering thousand more homeless. The conference also condemns the attack on innocent people of Palestine by imperialist cohort Israel and expresses solidarity with the anti-imperialist movement world over.

This conference most respectfully remembers the courageous sacrifice of these martyrs who have left indelible impression on the democratic movement as a whole and will remain a constant source of inspiration in our fight against exploitation and for the cause of unity of the people and integrity of the nation.

## AGAINST THE IMPERIALIST OCCUPATION OF IRAQ

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, condemns in strongest terms the continuing occupation of Iraq by the US-British forces against all international laws.

CITU has consistently condemned the deliberately false and fabricated campaigns by the multi-national corporations controlled media unleashed throughout 2002 and early of 2003 regarding possession of weapons of mass destruction like nuclear bombs and, biological and chemical weapons by Iraq. This new combination of international gangsters went on with their specious argument that such weapons were security risk and danger for United States and United Kingdom. So they justified their resolve to

invade a sovereign country with their own most sophisticated weapons of mass destruction.

Nobody in the world, except a few of the pliant governments, would buy this argument, not even the people of United States or UK. In a unique and unprecedented phase in history, people, particularly working people rose as one across the globe from Alaska to Australia via all corners of all the continents against the Iraq-war. There was unified opinion all over the world that the story of Weapons of Mass Destruction (WMD) was nothing but a pure fabrication and the real motive for invading Iraq was to grab the vast reserve of oil beneath its soil.

The world opinion was reflected in the United Nations also. Even after all sorts of pressure, insinuations, vilification and subterfuge the US-UK combine failed to get the backing or endorsement of the UN to attack Iraq. In spite of this fluke refusal by the world body US-UK combine invaded Iraq. They proved to be the real 'rogue' states and enemies to peace in the world, mad with power and hungry for other people's wealth.

This conference notes that even after the forced removal of Saddam Hussain six months back and after intensive search not a trace of WMD have been discovered. George W Bush and his prologue Tony Blair are today exposed as blatant liars but these shameless bullies are still holding on to Iraq as unauthorized occupying rogues intending to plunder that country's natural wealth.

What happened in Iraq was nothing short of mass murder of people. Indeed, the U.S aggressors and their lackeys are killing everyday people in that country. The people of Iraq are forced to undergo a siege and an imprisonment in their own land. The barbaric attackers have not hesitated to destroy and also loot and plunder the priceless historical collection of the ancient Mesopotamian culture and civilization.

The preparations for the attack on Iraq was preceded by a at least a decade-long propaganda war where the false claim of Iraq and a few other countries possessing WMD were bandied about in the media. A so-called war against terrorism has been forged and put into operation. The attack on and the occupation of Afghanistan is a case in point here. Indeed, the US president has referred to what he chose to dub 'an axis of evil' comprising Iran, Iraq, and Democratic Korea. The US is currently threatening Iran, Syria as well as Democratic Korea with the 'worst possible consequences' to quote the warmonger US president.

We note the heroic struggle of resistance being put up by the Iraqi people and the US is finding it tough to balance the books of oil versus the unfolding tragedy where numbers of US soldiers are dying every week.

This conference notes with anguish that the NDA led Govt. of India lost its spine to stand up to the US-UK combine and call their bluff. They played a role that marks servitude and pusillanimity in order to win their friendship. But for a strong protest by the Indian people, the BJP led govt. was almost ready to send troops to Iraq to relieve the American-British soldiers for the consideration of some dollars. The conference demands that the aggressors US forces and their adjuncts must quit Iraq immediately.

This Conference also reminds the Govt. of India that the US- and UK Govts. Are totally isolated from their own people and the international community for their misdeeds. Under any circumstances India must not function, as their accomplice in their nefarious games must not send Indian troops to Iraq as demanded by the US administration. Prestige of the India and Indian people earned through decades of bold non-alignment policies must be kept high at any cost.

This Conference calls upon the working class and the people of India to take serious note of the vacillating and servile stance of the NDA Govt on Iraq issue in outright condemnation of the continuance of US occupation in Iraq and build up massive mobilization and public opinion in condemning the US-UK imperialist combine's unjust occupation on Iraq.

## **ON THE PRESENT SITUATION IN PALESTINE**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, notes with anguish and consternation the developments in Palestine and the atrocities being perpetrated on the Palestinian people by the Government of Israel and their mentors, the Government of United States and United Kingdom (UK). They are committing an unpardonable crime against a country and its people, which has been invaded by outsiders and being kept under subjugation brutally by force for more than half a century.

Thousands of innocent men, women and children are being butchered or maimed every year by the Israeli army by using all the modern weaponry including missiles, tanks or land mines in the name of fighting terrorism. The leaders of Palestinian people including Yasser Arafat have been attacked with rockets and cannon shells and many of them have actually been killed. In the process, the Israeli forces have killed hundreds of innocent people, devastated their home and razed the entire locality to ground, in some of the refugee camps. Such a ruthless repression is going on for decades with the international community watching it from sidelines without making any serious effort to stop it.

The murderous attacks by Israeli forces have intensified after the so-called 'War Against Terrorism' that has been embarked upon the mentor, the UN administration and President George W Bush. Emboldened by the reckless behaviour and words of George W Bush the Israeli Govt led by Ariel Sharon, has started pre-emptive attacks against imaginary targets in Syria and Lebanon in complete disregard to international law and propriety. Such attacks have only led to murder of innocent people. The entire civilized world has unequivocally condemned such actions except the United States thus proving that, in reality, United States and Israel are the real 'rogue' States and are the biggest terrorists in the world today. They have become mad with military power. The madness of the biggest bully, Ariel Sharon has gone to such extent that he openly declared his goal to exterminate Yasser Arafat to bring 'peace' in that region. Their peace means the peace of the graveyard by eliminating the Arab leadership and population following the Hitler's doctrine, this times with a reversed role. The US makes little secret of its continuous military and economic help to Israel.

Indeed the US administration has declared that Yasser Arafat should be immediately removed from leadership and a pliant person substituted for him—something that the Palestinian people have rejected out-of-hand.

The 'Road Map' for peace in the region is a hoax, meant only to hoodwink the people of the world. The Road Map is heavily loaded with as many as 40 conditions which the Palestinian people must fulfill and satisfy the Americans first and only after that the "guardians" of the world will consider the option of formation of possible Palestine State with provisional borders and attributes of sovereignty, based on the new constitution, as a way to a permanent status settlement (page 6, Road Map), by the end of 2005. There is not a single word about the return of the occupied land by Israel in West Bank, Gaza Strip and Jerusalem, as the first step towards restoration of peace in that area.

This conference notes that this is the greatest tragedy of our time that the people of Palestine were uprooted from their home and hearth and were forced to leave their habitat and take shelter in refugee

camps in their own country or in adjacent countries like Lebanon, Syria or Jordan, bearing inhuman sufferings long before 1948 till today, as the British and American rulers had decided to form the State of Israel after world war-II. Riding on a sympathy wave the Jews, the Israelites came from all over the world and got their State, while the original population in Palestine are still homeless and stateless, waiting for the mercy of these super powers who have no regards for the basic rights of any human being to live in ones own country with honour and peace.

This conference notes with shame that while welcoming Ariel Sharon, the NDA Government compares Israel with India, both as sufferers of terrorism. It is known to everybody that it is Sharon and his govt. are the perpetrators of terrorism and the Palestinian people are their victims. NDA leaders want to hide this fact deliberately. Prime Minister of Israel is known for leading brutal operations against the people of Palestine and killing thousands of them in cold blood even from his younger days in the military. Successive Israeli governments have contemptuously thrown away as many as 90 resolutions by the UN Security Council and continued their attack on the Palestinian people and held back the forcibly occupied land beyond Israel's official border. At the moment Sharon is building a fortified wall within the territory of Palestine in the name of fighting terrorism separating people even in their own homeland. He is the worst criminal in every sense of the civil society.

Receiving Sharon and appesring him is solely directed to please United States, which is conducting genocide all over the world. In the name of fighting terrorism the NDA Govt. want to form an international axis of US-Israel-India, which no Indian can support as this ahs the portents of dangerous consequences and emanates solely from the rabid fundamentalist communal mindset of the Bharatiya Janata Party (BJP). This conference calls upon the workers and people of India to frustrate this sinister design of NDA Govt. It is even more shameful that the same NDA Govt and Vajpayee-Advani combine are showing sympathy and support to the Palestinian cause. Their duplicity knows no limit.

This conference calls upon the workers and all right thinking people to condemn in strongest terms the attacks on life and property of the Palestinian people by the Israeli Government and militia. We must build up a strong public opinion to restrain them from committing any further crime against the Palestinian people. Also this conference demands that the Palestinian State and government be immediately recognized and all the land occupied by Israel since 1965 onwards be returned back to them. We express our solidarity with the working class and people of Palestine.

## **AGAINST COMMUNAL AND FUNDAMENTALIST FORCES**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, is deeply concerned at the fresh spurt in communal activity in recent years culminating in unprecedented violence. The Gujarat carnage, in the course of which worst crime against humanity was perpetrated, countless people generally belonging to minority community were killed, many of them were burnt alive, houses, shops, factories and all sorts of business establishments belonging to the minority community were looted and burnt and their womenfolk raped.

While communal violence is not new and communal feelings are frequently roused deliberately and plan-fully leading to outbursts of communal violence for utilizing the situation so created for furthering political interest and even involvement of sections of police and other forces is also known, a new dimension to communal situation has been added as the whole development was planned at and directed from the political level of the state and conducted with the involvement of the administration. The highly shocked world rightly declared, the operation as 'genocide' and 'ethnic cleansing'.

Communal forces are now in control of the administrative power in India. They are engaged in setting up and extending their organisation amidst the three principal pillars of the state: administration, police, and army. A few regional parties, serving narrow political interests, have gone in for an alliance with them and are in office in some of the states. The leading political party of the forces of communalism, the Bharatiya Janata Party (BJP) has in this manner been seeking to widen its acceptability. Taking advantage of this situation the RSS has started to spread their branches everywhere in the country. They have decided upon the slogan of Hindutva in the effort to emerge as the single largest political party on their own in the coming elections.

Under the aegis of the RSS very many instances of communal riots and genocide have taken place. The "Modi line" or the "Gujarat model" is their mainstay.

The BJP has been busy implementing the neo-liberal economic policy at a rate as fast, if not faster, than that adopted by the Congress. They are sacrificing the nation's sovereignty at the feet of imperialism. Congress, though not being a communal outfit, having a declared stance against communalism, betray vacillations in firmly fighting the communal forces and on the issue of electoral convenience, often compromise with communal slogans. It is at present following a soft Hindutva line.

The imperialism in its own interest has been engaged in the task of spreading communalism and fundamentalism all over the world, particularly in the developing countries. When the Soviet Union was in existence, the US imperialism, with the aim of curtailing the influence of the USSR, consolidated and strengthened the Muslim fundamentalist forces in Afghanistan and in the Arab world through equipping them with funds, weapons and all other necessary means. Now in order to grasp the oil resources, they are seen to spread hatred against the Islam. The occupation of Iraq and the repeated assaults on Palestine have strengthened the forces of Muslim fundamentalism. In many countries of the first world, forces of Christian communal forces are raising their heads. The weakness of the Left influence against neo-liberalism has allowed neo-fascism to emerge in the first world. Violent ethnic hatred is being spread. These forces have come to office in several countries by winning elections and have clamped down their control over the country. Citizens of these countries are being sectionally marked as foreigners and the unemployed youth are being let loose against them. The forces of imperialism have kept on assisting the Hindu communal forces of our country.

Within the country, at this moment, the BJP is spearheading the communal offensive at the political level. The RSS, with its communal-fascistic character is the principal driving force behind the Sangh Parivar. The BJP is their political wing. Besides these, there are branches and sister organisations like the Viswa Hindu Parishad, Hindu Jagaran Manch, Bajrang Dal, BMS, Vidyarthi parishad, Durga Vahini, Banbasi Kalyan Samity etc to work different sections of the people. They have tied up with the Shiv Sena and are desirous of setting up a Hindu state in India.

Putting before them the slogan for Hindu rashtra, they are active in mobilizing masses on different issues. They have at their disposal very many magazines, periodicals, newspapers, and other forms of the mass media. They have put into operation a great number of wholetimers in their countrywide hate campaign against minorities. The issues on which they are seeking to go in for mass mobilisations are:

1. Ram mandir, Babri masjid
2. Kashi-Mathura
3. Jammu-Kashmir and Article 370
4. Infiltration
5. Bhojsala
6. Ban on cow slaughter
7. Ceremonial distribution of tridents and scimitars
8. Madrasa educational institutions
9. Lie campaign over the increase in the Muslim population
10. Uniform civil code
11. Muslims are foreigners
12. Complete religious conversion of the adivasis.

Besides, they have also distorted the nation's history. They propagate that the Aryans are the most ancient people of India and that the Aryans have created the world civilisation. They are spreading this form of distorted nationalism. It was in this fashion that Hitler had created ultra nationalism in Germany. The aim of distorting history textbooks is to take control of the intellect and mind of the young generation. They have continuously exerted pressure on the Left Front government of West Bengal to communalise the text books here.

The forces of Muslim fundamentalism, too, are crystallising in India. The forces of Hindu fundamentalism and Muslim fundamentalism are complementary to each other. However, Communal thinking among the majority is more dangerous for the nation and the minority communities should be made to realise that it is they who stand to lose more when communal riots break out. Thus the fight against minority communalism needs to be made more intense.

The forces of separatism are also raising their heads in different states of India with renewed vigour in the background of disunity, disruption and divide being sought to be generated among the people by the communalist forces in power. The support lent by Shiv Sena to the recent attacks on Bihari-population in Assam is the revealing example of the same. In different states of north-east India, these forces have been engaged in carrying out dastardly attacks almost everyday. They are assisted by the the forces of imperialism lurking behind. Almost everyday, armed assaults are being orchestrated against the workers of the democratic movement on the issue of a separate Kamtapur state in West Bengal. Several workers of the democratic movement have been martyred at the hands of these separatist forces. They are engaged in organising murders and kidnappings regularly in Tripura. They have set up headquarters in Bangladesh.

We must also take serious note of the ideological root of communalism. The fight against communalism must also be carried out on ideological level with depth and intensity and to ideologically equip the working class against this grave enemy of humanity.

The working class in India has a glorious heritage of fighting the forces of Communalism and Separatism. The Struggle has now entered a new phase because the situation is multi-faced and complex, the working class must conduct the struggle against these forces along with other sections of the Society.

The working class, being the most enlightened and most organized section in the society, has the greatest responsibility in mobilising not only the working class but also the entire secular and peace loving people to defeat the design of the international and national reaction to not only to break the unity of the working class but the national unity itself and establish a Hindutva based fascistic regime and society in the country.

This conference calls upon the working class of the country to properly realize the danger of both majority and minority communalism and come forward to combat communalism in the most determined manner together with other secular elements in the society. It calls upon all the organizations to strengthen the unity of the working class and CITU to take initiative for organizing the struggle against communalism.

## **ON AGGRAVATING UNEMPLOYMENT PROBLEM**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, expresses serious

concern at the alarming aggravation of the unemployment situation in the country. On one hand the young generation is affected by severe dearth of employment opportunity, on the other hand the existing workforce is victim of closure, downsizing and retrenchment. In such a situation the trade union movement will have to take up the issue of unemployment as one of the priority task and must provide leadership to the united fight against the menacing problem of unemployment.

As per the results of the 55th round (1999-2000) of National Sample Survey Organization on Employment and Unemployment, the number of unemployed rose from 20.13 million in 1993-94 to 26.58 million in 1999-2000. The unemployment rate increased from 5.99 per cent to 7.32 per cent. So far the growth of employment in the country on current-daily-status (CDS) is concerned; it declined from 2.7 per cent per annum in 1983-1994 to 1.07 per cent per annum in 1994-2000. The most disturbing fact is that unemployment has increased despite relative growth in output and slower growth in labour force as well as in population. As per the 10th Five Plan document on Employment Perspective, "the decrease in employment intensity of output growth can be explained by either an increase in capital intensity or increase in labour productivity, releasing labour ... capital substituted labour" calling for "strategies to look for labour intensive areas and technologies." As per the Economic Survey 2002-2003 "the decline in the overall growth rate in employment in 1994-2000 was largely attributable to a near stagnation of employment in agriculture. As a result the share of agriculture in total employment dropped substantially from 60 per cent in 1993-94 to 57 per cent in 1999-2000."

The Tenth Five Year Plan document has adopted a goal to generate ten million employment opportunities per year of the Plan period and fifty million during the entire plan period. However, the Special Group on employment Generation constituted by the Planning Commission have concluded that an 8 per cent GDP growth per year with unchanged patterns and continuance of the increased capital intensity of production, especially in the organized sector, will generate employment much below the targeted 10 million jobs annually."

Because of liberalization, indigenous industries are being closed down. The small scale and cottage industries, which generated a large number of urban and rural employment, have been made the victim of liberalization. The rural economy is also facing severe scourge of liberalization. On the one hand the rural agro-based industries are closing down owing to import liberalization and on the other the peasants are not getting remunerative prices for their crops. This is further aggravating rural joblessness. At the same time, rural wages are continuously falling to the level of destitution.

This conference notes with the concern that the policies of liberalization being vigorously pursued by the Govt of India is leading to such severe distortion in the economy on the whole that on the one hand the investment absorbing capacity of the economy is getting eroded resulting in faster erosion in its employment generating potential. This is reflected in consistent decline in the overall growth in investment in the real economy, as well as in domestic capital formation and alarming rise in unemployment in all its facets, both the job seekers and job losers. And such aggravation of the unemployment situation is not only putting the economy into deeper crisis and recession but also creating social tension to the advantage of various disruptive and divisive forces.

Considering the aforementioned facts, figures and formulations coupled with the experience of the past one decade, it is clear that the BJP-led NDA Government is hoodwinking people of the country on the question of employment generation. This Government is rather pursuing policies, which are bound to aggravate the unemployment problem in the coming period.

The problem of unemployment has attained new dimensions because of the fact that on the one hand

lakhs of employees are being thrown out of job every year owing to the mad drive of downsizing both in Govt and the private sector and on the other, and crores of unemployed are unable to find job. Further, the employer class is engaged in deep conspiracy and instigating the unemployed people against the trade union movement by unleashing a vilification campaign that the trade unions are responsible for stagnation in employment generation as they are opposing the employers' right to 'hire and fire'.

This conference is of the firm opinion that there is an urgent necessity to develop united struggles against the policy of liberalization, privatization and globalisation, which is actually killing employment potential of the economy as a whole instead of generating employment. Further, widespread closure, sickness, restructuring, retrenchment etc.—all promoted by the neoliberal policy regime, are contributing to the aggravation of unemployment problem, which in turn has been creating social tensions. Thus, the conference calls upon the working class and the trade union movement to intensify the united struggle against the retrograde economic policies pursued by the BJP-led NDA Government and take serious initiative to rally the mass of the people in countrywide massive and militant mobilization against unemployment and for "Right to work as a fundamental right". The CITU must take the initiative to forge alliances with the unemployed youth and the kisans and involve the people from all walks of life in the forthcoming struggles.

### **ON AGRICULTURAL LABOURERS AND RURAL POOR**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, notes with grave concern that the conditions of the agricultural labourers and rural poor have degenerated almost to the level of destitution consequent upon the brazenly anti-poor economic policies being followed by the BJP led NDA Govt.

The annual growth of agricultural sector during last three years till 2002-03 remained around 0.7% on the average and out of those three years, agricultural GDP witnessed negative growth in two years. The foodgrains production has also recorded an absolute decline in 2000-01 and 2002-03 and in 2002-03 it fell below the 1996 level of production and all major commercial crops like oilseeds, cotton, sugarcane, tea, coffee etc also faced a similar decline in absolute terms or remained virtually stagnant.

The agricultural workers are the worst affected by the consistent decline in agriculture sector set in by the liberalised policy regime. The new policy regime together with a major thrust on commercialization of agricultural activities has led to greater concentration of land and speedier growth of landlessness further leading to phenomenal expansion of the army of rural proletariats. The proportion of landless workers to total rural population increased from around 26 per cent in the eighties to around 40 per cent in 2002. Added to this is the huge section of marginal farmers who also have to work for the major part of the year in others' land as agricultural worker for their survival.

In this background, there has been sharp decline in the availability of work for this huge army of rural workers in the post liberalization period. The working days per year of such workers came down from 123 days in the eighties to 78 days in the nineties and post 2000, the situation has worsened further as reflected in the data released by national Sample Survey Organisation (NSS) regarding growth of rural unemployment. As per the said data, the annual rate of growth of rural employment has dipped from 1.51% during 1983-1993 to an absolute decline of -0.34% during 1993-2000 and during the current year it has fallen further below.

While the liberalised policy regime has led to huge job losses in the industrial economy leading to

flowing back of a big section of such job losers to agriculture, the rural economy itself witnessed severe contraction of employment opportunities aggravating the rural unemployment situation to an alarming extent. The policies of liberalization have led to severe slump in investment in the economy as a whole and agriculture remains to be worst victim. Despite all liberalization measures and all concessions to big landlords, the gross capital formation in agriculture as percentage of GDP is consistently falling to reach merely 1.3% in 2001-02.

Added to this is the phenomenon of stagnation or virtual decline in the growth of non-farm rural employment owing to severe crisis in agro-based industries consequent upon infiltration of MNCs and withdrawal of quantitative restrictions on import.

The widespread joblessness in the rural economy together with the collapse of agricultural prices and gradual withdrawal of Govt initiative in procurement of crops have led to severe downward pressure in agricultural wages pushing it down much below the poverty line. The post liberalization period witnessed consistent decline in rural wage rates in real terms. In this background virtual dismantling of the public distribution system and phenomenal increase in the prices of foodgrains to be sold through PDS both for the "below poverty line (BPL)" and "above poverty line (APL)" people has made the situation further worse. The off-take of foodgrains from the Ration shops even by BPL people has been declining fast owing to extremely low purchasing power leading drastic fall in actual per capita availability of foodgrains. It is not without any reason that the UNDP's Human Development Report has identified India to be the home of largest number of hungry people in the world (23 crore), even ahead of the poorest Sub-Saharan Africa. All these together has accentuated the rural poverty to the grimmest possible extent leading to destitution, starvation, suicides, large scale migration and an atmosphere of desperation in the rural society.

This Conference notes with concern the Govt of the day remained totally indifferent towards the miserable plight of the people in rural India. The allocation for rural development, rural employment generation, poverty alleviation etc have witnessed consistent decline in real terms during the entire post liberalization period and whatever has been allotted are not being actually spent. The most urgent task of undertaking radical land reform programmes, which can alone address the situation effectively, is being ignored. The administration remained absolutely callous to ensure payment of even survival wages to the agri-workers not to speak of living wages. Regarding the long pending demand for enactment of a comprehensive legislation for ensuring employment guarantee, the successive Governments in the centre are neglecting minimum wages and social security for the vast number of agricultural workers representing overwhelming majority of the country's workforce.

This conference maintains that it is the urgent task of the working class movement to take up and fight for the basic survival-related demands of the vast section of the rural proletariat in the country without which the working class movement cannot advance further. The Conference calls upon the working class and the trade unions irrespective of affiliations to build up countrywide united movement on the demands of ensuring living wage, enactment of a comprehensive legislation for the agricultural workers strengthening and expansion of the public distribution system and concrete steps for radical land reform. This Conference also calls upon the CITU units to take concrete initiative in that direction.

## **RESOLUTION ON UNORGANISED SECTOR**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, condemns the Govt. of India for shedding only crocodile tears for the vast multitude of the workers in the Unorganised Sector while adopting policies which progressively worsen their living conditions.

It has to be noted that according to Govts' data itself around 225 millions of workers are in the Unorganised Sector, constituting about 93% of the total workforce in India. Despite repeated demands by the trade unions for evolving the process of need-based wage, the Govt. refuses to take any measures towards this. Overwhelming majority of the unorganised sector workers, whether in the industries, or casual or contract labour, home based or self-employed workers, earn wages below poverty line.

By allowing infiltration of MNCs and Indian big business in this sector, closures, joblosses and extreme uncertainties have become the feature in this sector.

In commensurate with the globalised economy and WTO agreements, the Govt. has already de-reserved the items of production in the small scale and tiny units, and further completely withdrawn the quantitative restrictions on imports. Because of these measures the entire informal sector including agriculture have become extremely vulnerable to the free flow of imports of various items from the advanced capitalist countries. This made the unorganised sector workers the worst victim.

Further the liberalised policy regime has created such distorting tendencies in the economy that increasingly bigger chunk of activities of the organized sector are being shifted to unorganised sector through outsourcing, job-contracts etc. This led to high-tech and otherwise technology intensives jobs also being done by the so-called unorganised sector further leading gradual informalisation of the entire production system.

While adopting such retrograde policies, the Govt. to hoodwink the workforce has taken steps to bring the so-called umbrella legislation for the workers in the unorganized sector as per the recommendations of the Second National Commission of Labour. Although the Study Group appointed by the NCL and the National Seminar held to discuss the umbrella legislation recommended need based wages, social security, employment generation and regulation, etc. the Unorganised Sector Workers' Bill, 2003 as prepared by the Govt and cleared by the group of ministers (GoM) does not include any of these provisions. The Bill has only provided for a structure of welfare boards for administering social security schemes for the unorganised sector workers. Neither the schemes have been outlined nor there has been any clear funding commitment for such schemes by the Govt. Only thing that has been made clear by the Govt is that the poorest strata of the workforce in the country would have to purchase their own social security and the Bill is going to provide only the administrative structure for such self-contributing social security scheme and even the cost of such administrative structure will also be met by the workers contribution. Moreover, the Bill does not mention any provision for protection of job security of the workers against arbitrary dismissals, retrenchment etc nor anything on minimum wages and other essential ingredients of working conditions. In fine, without all these basic provisions pertaining to employment protection and defining employment relationship, the Unorganised Sector Workers Bill being launched by the Govt with much fanfare is nothing but a biggest fraud on the Unorganised sector workers.

All the trade union centers in the country have jointly submitted their unanimous suggestions of necessary changes in the Bill proposed by the Govt to make the same meaningful to the workers. But the same did not receive much consideration by the Govt and despite opposition by the trade unions the Govt. wants to push through the retrograde bill.

This Conference calls upon all State Committees to launch united action programmes with the following demands:

- a) Restructure the Unorganised Sector Workers' Bill in line with the unanimous suggestions made by the Trade Unions to provide for clearcut provisions for employment protection and required institutional mechanism for redressal of grievances of arbitrary actions of the employers and also comprehensive social security measures funded by the Govt. Resource may be raised by the Govt through imposition of cess on turnover of the big-business houses, both domestic and foreign.
- b) Revive reservation of items for production in the SSI and Tiny units.
- c) Re-impose quantitative restrictions on imports.

The Conference calls upon the state committees and the affiliated units to build up intensive countrywide campaign and agitation on the above demands. It appeals to all trade unions to launch joint movement in this respect.

## **AGAINST THE BANKRUPT POLICIES OF PRIVATISATION**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, notes with utter indignation that the disastrous privatization policy continuously pursued by the central Government since the successive governments at the centre have consistently intensified 1991. The Congress (I) party government started the privatization game through the 1991 policy statement declaring, "a part of the government's shareholding in the public sector would be offered to mutual funds, financial institutions, general public and workers." While the UF government continued the process by establishing the Disinvestments Commission, the BJP-led NDA government gave disastrous push to the policy by creating the Disinvestments Ministry to speed-up the sell-off of the PSUs on a platter.

The basic thrust and content of the policy of neo-liberal economy is that there should be no intervention by the state in the economic and financial system as such. No consideration would be attached to the matter of profit or loss and the entire state sector should be dismantled and sold off to the advantage of capitalists and the corporate houses, both domestic and foreign.

The BJP-led regime has been pushing the policy of conclusive privatization by outright sale of profitable PSUs. The notable features of the current privatization onslaught are that the blue chip profit making PSUs which were decorated with the classification of 'Ratnas' are the top targets. In the process blue chip profit making strategically important PSUs are being privatized one after another. Since the establishment of the Ministry of Disinvestments, 34 public sector units have been privatised under strategic sale route. A sum of Rs.11, 344.00 crore has been raked by the Government out of the said strategic disinvestments deals. (PE Survey 2001-2002) In that process national assets worth more than Rs 1.5 lakh crore has been handed over to private hands by the NDA Govt. Apart from the Hotels of ITDC and HCI, the PSUs which have been privatized through strategic sale include: MFIL, BALCO, CMC, HTL, IBP, VSNL, PPL, STC, MMTC, HZL, Maruti Udyog, IPCL.

Unlimited corruption is closely woven in every fabric of the privatization process, which is designed to sell out PSUs by any means at any prices. In fact the whole nation is being put on auction piece by piece. The Vajpayee Government has become so desperate to handover the entire public sector network to the private business houses and foreign MNCs that they are extending out of the way concessions to attract private buyers including ensuring easy availability of funds for them. Recently the Government has announced a policy called 'infancy time' of three years to privatized PSUs with accumulated losses. Under this policy the private owner of the sold out PSUs shall be extended liberal loan by public sector banks and such loan shall be kept out of NPA norms for three years.

The adverse impact of the privatization of strategic profit earning public sector corporations shall be

that the nation shall lose assets worth several lakhs of crore built with public money by our skilled employees but also the national exchequer shall be permanently deprived of huge amount on account of dividend, taxes and duties. We must remember that the public sector industries are way ahead of private sector in the matter of payment of tax and duties. The Conference considers the entire privatization drive to be brazenly anti-national.

The net profit earned by public sector undertakings in the 2001-02 was Rs.26, 045.00 crore against Rs.15, 653.00 crore in 2000-01 thereby pushing up the net profit by 66%. The contribution to central exchequer by way of excise duty, customs duty, corporate tax, interest on central Government loans, dividend and other duties and taxes has gone up by Rs.1, 716 crore from Rs.61, 037 crore in 2000-01 to Rs.62, 753 crore in 2001-02.

This conference notes with appreciation that during the period under review there have been wide spread protracted struggles against the anti-national policies of privatization being pursued by the NDA Government. The anti-privatisation struggles jointly conducted by the trade union movement in coal, oil, aluminum, electricity, telecom, fertilizers, ports & docks, banks and insurance and many other sectors are worth noting, which in some cases could stall the privatization process, albeit, for the time being.

This conference extends full support to the fight against the bankrupt policies of privatization and directs the CITU affiliated unions to take all necessary steps to unite and strengthen the anti-privatisation struggles and appeals to the working class and the democratic people to join the movement to defeat and reverse such suicidal policies and thereby protect and strengthen the economic self-reliance and sovereignty of the country.

#### **ON WORLD SOCIAL FORUM, 2004**

This 11th Conference of CITU being held at Chennai from 9 to 13 December, 2003, welcomes the holding of the World Social Forum 2004 in Mumbai from 16th to 21st January, 2004.

The World Social Forum was conceived as an international forum against neo-liberal policies and capitalist led globalisation build around the slogan: "Another World Is Possible". It seeks to provide a space for discussing alternatives, for exchanging experiences and for strengthening alliances between social movements, unions of the working people and NGOs. The first WSF was held in January, 2001, in the city of Porto Alegre, Brazil. It was timed to coincide with the holding of the World Economic Forum in Davos, Switzerland. The WSF was held in Porto Alegre for the two subsequent years also and during the third edition of the Forum held in January, 2003 proposed that the Forum may be held in India. Thus, it is for the first time that the WSF is moving out of Brazil, to be held in Mumbai.

The WSF is a forum, free space, platform and a movement of ideas. It seeks to provide space just for debate, formulating of proposals and exchange of experience and visions of another world. It inter-relates organisations and movements and encourages the participant organisations to situate their actions at local, national and international contexts. In that sense it is a continuation of the struggle against imperialist globalisation, which is gaining further momentum with every protest against the forces and institutions, which advocate and spearhead globalisation.

The WSF Charter unequivocally states its "opposition to a process of globalisation commanded by the large multinational corporations and by the governments and international institutions at the service of those corporations' interests, with the complicity of national governments".

The issues on which the WSF 2004 is focused include opposition to imperialist globalisation, militarism, communalism, religious fanaticism and sectarian violence, casteism, racism and work/descent based exclusions and discriminations and patriarchy and for world peace.

The central trade unions and federations, who have joined the WSF process in India have together planned several activities under the caption 'Labour in WSF 2004'. As part of the official events of WSF 2004, there will be a Conference on the theme "Work and the World of Labour: Freedom, Equality and Labour Rights; Discriminations and Exclusions; Full Employment, Living Wage and Social Security". Several self-organised seminars, workshops are also being organised by the trade unions.

The WSF 2004 events are centred on the declaration "Another World is Possible - Let us build it! The six-day Forum at Mumbai will explode two myths - one that 'There Is No Alternative' (TINA) to imperialist globalisation and two people everywhere have accepted this globalisation without reservation and none can choose to stay away from it. The struggle against globalisation will march on - with trade unions, mass organisations and democratic movements spearheading it in their own ways and according to their own perceptions and priorities.

This Conference calls upon the CITU State Committees, federations, affiliated unions and the working people to join the World Social Forum 2004 in Mumbai and make it a success.

# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE



**“Com. P.Ramamurti Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## COMMISSION PAPER

### IMPERIALISM, FINANCE CAPITAL, GLOBALISATION AND NATIONAL SOVEREIGNTY

The title of this paper intrinsically detracts from a style that discusses the three stages of the arguments contained therein in seriatim. In sum, imperialism, globalisation, and the attack on national sovereignty are innately bound together argumentatively and demonstrably so that separate sections could not possibly be devoted to each of the themes around which this presentation revolves.

Imperialism has been cited as a parasitic phenomenon by V I Lenin for “as a weapon of the ruling classes, imperialism has nothing to do with nation building and is mostly aimed at serving the needs of the ruling classes across the globe.” Imperialism is not, by reductive reasoning, merely an initiative of a small group of determined people who are in charge of a nation’s foreign policy. The historical underpinnings of imperialism must be looked at.

#### CLASSICAL IMPERIALISM

Inter-imperialist rivalry between the US on the one hand and the other capitalist nations (themselves riven by dissensions inter se) notwithstanding, the present stage of imperialism has to be seen briefly in the context of its developmental perspective. During the 19th century, the gross over-production of capital goods and consumer durables in the US and in the European nations resulted in the hunt for markets all over the globe.

The shrinking market prospects of the European continent saw the capitalist nations spread all over Asia, Africa, and Latin America to force themselves onto the national sovereignty of the local state structure and coerce them to accept both monopoly and monoposony, that is to say full control over the buyer’s and the seller’s markets, buying cheap raw materials, and selling manufactured products dear.

In explaining the spurt of growth that imperialism experienced in the 19th and the early part of the last century, Lenin pointed to the fast rate of accumulation of capital in the European nations and the US, and said that the surplus capital came to be invested to swamp the world economy for the reaping of super benefits.

Restricted opportunities at home drove the capitalists to go in for very profitable investments abroad in

the countries that we know now as constituting the Third World. The four points of attraction for the capitalists in the less-developed lands were: low labour costs, expanding markets, unexploited raw materials, and little competition.

To understand the menace that is the modern imperialism, led from the front by the biggest debtor nation's military might, we have to appreciate the form that imperialism took in its formative phases when the British monopoly of the world systems had started to break down in bits and pieces.

## **FINANCE CAPITAL & IMPERIALISM**

Lenin to whom we have to go back again and again to understand and explain the mechanisms of imperialism and of world capital, said that the briefest possible definition of imperialism was that it was the monopoly stage of capitalism, or, as Lenin said, the highest stage of finance capital. Capitalism, Marx has noted repeatedly, has been a system that is characterised by the drive to accumulate surplus capital and that it has no notion other than expansion of its boundaries across the globe.

Yet, from the very beginning of what economists as Istvan Mezarós call the "classic phase," imperialism has been divided among very many competing nation-states of the developed world, then and now. The division and competition, as well as the collaboration, have been specifically open-ended in that rivalry ceased to erupt in warfare as the years rolled by. We have now come to a stage where an "imperialist war on both sides" (Lenin's famous characterisation of the first World War) is something that is simply not going to happen. US is too strong a global power, now that the Soviet Union has been effectively dismantled, and the other imperialist nations are innately bound by the dictates of the international financial institutions who are themselves the creatures of the US imperialists.

No wonder, then, that the process of globalisation which is little beyond the unlimited but planned spread of finance capital across the globe and aimed at making the global economy as a whole subservient to international monopoly finance capital, is not facing opposition of a any great danger from within but from without, on which reference would be made later on. There is another aspect to imperialism, which must be kept firmly in mind. The classic phase of imperialism is no longer in operation. A much-more violent and aggressive variety has emerged in the present stage of development of capitalism. The development also possesses certain unique but crippling weaknesses as well.

With the start of the process of decolonisation, two crucially important developments took place. The US re-placed a war-weary Britain as the leader of the imperialist pack. And second, the existence of a powerful Soviet Union forced the imperialist camp to adopt an armed posture in the shape of a Cold War military alliance to try to preserve and then develop further the capitalist control over the Third World in particular, in the name of anti-Communism.

## **WTO, GATT, IMF, WORLD BANK**

The United States, it is not often mentioned, utilised the occasion to bring about the Bretton Woods institutions, i.e., the General Agreement on Tariffs and Trades (GATT), the International Monetary Fund (IMF), and the World Bank (WB). The intention has been to control the entire world economy and to make it subservient to the diktat of finance capital. The new world order has, however, never been free of inter-imperialist rivalries if not open conflicts as in the days of classical phase of imperialism.

It is to be noted that US imperialism which was the weapon-of-choice of finance capital to expand its

hegemony all over the globe was a mere product of the Cold War although it was certainly conditioned by it. The US has been engaged in utilising its military might to establish its hegemonic might over not merely the global economy but also, in particular, over the capitalist economy as well. It has employed its power, for example, in Latin America to advance the cause of the US-based trans-national corporations (TNC's). Militarism has dominated every aspect of capital accumulation in the US itself and the term "military-industrial complex" only provides the tip of the iceberg. Military production and the selling of arms comprise a bulk of the support structure of the capitalist edifice of the US. These are often used to put off, albeit without much success, economic stagnation.

The earlier phase of the modern imperialism in the years from 1970 onwards was marked by a phenomenon that unintentionally provided grist to the mill of imperialist expansion and capital formation in the developed nations. Trade unions across the world hold a common belief, and very correctly, that the hyper-active state sector of the post-colonial phase of the Third World nations boosted the market to assume bigger proportions and saw demand shoot up. Concurrently, in the capitalist world itself, state sector strengthening provided a boost to the demand curve.

The process was a bit like the one that the world had witnessed back in the 19th century because, the strengthened state sector combined with a wide variety of technological innovations to hike up the rate of growth and increase labour productivity. Low levels of employment meant that the working class came into its own as far as collective bargaining for higher wages was concerned.

### **WELFARE STATE UNDER ASSAULT**

Also, the desperate nature in which the Third World nations competed among themselves to push through to the capitalist nations their industrial products ultimately helped the imperialist powers to further consolidate their hegemonic hold on the global economy. It is important to remember that during the early years of imperialism in its modern incarnation, it often went about making such compromises as state intervention in demand management to try to cut down on its losses. The welfare state, note economists like Mezaros and Ellen Meiksins Wood, came into its own also for the reason that the Socialist Bloc was breathing hard down the neck of the imperialist bloc, economically as well as politically. The state-of-affairs continued well into the 1980's.

The situation changed for the worse in the period thereafter. The growth of strength of finance capital saw it gradually subsume the state initiative. The welfare state was no longer in fashion, Cold War or no Cold War, Socialist Bloc or no Socialist Bloc because things have by then settled down in the capitalist world to a steady rhythm of capitalist domination and the private sector was getting stronger with advocates of old style laissez-faire economy joining hands with the coteries of globalisation to call for a 'global village' where the imperialists would have a free run. The answer to the question as to why the imperialists preferred finance capital of a speculative nature to all other variants is a short one: such investments bring out enormous levels of profits.

It is to be noted here that the finance capital which predominates today is basically of the speculative kind with little effort being made to curb the ruinous tendency of portfolio investment (liquefiable financial assets) across the globe, encouraging stagflation, causing a jobless growth, and more often in no growth at all despite making use of cheap labour, widening markets, and profitable raw materials.

### **IMPERATIVES OF CAPITALIST GLOBALISATION**

International finance capital, in the form of globalisation, roam across the world, occasionally creating

assets, and principally indulging in utilising assets to increase the flow and volume of venture capital, causing economies of nations to run to rot. The international finance capital orders around the TNC's as its handmaidens for the fructification of globalised control, economically and politically. Social and cultural controls are added to make the process of hegemony comprehensive and give it permanence of sorts. Mezaros writes that speculation and jobless growths are the two fundamental characteristics of finance capital today worldwide. Indeed, it is believed that while the old form of investment capitalism continues, the newer form of venture capitalism often gets superimposed over it, and sometimes intermingling with it. The role of the TNC's, however, is conditioned by the political-military-economic drive of the imperialist forces led by the US.

Globalisation has been defined by the Left trade unions, in particular, and by the TU's in general, that is nothing more than a push to clamp down politico-economic control over the world for the sake of cheap labour, cheap raw materials and extensive and growing markets structures. In the earlier century, there was a tendency among the imperialist powers to carve up their own "kingdoms" of politico-economic predominance. At the present point in time, international finance capital resists this tendency. The inter-penetration of surplus capital of the ruling classes of the different imperialist countries strengthens the bonds among them and allows them to suppress or hide their rivalries in taking a consolidated stand against what they call Third World intransigence.

### **NATIONAL SOVEREIGNTY ASSAULTED**

National sovereignty has been one of the worst sufferers of the process of the hegemony of international finance capital, speculative or otherwise. The process had started with the attack on the welfare states in the 1980's and the 1990's. Subsequently, a so-called uni-polar (read US-dominated) world tended to undermine the capacities of the nation-states. The state, under economic and military threat, was forced to withdraw from economic activities like those concerning productivity and wages, and soon enough, in the name of globalisation, global immiserisation started to take over the nation-states as the order-of-the-day.

Pro-people activist roles by the state governments would cause the capital to fly and demand ceases to operate in the manner that would suit the interests of global capital. Thus all attempts by nation states to defend employment and wages are struck down, if necessary forcibly. Global capital wants deflation, or at least stagflation, to be in place since any form of inflation would harm financial interests and make the assets like productive enterprises, land, and other physical assets to go beyond the reach of the TNC's and their masters in the for a of international finance capital.

Three things are insisted upon by the imperialist forces. First, there should be higher levels of unemployment; second, working people must be pushed to live on the edge; and third, state activism must be curbed to keep the international consortium of finance capital pleased and happy. In particular, the forces of international finance capital forces nation-states to forego every kind of employment-generation (stressing on downsizing of the work force all the time) and to eschew all progressive redistributive policies.

The international finance capital forces the nation states to organise intervention in a manner that was unthinkable even in the last century. They prevail upon state governments, whether in the former Soviet Bloc nations, or in the developing world, to intervene in favour of building up the confidence of international finance capital, curbing demand-side economics, putting clamps on the working class movements, and forcing the national bourgeoisie to tow the international as opposed to the national line. Labour, small capital, and productive capital are replaced by capital, large capital, and speculative

capital respectively.

The nation states' failure to adopt the classical demand-stimulation stand has resulted in their being witnesses to deflationary policies being introduced in the interests of finance capital and a sharp cut back on any kind of productive investment either in the state sector or in the private sector. Where the nations of the developed world themselves are unable to shale off the immutable crisis that follows the speculative boom, the burden is passed on to the shoulders of the developing countries via the WTO, in particular.

The general crisis of capitalism continues to exist but it is overshadowed by the military might of the imperialist forces and by the apparently complete hegemony they have secured over the community of the nation-states. In the meanwhile, the working class, the peasants, and the small bourgeois continue to groan under the burden of the economic dysfunction that affects them in both the developed and the developing world.

The international economic scenario is marked with: reduced employment, lower purchasing power of the people, increased poverty, reduced social expenditures, increased hunger, and a general state of stagnation. These coexist with speculative investments, increased wealth and widening gulf between the rich and the poor, and a clutch of frauds and scandals. There is loss of economic sovereignty, a curb put on political independence, and a loss of national control over resources.

Yet, not everything can be said to have been lost. The contradictions, as the days roll by, between the imperialist countries and the Third World has intensified rapidly as the neo-liberal globalisation gathers momentum. In addition, a gathering storm of contradictions between the forces of capital and the forces of labour has increased greatly in a concurrent manner. Resistance, globally, has increased to the depredations of finance capital. From Davos to Genoa to Cancún, the vast increase in predatory attacks has seen equally spirited response from the toiling masses. As the resistance builds up, so do the contradictions between the capitalist nations increase.

### **NEW TACTICS OF IMPERIALISM**

A new front has been recently opened by the US to tighten its loosening stranglehold over the world political and economic scene. Just as it had raised the bogey of anti-Communism to clamp down its hegemony in the 1950's and the 1960's, so has it picked up the issue of terrorism to forge a bond with the ruling classes of Britain, Spain and a few other smaller European and Asian countries to carry on its 'crusade' to establish the full and complete control of neo-liberal economy on the world.

At the same time, it has sought to strengthen the WTO by working out smaller, more compact international conglomerates of neo-liberalism like the FTAA, NAFTA, and the G-8. Agreements worked at the summits of these bodies are then forced onto the shoulders of the Third World countries in the name of 'international' treaties. Such moves detracts from the sovereign status of the nations that are thus affected and forced to adopt measures to placate and encourage the rampages of international finance capital.

At another level, the forces of globalisation divide the people of the developing world, in particular along lines of caste, community, ethnicity, religion, region, and creed and thus prevent consolidation of the toiling masses in resistance to imperialist depredations uttering all time such mantras as "human rights", "civil society" and "democracy" and identifying "rogue states" on the basis of the resources, oil, in particular, that they possess. The attack on Iraq is a classic example of a throwback to 19th century

imperialism when Britain would roam feely in Africa in search of cheap labour while uttering cant about "lighting up the Dark Continent with the searchlight of civilization."

## GENERAL CRISIS OF IMPERIALISM

Imperialism is not an all-powerful entity that is here to stay for an indefinite length of time. The vulnerability of international finance capital is there for everybody who cares to see. The misery that it causes and the desperation it rouses among the masses have started to produce violent, sometimes regrettably anarchical, movements of resistance across the globe. The protracted stagnation punctuated by sharp bursts of debilitating periods of deep crisis has given rise to slumps of a frightening nature in Mexico, in Argentina, in the South-east Asian nations, and in Russia. The stock market collapses all over the world in a periodical manner points to the fact that the system of international finance capital itself stands teetering on the brink of a general disaster. Technological innovations are no longer an option to be deployed to come out of the crisis.

A recent international seminar of Left TU's in Cyprus has called for the stepping up of a resistance movement of a different kind. It calls for the consolidation of the distracted and isolated patterns of anti-imperialist resistance in Europe with the Left TU's and the peasants' organisations (especially in eastern and southern Europe) coordinating their efforts in a planned manner, eschewing anarchical deviations.

It has also called for a greater cohesion of the resistance movements in the Third World countries. Regional initiatives in the Asia-Pacific region like the SIGTUR and the role of such strong and cohesive, ideologically driven TU's like the COSATU of South Africa, CTC of Cuba, MST of northern Latin America, KCTU of South Korea, and the CITU has come in for encomiums for their international outlook of working class solidarity. The seminar has additionally called for a new internationalism of the toiling masses of Europe, Asia, Latin America, and Africa. The changes that have recently taken place in Latin American and African countries where authoritarian régimes had to bow low before popular pressure, and not always through polls, shows the light of a new day that awaits the people of the world in the new century that they are in.



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## COMMISSION PAPER

### ATTACK ON LABOUR RIGHTS

The onslaught on labour rights has attained a new dimension in the post liberalization regime. That does not mean that in the pre liberalization period, everything was fine in respect of labour rights. In fact the history of the working class movement is the history of struggle of the working people against various adversities perpetuated by the ruling class in the process of which the working class has established its right to organize, right to strike and of access to various avenues of grievance redressal and social protection. It had been a history of contradictions between the organized assertion of a gradually developing working class movement on the one hand and a aggressive forces of capital on the other to contain the rising tide of class struggle, which brought into being various labour legislations in our country particularly in the post independence period. Post war international scenario featured by defeat of fascism and expansion of the socialist camp etc had also played an important role in the background. These labour legislations right from its enactment and subsequent amendments reflected the effort of the ruling class to regulate within bound the organized assertion of the trade union movement by providing a mechanism for grievance redressal and in that process also the recognition of certain rights of the trade unions and the workers.

The trade union movement since independence has gone through, at different phases, varying degrees of attack on its rights, unleashed by the employers and the Govts in power. The developments in 1948-50, late sixties, the emergency period in the mid-seventies are some of the notable phases when the trade union movement had to advance braving atrocities of the employers-State administration combine and in that process established and expanded their rights. Impact of such periodical break-through by the working class movement was not confined within the trade union movement but on the-then national political scenario also.

This paper is not intended to deal in detail on the evolution of labour rights in India since independence. The various phases and facets of attack on labour rights following the neo-liberal policy regime and the accompanying socio-political and economic reflections, which is seeking to bring about a diametric change in the situation and the implication thereof are the issues under consideration.

The happenings in the post liberalization period are no doubt diametric, but definitely not in disconnection with the trends in the pre-liberalisation phase. Nor is the liberalized policy regime a sudden development totally unconnected with the trends generated by the pre-liberalisation regime. The capitalist path of development pursued by the Indian ruling class since independence and the imbalances created by the same in the economy, society and the political structure had its contribution in the deepening of

crisis in the economy, society and polity. This, together with the changes in the balance in the international politico-economic scenario owing to collapse of Soviet Union and East European socialism, has brought into force the aggressive neoliberal policy regime, not only in India but in most of the developing countries. Hence the moot point is that the capitalist system itself is the root and ailment and permanent solution does not lie within its confine but in changing the system altogether. Our collective effort to understand the issues of challenges before us and identification of urgent tasks thereon must start with this basic premise, as otherwise, we may land in the blind lane of reconciliation within the bounds of neo-liberal policy dispensation, ultimately rendering us irrelevant.

## **POST LIBERALISATION DEVELOPMENTS**

The onset of liberalized policy regime in our country in 1991 had its apparent prelude in the deepening of the balance of exchange crisis during late eighties which was an ultimate reflection of the marked shift in the economic policies in early eighties towards import-intensive industrial strategy from the self-reliant import substitution strategy followed since independence. This signals a diametric change in the so called developmental strategy, which was practically forced upon the developing countries by the international financial institutions, backed by imperialist powers. The slogan of an outward looking economic strategy has been forced upon the ruling polity to ensure complete withdrawal of the inward looking promotional policies for expanding indigenous productive capacity of the economy and protection of the domestic industries with active participation of the State. The need for expansion of domestic market has relegated to background and entire policy drive has been directed towards total export-orientation in the international market dominated by the rich countries. The misplaced optimism of having a bigger share of export market has led to premature opening of country's market to the MNCs. The promotional strategy for augmenting indigenous investment with a mutually supporting combination of both the public and private investment has been replaced by obsessed drive for alluring foreign investment by any means and at any cost.

In such a policy scenario, the compulsion of facing extremely unequal competition by the domestic capital on the one hand and the obsession of alluring foreign investment on the other has led to labour being made the sole target of cost cutting drive in the entire production process. And labour being a living factor of production, it would naturally try to resist the passing-on of the burden of cost-economy on it. Hence the urgency to drastically curtail the rights of the workers and their trade unions to eliminate any possibility of resistance. Precisely this has been the background of mounting onslaught on labour rights in the post liberalization period.

## **DIFFERENT PHASES**

In the post liberalization period since 1991, there had been two distinct phases of aggression on labour rights, one graduating to and overlapping with the other. First phase is one of non-enforcement of the existing labour laws. Problems of non-enforcement of labour laws had been there in the pre-liberalisation period also. But after the onset of liberalization there has been marked change in the character of non-enforcement.

During the pre-liberalisation phase, the problems of non-enforcement of labour laws had been basically one related to inefficiency and corruption in the enforcement machinery and connivance between the enforcement machinery with the employers and at times with ruling politicians. Such a state of affairs, besides affecting the workers in general also affected at times even the employers.

## NON-ENFORCEMENT/VIOLATION OF LABOUR LAWS

The post liberalization enforcement scenario has undergone a sea change. The non-enforcement of labour laws has been indulged and rather promoted as a matter of policy by those in governance in the centre and also in many states. The inspection machinery has been dismantled in many states by official orders from the Govts. In other states, the inspection has been forbidden through internal orders. As for example, in Haryana, the Labour Commissioner has directed the labour inspectorate not to undertake any inspection without prior written permission from the authority concerned.

Along with doing away with or crippling down the system of inspection, many sectors of the economy are being exempted from application of various labour laws in many states in the name of so called investment-friendliness. Another deceitful game that is being played is the system of accepting the self-certification by the employers in respect of their compliance with various labour-law related obligations without any cross-checking mechanism. Exemptions and self-certification are being allowed in respect of various provisions of Industrial Disputes Act, particularly relating to working hours, night-work for women, Payment of Wages Act, Workmen's Compensation Act, ESI Act, Maternity Benefit Act etc, embracing almost all aspects of labour rights. The implication of such exemptions or self certification is to give the employers the licence to violate those laws with Govt-patronage. This is another facet of promoting non-enforcement or non-compliance of labour laws in favour of the employers. The workers of the newly emerging Information Technology sector are the worst sufferers of this deceitful ploy.

The Minimum Wages Act and the Contract Labour(Regulation & Abolition) Act are the two legislations which have suffered violations of the highest order in the post liberalization period. Statutory minimum wages declared by states from time to time have been itself quite low and got little relevance with the changing price levels and cost of living. But even that is not being implemented for the majority of workers throughout the country. As for example, in Delhi, the statutory minimum wage is Rs 2800/- per month and as per a recent estimate, more than sixty percent workers in Delhi do not have access to that wage level. In the textile sector in Tamilnadu, in the background of sickness and closure of many old production units, several highly automated export oriented units have mushroomed which pay less than half the statutory minimum wage or even less to the skilled workers, predominantly women. In Guragaon area at Haryana, several information/data processing units have been operating where wage level available to the computer-skilled workers is below Rs 4000 and the working period extends to 12 to 14 hours without overtime. Same is the picture in the entire northern India. In most of the cases the labour departments do not accept complaints of violations or do not attend to that under instruction from the higher authority. In many cases, workers are not in a position to even lodge complaints there being no trade unions.

The Contact Labour Act is another piece of mostly-violated legislation and the Govt of India happens to be the biggest violator. The number of contract workers engaged in permanent perennial categories of work in various public sector undertakings has crossed several lakhs. The complaints of the trade unions about illegality of such deployment have been lying unattended for several years. The piling up of complaints with the Central Advisory Contract Labour Board (CACLB) is a testimony to the same. Even in the cases, where CACLB has made concrete remedial recommendations, the Govt did take no action. As for example, the CACLB recommended regularization of contract workers in certain categories of work in Air India, Indian Airlines and Airport Authority of India Ltd in July 1999 and the Union Labour Ministry issued Gazette notification directing implementation of the same in November thereafter. But those Companies, under concrete instruction from Civil Aviation Ministry, have gone to high Court and had obtained stay order. And subsequently the Supreme Court has given the stamp of

approval to such gross illegality by its award in the Steel Authority case by nullifying its earlier award in Air India case. This is a novel example, as to how, violation and non-enforcement of labour laws are being promoted from the highest seat of governance.

In private sector units, situation is more precarious where outsourcing of permanent jobs along with retrenchment of permanent workers have become a regular phenomenon. There have been several instances in the industrial areas of Noida, Ghaziabad in UP, Guragaon, Dharuheda in Haryana, and also in other parts of the country where the several industrial units have retrenched the entire permanent workforce through closure and restarted operation with contract workers, in some cases with the same set of workers deployed on contract basis. This practice is also very much popular in all the Special Economic Zones in the country where the employers closes down the company after the tax-holiday period is over retrench all the workmen and then starts a new company in the same premises with a new set of workers with active assistance with the SEZ administration.

The phenomenon of widespread violation of labour laws is accompanied with a repressive regime blockading formation of trade unions in those areas. There have been numerous instances of unprecedented repression and mass scale retrenchment of workers by the employers with active support of the labour department to crush any initiative to form trade unions. There have been cases that all the founding signatories of the application for registration of trade union have been dismissed as soon as the application for registration is filed in the labour department. There have also been numerous instances that applications for registration of trade unions have been lying years together without any action by the concerned Govt deptt. This exposes the devils' nexus between the enforcement authority and the employers that has developed in the post liberalization period in the garb of so called investment-friendly policy-orientation both at the centre and also in many states.

In the Export Processing Zones (renamed as Special Economic Zones-SEZ), the situation is even more precarious. No labour law is implemented there and trade unions are generally not allowed to function. Entry within the SEZ areas has been severely restricted. In Most of the SEZs, the administrative head of the SEZ, the Development Commissioner appointed by the Commerce Ministry has been the authority of the Labour Commissioner as well, thereby assigning the abettor of the labour-law-violations the task to arbitrate on the complaints of non-enforcement and violations. The Govt has now decided to establish more number of SEZs in different parts of the country to perpetuate such lawless regime of exploitation on the workers.

## **THE SECOND PHASE : CHANGE IN LABOUR LAWS**

The second phase is the vigorous initiative to change the labour laws altogether to institutionally legitimize the regime of non-enforcement and violation of labour laws as mentioned hereinabove. The trade unions have been arrogantly ignored in the entire exercise. The Second National Commission on Labour has been constituted with such terms of references which practically predetermined the conclusions. The concrete suggestions of the trade unions regarding terms of reference have been totally ignored and the overwhelming majority of trade unions have not been represented or heard in the consultation process.

The Second National Commission on Labour submitted its recommendation in the expected line. The SNCL report is a novel document of hypocrisy. It admitted that the post liberalization regime has made the labour more vulnerable and distressed to vagaries of globalisation but at the same time recommended such measures which would perpetuate and aggravate such vulnerability further.

Detail critique of the Recommendation of SNCL has already been made by CITU in a separate publication. The basic thrust of those recommendation is to unarm the working class of almost all its rights and make them totally dependent on the employers class.

Prime recommendations of SNCL having ominous portents for the labour rights may be shortlisted as under:

- The unfettered right of the employers in respect of retrenchment and lay-off in all the establishments of any size without any prior permission
- Unfettered right to closure without any prior permission in establishments employing up to 300 workers
- Right to effect changes unilaterally in the service/working conditions of the workers just by giving 21 days' notice
- Right to outsource/give on contract major part of the permanent jobs under the guise of non-core jobs and also to contract out core jobs in case of so called exigency as decided by the employer
- Registered unions will not be allowed to represent or act on any issue of collective or policy nature, unless they are recognized by the management and recognition will be decided through check-off system and not through secret ballot
- Virtual ban imposed on right to strike through stipulation of elaborate procedures/ formalities like strike ballot followed by conciliation, arbitrations etc to be compulsorily observed
- Complete ban on strike in establishments/ sectors considered "socially essential" as decided by the Govt
- "Work to Rule" and "Go slow" will be treated as misconduct
- Supervisors irrespective of wage level and workers of higher wage bracket have been thrown out of the purview of labour laws
- There will be separate law for the establishments employing up to 20 and below and the draft proposed by the Commission does contain practically no substance but on the plea of there being a separate law, those workers are taken out of the purview of all basic statutes like Minimum Wages, Maternity Benefit, ESI etc.

The Commission sought to counter-pose the problems of the Unorganised Sector Workers while making these retrograde pro-employer recommendations in respect of change of labour laws. It proposed a draft umbrella legislation for the unorganised sector workers which again lacked substance. It proposed an elaborate structure of welfare boards to be constituted at all levels from centre, state to panchayat stages but did not suggest any concrete and compelling provisions for funding the welfare/ social security measures. Moreover, it did not bother to address the problems of the extreme vulnerability and uncertainty in the working conditions, the problems of continued availability of job and livelihood from which the workers of unorganised sector suffer most. But the Commission did not fail, on the plea of this alternative umbrella legislation, to recommend taking out the unorganised sector workers from the purview of all basic labour related statutes like Minimum Wage, Maternity Benefit, Provident Fund, ESI etc., benefits of some of which have so long been available to a section of the unorganised sector workers, wherever they could organize themselves in trade unions.

The Govt has already started acting on the recommendations. The Group of Ministers constituted for the purpose have already cleared the text of amendments in Industrial Disputes Act and Contract Labour (Regulation & Abolition) Act in line of the recommendations of the SNCL, rather going ahead of it.

As per available information, the text of amendments going to be made in the Industrial disputes Act includes introduction of "hire & fire" regime, unfettered right of the employers to declare closure covering 90% of the establishments, provisions for unilateral change in service conditions, imposing conditionalities on right to strike etc.

The SNCL, while recommending contract work in all non-core jobs in an establishment and also in core jobs in case of exigencies, did not stipulate the definitions of core or non-core jobs. The Group of Ministers, while finalizing the text of amendments to Contract Labour Act did the unfinished task. The non-core jobs, where contract labour can be deployed have been so widely defined so as to embrace around eighty per cent jobs in any industrial or service establishments. As decided by the Group of Ministers, the so called non core jobs which may entail deployment of contract labour include 1) maintenance, service and repair of equipments, machines and plants, 2) construction and maintenance of buildings, roads and bridges, 3) gardening, 4) loading and unloading of raw materials and finished goods, 5) running of hospital, education and training institutions, guest houses and clubs, 6) sweeping, cleaning, dusting and collection and disposal of wastes.

Once the above definitions get the legislative sanction, the first item itself, i.e., maintenance, service and repair of equipments, machines and plants will throw at least eighty percent work in any major manufacturing establishment open for deployment of contract labour. Moreover, the draft cleared by the Group of Ministers have also laid down that besides the jobs covered by the definition of the non-core, in other areas also "companies can hire contract workers for any sudden time-bound incremental work". The above caveat has got its satanic implication. It will allow the employers, to begin with, to get the same work done simultaneously under the same roof by two sets of workers with two different service conditions, the permanent workers and the workers under contract, thereby creating tremendous pressure on the rights and wages and other facilities of the permanent workers besides putting the bargaining capacity of the concerned union, if any, under severe strain.

The text of amendment cleared by the Group of Ministers completely liberated the principal employer from any obligation towards the contract workers they will be hiring for more profit and the contractors, small or big, will no more be required to obtain license. As per existing statute, the Principal employers are required to ensure that the contract workers are treated as per the law of land in respect of minimum wages, timely payment, safety measures and other basic statutory requirements. One must note that whatever benefits the contract workers could so long achieve through organized effort, be it the regularity of payment of wages and other basic statutory amenities or their regularization in permanent work, it was through compelling the Principal Employers to get involved either through judicial means or through organized struggle. Now, under the amended Act, such obligations for the principal employers would be given a complete go-bye and contractors are being liberated from most of the checks and controls, thereby throwing the contract workers under more vulnerable situation.

Besides legalizing contract work in all jobs, outsourcing is also going to get legal sanction. We may recall the statement made by the Finance Minister in his budget speech (2002) announcing blanket sanction to all kinds of outsourcing by the employers. Outsourcing means off-loading the permanent job to outside agencies on job-contract. In the usual contract system of work, mostly carried on within the premise of the principal establishment, contract awarded usually contains provisions regarding regulation of working conditions of contract workers. In case of job-outsourcing, involving job contracts to be undertaken both within or outside the premises of principal establishment, such provisions regarding the workers involved do not generally exist and it becomes more difficult to fix the responsibility on the principal employers in the matter of workers involved in outsourced work. This form of contracting out job through outsourcing has started being frequently resorted to by the employers, both in public

and private sector companies particularly after the onset of liberalization, and the intention has been to escape or sidetrack the provisions of Contract Labour Act, although for all practical purposes, like the usual contract system, the workers in the outsourced jobs are working for the principal establishment only. The public sector coal industry is the novel example of such outsourcing the coal production in various coal-reserves, where practically mafias are taking over coal production with active patronage of the employers and administration. There have been numerous other instances that many major industrial units, both in public sector and private sector have outsourced a major part of permanent jobs to other private agencies operating both within and outside the premises of principal establishments and in most of the cases, the workers engaged in outsourced work do not get even the statutory minimum wages, not to speak of other statutory benefits. The ongoing exercise for changing the labour laws is also going to give legislative sanction to this monstrous system of outsourcing.

The attempt to casualise the workforce, various supplementary moves are also being taken by the Govt side by side of changing the concerned legislation. In a recent move, the Govt is making attempt to incorporate retrograde changes in the Rules framed under Industrial Employment (Standing Orders) Act by introducing a new classification: "Fixed term employment workman" and sent the draft of proposed changes in the rules to all the central trade unions. As per Govt proposal, the new classification of 'fixed term employment workman' is defined as "a worker who is engaged from a fixed term for work which is temporary or for temporary increase in work". This new classification is being sought to be introduced despite there being existing exhaustive classifications as 'probationer', 'badlis', 'temporary', 'casual' and 'apprentices'. Intention is clear. The manner the new classification of fixed term employment is defined as would enable the employers to resort to deployment such fixed term worker in all permanent nature of work. This would also deprive the concerned workers from their right of being permanent, which the other categories of temporary, casual, badlis etc are at least formally having. And eventually, such a provision, if implemented may eliminate the permanent workers in any establishment.

In totality the governmental exercise in bringing about pro-employer changes in labour laws is an integral part of the so called second generation reforms, which aims at imposing the condition of slavery on the working class. This has got two separate but inter-related facets which must be comprehensively understood. The first one is the withdrawal of all protective measures for the workers at workplace and putting the workers under extreme uncertainty in respect of their job-security in order to keep them on tenterhooks. The second one is stripping the trade unions of all their rights to raise even any voice of dissent and putting insurmountable hurdles against the formation of trade unions. Ultimate aim is to eliminate the possibility of any organized resistance from the workers to the unbridled exploitative regime let loose by the neo-liberal globalisation.

In totality the phenomenon of attack on labour right in the liberalized policy regime has the dubious distinction of being all embracing covering every aspect of the livelihood. The Right to work and employment, decent wages and working conditions, right to social security and the right to post retirement benefits are being scuttled and /or severely undermined by institutional and legislative arrangements. Overwhelming majority of the workforce in the organized sector have just been deprived of their right to bonus only because the Govt refuses to change the ceilings in the Payment of Bonus Act. The workers enmasse are also gradually losing their right to proper social security owing to mal-administration of and anti-worker stipulations by the concerned agencies of PF, ESI and other social security/welfare agencies. Side by side the right to organize and form trade unions, right to collective bargaining and strike etc are being sought to be scuttled in various ways including physical repression by the State machinery. And in this background the system of bipartite and tripartite consultation with the Govt, both in the States and the Centre evolved through long years in the post independence period are being sought to be made defunct. As for example, most of the industry-level tripartite committees, the

tripartite committee on implementation of ILO Convention etc have not met since last four/five years and the onus of default lies on the Govt only.

## JUDICIARY COMPLEMENTING THE EXECUTIVE AND LEGISLATIVE WING

In this context we should also take note of the increasing hostility of the judiciary towards the rights of the workers and the people. The post liberalization period witnessed number of retrograde judgments from different levels of judiciary including the apex court which signals a gross attitudinal change, quite consistent with the ethos of neo-liberal globalisation. In 1996, the then Chief justice of Supreme Court stated in a lecture that "Liberalization is consistent with socialism because equitable distribution first require wealth creation."

The apex court judgment in the Steel Authority case nullifying its earlier judgment in the Air India case upheld non-regularisation of the contract workers engaged in permanent nature of job thereby practically legitimizing deployment of contract labour in all permanent jobs, which is totally at variance with the basic tenets of the Contract Labour (Regulation & Abolition) Act. The judgment in the Air India Case recognized the rights of the contract workers deployed in permanent nature of work to get regularized as permanent workers. And citing the same judgment in Air India Case, a substantial section of the contract workers in many industries, viz., Rourkela Steel Plant, Bhilai Steel Plant, Haryana Electricity Board and many others got regularized as permanent workers since their deployment as contract workers was considered unlawful by the court. But the Apex Court judgment in Steel Authority case turned the clock back and legalized the gross illegality.

Similar anti-worker regression was found in another recent judgment of supreme Court which struck down earlier judgments of various high Courts to finally establish that a dismissed worker will not be entitled to back-wages even if he is reinstated and the dismissal order is set aside.

Judgment upholding the sell-off of Balco at a throw away price is another piece of regressive judgment which, while dismissing the public interest litigation in the Balco case, pronounced that 'Govt.'s economic policy was not generally amenable to judicial review unless there was "extreme" illegality', and that "Parliament is the right forum to question such policy decisions and not a court of law."

We can also refer here the Supreme Court judgment banning the so called "forcible" bandh. And thereafter the recent one delivered on 6th August 2003 is on banning the right to strike altogether where the Supreme Court pronounced with a vengeance that "Now coming to the question of right to strike-whether fundamental, statutory or equitable/moral right-in our view no such right exists for the Govt employees." The whole judgment is so languaged as is prone to wild interpretation to ban strike for all employees and workers. The latest judgment delivered by the Kolkata High Court prohibiting procession/rallies in the city from 8AM to 8 PM on all weekdays is another affront on basic democratic right of the people.

Besides the anti-worker orgy that has been reflected in the apex court's latest judgment against right to strike, it has demonstrated unparallel eloquence in describing as to how any strike action by workers and employees of any sector creates inconvenience to people. At the same time, the Court admitted quite consciously and hypocritically too, in the same piece of judgment, of not dealing on the issues which compels the workers to go in for strike. While dealing on the inconvenience of the people owing to strike, it only refers to strike action by workers and most consciously did not mention the work stoppage or service withdrawal by Transport owners against the apex court's award on usage of polluting fuel, or shut-down by business class against imposition of value added tax, not to speak of

shut-down, closure, lock-out, lay-off etc by the mill-owners which is responsible for much more loss of man-days, production and services causing much greater inconveniences to the people and society.

## **ASSERTION OF THE REPRESSIVE STATE**

The new dimension of the onslaught on the rights of the workers and their trade unions in the post liberalization phase is that all the wings of the capitalist state apparatus have joined the offensive displaying their fangs and claws.

The aspect of non-enforcement and violation of labour laws by the executive wing of the 'State' in connivance with the employers in the first phase of liberalization in the nineties have been complemented by an unresponsive and ineffective grievance settlement machineries at various levels of the governance along with an indifferent and sometimes hostile judiciary.

And in the second phase of liberalization, the stage is set for a complete change in labour laws for legitimizing their non-enforcements and violations on the one hand and completely unarming the working class movement on the other to make the path of neoliberal globalisation and unbridled exploitation of labour by capital, both domestic and foreign, hurdles-free.

Both the executive and legislative wings of the "State" have been working together in that direction. And in such a background, the other wing of the "State apparatus", the Judiciary has also started displaying the same response. The most of the workers related judgments of the apex court during the post liberalization period are the reflections of the attitudinal change in the highest judiciary in line with the ethos of the neoliberal policy paradigm on all the workers' issues and all such peoples related matters which stand in direct antagonism with the interest of capital and the ruling class. The judgment upholding Balco-sell-off has been delivered within three months, whereas, in the employees pension scheme case, judgment has not yet been pronounced even after passage of more than two years since the hearing was completed.

This is not surprising because this has reaffirmed the time tested truth that the judiciary is one of instruments of "State" and also that all the instruments of "State" ultimately converge in upholding the interest of the ruling class to perpetuate their class rule. To quote from Lenin, "The State is an organ of class rule, an organ of the oppression of one class by another." (State & Revolution)

It should not, of course, be lost sight of that during the pre-liberalisation decades there had been many land-mark judgments by the apex court and also by different levels of judiciary which, to a considerable extent upheld the rights of workers and common people. Apex Court's judgment in the Air India case recognizing the rights of contract labour of being regularized is one of such examples. During the same period, there had been some good intentioned enactments as well, like amendment in Industrial Disputes Act (inclusion of chapter VB), Contract Labour (Regulation & Abolition) Act etc which, despite many limitations and loopholes, recognized the need for greater equity. Such developments had been probably the reflection of the kind of welfareist approach as were sought to be accommodated within the framework of the capitalist path of development pursued by the-then ruling polity. The prevalence of strong socialist camp in the world scenario had also been an important factor which had its direct and indirect impact in moderating to some extent, the offensive of the forces of capital in the developing economies including in India. All these reflected in some instances of positive response of the ruling polity and various organs of the State to the popular opinions demonstrated by mounting struggle of the working class and mass of the people during that period.

But that had been a temporary phenomenon, and that had to be so. To quote again from Lenin's writing on the character of "State"-where he referred to Engels saying, "the modern representative State is an instrument of exploitation of wage labour by capital. By way of exception however, periods occur, in which the warring classes balance each other so nearly, that the state power as ostensible mediator, acquires for the moment, a certain degree of independence of both." The role of various instruments of State in the pre-liberalisation period, particularly since Seventies and early eighties displayed in certain cases and in varying degrees such temporary exceptions owing to various factors indicated in the earlier paragraph.

The post liberalization era and the post Soviet era as well, has taken out the so called welfarist veil of post war capitalism. It made the oppressive drive of the forces of capital more fierce with the deepening of the crisis of capitalism signaling terminal recession worldwide. All the previous gains of the so called welfarist regime started being taken away by the State under vigorous pursuit of neoliberal policies under imperialist pressure in the form of curtailment of subsidies on people and public services, privatization and commercialization of public utilities including education and complete deregulation in almost all people related aspects. In the face of popular opposition to such measures which sometimes forced retreat by the ruling polity in certain instances, intolerance towards the democratic expressions of the people started surfacing in various forms. And precisely in this background, vigorous move is afoot from all sides, by all instruments of the State, to completely clip the wings of the working class, the most organized social force and the most disturbing as well to the liberalizers.

What is important to note here, as history taught us, is that the onslaught on the rights of the working class is the prelude to all round offensive on the democracy. Already, under the NDA regime, various democratic institutions are being undermined signaling ominous portents. In this background, the manner in which the so called logic of "inconvenience to people" is being sought to be pitted against a basic democratic right, "the right to strike", recognized in all democratic societies, displays a dangerous trend and particular bent of mind, which can be extended to any extent to deny any democratic rights to any section of people, by pitting one section of people against the other. Such intolerance and obnoxious design of letting one section of people against other has been reflected in the latest Supreme Court judgment in the Tamilnadu case which upheld that even for just cause, "strike cannot be justified...and in a society, where there is large scale unemployment and number of qualified persons are eagerly waiting for employment in Govt departments or in public sector undertakings, strikes cannot be justified on any equitable ground." The same Court refused to take up the issues which compelled the employees to go on strike and the same Court in the Balco case judgment refused to intervene saying that "The Govt's economic policy is not amenable to judicial review."

#### **TASK AHEAD**

The working class has to defend its rights including the right to strike by asserting those right more forcefully and unitedly. The democratic movement has also to gauge the danger in right perspective and raise the voice of united resistance against the aggressive misrule of the "State" in its entirety.

At the same time, the struggle to defend rights of the working class has to be organically linked with the struggle against all facets of the policies of neo-liberal globalisation and its political mentors within the country and abroad. The trends of vacillations or playing soft on any aspect of the neoliberal policy regime, be it outsourcing or import liberalization or privatisation etc on the misplaced expectation of either protecting employment or promoting investment as is being noticed within a section of the trade union and democratic movement have also to be fought resolutely both on organizational and ideological plane.

The working class movement has also to take vigorous initiative to mobilize other sections of people in the anti-globalisation struggle in a big way since the neoliberal globalisation is the fountainhead of all onslaughts on the rights and livelihood not only of the workers but also the entire populace.

"Com. P.Ramamurthi Nagar"

9-13 December 2003  
CHENNAI, TAMIL NADU

## COMMISSION PAPER

### UNEMPLOYMENT – TRADE UNION PERSPECTIVE

A serious fallout of the Fund-Bank dictated economic policies of liberalization, globalisation and privatisation is the continuously compounding problem of unemployment. The problem of joblessness and unemployment has been swelling with unprecedented rapidity and dimension. Several factors have been contributing to such serious development. The persisting crisis in the capitalist economy all over the world and the onslaught of so called market economy under the regime of imperialist globalisation are the two major factors.

In the current situation the trade union initiative to develop a powerful united democratic movement against the unemployment problem has assumed unquestionable importance. Comrade BTR had asked for such an initiative more than a decade back. He said, "The T. U. should take the initiative to organise jointly conventions of the employed and the unemployed ... to press upon the Government to check the growth of unemployment ... to champion the basic changes in Government's economic policies and measures to check unemployment." Pointing out the importance and significance of the demand for right to work to be embodied in the Constitution as a fundamental right, Comrade BTR said, "the right to work is in fact the basis of all democratic rights, without this right many democratic rights become just formal decorative rights."

#### ILO ON UNEMPLOYMENT

The ILO has been continuously focusing on the aggravating unemployment problem. The World Employment Report 2001 noted, "one-third of world's workforce remains unemployed or underemployed." Commenting on the disturbing development of 'jobless growth' the report has warned that, "growth alone is unlikely to ensure the creation of the over 500 million new jobs needed by 2010 to accommodate new entrants to the workforce and to reduce current unemployment levels by one-half." Emphasising the urgency to attend to the problem of growing unemployment, the ILO report has pointed out the requirement of, "much greater attention to core labour market issues, including investments in human capital, overcoming discrimination and making employment a more central goal of economic policy."

In his report submitted to the ILO conference in Geneva in June, 2003, the Director General of the ILO was very forthright in his observation on the question of unemployment and poverty. He said, "What constitutes one of the biggest obstacles to peace and social justice? The Declaration of Philadelphia, adopted by the ILO in 1944 and annexed to its Constitution, makes it clear: poverty."

The working class movement has always taken vigorous initiatives to mobilize various factors of society in order to defend its rights and interests. In a big way since the withdrawal of the State from the economy, the working class movement has been able to mobilize various factors of society in order to defend its rights and interests. The working class movement has always taken vigorous initiatives to mobilize various factors of society in order to defend its rights and interests. The working class movement has always taken vigorous initiatives to mobilize various factors of society in order to defend its rights and interests.

The post-liberalization era and the post-Soviet era as well have taken out the so-called welfare veil of the State and have allowed the forces of capital to move more freely with the deepening of the crisis of capitalism. The working class movement has been able to mobilize various factors of society in order to defend its rights and interests. The working class movement has always taken vigorous initiatives to mobilize various factors of society in order to defend its rights and interests.

What is the role of the working class in the post-liberalization era? The working class movement has always taken vigorous initiatives to mobilize various factors of society in order to defend its rights and interests. The working class movement has always taken vigorous initiatives to mobilize various factors of society in order to defend its rights and interests.

### TASK AHEAD

The working class has to defend its rights including the right to strike by asserting its right more forcefully and actively. The democratic movement has also to gauge the danger in right perspective and raise the voice of united resistance against the aggressive misrule of the State in its entirety.

At the same time, the struggle to defend rights of the working class has to be organically linked with the struggle against all factors of the possible or neo-liberal globalisation. As political movements that the country and abroad. The trends of vacillations or pivoting in any aspect of the neoliberal policy regime, be it outsourcing or import liberalization or privatization or on the increased expectation of workers to be more self-reliant or promoting investment as being noticed within a section of the trade union and democratic movement have also to be fought resolutely from an organizational and ideological plane.



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurti Nagar”**

**9-13 December 2003  
CHENNAI, TAMIL NADU**

## COMMISSION PAPER

### UNEMPLOYMENT – TRADE UNION PERSPECTIVE

A serious fallout of the Fund-Bank dictated economic policies of liberalization, globalisation and privatisation is the continuously compounding problem of unemployment. The problem of joblessness and unemployment has been swelling with unprecedented rapidity and dimension. Several factors have been contributing to such serious development. The persisting crisis in the capitalist economy all over the world and the onslaught of so called market economy under the regime of imperialist globalisation are the two major factors.

In the current situation the trade union initiative to develop a powerful united democratic movement against the unemployment problem has assumed unquestionable importance. Comrade BTR had asked for such an initiative more than a decade back. He said, “The T. U should take the initiative to organise jointly conventions of the employed and the unemployed...to pressurise the Government to check the growth of unemployment ... to champion the basic changes in Government’s economic policies and measure to check unemployment.” Pointing out the importance and significance of the demand for ‘right to work to be embodied in the Constitution as a fundamental right, Comrade BTR said, “ the right to work is in fact the basis of all democratic rights, without this right many democratic rights become just formal decorative rights.”

#### ILO ON UNEMPLOYMENT

The ILO has been continuously focusing on the aggravating unemployment problem. The World Employment Report 2001 noted, “one-third of world’s workforce remains unemployed or underemployed.” Commenting on the disturbing development of ‘jobless growth’ the report has warned that, “growth alone is unlikely to ensure the creation of the over 500 million new jobs needed by 2010 to accommodate new entrants to the workforce and to reduce current unemployment levels by one-half.” Emphasising the urgency to attend to the problem of growing unemployment the ILO report has pointed out the requirement of, “much greater attention to core labour market issues, including investments in human capital, overcoming discrimination and making employment a more central goal of economic policy. “

In his report submitted to the ILO conference in Geneva in June, 2003, the Director General of the ILO was very forthright in his observation on the question of unemployment and poverty. He said, “What constitutes one of the biggest obstacle to peace and social justice ? The Declaration of Philadelphia, adopted by the ILO in 1944 and annexed to its Constitution, makes it clear : poverty.

As the Declaration states, "poverty anywhere constitutes a danger to prosperity everywhere." In this time of heightened tension and conflicts, this profound truth is more important than ever.

Stressing the importance and urgency of employment generation the DG said, "We know only too well that it is precisely the world of work that holds the key for solid, progressive and long-lasting eradication of poverty. It is through work that people can expand their choices to a better quality of life. It is through work that wealth is created, distributed and accumulated. It is through work that people find a dignified way out of poverty."

Expressing serious concern at the galloping rise in unemployment the ILO has observed, "Economic slowdown have produced deterioration in the global employment situation. With uncertain prospects for economic recovery, a reversal of employment trends is unlikely in 2003." As per ILO estimates world unemployment reached to about 180 million at the end of 2002. How the number of people living below the poverty line throughout the world is increasing in the era of imperialist globalisation is clear from the fact that "by the end of 2002, the number of workers not earning enough to keep themselves and their families above the US \$ 1 a day poverty line may well have returned to 550 million, the level recorded in 1998" (World of Work – 3/2003).

### **WORLD-WIDE UNEMPLOYMENT**

It has time and again been proved that with the deepening of the recurring crisis in the capitalist economies, the unemployment situation aggravates. Now with the serious economic stagnation all over the capitalist countries, the acute problem of unemployment has gripped the entire world. According to data released by the ILO, unemployment in the industrialised countries witnessed the sharpest increase and reached to 6.9 per cent between 2000 and 2002 as a result of the global economic stagnation. In North America the unemployment rose from 4.8 per cent to 5.6 per cent. The European Union unemployment rate rose to 7.6 per cent in 2002. Almost all the Latin American and the Caribbean countries witnessed steep hike in unemployment and reached to 10 per cent between 2001 and 2002. In the South-east Asian countries the rise in unemployment reached to 6.8 per cent in 2001, East Asia 4.0 per cent and South Asia 3.4 per cent. Middle East and North America the rise was the highest at 18 per cent in 2002, Sub-Saharan Africa 14.4 per cent and the Transition Economies 13.5 per cent. (World of Work 3/2003 & ILO - Global Employment Trend – 2003).

In the land of the US imperialist, who have arrogated itself the 'right to preach to and police' the whole world, the unemployment figure has reached to a new height ever since the 1950s. In the words of a Washington based columnist, "US payrolls fell by 1,01,000 in December, 2002 and the unemployment rate stayed at 6 per cent, capping the first back-to-back years of job losses since the Eisenhower administration in the 1950s." During the years 2000 and 2001 the country has witnessed 1.6 million job loss which is again the "first consecutive drop since 1957 and 1958". The monthly average job cuts in the US during the year 2002 has been nearly 1,40,000 against the monthly average of 26,000 during 1990-1991.

Fighting the orchestrated campaign by White House officials claiming the so called economic recovery, Jerry Isaacs wrote in Washington Post in May 2002, "official pronouncements of an economic recovery made by White House officials, media pundits and various analysts, who no doubt hope their repeated claims might convince investors to go back into the stock market. In reality there are increasing signs the US will face a "jobless recovery" or even a "double-dip" recession with the economy slipping back into a full-scale downturn.

As reported in the print media in the month of August, 2003 the US companies have cut 93,000 jobs. Puncturing the balloon of forecast of the Wall Street predicting boost in employment generation, "business swung the heaviest jobs axe in five months, taking seven months of uninterrupted losses to 5,95,000 jobs." (Financial Express 09.09.03)

Bush administration officials responded to the jobless figures by calling for further tax breaks for big business to 'stimulate the economy'. This only underscores the fact that the White House has no solution for the worsening conditions affecting tens of millions of working people and that the so-called war on terrorism is chiefly aimed at diverting attention from the social crisis at home."

### **UNEMPLOYMENT IN THE ERA OF "ECONOMIC REFORMS"**

The major factors contributing the menacing growth of unemployment in the country inter alia are the speedy conversion of our economy from manufacturing to profit hunting captive market of the foreign MNCs; no creation of new jobs in the absence of major investment in green field projects; huge retrenchment of workers due to sickness, closure and merger/acquisition of running industrial concerns; ever increasing rural poverty leading to heavy growth of landless agricultural labourers

It is an established fact that the on going disastrous economic reforms have contributed in a big way in increasing the number of unemployed in the country. Objective studies have revealed that the number of unemployed in the country has increased alarmingly during the reforms period – 1992-94 to 1999-2000. Such increase has engulfed the entire country and in both the urban and the rural segments. The data on the unemployment situation pertaining to the liberalization period depicts the magnitude and growth of unemployment in the country.

Although under different considerations the data published by the Government agencies are gross underestimation, in the absence of any better alternative source we have to depend on the their figures. The number of unemployed in India on Current Daily Basis (CDS) in 1983 was 21.61 million and reduced to 19.58 million in 1993-94. But with the onset of the devastating effect of the new economic policies the unemployed figure again started growing and reached to 26.44 million in 1999-2000. So far as the break-up of unemployment in rural and urban areas is concerned, in 1983 the rural unemployment was 16.18 million and came down to 14.3 million in 1993-94 but increased to 19.31 million in 1999-2000. The share of urban unemployment was 5.4 million in 1983, increased to 5.94 million in 1993-94 and further increased to 7.12 million in 1999-2000.

The national annual growth rate of unemployment during 1983 to 1993-94 was rather little slow, but grew rapidly during 1993-04 to 1999-2000 and rose to 4.55 per cent, thanks to the anti-people new economic policies. Here again the rural and urban break was revealing. The growth rate of rural unemployment in 1993-94 to 1999-2000 was 5.13 per cent. On the other hand the growth rate of urban unemployment during the period 1983 to 1993-94 was 0.85 per cent and increased to 3.76 per cent during the period 1993-94 to 1999-2000. (The Indian Journal of Labour Economics, January-March, 2003)

### **TENTH FIVE YEAR PLAN AND EMPLOYMENT PERSPECTIVE**

According to the 'Employment Perspective' of Tenth Five Year Plan, "The estimates of unemployed for the year 2001-02 have been given around 34.85 million persons years (defined on CDS basis)...It also provides the estimates of addition to labour force over the Tenth Plan period as 35.29 million persons year." The plan document has identified, "to deal with the problem of creating job opportunities

against a potential job demand of more than 70.14 million person years. The plan document has also noted that, "The unemployment rate at the end of Tenth Plan can even go up by a minimum one percentage point". (Tenth Plan Document: page 144-145).

In this context it may be noted that related to the Tenth Plan formulation exercise, the Government first constituted a Task Force under the chairmanship of Montek Singh Ahluwalia. But barely a year after the Ahluwalia Committee submitted their report, the Government constituted another Special Group on Targeting Ten Million Employment Opportunities per year over the Tenth Plan under the Chairmanship of Member, Planning Commission, Dr. S.P.Gupta. The recommendations given by Ahluwalia and S.P. Gupta differed in a big way on several counts.

The Task Force headed by Ahluwalia recommended devastating anti-labour changes in the Labour Laws including granting arbitrary right to 'hire and fire' to the employers, but Special Group headed by S.P.Gupta maintained that such step will have serious adverse impact on employment and recommended to go slow in changing the labour laws. Turning a blind eye to the stark reality that organized sector is witnessing jobless growth and consequent compulsion for the country to rely on the agriculture sector, small scale industries and unorganized sector for employment generation, the Ahluwalia Committee recommended opening up of the agriculture to the corporate giants and de-reservation of small-scale industries. Realising that such approach shall witness the same joblessness in these sectors too, the S.P.Gupta Committee differed with the former and observed that agriculture had a high job potential and unorganized sector would provide maximum jobs in the next five years. While Ahluwalia denied the necessity of specific employment generation steps by the Government, S. P. Gupta argued in favour of specific role for special employment programmes.

However, the Government has adopted a goal to generate ten million employment opportunities per year of the Tenth Five Year Plan period and fifty million during the entire plan period. But the Special Group constituted for the purpose have concluded that, "a 8 per cent GDP growth per year with unchanged patterns and continuance of the increased capital intensity of production, especially in the organized sector, will generate only around six million jobs a year on an average, much below the targeted 10 million jobs annually,"

However, the absurdity of realizing the projected 8 per cent growth per annum over the Tenth Plan in the NDA Government's present policy dispensation has been argued from many quarters. Therefore, even creating six million jobs a year is rather impossible. According to estimates, the number of jobs created over 1994-2000 was only around three million per annum. ( Business Line 15.04.03)

For enhancing the employment generating potential of the economy substantially, the whole direction of the economic policy regime is required to be changed. To put in the words of the Special Group, "the group views that to reach country's development target both in output and employment, in a viable and equitable fashion, several major changes from the past economic policies and launching of innovative pro-employment programmes will be needed in the immediate future..." The Special group also observed, "if experience of the late nineties are extrapolated, i.e., repeated in future, then India is going to face increasingly higher incidence of unemployment, with an ever increasing gap between the demand for jobs and supply of job opportunities."

Secondly the Special Group also suggested on tuning the Government policies in the direction of promoting labour intensive and capital saving technology. But one must not miss to understand that such a task cannot be achieved by leaving the whole thing to market forces, and herein lies the requirement for a change and reversal of the policies of liberalization and imperialist globalisation.

Referring particularly to small and medium scale units and also the unorganized sector, it has been recommended by the Special group that, "Appropriate programmes and policies should be devised for suitable reallocation of capital in favour of labour intensive industries...to boost the growth. It will also have to be ensured that the rule of level playing field is applied for this sector." This sector is required to be given discriminatory patronage as against the large-scale sector, and also protection, which the market-god cannot ensure.

Further, we must take lesson from the fact that the so-called higher economic growth under the new economic policy regimes has utterly failed to generate employment. Thus it is proved beyond an iota of doubt that reduction in unemployment, attaining higher growth alone is not sufficient. "There is an urgent need for far more active intervention by the government towards employment promotion since the problem of unemployment in India could not be addressed adequately through attainment of higher economic growth alone under the regime of economic liberalization." ( S.K. Bhaumik 2003).

### **EMPLOYMENT ELASTICITY**

Another very disturbing development is the deep decrease in the employment elasticity. Expressing concern in the matter it has been said that, "there seems to be no alarm over the fact that the employment elasticity (the extent to which additional output creates additional demand for jobs) in the economy has dropped from 0.68 in the period 1983-88 to just 0.16 per cent between 1993-2000 ... The steepest decline is in the agricultural sector where the employment elasticity has declined from 0.87n to 0.01 per cent over the same period." To put a concrete example, "a 5 per cent growth in agricultural output would have resulted in a 4.39 per cent employment growth in the eighties, which will now lead to an employment growth of just 0.05 per cent." (Business Standard, 07.08.03).

As per the 10th Five Year Plan document on Employment Perspective, "the decrease in employment intensity of output growth can be explained by either an increase in capital intensity or increase in labour productivity, releasing labour ... capital substituted labour" calling for "strategies to look for labour intensive areas and technologies."

It is not very difficult to identify the reason for such reduction in employment elasticity. The highly modernised automatic capital intensive technology deployment is surely contributing in enhancement of production and productivity but at the same time killing employment elasticity. An economic columnist has observed, "Most technological changes in Indian industry have operated to improve labour productivity and therefore have led to lower requirements of labour per unit of output."

In this connection it would be pertinent to mention the observation of ILO that "a fundamental condition for unleashing the job creation potential of trade and investment in developing countries is a shift to manufactures and modern services, away from dependence on the export of primary commodities."

Against the argument that the organized sector could be made more employment-friendly and employment generation in this sector can be improved if the right to 'hire and fire' is granted to the employers, the Special Group noted, "given the fact that this sector (specially the public sector segment) is already carrying excess labour, the immediate effect will be more firing than hiring."

### **DISTRESSING DEVELOPMENT**

Although it is not a healthy phenomenon for any country, it is a fact that in our country 60 per cent of the employment comes from agriculture. Now as per the Economic Survey 2002-2003 "the decline in the

overall growth rate in employment in 1994-2000 was largely attributable to a near stagnation of employment in agriculture. As a result the share of agriculture in total employment dropped substantially from 60 per cent in 1993-94 to 57 per cent in 1990-2000." Yet another disturbing feature is that "about 75 per cent of the unemployed are in rural areas and 60 per cent of these unemployed people are educated." (Economic Times:23.01.03)

Depending on the vocation the workers are classified into three different sectors. (a) Primary sector which is largely agriculture based, (b) Secondary sector that is industries and production centres (c) Tertiary sector that includes trade, government services and unorganised jobs. India being a predominantly agriculture based economy, the primary sector is looked upon with too much high hope for employment generation. The hope and reality apart, it is not an ideal situation either.

The entry of the foreign MNCs in the agriculture of the country in big way and more so with the withdrawal of quantitative restrictions under the WTO regime, employment potential of the agriculture is poised to affect seriously. Massive mechanisation including use of modern technology and land and irrigation management is going to be changed. Therefore, generation of employment in agriculture is bound to go down heavily. Again, the Small Scale Sector with much less capital investment provides more employment than the capital intensive large industrial units. As per a study by Indian Statistical Service, industrial unit having capital size of over Rs.100 crore and having 61.76% of the share in total capital of the industrial sector, there has been a fall of about 36% in average employment size per unit. Now given the rabid anti-SSI policy of the Government industrial sickness in SSIs has attained the degree of epidemic. The result is not only a major source of employment is killed but also huge number of workers is rendered jobless.

It is a well-established fact that in the matter of employment generation, the public sector has been playing the major role in our country. However, the rabid anti-public sector policy of privatization vigorously pursued by the successive Governments the situation has been changed. It has become a design of the managements of industrial concerns both in public and private sectors to integrate and disintegrate the industrial operations and commercial activities in the name of restructuring and in the process declare huge workforce surplus and execute retrenchment. The various schemes for retraining and redeployment announced by the successive Governments have turned to be absolutely farce.

Huge job losses in the central public sector are contributing in a big way in aggravating the unemployment problem in the country. In 1991-92 the total workforce in the central PSUs was 21 lakh 80 thousand which has come down to 17lakh 40 thousand in March, 2003. In other words since country has been pushed to the net of World Bank and IMF by the ruling polity 4 lakh 40 thousand central public sector workers have been retrenched.

In this regard the situation in private sector is the least said is better. Downscaling due to modernization, merger and retrenchment on account of closure/shifting of industrial units alone has killed lakhs of job. The engineering, textile, pharmaceutical etc, are some of the sectors, which have been affected in massive scale in retrenching workers.

Industrial sickness has been contributing in increasing unemployment due to huge retrenchment of workers from the sick units. As per an account on closure of sick industries and retrenchment of workers, "out of 1451 units declared sick, 343 have closed shop and the number of workers affected are 6,40,379 (Business Line: 14.06.03)

## **YOUTH UNEMPLOYMENT**

The menacing increase of unemployment among the youth all over the world has rather sounded the alarm bell and attracted the attention of world institutions including the United Nations and the ILO. It is this perception that prompted an important exercise at the ILO headquarters in Geneva on 16th July, 2001. To address this burning problem the UN Secretary-General Kofi Annan along with James D. Wolfenshon, President of the World Bank and ILO Director General Juan Somavia met with a High-level Panel of 12 eminent persons.

Rate of unemployment among the youth are two or three times more than the rates for adults. In some countries youth unemployment is alarmingly high. A study conducted in 98 countries some time back revealed that in 51 countries the youth unemployment rate was 15 per cent. According to the ILO figures some European countries such rate has been 30 per cent while some developing countries youth unemployment reached between 40 and 50 per cent. (World of Work: 8/2001)

According to the ILO computation "youth make up more than 40 per cent of the world's total unemployed. In the year 2001 the number of unemployed youth was 66 million — an increase of nearly 10 million since 1965." But the report of the Director General (DG) submitted to the ILO session in June, 2003 has mentioned, " The ILO estimates that around 74 million young women and men are unemployed throughout the world, accounting for 41 per cent of all the 180 million unemployed persons globally and many more young people are working long hours for low pay."

The fall out of such huge youth unemployed in the world, as noted in the report of the DG, "It perpetuated the inter generational cycle of poverty and is associated with high levels of crime, violence, substance abuse and the rise of political extremism. In some countries virtually the only paid occupation open to many young men is to join the various armed groups involved in civil conflict."

This explosive aspect of youth unemployment must be comprehended from economic and social points of view concurrently. Unemployment to an educated youth is 'exclusion' from the society, deprived to participate in and contribute to the nation building productive activities. The young are also temperamentally and psychologically more vulnerable. Keeping the young reasonably occupied and interested in social progress is a big challenge that confronts societies everywhere in the world (Higgins, 1997). The report also points out the wider dangers of youth unemployment, stressing that youth joblessness can often lead to vandalism, crime, drug abuse, alienation, social unrest and conflict.

## **DECLINING DECENT EMPLOYMENT**

A very disturbing feature is the constant decline in the quality of employment when considered from different angles. Casualisation in employment is increasing very fast. Growing casualisation has been causing serious problem in the employment scenario. Now this phenomenon of increasing casualisation of employment is also one of the major causes for reduction of stable employment in organized sector. These casual workers are the worst victims of all round heinous economic and social exploitation by the employers. This section of the workers has no trade union right, no job security. Therefore the fight against casualisation of employment is integrally linked with the fight against unemployment.

In developing countries like ours where a large number of persons are below the poverty line, the labour force generated normally cannot afford to remain idle since they are haunted by hunger and thus compelled to accept any employment even if they are paid paltry wage. In other words the poor cannot afford to remain unemployed. It is amazing to note that nearly one-third among the employed

has been poor. This is more or less the same proportion as that of the poor in the entire population. An unemployed person from a poor family even with strong academic and professional qualification is compelled to accept employment much below his qualification level. But despite being employed he is economically worst off than an unemployed person from a rich family. Therefore it is essential that to comprehend the actual dimension of the menacing unemployment situation in our country, it is essential to take note of the close link between abject poverty and employment - unemployment - underemployment.

It is very important to take into consideration the quality of employment while surveying the employed persons. Undermining quality of employment in developing country like India amounts to underestimation of the incidence of underemployment and thus overestimation of employment. In his foreword to the report of S.P.Gupta Committee, the Deputy Chairman of the Planning Commission of India has noted that, "the task force (Ahluwalia Committee) had not paid enough attention to the large backlog of under-employment, which is perhaps, as pernicious as open unemployment."

## **BUSINESS PROCESS OUTSOURCING**

The capitalist economic system is getting corroded by the emission from the system itself. The vicious circle of stagnated market has encircled the business tycoons all over the world including in the G-8 countries. To shift the burden of the crisis on to the shoulders of the labour they have been adopting one after another anti-labour devices. Further, they have also been extracting huge concessions from the pro-capital ruling classes to protect profit from erosion. Crude method of casualisation of employment has become an evil global design. Such steps are justified under the capitalist rhetoric of increasing 'productivity', realising 'cost effectiveness' and remaining 'competitive' in the market. In reality they burden the workers with huge workload at low wage with no service protection and no social security.

Business Process Outsourcing (BPO) which started in the 1990s with low-end labour-intensive services such as data entry, medical transcription and simple call centres functions has undergone sea changes. Now BPO has engulfed the "sophisticated IT-enabled services which include engineering, financial research, payroll and accounting services, insurance claims processing, tech-support for R&D operations, chip design and telemarketing and of course the software services." BPO has been classified as the branch of 'modern industry'. It is expected to be a \$140 billion industry over the next five years. Today more than a fourth of the 500 largest US corporations are engaged in outsourcing. According to US media report, "about 2.5 million jobs have been lost in the country due to outsourcing over the last two years. According to their estimate 5,60,000 of these are high-skill white-collar jobs. Forrester Research Inc has projected that the US companies are likely to "move about 3.3 million white-collar service jobs and \$136 billion on wages overseas in the next 15 years. (FE 15.7.03).

The BPO is really affecting the working class in both the country from which outsourcing is done and the country to which outsourced. It adversely affects the question of employment and emolument.

The BPO has become a means of exploitation of the working class. A study by Inductis, a management consulting firm has said that, "American companies save billions of dollars each year by outsourcing of work to India. The US banking industry alone save \$8 billion over the past four years by outsourcing work to India. Also, the US-based multinational companies have been the biggest beneficiaries of offshore outsourcing economies. For instance, G E alone saves over \$350 million per year through 18,000 offshore employees. (Business Line 19.4.03) To cite an example of the wage differential in the US and India it has been said that "engineers in India earn about \$5,000 to \$10,000 compared with at least \$50,000 in the US" (FE 15.7.03)

In the face of severe unemployment problem, the American working class and trade union movement are up in arms against BPO. They are blocking companies from using foreign workers on state contracts. Workers staged demonstration outside New York's Waldorf-Astoria where an outsourcing conference was going on in the first week of July'03. In Seattle a workers rally was organised before the city Chambers of Commerce where local officials were meeting with a British outsourcing firm. The demonstrators displayed banners which read : 'we are not racists, xenophobes or bigots, we are displaced American workers', 'Foreigners are being used as slave labor in our great country, bringing shame and dishonor to us'. (Business Standard 16.6.03). Such protest have prompted the Senators from the American states of New Jersey, Washington, Maryland, Connecticut and Missouri to move Bills to ban overseas outsourcing of tech-service jobs by State Governments

## **THE FDI FALLACY**

The hollowness of Government propaganda that more and more FDI inflow by itself shall contribute in economic development and expected to generate employment has obviously been proved wrong. The fierce competition amongst the developing countries to attract FDI and the huge concessions granted to the multinational companies by the developing countries have been strongly decried by the ILO. Taking note that during the last two decades the developing countries have become the prey to imperialist machinations and have been dramatically withdrawing all barriers to restrict the entry of foreign MNCs at the cost of self-reliance and economic sovereignty of the countries concerned and have offered incentives such as the extension of tax holidays, exemption from import duties and direct subsidies, The Director General of the ILO has said, "Since 1998, 103 countries have offered tax concessions to foreign corporations. There is growing concern that an incentives war to attract highly mobile foreign investors able to switch production easily between countries could lead to a race to the bottom with respect to fiscal competition and environment or labour standards." The DG further went on and said, "The concession granted to foreign investors significantly reduce the already scarce resources available for national poverty reduction strategies."

The international operators of FDI – the MNCs – in effect neither bring much of Foreign Capital nor generate employment in the country concerned. On the contrary the MNCs suck indigenous capital and kill employment. Above all they never part with technical "Know How and Technology" with any developing economies. Based on the various studies on the role of MNCs in the economies of the developing countries in the matter of investment and employment it has been said, "The import of capital was much less than the yearly exports of profits and royalties; further investment was financed through capital drawn from the local capital market and from reinvestment of profits ... No impulse was given to solution of the unemployment. The IMF itself has admitted that the imperialist globalisation is increasing unemployment. The IMF study (Slaughter and Swagel – 1997) noted, " globalisation has coincided with higher unemployment."

Therefore it is evident that FDI is net jobs killer. This is due to the main reason that 75% of the total actual FDI comes for merger and acquisition. Since 1993-94 in our country there has been around 300 cases of merger-acquisitions (M&A). It is a well-known fact that M&A almost invariably undertakes retrenchment of workers on accounts of closure of departments, introduction of ultra modern technology, integration of different operational activities, induction of small number of highly skilled workers against huge retrenchment of the existing workers etc

## **THE BASIC QUESTIONS**

The problem of unemployment basically arises from the capitalist society. Therefore no lasting solution

to this problem is possible without changing the social order. "One of the basic consequences of capitalism, the consequences of the law of capitalist accumulation is increasing unemployment. No capitalist country in the world escapes this problem" (Comrade BTR).

Now simultaneously with our campaign, propaganda and agitation with the ultimate aim of eliminating the basic causes of unemployment, we must also seriously unleash our organisational initiative for realising interim measures for obtaining relieve to those who are facing acute economic miseries in the absence of employment. We must mobilise opinion in favour of the demand for enactment of measures to grant immediate unemployment relief to all those who cannot be provided with job. Further, we must also take all necessary steps to popularise the demand that the right to work should be enshrined in the Constitution as a fundamental right.

We have already noted above three very important points: (1) 60 per cent of employment in the country comes from agriculture, (2) due to economic stagnation it has come down to around 57 per cent and (3) about 75 per cent of the unemployed are in the rural areas in the country. This picture strengthens our demand for radical land reform. Successful land reform can provide employment to the rural unemployed resulting in creating further avenues for more employment generation, can increase the purchasing power of the people and thus address to the problem of stagnated market and many more chain of developments.

The unemployment problem in the present context is no longer a problem for the unemployed youth and students alone as used to be looked upon particularly before the advent of the Scientific and Technical Revolution (STR) era and the intensification of the current phase of capitalist economic crisis and the onset of imperialist globalisation, liberalisation and privatisation. Today closure, lockout, lay-off, restructuring, merger and acquisition, downsizing of industrial units, Government departments etc. have been throwing lakhs and lakhs of workers out of employment and contributing in massive scale in swelling the ranks of unemployed.

## **TRADE UNION INITIATIVE**

It has become an urgent imperative task for our trade union movement to take up the issue of unemployment as a priority task. Years back Comrade BTR wrote, "The policy of disbandment of public sector and reckless privatisation and encouragement of multinationals to enter the Indian market is fraught with the gravest danger for the employment situation. They offer a challenge to the T.U movement, which must accept it, if it wants to protect the jobs of those who are already at work." The current situation is incomparably alarming then the one prevailed when BTR wrote that piece. In such a situation the trade union movement must take due initiative with right earnest for developing a sustained united democratic movement to combat the cancerous growth of unemployment.

At a time when unemployment problem has reached to a point of social explosion and has engulfed all the major sections of the society in our country — the employed and unemployed, the urban and the rural population, men and women, the working class, peasantry, students and youth — it is the historical task of the working class to take serious initiative to unleash a nation wide united mass movement against the Fund-Bank prescribed policy of "jobless growth". Such initiative shall establish an organic link between the working class and general democratic movement. Such initiative, incidentally, can effectively dispel allegation of economism propagated against the trade union movement.

The working class movement must understand that this the single issue which directly affect mainly that section of the people, which has immense capability to greatly influence the course of national

events in the country. Moreover, this issue has tremendous cascading effect on the overwhelming majority of the population of the country. Therefore, the problem of unemployment can be a rallying point to unite all sections of the progressive, democratic and downtrodden people.

At the same time, since the root of this evil lie with capitalism and its current phase of imperialist globalisation is the major cause of aggravation of the problem, a successful peoples' movement, initiated by the working class, to combat the atrocious social evil, can eventually challenge the capitalist social order itself. It would be worthwhile to quote the then UN Secretary General Boutros-Boutros Ghali, "If you cannot find any solution to the problems of unemployment, the disintegration of the social fabric and globalised poverty, you shall see new revolutions and extremely serious destabilisation of the world order."

The initiative unleashed by CITU with the association and cooperation of the industrial federations in organising the 'Right to Work' convention in Durgapur in April, 1990 created great enthusiasm and encouragement among the entire trade union movement in the country. The success of the Durgapur convention drew the attention of our central trade union organisation (CTO). In fact the follow-up convention in New Delhi was attended by other CTOs also. However, we could not push forward the initiative for various reasons. However, the current alarming situation of unemployment problem warrants urgent trade union initiative on the issue.

The document adopted in the Durgapur convention at the end of three days deliberations had elaborately dealt with the analytical and the operative parts of the problem of unemployment. Most of them are relevant in to-day's situation too. Therefore, the 'Durgapur document' can provide the immediate base for the perceived forthcoming initiative.

The commission exercise on unemployment being undertaken during the 11th conference of CITU should elaborately deliberate on this vital question. The focus should be on the obtainable objective reality within the country based on the experience and understanding of the comrades. The leading points which need to be identified in course of the discussion may be interalia:

- 1) The practical steps at different levels of our organisation viz., unit, district, zone, state and national to launch successive phases of the campaign.
- 2) The form and scope of our independent initiative to be followed by joint initiative of the class and mass organisations.
- 3) Our own exclusive initiative can take-off with the aim of ultimate involvement of all the major trade union centres, which should serve as the leading catalytic agent to draw the other mass organisations in to the united movement on the specific issue of unemployment
- 4) The propaganda and agitation to take off at grass root level and gradually move forward and ultimately to culminate into a massive nation-wide movement of the people.



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003  
CHENNAI, TAMIL NADU**

## COMMISSION PAPER

### FIGHT FOR A GENUINE SOCIAL SECURITY

**S**ocial security schemes had evolved during the twentieth century in several countries in different forms, providing for varying levels of protection to different sections of workers and the people. As we have entered the twenty-first century, social security schemes are under serious threat. Pressures are being mounted on the Governments in several countries to discard or substantially dilute the social security measures. The plea is that these are too expensive, have become a brake on economic progress and reduce the competitiveness and employment.

On the other hand, the very process of liberalisation and globalisation is rendering an increasing proportion of workers vulnerable to severe attacks. In the name of industrial restructuring, downsizing of workforce is resorted to on a large scale. More and more workers are pushed into non-permanent and insecure employment. The need to strengthen and improve social security measures is acquiring urgency and paramount importance.

#### CONCEPT OF SOCIAL SECURITY

The International Labour Organisation (ILO), in its various declarations, conventions and recommendations has outlined the concept of social security.

In the Philadelphia Declaration of 1944, the ILO has enjoined itself a solemn obligation to further, among the nations of the world, programmes which will achieve the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care.

The ILO Convention No.102 lays down the minimum standards of social security. They comprise: a) Medical Care; b) Sickness Benefit; c) Unemployment Benefit; d) Old-age Benefit; e) Employment Injury Benefit; f) Family Benefit; g) Maternity Benefit; h) Invalidity Benefit and i) Survivors' Benefit. ILO Convention Nos. 44, 103, 121, 128 and 130 also relate to other specific aspects of social security.

The Government of India has not ratified any of the aforesaid conventions.

There are four other conventions (Nos.18, 19, 42 and 181) mainly related to workmen's compensation, which the Government of India had ratified.

The concept of social security codified in these ILO conventions had its origin, and was evolved, in the industrially advanced capitalist countries. They were also in response to the social security benefits conferred on the workers, first in the Soviet Union and after the Second World War in the socialist countries of the Eastern Europe. Several experts have held that the social security concept, advocated by the ILO, would not be appropriate for the developing countries, including India, where an overwhelmingly large proportion of work force does not enjoy a regular salaried income and high incidence of poverty is a chronic one.

Without traversing the debate on the conceptual aspects of social security, we may note here that a widened horizon of social security for evolving a suitable model for developing countries, like India, must be a combination of the following:

- 1) Through social assistance, targeted towards those who are deprived, financed either wholly or partly through taxation measures or budgetary allocations of the Government.
- 2) Through poverty alleviation, employment promotion and income guarantees. This calls for comprehensive policy measures aimed at improving the incomes, assets and employment of the poor. This will also seek to reduce the proportion of the population desperately dependent on social assistance alone.
- 3) Through private insurance, earmarking a part of today's income to cover tomorrow's risks and needs. This can only relate to those who are gainfully employed and can afford to set apart a portion of their earnings. This does not envisage cross-subsidisation. (Employees' Provident Fund (EPF) and General Provident Fund (GPF) are of this type).
- 4) Through social insurance, again as at (3) above, but involving cross-subsidisation. (Employees' State Insurance and Pension Schemes are of this type).

#### **'MORE AND BETTER SOCIAL PROTECTION': ILO**

The Secretary General of the ILO in his report to the International Labour Conference in Geneva during 1999, observed:

"These developments call for more and better social protection, not less. In a world of rising social exclusion the arguments for social protection remain as valid as ever. Certainly the need to cushion the impact of the economic crisis is just as great; the Asian financial crisis is only one illustration of an economic downsizing leading to social devastation. This hits particularly hard at urbanising societies that have lost traditional forms of social protection, the process of rural-urban migration and urbanisation having eroded informal networks of support based on extended families, kinship and communities".

The report emphasised:

"Everybody – regardless of where they live – needs a minimum level of social protection and income security, defined according to their society's capacity and level of development. This will not happen automatically. Experience has shown that it is insufficient to rely solely on economic and democratic development. Each country must develop through social dialogue a national social protection system that addresses the needs of all its people, particularly those of women and of the excluded groups working in the informal economy".

The same report quoted Pope John Paul II, who emphasised the "need to establish who is responsible

for guaranteeing the global common good and the exercise of economic and social rights. The free market by itself cannot do it, because in fact there are many human needs that have no place in the market”.

These human needs can be catered to only by unrelenting efforts of all social partners to counter the ruthless harshness of the market forces, so as to prevent poverty and destitution, to maintain income levels, to secure adequate access to medical care and social services.

## **SOCIAL SECURITY SITUATION IN INDIA**

The social security situation in India, despite several decades long implementation of some of the measures like the Maternity Benefit Act, Employees Provident Fund, Employees State Insurance Scheme etc., is characterised by a lack of coherent policy and a conceptual vacuum.

‘Social security’ and ‘social safety net’ are often talked about in the context of labour market reforms. But the Government of India has not come out with a clear perspective on this.

The Working Group on Labour Policy for the Ninth Five Year Plan (1997-2002) had recommended that the ILO Convention No. 102 concerning social security (Minimum) Standards, 1952 should be examined and efforts be made to ratify the same during the Ninth Five Year Plan period. But, in reply to a question in the Rajya Sabha, the Government of India stated:

“The question of ratification of the ILO Convention No. 102 was examined by the Government from time to time. In India, at present there is no comprehensive social security against unemployment. However, other social security measures as envisaged by the ILO Convention No. 102 are by and large met under the existing social security schemes of the country, especially the Employees State Insurance Scheme. Yet the coverage of the Scheme is not as wide as envisaged under the Convention. The resource position of the country at this stage of development does not facilitate ratification of the Convention immediately.” (Unstarred question No.1308)

The Planning Commission in its approach paper to the Ninth Five-year Plan (1997-2002) had recommended: “Social Security will be provided to workers both in the organised and unorganised sector. An integrated comprehensive Scheme of social security will be evolved by having a single legislation covering all the existing social security schemes”.

Citing this, a question was raised in the Rajya Sabha enquiring what steps the Government had taken to achieve the above targets.

In a statement laid on the table of the House, on 26th July 2001, the then Minister of Labour, Satyanarayan Jatia, replied as under:

“Pursuant to the recommendations as contained in the Approach Paper of the Ninth Five Year Plan, regarding an integrated comprehensive scheme on social security, a Task Force on Social Security under the Chairmanship of S.K. Wadhawan was constituted to examine the matter. The Task Force submitted their report in May, 2000.

As the acceptance of recommendations of the Task Force involved heavy financial implication, the entire report of the Task Force has been referred to the Second National Commission on Labour for an in-depth study. Further action can be taken only after the recommendations of the National Commis-

sion on Labour become available to the Government.”

The Task Force on Social Security also in its reports made this critical observation: “Even though the social security programmes / schemes have been on the ground for many years, the social security system in the country continues to suffer from several weakness which, *inter-alia*, include the absence of any well formulated plan, design or policy on social security; limitations in the scope of coverage consequent on specification on class(es) of industries, wage ceiling and employment threshold and absence of uniform criteria for coverage; exclusions from protection of the self employed and workers in the unorganised sector whose needs for social security is more pronounced...”

## **EMPLOYMENT GENERATION**

Here it must be emphasised that “having a job or work is the greatest security”. But, it is necessary to underline that the policies of globalisation are just pushing the country in the opposite direction, leading to speedy degeneration of employment potential of the economy. Even the Second National Commission on Labour, while summarising the ‘consequences of the economic policy of the Govt.’ could not but admit this reality that in the post liberalisation regime, much more jobs are being lost than few created in an extremely “narrow field”.

Moreover, the linkage of the social security with employment generation must also focus on the aspect of quality of employment and occupations, since in a poor country like ours with practically non-existent social security net for the people in general, nobody affords to remain without any work, just to ensure his survival as a living being. The Task Force on Employment Opportunity constituted by the Planning Commission, chaired by Montek Singh Ahluwalia, also observed in no uncertain terms, the sharply declining quality of employment during the process of last one decade. But, despite this grim reality, conditions of more fragility in the employment relations are sought to be ushered in, which will further downgrade the already low quality of employment, thereby making the basic social security situation worse.

In our country, where only around 7 per cent of the working population is in the formal economy, the endeavour should be to bring more and more of the informal sector workers in to the formal economy. Unfortunately, the process of globalisation is designed to further deplete the proportion of workers in formal economy.

In this connection again, it will be relevant to quote the conclusions of the International Labour Conferences, Geneva, June, 2002 on the subject of “Informal Economy”:

“Governments must provide the conducive macroeconomic, social, legal and political frameworks for the large-scale creation of sustainable, decent jobs and business opportunities. Governments should adopt a dynamic approach to place decent employment at the centre of economic and social development policies and also to promote well-functioning labour markets and labour market institutions, including labour market information systems and credit institutions. To increase job quantity and quality, emphasis should be placed on investing in people, especially the most vulnerables – in their education, skills training, lifelong learning, health and safety – and encouraging their entrepreneurial initiative. Policies and programmes should focus on bringing marginalised workers and economic units into the economic and social mainstream, thereby reducing their vulnerability and exclusion. This means that programmes addressing the informal economy, such as provision of education, training, microfinance, etc., should be designed and implemented with the main objective of bringing workers or economic units in the informal economy into the mainstream, so that they are covered by the legal

and institutional framework. Statistical and other research should be focused and designed to give effective support to these policies and programmes.”

### **PAUCITY OF RESOURCES?**

The Second National Commission on Labour, on its part, set up a Study Group on the self same subject. The Study Group had also come out with a voluminous report. But, neither the Study Group Report nor the final Report of the Commission suggest in concrete terms how the issue of the 'heavy financial implications involved' should be addressed. As such, the Recommendations are destined to end without any substantive action.

However, the Study Group report pointed out the most glaring aspect. It noted that 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 as against 4.7 per cent in Sri Lanka and 3.6 per cent in China. This should have naturally led the Commission to suggest stepping up of public expenditure on social security. But, that was not to be. As the terms of reference to the Commission itself asked for only a "minimum level of labour protection", the Study Group 'made its recommendations deliberately modest' as in its opinion 'the country can ill afford a very ambitious programme of social security'. The Commission Report stuck to this script.

In this context, it is regrettable to find that the Second National Commission on Labour, in its recommendations, had suggested a 2 per cent contribution by State Governments, besides those of the employers and the workers, towards social security for the small enterprises (employing below 20), while making no recommendation for contribution by the Central Government.

Inaugurating the golden jubilee celebrations of the ESI Corporation on 23rd February, 2002, the Prime Minister Atal Bihari Vajpayee had cited 'a far greater challenge before us is to expand social security net to cover tens, possibly hundreds, of millions of unorganised workers' but emphasised " without putting too heavy a burden on our budgetary resources – which we do not have ... ". He again emphasised, which he called 'one basic truth': "social security cannot mean, exclusively state-funded and state-administered security schemes".

The issue of social safety net was discussed in the 38th session of the Indian Labour Conference held in New Delhi on September 28-29, 2002. The agenda paper for discussion in the ILC had also framed the issues for deliberation with the caveat that the social safety net should be by way of evolving a self-sustained and self-financed system with minimal Government involvement.

Is it true that the Government does not have budgetary resources? In the last three budgets, Rs.13, 500 crore were granted as direct concessions to big business and the corporate sector besides various indirect ones. India is having one of the lowest tax-GDP ratios in the world. During the reforms period, the tax-GDP ratio had, instead of rising, actually declined. Realisation of whatever tax resources are budgeted has also been a dismal record. The amount of unpaid tax arrears on account of income tax, corporation tax, custom duty and central excise as on 31.3.1998 was Rs.47, 788 crore; this went up to Rs. 52617 crore as on 31.3.1999; further up to Rs. 62,392 crore as on 31.3.2000. The total tax arrears under all the heads stood at a whopping figure of Rs. 1, 52,897 crore by March 2001. The default by corporate houses forms a substantial chunk of these arrears. The Government refuses to take stern measures to realise these arrears. Nor there is political will to mobilise resources by improving the tax-GDP ratio by taxing the rich and the privileged. The plea of lack of resources is obviously untenable.

The conclusions of the International Labour Conference held in Geneva in June, 2002, on the issue of Informal Economy, of which the Govt of India is also a party, clearly noted: "Governments have a lead responsibility to extend the coverage of social security, in particular to groups in the informal economy which are currently excluded. Micro insurance and other community-based schemes are important but should be developed in ways that are consistent with the extension of national social security schemes. Policies and initiatives on the extension of coverage should be taken within the context of integrated national social security strategy".

## **NEW RECIPES FOR REFORMS**

The World Bank, which had intervened to dole out prescriptions of reforms to address the challenge of old age income security in India, had released a report during April, 2001 titled "India – The Challenge of Old Age Income Security".

The WB report had assessed the challenge in this regard in these words: "One eighth of the world's elderly live in India. The vast majority is not covered by a formal pension system, relying instead on their own earnings and transfers, mostly from children. But informal systems are imperfect and increasingly strained. As the population ages, the challenge of providing old age income security mounts".

The WB report noted the 'ambitious proposal for reform' by the Old Age Social and Income Security (OASIS) report, (now to be implemented by the Insurance Regulatory and Development Authority - IRDA) and the 2001 budget announcement for 'a major reform of the civil service pension'. It hailed these moves as "steps that 'signal the willingness to tackle the pension problem in India'".

The World Bank had earlier outlined a multi-pillar system to provide for old age financial security. The three pillars are:

- I. A mandatory, publicly managed, tax financed pillar for social insurance
- II. A mandatory, privately managed, fully funded pillar for old age savings
- III. A voluntary pillar for those who want more protection in their old age.

But, in its India specific report, the Bank had confined itself only to providing impetus for pension sector reforms addressing only the concerns a) over fiscal policy as a result of unfunded pension scheme for civil servants consuming 'alarming' proportion of government budgets; b) pension funds playing important role as institutional investors in amassing and allocating long term savings to Indian enterprises and c) privatisation and liberalisation of insurance sector requiring a parallel reforms in pension policy.

Directions for the 'reforms' to address these concerns had been laid out in the following three reports:

- i. Project OASIS (expert committee) Report (December, 1999)
- ii. Insurance Regulatory and Development Authority (IRDA) Report on 'pensions reforms in the unorganised sector (October 2001)
- iii. Government of India High Level Group on New Pensions System (Bhattacharya) Report (February 2002)

The WB report itself had commended the first two reports and the third one was a natural corollary to the 2001 budget announcement.

In all these reports and the follow up actions initiated by the Government of India, there is a signal

failure – deliberate though – to make a provision for the first of the three pillars outlined by the World Bank itself viz. mandatory, publicly managed, tax financed pillar, which is virtually non-existent in India.

Admittedly, over 90 per cent of the labour force in India is not covered by any of the public pension schemes in place now. Most of these, even according to WB report, “will not retire in the usual sense of the word, continuing to work as long as physically possible. Inevitably though, the ability to produce and earn declines with age; and in the absence of savings or transfers\*, so must consumption. Preventing a sharp decline in living standards that for many can mean destitution is the challenge of old age income security in India”. (\*from earnings of children)

The WB report also notes the objective condition in India: “Many households at the bottom of the income distribution in India are too poor to save for their old age (and they are less likely to grow old in the first place). Available resources are used to meet daily consumption needs. Even at slightly higher income levels there is likely to be little demand for savings instruments that require a commitment for decades. ... The absolute poor in India cannot be expected to participate in long term savings schemes for old age and they do not”.

Yet, the WB report ends up in endorsing the shift away from formal sector schemes in vogue since independence and giving a green signal to ‘reforms to the private pension sector being led by the IRDA along with a new regulatory framework’ and even holds out that they will ‘provide a completely different environment for the operation of the exempt funds and the EPFO itself’.

These pension sector reforms are mainly intended to flag off private insurance schemes in the era of opening up of the insurance sector. Three main thrust areas of these ‘reforms’ are:

- i. Switching over to the “Defined Contributions” concept from that of “Defined Benefits’ concept.
- ii. Shifting to personal and social insurance schemes from social assistance schemes.
- iii. Diverting the social security funds from the debt (Government and other securities) market to equity (share) market.

These recipes are also brandied as moves aimed at “identifying the appropriate mix of public sector-private sector participation in social security.” This is a totally erroneous and dangerous move, as the private sector seeks to participate in social security only eyeing the huge corpus of private pension funds that could be generated, which could be diverted to the equity market in the country.

These policy shifts cannot go hand in hand with the showering of sympathy over the miserable conditions of unorganised workforce in the country and lack of social security for them.

## **UNDERMINING SOCIAL SECURITY: A GLOBAL OFFENSIVE**

This is not in any way an exceptional phenomenon in our country. As a part of the imperialist globalisation, undermining of social security has been a global offensive. It is a well calibrated strategy of the state withdrawing from its welfare role and throwing even vulnerable sections of the people to the mercy of the market forces. The pension systems operated world-wide on a Pay As You Go (PAYG) basis are sought to be replaced by insurance schemes, operated by private players, requiring employees and workers to buy their social security cover.

Here, it will be useful to glance through some excerpts from an interview with Dean Baker, a co-

director of the Washington D.C. based Center for Economic and Policy Research, carried by the 'International Monitor' under the caption 'Undermining Security – A Warning Against Social Security Privatisation'. He went on to record his views as under:

"Privatisation means that, instead of having a defined benefit that is guaranteed by a central system or central fund, there will be individual accounts that will be privately managed. There are different ways that can be done. It can be done through a central system managed by the government, or contracted out, or it could be done by people going to banks, brokerage houses, the financial industry in general.

"The main direction is that you would be reliant on what you get from those individual accounts. You would not have a guaranteed benefit that you have today. It would depend on how well your investments do, or how well they have done at the point you retire."

Identifying an interesting mixture of groups most aggressively advocating privatisation, the foremost being the conservative ideologues who do not like social security or government social programmes, Baker points the finger to the 'financial industry', "which realises that they stand to make a fortune if they can get their hands on that money. The fees and commissions charged by the financial industry are about 1.5 percent of the amount of money in \*401(k)s or similar amounts. If they could chip off a chunk of Social Security so that after 10 or 15 years they have built somewhere on the order of one and half or two trillion dollars in individual, private accounts, that comes to as much as \$30 billion a year in commissions" (\*US government social security scheme). He lists the professionals, higher paid workers who "thought that if they could get their hands on the money taken through Social Security taxes and invest in the stock market, they would really be rich".

Baker also noted the 'partial collapse of stock market bubble' witnessed in the US (the collapse of the NASDAQ or the implosion of Enron) and said: "Those events have certainly taken a lot of wind out of the sails. People with PhD's in economics and other advanced degrees, staffers for members of Congress and people who write newspaper articles on Social Security really believed absurd things about the stock market. They really believed that they could get 20 percent per year returns. Now they've been kicked in the face a bit, they realise that the market does go both ways. There is much less enthusiasm. It has definitely pushed privatisation off the agenda for the moment."

Asked to recount the experience with privatisation of social security in other countries, Baker termed it as "From bad to disastrous". He referred to Chile, where they privatised their system as a model in the 1980s, Britain, Argentina, Mexico and Kazakhstan and proceeded to vividly describe the happenings in Britain: "Britain is a good example for the United States. There they had insurers that used very deceptive tactics to sell policies that they could not back up. It turned out that you had all these people who invested in good faith with the insurance companies who could not honour their promises, so the government ended up backing it up. It cost the government billions of dollars." He concluded: "you find problems everywhere they have privatised Social Security."

Baker in the end also identified the ardent advocate of privatisation of Social Security, the World Bank. "The World Bank has been a really big proponent of privatisation in the developing world. They have programme seminars on how countries can privatise their systems. They have strongly encouraged it throughout Latin America, throughout the transition economies in Central and Eastern Europe. They have played a very pernicious role here".

This illuminating picture from the US should serve as a warning to us in India. But, our policy makers do not seem to be in a mood to listen to sane voices from within or outside!

If privatisation of social security cannot work in the US, where over 50 percent of the population is covered by formal pension schemes and where the capital market is well established, it will only be suicidal for India to embark on such a disastrous exercise here.

There are already reports, confirmed by official sources that the capital market in India is in no state to intervene and do anything in the case of 'vanishing companies', which collect share capital from the public and disappear in no time. *The Economic Times* last year reported that "Equity or growth mutual funds have failed to deliver since the late nineties. As per data from Association of Mutual Funds in India (AMFI) the equity funds put together have seen a depreciation of over Rs. 6200 crore in the value of their investments over a 3.5 year period between April '99 to September '02". The story of the failure of the flagship mutual fund institution UTI is still sending shock waves in the minds of the senior citizens and others who ventured to put their money in equity based investment for a better return.

Hence, the trade union movement in the country has already exercised its discretion by rejecting the Government of India proposal to invest 10 per cent (to start with) of EPF funds in share-market, in the Central Board of Trustees of the EPF. The CBT had also chosen to unanimously reject the infamous Dave Committee report on Project OASIS. But, the same proposals are being recycled now through the aegis of the IRDA. Eternal vigilance is called for to defeat these dangerous designs to undermine even the existing not so satisfactory social security schemes, while concerted efforts are needed to step up pressure on the government for a genuine social security to all the working people in the country.

It is also to be noted that the prescriptions of the World Bank to privatise and undermine social security had met with resistance at the global level. Recently France witnessed a glorious struggle against curtailment of social security benefits by the government there. The fight continues even today. In Latin America also the failure of privatisation of social security has given way to strong movements demanding reversal of such policies and extending adequate social security measures. More recently, Italy also witnessed strike actions against measures cutting down social security benefits.

In India also, the recent strike by Tamil Nadu government employees and teachers, it needs to be remembered, was over drastic curtailments of their pensionary benefits.

## **OFFENSIVES IN INDIA**

In India also, moves have been afoot to undermine the existing streams of social security, whereas the dire need is to extend social safety net to the overwhelmingly large sections of work force, which are not covered under any of the formal schemes in operation now.

We have noted earlier the direction in which the Government of India is moving in the matter of pension sector reforms, only with the fiscal and financial policy concerns in view.

We must also take note of the steep deterioration that has resulted in the existing social security schemes, during the years of liberalisation. We highlight a few developments of utmost concern in the area of provident fund, pension and ESI schemes.

The number of members exiting from the EPF has been on the increase, as revealed by the following figures of ceased members:

Year	Unexempted Establishments	Exempted Establishments	Total
1995-96	11,13,883	1,10,685	12,24,568
1996-97	11,79,311	2,97,002	14,76,313
1997-98	10,15,212	3,31,955	13,47,167
1998-99	15,16,037	5,20,517	20,36,554
1999-00	16,02,110	2,23,741	18,25,851
2000-01	14,26,663	2,20,645	16,47,308
2001-02	15,23,155	5,05,711	20,28,866
Total	93,76,371	22,10,256	1,15,86,627

*(Though there was a slight decline during 1999-00, the figures have again increased to 1998-99 level during 2001-01.)*

As against this huge figure of over one crore members having exited the EPF since 1995, the total number of EPF members availing benefits from the Employees' Pension Scheme, under different classifications of pension, as on 31st March, 2002 is only 9,33,561, excluding the cases of children pension, as it is payable concurrently with the spouse pension. (Source: Annual Reports of the EPF Organisation)

The arrears of Provident Fund, accumulated due to the default of the employers, in not remitting the contributions as required under the Act, have also increased over the years. The arrears at the end of the year 2001 - 02 are:

Exempted sector	Rs 383.20 crore
Unexempted sector	Rs 953.04 crore
Total	Rs 1336.24 crore

Of these, 71.23 % for unexempted sector and 92.48 % for exempted sector are considered to be non-realizable!

In a shocking revelation of the state of affairs prevalent today, a computerised verification of the covered establishments and membership conducted by the EPFO administration recorded that 46.12% of the total covered establishments were found to be inoperative establishments (establishments which do not have even a single member with any balance in his account) and of the total membership of the EPF, 32.44% were non-contributing members (in whose case no contribution was received even once during the last three years) and 14.84% were non-existing members (in whose case no contribution has ever been received).

The interest on the Employees Provident Fund was 12% since 1989-90. But, from the year 2000-01, the Government has reduced the rate of interest every successive year, from 12% to 8 %, though the reduction from 9.5 to 8 % has been postponed for the current year.

Already, the EPF Organisation is mulling proposals to drastically curtail the benefits under the existing Employees Pension Scheme, 1955, citing the lower yield on corpus of the Pension Fund caused by the lowering of interest. The Government of India has not taken any action on the recommendations made for introducing beneficial amendments to the Employees Provident Fund Scheme, 1952. The last annual valuation carried out under the Employees Pension Scheme 1955, was as on 31st March, 2000. All the four valuations, so far done, had only resulted in a paltry relief of 4% of the pension amount for the four years. Three more valuations are overdue and yet to materialise.

In the ESI Corporation, the workers' side had been raising the issues like extending healthcare benefits to workers who are going out on VRS. But there has been no positive response from the Government.

The administration of the schemes under the EPFO and ESI has suffered seriously because of laxity in enforcement, under the spurious plea of promoting voluntary compliance.

## **ILC CONCLUSIONS**

The issue of social safety net and social security for the unorganised sector had been discussed in the 38th and 39th sessions of the Indian Labour Conference held in 2002 and 2003. The conclusions of the 38th session of the ILC, *inter-alia*, included the following:

The need to urgently evolve a National Social Security Policy covering all sections of workers; establishment of a 'National Social Security Authority' under the chairmanship of the Prime Minister with adequate representation to all social partners; Public expenditure by the Government on social security measures should be increased by 1 to 2 per cent of GDP annually, till a satisfactory social safety net is in place; All the labour legislations relating to social security should be consolidated and one comprehensive social security law needs to be enacted; Contributions towards social security should be by the Government, employers and the employees. In a welfare state, the commitment on the part of the Government to take care of social security of the workers is more essential; All the safety related social needs of workers, viz, health care, unemployment benefits, old age benefit, accident compensation, skill development, safety, etc., should be addressed; Expeditious measures to ratify the ILO conventions and standards related to social security.

Despite these unanimous conclusions of the 38th session of the ILC, the Government of India failed to place a road map for taking expeditious action thereon in the 39th session of the ILC and only posed the very same issues for yet another round of discussion. The agenda notes only re-stated the need to evolve a national policy on social security and setting up of a National Social Security Authority, without any tangible action as yet. The Government of India has not come out with any concrete idea on the question of having a comprehensive legislation on social security.

The government had already initiated moves towards privatisation of the existing social security measures, with the ultimate objective of totally withdrawing the state from the arena of social safety. Prescriptions for unbundling the benefit packages under the EPF and ESIC schemes have been taken up for implementation.

The Second National Commission on Labour had even suggested that the Workmen's Compensation Act should be converted from an employers' liability scheme to a social insurance scheme. It has also suggested that the Payment of Gratuity Act may be integrated with the EPF Act and this again be converted into a social insurance scheme.

We have to resist these offensives, which seek to undermine even the limited social security in place today.

## **THE WAY AHEAD**

The paramount need at this juncture is the formulation of a comprehensive social security policy framework, integrating all aspects of social security and evolving of a meaningful social security pack-

age for all workers, organised and unorganised, urban and rural, men and women.

The trade unions must assertively move forward with this.

The first step must be ratification by the Government of India of all the ILO Conventions on social security.

These must be followed by serious dialogue, in the true spirit of tripartism, to evolve a road map for ushering in such a genuine and comprehensive social security for all.

The administration of social security schemes must be freed from bureaucratic control and rigidities, fully democratised with the involvement of the trade unions at every stage - from policy making to delivery system.

The trade union movement should launch a powerful movement for securing genuine social security for all.

Let us move forward in this direction!



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

## COMMISSION PAPER

### UNORGANISED SECTOR

#### PREAMBLE

1) We have discussed some aspects of the Unorganised Sector since the 8th Conference of the CITU held at Patna in 1994. Since then the Indian Informal Sector (Unorganised Sector) with a wide spectrum of activities is facing a challenge from the simmering threats of globalisation and economic liberalisation. In this paper we shall briefly deliberate on two main developments that took place during the period. One is the complete withdrawal of quantitative restrictions on imports. The other is the Bill on Unorganised Sector. Before discussing these two immediate challenging issues, we should have a overview picture of the changing scenario in the informal sector. A constant removal of restrictions on economic activity and fostering private participation is becoming the order of the day. The striking characteristic of this process of economic liberalisation has been a constant shift in the role of the state in economic activities. The role of the State is undergoing a paradigm shift from being a producer to being a regulator and facilitator. Today's economy is being guided more by market forces and less by State forces.

2) The capitalist development strategies earlier were largely oriented towards modern large scale industries - generally termed as the formal or the organized sector. The informal or the unorganised sector was not taken into serious consideration. The informal sector consisting of a large number of small scale and tiny units, cottage industries, traditional and ancillary units, etc. was existing on the fringes of its parent, the robust organized sector. With the deepening crisis in the capitalist system, the capitalist planning and mode of exploitation have now been changing according to the needs of imperialist bourgeoisie for the sustenance of capitalism. With liberalisation, privatization and globalisation, the production centers are undergoing sea-change with a transnationalised global economy. The hitherto ignored informal sector has now ceased to be the earlier small sector existing on the fringes of the organized sector. It is now threatening the very existence of the parent.

3) The organized sector, both public and private, are being squeezed or dismantled, and products are off-loaded to the informal sector for manufacturing. The advantage is that of low overhead, low working capital, cheap labour, scuttling of all labour laws, social security schemes, safety and occupational health measures, and of course, garnering of huge profits, by the big business.

## THE INDIAN INFORMAL SECTOR

4) In macro-economic terms the informal sector is a residual concept. That is what is left over, if the agricultural and the formal primary manufacturing and service sectors are subtracted from the whole economy. But what is left over is not a homogeneous sector with a specific set of characteristics, but a multitude of extremely different and diverse activities ranging from a large number of small and tiny scale industries like beedi, handloom, powerloom, brick-kiln, quarries, fireworks, matches, tanneries, small chemicals, garments, cashew, coir, carpet, bangle making, diamond and gem cutting and so on, to casual, contract, self-employed, home-based workers, etc. According to the first National Commission of Labour (1969), the list is never ending.

5) The overwhelming majority of the Indian workforce is in the informal sector. The number has been growing further, accelerated by the process of liberalization started in 1991. At present the Labour Ministry estimates that around 93 per cent of the work force is in the informal sector. Only about 7 per cent remains in the organized sector.

6) The informal sector is a vital sector of our economy. It produces variety of goods for our daily use. It gives employment to large sections of unskilled, semi-skilled and even skilled labour. It occupies a significant share in exports.

7) From 1994-95, the SSI units grew from 25.71 lakhs to 31.21 lakhs in 1998-99. The employment grew from 14.65 millions to 17.15 millions during the period. Production of goods during the period grew from worth Rs. 2,93,990 crores to Rs. 5,27,515 crores and exports grew from worth Rs. 29,068 crores to Rs. 49,481 crores.

## TARGET OF IMPERIALIST COUNTRIES

8) It is no wonder that the informal sector in India was targeted by the imperialist countries and their big business collaborators in India for market.

9) The 1956 Industrial Policy Resolution, although not a panacea itself, did lay stress on self-reliance, building of public sector and development of small scale sector. Regarding the small and tiny sectors, the cottage and traditional industries the 1956 Resolution stated that they provide large scale employment and offer a method of ensuring more equitable distribution of national income. As these units cannot withstand predatory competition from the large houses, the Resolution called for reservation of items to be produced in this sector specifically without infiltration by large houses. Over the years since then till 1991 a large number of items (836) in different industries were thus reserved for production in the small and tiny sectors.

10) Apart from reservation of items for production in small scale sector, the Govt's policy earlier was also to protect the entire informal sector including agriculture from poaching by the MNCs. Therefore the policy of Quantitative Restrictions (QR) on imports was also invoked. Till the early Nineties, there were as many as 10,000 items on which QRs were being maintained through Import Policy announced each year. Apart from QRs, Customs Duties were also imposed on imports.

## WITHDRAWAL OF QRs AND DERESERVATION

11) However, the 1991 Industrial Policy statement reversed the process in the name of globalised economy. The number of items under QRs came down to about 4433 in 1997 and to only 1429 items

in 1999. Then as we know, under pressure from WTO and through a bilateral agreement with USA, the Govt of India withdrew QRs from 715 items in April 2000 and then from the rest 714 items in April 2001. So now there is no restriction on imports of any items. Simultaneously, the Govt. has reduced the customs duty from the imports or made them completely free.

12) Regarding reservation of items for production in SSI, immediately after 1991 Economic and Industrial Policy, the Govt. raised the investment limits for the SSI from Rs. 35 lakhs to Rs.60 lakhs, and in the tiny scale units from Rs. 2 lakhs to Rs. 5 lakhs. Subsequently, the Abid Hussain Committee sounded the death knell for the informal sector. The Reservation Policy was given a complete go-by and the investment limits for the SSI and the Tiny Units were raised 500 times to Rs. 3 crores and Rs.25 lakhs respectively allowing free poaching by the MNCs and the Indian monopolies according to their "Commercial Judgement".

13) Thus under the so-called "free trade rules" of WTO, the developed capitalist countries were able to get the growing markets of India (and other developing countries) through reduction in "trade barriers", i.e. both reduction in tariff rates (Custom duties), as well as removal of non-tariff barriers (QRs and dereservation).

14) It is not possible to name the hundreds of thousands of items from which QRs and reservation have been withdrawn. But for all those items our country is not only self-reliant, but also have sufficient capacities surplus to produce for exports. But we are unable to get their market for export of our products because of their policy of protectionism and utilization of the anti-dumping provisions of WTO agreement. Our entire informal sector including agriculture is threatened by such free flow of imports and the country's inability to meet disbursements for the accelerated imports. Closures and unemployment are becoming the order of the day.

15) To meet this situation, our struggles have to be raised to protect the entire informal sector with the demand for unqualified right to reimpose quantitative restrictions and reservation of items for production in this sector.

## THE BILL ON UNORGANISED SECTOR

16) It would be interesting to note that when the Govt. has taken a move to amend the labour laws in commensurate with the economic reforms to the detriment of the working class, it has come forward to enact a Bill for the workers in the Unorganised Sector.

17) The Second National Commission on Labour had two terms of reference, viz, (a) to suggest rationalization of laws relating to labour in the organized sector and (b) to suggest an umbrella legislation for ensuring minimum level of protection to the workers in the unorganised sector.

18) The terms of reference may seem to be innocuous and give an impression to the gullible that at long last the Govt. is going to do something in the interest of the working class, particularly when it wants to enact a central legislation to deliver the goods to the nearly 93 per cent of the workforce in India who are in the Unorganised Sector. However, the truth is just the reverse. Not to protect labour, but to put them into straight jacket to suit the needs of market economy, i.e. the needs of the monopolists - Indian and foreign. Now it is no longer in theory or speculation, but the grim practical experience of the working class since the last one decade of liberalisation of ruthless destruction of industries in the organised sector and loss of secured jobs in millions. This has resulted in an unwieldy growth of the unorganised sector and of-course expansion of poverty among the Indian workforce, as almost

the entire unorganised sector workers get wages below the poverty line.

19) Thus it will be ridiculous to expect that the so-called umbrella legislation for the unorganised sector workers will give any protection to them from the same profit hungry monopolists, to whom this sector has been thrown open for poaching by virtue of the 1991 industrial policy resolution. It is said that crocodile tears never dry up. The report of the National Commission on Labour concerning the unorganised sector typifies the above saying. While dealing with the report, the authors have given vivid and elaborate description of the conditions of the sweated labour, probably better than a worker himself can describe his condition. No labour laws, no social security, no minimum wage, no security or guarantee of service, worst victims of hire and fire, grinding poverty, no housing, no family life, lack of safety, diseases, health hazards and so on and so forth - a demonstration of brazen hypocrisy. It will be interesting to note that the Commission constituted several study groups including one on umbrella legislation for unorganised sector. But it has not accepted anything touched good by its own Study Group. The study group projected the sector as a picture of poverty and recommended for need based minimum wage as per the norms of the 15th Indian Labour Conference of 1957, supplemented by the Supreme Court verdict of 1991 in the Raptakos Brett case. But the draft Bill prepared by the Commission has rejected the recommendation.

20) During the debate in the Indian Labour Conference held on 28th and 29th September, 2002, the Labour Minister assured that a national seminar would be called soon to discuss the issues of unorganised sector. This national seminar was held on November 7 and 8, 2002. A separate group discussed the umbrella legislation. This group was chaired by D. Bandopadhyaya, who was the Chairman of the study group also. CITU was represented by P.K. Ganguly. This group after more than one day's discussion unanimously arrived at the following important conclusions:-

21) a) Provisions must be made in the law for payment of minimum wages on the basis of the recommendations of the 15th Indian Labour Conference, supplemented by the Raptakos Brett judgement of the Supreme Court. There should be a National Minimum Wage on this basis. Mention of "floor" with regard to minimum wage should not be there.

b) Social Security, particularly in the areas of health, maternity benefits, disability and old age benefits must be provided. The existing schemes of ESI, Provident Fund should also be extended to the entire sector.

c) The approach of the legislation, both for the unorganised sector and the agricultural workers should not merely be welfare oriented, but also provide for regulation of employment, provision of minimum employment earning guarantee, free from hire and fire with protection of employment clauses.

d) Workers participation must be ensured in formulation and implementation of the schemes.

e) Representation of employers and trade unions must be equal in number on all bodies. Representation of NGOs, experts, academics and other interest groups, given as additions.

f) There should be a separate central law for the agricultural workers. All other sections of the unorganised sector should be included in the umbrella legislation for unorganised workers including workers of the small scale and tiny sectors home based workers, self-employed workers, domestic workers, etc. There should not be any separate law for the small scale and tiny sectors.

22) It should be noted that while rejecting the recommendations of the Study Group regarding the

15th ILC norms for fixation of minimum wages, the Labour Commission deliberately used the meaningless jargon " floor level minimum wage" to confuse the issue and avoiding the criterion for fixing minimum wages. The Government thus wanted to take the issue back to square one maintaining status quo in the area of minimum wages despite the fanfare over the legislation. Secondly, it had clubbed together agricultural workers also under the purview of the umbrella legislation, refusing for a central legislation for them.

23) It should also be noted that in the Indian Labour Conference held in September there was a separate committee to discuss the problems of the small scale and tiny sectors. The employers had demanded a separate law to exempt all labour laws from small scale and tiny sectors. But the ILC had unanimously negated their demand. Yet, the Government has taken a move to bring another separate legislation conceding the demand of the employers.

24) Further, in the draft bill circulated by the Government as the recommendations of the Labour Commission, trade unions and NGOs were clubbed together in the representation in the boards, to give equal number of representatives at par with the employers.

25) The group in the national seminar negated all these and gave the unanimous conclusions as stated above.

26) Thus it can be seen that the draft bill as recommended by the Labour Commission kept the vital issue of minimum wage as vague as before. It did not address the question of hire and fire, security of jobs, employment earning guarantee, not even social security as per the demands of the workers. It merely dealt elaborately on constitution of tripartite boards and other issues only to make a show that the umbrella legislation will deliver the goods. In fact, it is not going to give a pittance of benefits, nor solve the growing miseries of the unorganised sector workers, which is going to mount with the ongoing process of reforms.

27) The unorganised sector workers cannot remain insulated from the adverse effects of the wholesale amendments of the labour laws by the fake umbrella legislation. The CITU and all other trade unions must unitedly oppose the fake legislation.



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## COMMISSION PAPER

### ON CHILD LABOUR

The CITU has been working on the issue of child labour since several years in the last decade. It has implemented two projects on child labour with the assistance of ILO keeping in view its own understanding of the problem. Several aspects of the problem including the reasons for some children entering the labour market seeking work while most others of their age go to school to study and play, in the context of the present socio economic system, the remedies to the problem and the role of trade unions etc were discussed in several workshops, seminars etc organised in connection with our implementation of these projects on child labour in several States.

The Government, ILO, many NGOs, Trade Unions and other organisations have been implementing several projects on child labour during the last decade. Some of these were intended to create awareness about the issue among the trade union activists and the general public, while others tried to provide non formal education, vocational training for the child labour and motivate their parents to send their children to school and thus wean the children away from work. Though hundreds of crores of rupees have been spent by various international and national agencies, the problem persists without any significant decline in the number of working children in the country. In view of the impact of child labour on the society and the trade union movement, it is necessary for us to discuss the issue of child labour in detail and evolve methods to make it an integral part of our day to day activities. This is particularly important because of the prevalence of child labour in the unorganised sector, which is fast expanding in the aftermath of the neo liberal economic policies, and the necessity to organise the unorganised sector workers under the banner of CITU.

Child labour is not a recent phenomenon nor is it a problem specific only to the developing countries. It is prevalent even in advanced capitalist countries like the US, UK, France, Italy, Germany, Canada etc. According to a report of ILO a large number of Black children are employed in the 'sweat shops' in the USA.

Children were involved in work, both domestic and outside work since time immemorial. In primitive communal society, when the entire group had to engage in the common struggle for survival, all its members - women, men, children and the old- had to participate as per their abilities. Whatever food was collected was shared by all. There was no exploitation or appropriation of the products of labour by a few people in the society. Exploitation of the toiling majority by a few to amass wealth started with class divided society. Children of the exploited sections had to work along with their parents while the

children of the ruling classes had the opportunities to acquire formal knowledge and education. With the onset of Industrial Revolution and the increase in the demand for wage labour, this exploitation became more intense. Women and children were drawn into the labour market in large numbers. They had to work in inhuman conditions for 12-14 hours a day. Engels described their miserable conditions in his famous treatise on the conditions of the working class in England in the eighteenth century.

## **CHILD LABOUR IN INDIA**

Any child helping its parents in domestic chores or in the family trade or business cannot be considered as child labour. Child labour can be defined as any labour by a child, which interferes with its healthy mental and physical development by denying it the fundamental or non fundamental rights.

The Constitution of India has given certain rights to the children. Article 24 of the Constitution says that 'no child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any hazardous employment.'

Article 39 lays down certain principles of policy to be followed by the State, - 'that the health and strength of workers, men and women and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength', and 'that children are given opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity, and that childhood and youth are protected against exploitation and against moral and material abandonment'.

Article 45 provides for 'free and compulsory education for children' and states that 'The State shall endeavour to provide, within a period of 10 years from the commencement of this Constitution, for free and compulsory education for all children until they complete the age of fourteen years.'

The Government has appointed a Committee on Child Labour (Gurupadaswamy Committee), which submitted its recommendations in December 1979. A National Policy on Child Labour was also adopted by the Government of India in 1987.

In 1986 the Government has enacted the 'Child Labour (Prohibition and Regulation) Act. As per this Act, children below the age of fourteen years are banned from being employed in some specified 'occupations and processes', and regulates the conditions of work of children in employments, where they are not prohibited from working. By July 2000, child labour was prohibited in 13 occupations and 57 processes, as per this Act.

There are many loopholes in the Act. The Act does not clearly define the word 'hazardous'. It is left to the Technical Advisory Committee to define the hazardous occupations and processes. With fast changes taking place in the development of technology in industries, an activity termed as non hazardous today may become hazardous tomorrow. Besides, the adjective 'hazardous' implies only physical hazards excluding the psychological, mental and emotional dangers that a job can mean to the child workers. The very fact that a child is denied its normal childhood and an adult life is thrust upon it creates psychological and emotional disturbances. In addition, the present act does not specify the minimum age of employment of children in occupations and processes other than the prohibited ones. Besides, the Act is not properly implemented.

In 1996, the Supreme Court gave certain guidelines to curb child labour like constituting a 'Child

Labour Rehabilitation- Cum – Welfare Fund' by collecting compensation from the employers who employ child labour in contravention of the provisions of the Child Labour (Prohibition and Regulation) Act and provision of alternate employment to some adult members of the family etc.

In spite of all these apparent efforts to eradicate the scourge of child labour, the problem continues to be widely prevalent and in fact the number of children working in the hazardous industries has increased. The estimates of child labour in the country, provided by different agencies show wide variations. According to the ILO, the total number of working children in the country in 1996 was 23.17 million. As per a recent report, the number of child labour in the country in 2003 is 20 million. According to one school of thought, all the children in the school going age, who are out of school, should be presumed to be doing some sort of work or the other. Dr. Lakshmi Dhar Mishra, former Secretary, Ministry of Labour, Government of India estimated that in India 135 million children of school going age are not going to school, either formal or non formal. What ever the numbers, the fact remains that India has the dubious distinction of accounting for the largest number of child labour in the world. Most of the child labours are concentrated in the unorganised sector. Around 90% of the working children in India are in the rural areas, mostly employed in agriculture and allied activities. Beedi, Brick Kiln, Quarries, Matches and Fireworks, Construction, Hotel and Restaurants, Automobile work shops, Carpet making, Brass, Bangle, Balloon making etc, Silk worm rearing, Domestic labour, several home based works like Kite making, etc are some of the other areas where child labour is notoriously prevalent.

## **GLOBALISATION AND CHILD LABOUR**

Though child labour existed since several centuries, it is only in the 20th century that it has begun to be seen as a matter for global concern. The ILO had adopted the first Conventions on child labour in 1919. In 1973, the Convention no. 138 fixing minimum age for different forms of employment in 1973 and in 1999, the Convention no. 182 on banning child labour in hazardous works were adopted by the ILO. The US and India are among the many countries that have not yet ratified both the Conventions.

It is significant that in the last decade, coinciding with the adoption of the policies of liberalisation and globalisation, there is a spurt in the global interest on the issue of child labour, which is manifested in various forms. Governments of several developed countries have started funding projects on child labours. In 1992, the German Government has started funding the ILO Technical Cooperation Project on Child Labour, which has led to the formation of IPEC. Today IPEC is funded by around dozen countries.

The increasing attention to the problem of child labour in the developing countries and the allotment of huge funds by the advanced capitalist countries to the child labour projects being implemented by the NGOs, Government etc, in the era of globalisation, is not a mere coincidence. The developed countries find that cheap products produced by child labour in the developing countries compete with their products in the global market. The US and Germany have passed laws to prohibit imports of products from India, in which children's labour is engaged. Carpets imported into developed countries are required to bear the label which certifies that no child labour was engaged in the production of these carpets. STEP is a label started by the members of the carpet trade in Switzerland, which has started monitoring the carpet production in India since 1998. The independent agency hired by STEP inspects the looms of the weavers and if child labour is found the exporter is intimidated. If no action is taken, the exporter is de registered and removed from the list of suppliers. Similarly CARE & FAIR is a concern of retailers and importers in Germany. The supplier is black listed if child labour is engaged in the production of carpets. It is a shame that while the Government is reneging on its responsibility of protecting the rights of workers through inspections by the labour inspectors, in the name of ending the 'inspector

raj', foreign concerns are freely allowed to inspect the premises in our country to satisfy that there is no uneven competition to their products.

Another form in which the concern for child labour in the developing countries is manifested in the developed world is the use of the 'Social Clause'. In the name of 'Human Rights' and 'Children's Rights' the developed countries want to impose non tariff barriers on the goods imported from the developing countries. It is apparent that the whole bogey of 'Social Clause' is being used to protect the interests of the producers in the developed countries, who will have to compete with the cheap imports from the developing countries.

Though exploiting the cheap labour of children and denying their rights to satisfy the greed for profits of the employers cannot be supported under any pretext, the answer does not lie in linking the issue of child labour and labour rights with trade in the name of 'Social Clause' which is actually meant to promote the interests of the employers in the developed countries. It is also to be noted that in the period of globalisation, a large number of MNCs from developed countries outsource production to the developing countries through a chain of contractors and sub contractors, who flout all labour laws, do not pay minimum wages and do not care for the safety and health of the workers at the work place. It has been reported that some MNCs functioning in our country, do employ child labour. So the motives of the campaign against child labour in the developing countries by the developed countries cannot be considered to be altruistic. All the same this cannot be the reason for not paying proper attention to the question by the trade unions. Trade Unions must intensify the struggles to improve the conditions of the workers, particularly those in the unorganised sector, who are generally the parents of the child labour, as only this can pave the way for the children to be withdrawn from work and sent to schools.

## CAUSES

It is an accepted fact that poverty is the main cause of child labour, though there are several other factors which force children to be sent to work. As has been mentioned earlier, child labour is predominant in the unorganised sector. The parents of the child labour also are mostly workers in the unorganised sector, who do not get even minimum wages, have no job security and are denied any social welfare benefits. With the advent of the neo liberal economic policies, the organised sector has been shrinking and the unorganised sector has been vastly expanding. Around 93% of the total workers in our country work in the unorganised sector. Unemployment and underemployment have increased. Even the Report of the Second National Commission on Labour mentioned that the rate of growth of employment has come down, particularly in the rural areas. This has resulted in more and more children seeking work even for a pittance as wages.

Besides this, lack of proper infrastructural facilities for education, particularly in the rural areas, is another important cause for child labour. More than 57 years after independence a large number of villages in the country do not have proper school buildings; two to four classes are crowded in one room; a single teacher is asked to teach 3- 4 classes. As a result of the drastic reduction in Government spending on education, large numbers of teachers' posts lie vacant. In stead of regular trained teachers, several State Governments have been appointing only the so called 'education volunteers', without any training on teaching methods, on a consolidated pay. The entire atmosphere in such schools is unattractive and fails to enthuse the children who prefer to drop out of school. The parents prefer to send them to work in stead of keeping them idle.

There is a clear relationship between the caste relations and child labour in rural as well as in urban areas. Dalits and Adivasis form a large proportion of the poor in the country. Around 60% of the Dalit

and 68% of the Adivasi agricultural workers are poor. In urban areas 73.45% Dalit casual wage workers and 76% Adivasi casual workers were poor. Besides this the humiliation and social exclusion still practised against these sections lead to high incidence of drop out among the Dalit and Adivasi children. It was found that the school drop out rate among Dalit and Adivasi children in the rural areas was around 40 – 47%, while it was around 28% for the others. In the urban areas it was around 23% for the Dalits and Adivasis while it was 13% for the others. Poverty, social oppression, which persists even today and lack of support for the children from these sections result in the high incidence of child labour among Dalits and Adivasis. It has been observed that the level of child labour was two to three times higher among the Dalits and Adivasis when compared to the prevalence among the others. In fact, Dalits and Adivasis accounted for around 40% of the child labour in the country, which was higher than their share of the child population in the country.

The absence of any guaranteed employment for the educated youth discourages many illiterate parents to send their children to schools. Instead, they think that training their children in traditional family occupation will equip them with the skills required to eke out a living.

Women workers in the unorganised sector, who form a large section of the workers in this sector, do not have child care facilities at the work place. As a result the older children, mostly girls are withdrawn from school to look after their younger siblings when their mothers go out to work. It is also observed that adult male workers generally do not contribute their total income to the needs of the family. As a result the woman, who has the responsibility to look after the necessities of the family, has to find the extra money to meet the family expenses and she is forced to send the children to work to supplement the family income. It has also been observed that in some States where the practice of dowry is rampant, girl children are forced to earn their dowry by engaging in some wage employment. The menace of dowry has been amplified by consumerism, which is being blatantly promoted to the extent of vulgarity in the print and electronic media, by the capitalist society after the initiation of globalisation.

Because of poverty, workers in the unorganised sector are constrained to borrow money from the employers and pledge their children, who become bonded labour. Young girls are even sold to rich Gulf Sheiks, who employ them as domestic labour.

## **CONSEQUENCES**

Sending a young child to work in stead of to school is no doubt cruel and inhuman. But, the question is not only that of inhumanity or cruelty of the society towards its future generations. It has several other dimensions.

Absence of awareness on the ill effects of child labour on the society in general and the child in particular among the people makes them not to realise the seriousness of the problem and the dangers to the future of the nation. The most immediate and obvious consequence of child labour is that the physical, psychological and emotional life of the child is affected as it is forced to lead a premature adult life. Its development into a healthy adult is impaired, which in turn affects the health of a large section of future population.

There is a myth that some jobs like carpet weaving etc are best done by children because of their 'nimble fingers'. As a result these jobs are identified as 'children's jobs'. Though children are made to work long hours and made to do arduous work, their perceived position within the family is utilised to devalue their work and pay them paltry wages. This in turn depresses the adult wages. Besides children are docile and obedient and cannot form unions, all of which are utilised by the employers to subject

them to severe exploitation. Employers find a source of cheap, pliable and controllable source of labour in children. According to a study by the VV Giri National Labour Institute, some officers of the Labour Department told that 'employers do not feel guilty when they employ children as young as three year old, even though they are aware of the law'. Due to the employment of child labour, the workers lose many crores of rupees every day because employers are paying ten to twenty times less wages to the child labour than they would pay to the adults. This income goes to the employers who become richer, while the families of the workers become poorer through losing their wages, lands, and belongings. This leads to migration and generally to bonded labour. Child labour further increases adult unemployment besides lowering adult wages and perpetuates poverty.

Young children, who are forced to start work at a very young age in unskilled jobs, cannot acquire the skills required to enable them to earn more as an adult. When such a large part of the nation's future citizens are made to start working before they are able to acquire any proper educational or technological skills, and are made to endure severe hardships, illness in their childhood and even to die before they attain the age to work, it is a great loss to the human resources of the country.

### **CONDITIONS OF CHILD LABOUR**

The employers often subject the child labourers to ruthless exploitation. Young children of even 7-9 years are made to work for around 10 hours a day, under hazardous conditions. In industries like brass ware, match sticks and fireworks, carpet weaving, beedi, construction, diamond and precious stone cutting and polishing, stone quarries, brick kilns, slate pencil making, balloon making, silk worm rearing etc they are exposed to dangerous machines, chemicals, excessive heat etc without being provided any protective equipment.

The wages are very low. Sometimes, in the name of providing training, the employers do not pay any wage at all, except providing some food. A study by the VV Giri National Labour Institute found that the monthly earnings of child labour ranged between zero to Rs. 300/-. It has been observed that the employers usually through contractors pay some paltry amount as advance to the poor parents and 'book' their children for working in the Match and Fireworks industry in Sivakasi. In several other industries too, like stone quarry, carpet, brick kiln, etc children are kept under bondage.

They are not given any medical benefits or welfare measures; no compensation is given nor any medical help provided when they meet with accidents at the work sites; instead, they are accused and removed from the job. Because of the poverty and the hard labour they are required to do, they are frequently malnourished. A report by the WHO states that child labour are prone to several health hazards like bony lesions, postural deformities, poor eye sight, etc, in addition to psychological problems. Frequently, the children are physically and mentally abused; the girl child labours, particularly those working as domestic maids, are also sexually abused and exploited.

### **OUR PERSPECTIVE**

The problem cannot be wiped out from the face of the earth overnight through pious wishes or by just enacting laws banning child labour or by blaming the poor parents for sending their children to work in stead of to school. Hundreds of Crores of rupees are being spent to 'create awareness' on the need to send children to school and not to work, as if the children do not want to go to school or the parents do not want their children to be educated. This is like accusing the poor for their poverty. The 93rd amendment to the Constitution puts the onus of educating the children on the parents exonerating the State from the responsibility of providing education to the children up to 6 years.

Our experience of working on this issue clearly shows that the children are very much interested to study and their parents equally desire that their children are educated. The problem of child labour involves several factors, the most important being the greed for profits at any cost by the employers and poverty among the workers, which forces them to send their children to work. Illiteracy among the parents, unemployment, lack of proper educational facilities, social oppression of the Dalits and Adivasis, gender inequalities etc are some of the other factors responsible for the problem. Multi pronged approach, which includes ensuring adult employment, job security with minimum wages, social security benefits, improvement in the working conditions, particularly in the unorganised sector, right to organisation and collective bargaining, and strengthening the education system, removing gender inequalities etc is necessary to deal with the problem. These issues in turn are linked with the policies being pursued by the Government.

The neo liberal policies initiated by the Congress Government of Narasimha Rao in 1991 and ever since zealously followed by the successive Governments at the Centre and many States, barring the Left Front Governments of West Bengal and Tripura, have only worsened the problem. The problem will only get aggravated as long as these policies continue. The first precondition towards a solution to this serious problem is the reversal of the policies of liberalisation and globalisation. The working class and the trade union movement must intensify their struggle to push back these anti people and anti worker policies.

Poverty, unemployment, the main causes of child labour cannot be eliminated in the exploitative capitalist society. As such, child labour cannot be eliminated within the frame work of capitalism. The working class particularly the workers in the unorganised sector and all the toiling masses in general should be made aware of the inherent exploitative nature of capitalism and should be mobilised to change this society. Rural poverty can be overcome with strict implementation of land reforms and creation of assets in the hands of the rural masses. Only this will create employment in the vast rural areas in our country where around 70% of our population lives and will create demand for industrial goods, which will in turn create employment opportunities in the urban areas. Creating decent employment and living conditions for the parents is the only way to eradicate the problem of child labour.

While these can be long term strategies in the road to the elimination of child labour, the trade unions should also address the issue in their day to day activities. Efforts should be made to raise the consciousness of the unorganised sector workers and organise them to improve their working and living conditions. The unions can take initiative to provide non formal education to the child labour, wherever possible. While implementing the ILO assisted Child Labour project, we have observed that running Non Formal Education Centres for the child labour provided a very good opportunity to make contacts with the unorganised sector workers and to organise them.

It may be remembered that the Commission Paper on the Unorganised Sector Workers adopted by the 10th Conference of CITU at Hyderabad had recommended that in view of the difficulties in organising the workers in the unorganised sector, different strategies need to be worked out, including addressing their problems at the residential areas. Creating awareness on the problem of child labour can be a starting point to organise on issues like the implementation of minimum wages, social security, improvement in working conditions etc. It is also necessary to intervene in situations when the working children face problems at the work place and with their employers. The close contacts and the influence gained by such activities should be utilised to organise the workers in the unorganised sector and educate them on the real causes of their poverty and the conditions that lead to their children going to work.

We should also make efforts to mobilise public opinion in support of the following points related to the issue of child labour:

1. Implementation of minimum wages and social security to all the workers in the unorganised sector.
2. Implementation of land reforms.
3. Enactment of Comprehensive Legislation for the agricultural workers, as around 90% child labour exists in rural areas.
4. Equal remuneration for women workers
5. Strengthen the ICDS and its preschool component so as to create interest on education among the young minds
6. Compulsory and free education up to Secondary School level with provision of mid day meals at schools. Free education materials and uniforms to the poor children. Provision of free hostel facilities for poor children.
7. Implementation of employment generating policies
8. Reversal of the policies of liberalisation and globalisation
9. Ratification of the ILO Conventions on Child Labour and strict implementation of the Supreme Court judgment on Child Labour in 1996.

CITU should also pay more attention to organise the workers in the unorganised sector, home based workers and women workers, to improve their working and living conditions. It is also necessary to raise their consciousness to ensure their participation in the struggle to end exploitation and change this exploitative capitalist society.



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003  
CHENNAI, TAMIL NADU**

## INFORMATION DOCUMENT

### COMBATTING THE OFFENSIVE OF COMMUNALISM

Imperialist globalisation and communalism are the twin major challenges confronting the people and specially the working class of our country. Being in command of the State power, communalism is now aggressively on the offensive. Formally NDA is ruling the country. But it is the BJP which is in real control. Being the main political outfit of the RSS, it carries out the communal programme of RSS using the state machinery now in its control. The other parties in the NDA, though not essentially communal, are guided by the opportunist urge of anyhow sticking to power and therefore do not care to restrain BJP's communal use of the State power.

#### COMMUNALISM: MEANS TO POLITICAL POWER

After the dissolution of the Janata Party in which the RSS-led Jan Sangh had merged, BJP emerged as the new incarnation of the Jan Sangh. Initially it was almost in isolation and had extremely meagre electoral strength. The BJP had no solution to offer for the problems of the people and the country. To mobilise support, therefore, the BJP, led by RSS, took the path of rousing communal passion among the majority community through continuous hate campaign and engineered communal violence against minority communities. The so-called rath-yatra of L K Advani, in the trail of which there was a series of bloody riots was designed precisely for this purpose. The great divide this created, the polarisation that took place, helped the communal forces politically represented by the BJP to mobilise adequate support for it to come to power in alliance with the smaller parties. It is true that the void created by the decline of the Congress party provided it opportunity and it utilized the popular discontent against the anti-people policies of the Congress. But communalism has been the main weapon with which RSS-BJP fought its way to political power.

BJP's coming to power has added a new dimension to the activities of the communal forces. They have been carrying on an all out offensive for communalising all aspects of our society and polity. Long since the RSS has been trying to plant its activists in administration, police and military. With BJP in control of state apparatus they are now carrying on this process almost freely and nakedly. They are particularly using departments of education and culture in order to mould the minds of the young in favour of hindutva of which an essential element is to inculcate hatred against minority communities specially the Muslims. The most ominous aspect of this phase is the naked use of political and administrative machinery including armed forces in sparking off and carrying on riots against the minorities.

## **THE GUJARAT CARNAGE**

Communal violence perpetrated against the minority community shook the world conscience. It was termed 'genocide' and 'ethnic cleansing' even by humanitarian agencies from abroad studying the developments. It has now been fully established that the whole thing was planned at the political level of the govt and was carried out with the direct and indirect participation of the State administration and police. The Supreme Court's views and orders in connection with Best Bakery case has left no doubt about it.

## **PORTENT FOR THE FUTURE**

The Gujarat holocaust was a clear case of use of communalism for gaining political power. The dwindling popular support for BJP had alarmed the leadership and prompted them to resort to the same weapon which had helped them to resort to power at the Center. They achieved their purpose in Gujarat. What is of grave concern for the democratic minded people is the fact that they are openly advocating the 'Modi Line' and "Gujarat model" in the upcoming election in several states and also for Lok Sabha elections due next year. Gujarat was in flames a year ago, and this flame will spread to other areas of the country unless secular forces particularly the working class foils their conspiracy.

## **DIASTROUS ECONOMIC POLICIES**

Although the communal forces, the BJP and other outfits of RSS utilized popular discontent against anti-people economic policies of liberalization, privatization and globalisation introduced and followed by Congress, the BJP, having reached the seat of power, is not only most faithfully implementing those policies, but doing it at a much faster pace, almost at a break-neck speed devastating the national economy and spelling disaster to all toiling and poor people, particularly the working class. Thus communalism is a weapon used for coming to power and power is used as a weapon to pursue the policy of implementing neo-liberal policy, imperialist driven globalisation and launching attack on workers, peasants and all toiling people. This clearly shows that the fight against the new economic policies and fight against communalism are inseparable. Without simultaneous struggle against communalism it is impossible to succeed in the struggle against the economic policy because a major thrust of the communal forces is to divide and disrupt the struggle against economic policy itself.

## **RELATION WITH IMPERIALISM**

Never in our history has the foreign policy of any government drawn the country so close to imperialist powers. Not only the BJP-led govt is faithfully implementing the imperialist conceived economic policies, it assiduously cultivating the US imperialism and its allies for developing closer relation with them. US and its most notorious ally Israel are being involved in our machinery of national defense. All this is posing a threat to our national sovereignty in addition to the threat of communal disintegration of the nation and the state.

## **LONG TERM COMMUNAL OBJECTIVE**

It is important to note however that for RSS and BJP communalism and communal violence is not just a means for winning elections, they pursue a long term objective which is inherently communal. Their ultimate objective is to establish what they call "Hindu Rashtra" based on their ideal "Hindustan". The name Hindu Rashtra itself indicates that non-Hindus in that State are considered aliens. Only those who accept Hindustan will have the right to stay in it. Accepting Hindustan which they want us to

believe is just a cultural concept not religious one has to accept Ram as the symbol of that culture and as the national hero. All this is diametrically opposite of democracy. India is the abode of the people of different races speaking different language and having different faiths and different culture. Our culture is a composite culture, our society is pluralistic. Our secular constitution provides for opportunity of all cultures to develop. The communal idea of Hindutwa does extreme violence to all the noble ideals our society has been espousing. It is for transforming the present pluralistic society and secular democratic character of the state that they need first to gain full control of the state power. In this context they have set the aim of gaining absolute majority for BJP itself in the next Lok Sabha elections.

## **FASCISTIC CHARECTER**

The founders of RSS not only eulogized the leaders of European fascism but also modeled their idea of Hindu Rashtra largely after the fascist states. The resemblance between the Muslim baiting of RSS and Jew baiting of Hitler is striking. Hitler raised racism related boggy, the boggy of purity of Aryan blood. The RSS has raised religion related boggy of Hindutva. Like all fascists RSS considers Marxists as enemy Number One, along with Muslims, of course. Historically fascism has been the worse enemy of the working class and fascists have most ruthlessly suppressed the working class movement. The social-ideological outlook and modus operandi of the RSS and its Sangh Parivar largely resembles to those of the fascists.

## **MINORITY COMMUNALISM**

While fighting against the majoritarian communalism one must not underestimate the danger from minority communalism. Like the majoritarian communalism the minority communalism also rouses communal passion some times leading to violence. Both feed on each other and aim at dividing people on religious lines for political advantage. Both varieties of communalism are essentially similar. But because of the capacity of the majority communalism to influence large sections of the people, and BJP's present status is the ruling party at the center, it poses a greater threat today.

## **CITU RAISED THE BANNER**

The CITU has always been aware of the serious danger posed by the communal and other divisive forces to the working class and national unity. Almost all the conferences including the foundation conference of the CITU, the meetings of the General Council and the Working Committee have noted the communal developments of the time and urged upon the working class, particularly the units and affiliates of the CITU to undertake the struggle against communal forces in response to the demand of the prevailing situation.

But in spite of repeated discussions and adoption of numerous resolution and documents we cannot claim that we have exerted all our energy to put them in practice. Unity of the working class is the main source of its strength. While trade unions try to unite the class, communalism seeks to divide it. To protect the unity of the working class against the onslaught of communalism is a matter of great concern for the trade unions. But we should not forget that the working class as the most advanced, most conscious and the most organized section of the society has a special responsibility in fighting against communalism for protecting not only its own unity but the unity of the nation as a whole, uniting all toiling people and all secular forces in the country and also play appropriate role in the struggle at political level.

A major problem, however, is that some sections of the working class itself are affected by communal

virus. It is, therefore, the most important task for the trade unions to adopt special measures to eradicate the influence of communal ideology from the minds of the affected section of the working class on a priority basis.

### **SOME FACTORS FAVOURING SPREAD OF COMMUNAL IDEOLOGY**

For working out strategy for combating communalism it is important to understand the conditions that favoured the spread of communal ideology in our country particularly among the working class.

One of the major factors facilitating the spread of communal influence among the workers is the historical character of the development of the working class in our country. A large section of the working class is yet to gain class consciousness and is easily swayed by communal forces.

Role of imperialism is another important factor helping growth of communal ideology today. Imperialism particularly the United States of America has been consistently encouraging communal and religious fundamentalist forces world over in its bid to protect its dominance and disrupt regimes which refuse to subserve imperialist interest at the cost of their own. Once they had encouraged and helped Muslim fundamentalist such as Bin Laden, the Taliban and the like and now they are spreading hate against Islam and raising slogans such as "Islam is the enemy of civilization" with a view to putting its hands on oil resources of the Arab countries. The attack on Iraq and Palestine has helped the forces of communalism to gain strength. Christian fundamentalism has also raised its head. Neo fascism has started to rise through propagation and practice of ethnic hatred. Through out the world imperialism has been creating an atmosphere in which communalism and fundamentalism of one community or another thrives in different countries.

Growing unemployment particularly in the post globalisation period is causing frustration among the youth, who falls easy prey to the communal propaganda and become their reserve army. The process of criminalisation of politics has opened up a new source for the communal forces for recruitment to their rank.

Opportunist role of the Congress, till recently the largest political party in the country, in respect of communalism has contributed most significantly the meteoric rise of BJP in political sphere. Apart from its decline due to the anti-people policies pursued by it creating a void in the political life, the Congress, undoubtedly a secular party, time and again compromised with communalism paving the way for rise of communal forces.

### **STRATEGY OF COMMUNAL PROJECT**

The basic plank of the communal strategy is to create communal consciousness in the minds of the people with the objective of mobilising their support, for participation in their agitational programmes as also for their participation in communal riots against the minority communities which again in turn further widens communal influence heighten communal consciousness, and certainly for electoral support. The main weapon used by the Sangh Parivar for the purpose are lies and deceit, misinterpretation of scriptures and teachings great religious personas, misinformation, falsification of history, etc. The issues they regularly raise for mass mobilisation are numerous such as Ram Mandir, Kashi-Mathura, abrogation of Article 370, uniform civil code, false propaganda about Muslim population growth, infiltration, Muslims as foreigners, conversion, Madarsa institutions, cow slaughter and so on.

Along with religious sentiments the majoritarian communalism takes the advantage of camouflaging

communalism as nationalism. For this they present distorted version of history and prop up false "national heroes". It is a familiar tactic for communal forces now in control of state power to falsify history and other textbooks to make them instruments for creating communal consciousness. This has close resemblance to fascism.

## **ORGANISATION AND METHOD**

The RSS, the core of the system of communal organisations, has been building up its strength for achieving the ultimate objective of Hindu Rashtra since its foundation in 1925, patiently and silently almost unseen by others. While it has wide network of sakhas throughout the country, it has build up a number of satellite organisations to take care of different "fronts" – BJP for the political front, BMS for the working class front, and Bajrang Dal for youth and Vishwa Hindu Parishad. Durga Vahini takes care of the women front. Through Sakhas they recruit young people and train them up in communal spirit. They run enumerable schools and other social organisation such as Vanavasi Kalyan Samity for tribal people, etc, apart from the religious organisations. They also take part in religio-social organisations and activities organised by others ultimately to dominate and use them to establish relation with the people and to earn their confidence and respect. This is the method they generally adopt to gain access to the people with religious consciousness, to mobilise electoral support, to instill communal consciousness in them, and even to engineer communal violence. Apart from these, they issue a large volume of printed material in the form of books, pamphlets, journals, etc. They also use newspapers and journals published by people sympathetic to Hindutva ideology. Electronic media is also used to the utmost.

However, this is only a general outline of the modus operandi of communal forces. There cannot be any doubt that it varies from area to area and sector to sector to be in accord with the varying conditions prevailing in respective areas and sectors.

## **ON THE WORKING CLASS FRONT**

To draw up effective plan for intervention, secular forces have to know the specific form in which communal activity is carried out in specific areas. As far as trade unions are concerned what we are miserably lacking in is the knowledge of the specific form, if any, of communal activities among the working class. No doubt the workers are largely covered by communal activity carried out in general. It is well known that for mobilizing the workers in their support the RSS had set up their trade union centre, the BMS. It was one of the first subsidiaries of RSS. Some elements of RSS ideology is preached from trade union platform itself. The BMS conference adopted resolution for building Ram Mandir. We have to seriously examine if in our anxiety to forge unity with the BMS as part of building a broader working class unity, we have neglected our task of exposing the communal aspects of its activities. Trade unions must carry out survey in different areas and sectors for detailed information of communal activities carried out among the workers.

## **SECULAR STRATEGY FOR COMBATING COMMUNALISM FIGHT ON THREE FRONTS**

The fight against communalism is to be carried all three fronts: economic, political and ideological. The fight on the economic front is the usual work of the working class and the trade unions and is being continuously carried out by them. But now that the communal forces are in state power and are adopting measures prompted by communal consideration, at the political level, it is an important task of the trade unions to join the struggle against such measures. When the communal forces come to

power by use of communal conflicts and use state power for furthering their communal project, the ouster of such forces should certainly be an indispensable task of the working class and trade unions. Properly planned cultural activity may be an effective weapon in fighting communal ideology. Importance of social activities also should not be overlooked. We have to find ways and means for taking up the issues relating to workers' life outside the workplace. Unless we take care of the social and cultural needs of the workers apart from the material needs, he will inevitably be drawn towards religion and will be exploited by the communal forces. Besides, we have to pay attention to the families of the workers as well.

### **TASK IN SPECIAL SITUATIONS**

In the Commission Paper of the 8th conference, we considered short term tasks for 3 specific situations and also the long term task of eradicating communalism. Specific situations are (1) when tension is high but violence has not yet broken out, (2) when violence has erupted and (3) when violence has subsided. It is very important to intervene when outburst of violence is about to take place and when it has already taken place. But that does not take us far in wiping out communal viruses.....our basic strategy for the long term objective of wiping out communal virus should be sustained political and ideological campaign in all possible forms. These three phases are only parts of an ongoing process of communalisation, seeds of which are sown by the communal forces. The intervention during these phases of the process is the most important of our secular tasks. But still more important is the task of sustained political and ideological campaign with the long term objective of wiping out communal virus.

### **LONG TERM STRATEGY: BASIC TASK**

In a country materially backward where remnants of pre-capitalist relations are still present backward consciousness also prevails widely. There is a lack of scientific outlook and prevalence of obscurantist, irrational ideas. Consequently, faith prevails upon reason. Can there be a more fertile ground for quick sprouting and growth of communalism than this? At the same time however, it will be a mistake to conclude that this backward consciousness automatically gives rise to communalism in the sense we use the term. It is evident from the more or less peaceful relations prevailing in rural areas even at a time when cities and suburbs were burning. Seeds of communalism are sown by communal forces for political purpose. But once these seeds sprout it is not easy to uproot them.

Fortunately, we have a modern sector with modern industry and liberal education. We have a vast section of population who are not influenced by communal ideas; among the working class too, there is a considerable section that belong to this category. This section has to be consolidated and a force has to be built up out of them, equipping them properly for the struggle. There is a numerous section in society who is under the influence of 'soft communalism'. One section among them honestly feels they are secular, but unwittingly entertain some of the ideas propagated by Sangh Parivar. The other section of this category consciously believes what the Sangh Parivar propagates but normally does not like violence. When there is outburst of violence, they sometimes encourage it and even participate in it. The last category comprises those are convinced active communal force, the activists of the Sangh Parivar. All these categories are to be found among working class also.

We have earlier noted the methodology of communal project. The main weapons the Sangh Parivar uses are lies and deceit, misinterpretation of religious teachings, misinformation, falsification of history, etc. The secular task is to free the minds of the people and the workers from the 'knowledge', which is false and the 'understanding' which is wrong. Because of social-psychological background, it is easy

to communalise people but decommunalisation is not that easy. For this, it is necessary to undertake the following tasks - (1) Proper categorisation (2) Identification of the category to be targeted (3) draw out what false information has created what wrong understanding (4) patiently and tactfully help them to have correct knowledge and right understanding. Here we need not discuss all the misinformation, misinterpretation and falsification resorted to for communalisation of peoples' minds. Already there is some literature produced at political level and also secular groups of individuals. We should bring out some comprehensive publications refuting all the falsehoods of the communalising propaganda. One of these points which demands mention is the relationship with Pakistan.

While the communalists have succeeded to a large extent in converting the elementary religious consciousness of the people including the working class, into a 'communal consciousness', we should endeavour to win over such sections of the masses by converting it into a 'tolerant religious consciousness' as a first step to bring them over to a 'secular consciousness'. For this we must pay proper attention to the social issues of the people and encourage social reform movements. Our trade union activities must also include issue related to the social oppression of the minorities and the other so called 'lower classes' of society and we must strive to mobilise all our members, including those belonging to the majority sections and the so called 'upper castes' on these issues, in order to attract the minorities and socially oppressed sections in our fold.

While carrying on propaganda against communalism, we must take care and exercise caution not to hurt the religious sentiments of all communities. Our campaign must be in a language which can be understood by the people and must take their level of consciousness into account.

Caste oppression is one of the issues with which majority communalism can be countered. The 'Chaturvarna' ideology of the Sangh Parivar is based on the orthodox brahmanical perspective which perpetrates social exploitation of the so called lower castes- the BCs, SCs etc. Though some caste based parties have formed opportunistic alliances with the BJP, caste is a basic identity related issue which has the potential to be used to combat the communal offensive and wean away the majority of the workers from their influence.

Communalism has thrived by bringing divisive issues to the centre stage of the political debate, and diverting the attention of the people from the real issues like unemployment, poverty, rising prices, sickness, closures, self-reliance of the economy and the various other fall outs of the imperialist globalisation policies being pursued by the BJP led Government. The Congress, whose economic policies are no different from those of the BJP, given its class character, also did the same to pursue its economic reform agenda. We must strive to bring the basic economic issues- the class issues – to the centre stage of the political debate. We must remember that communal and disruptive forces forge ahead, once the class struggle abates or takes a back seat. Hence we must concentrate on sharpening the class struggle.

Women, both of the majority and minority communities, constitute the most vulnerable targets of the communal forces. Women being considered as mainly responsible for observing the religious rituals in the family, it is easy for the communal forces to mobilise them on the pretexts of religious occasions and spread the communal ideology among them. The Gujarat communal violence saw a large number of women, particularly from the middle classes actively participating in the violence and encouraging their men to loot and kill. We must pay special attention to counter communal forces operating among women.

## **STRENGTHEN CLASS IDENTITIES THROUGH CLASS STRUGGLE**

While, one deals with communalisation and decommunalisation of the working class, the question of identity assumes importance. In society a person has multiple functions and an identity relating to each function. A person has a class identity – as a worker or peasant or agricultural worker etc. The same person may also identify himself or herself as a Hindu, Muslim, or a Christian, Sikh etc. The communal forces attempt to strengthen the religious identity and undermine the class identity and protect the interests of the exploiting classes by dividing the working class.

Only by strengthening the class identity can the communal identity be overpowered and secularism defended. This means full fledged development of class consciousness and this can be achieved by involving the workers in sustained class struggle and by constant education. A class conscious working class is the real bulwark against communalism. Struggle against communalism particularly in the present day Indian context is itself a form of class struggle and ultimate success cannot be achieved by separating them (what is true for the working class is also true for the peasantry).

## **UNITE ALL SECULAR FORCES**

But while the working class should form the solid core of the secular front, the struggle should be most broad based. While one should not underestimate the forces of communalism, one should not overestimate it too. One should be objective in assessment. Even the election results so far do not indicate that everything is lost. There is a considerable section in our society which is firm against communalism. There is a vast section who voted for the Sangh Parivar not because they support communalism but on other considerations. Trade unions should take initiative to mobilise all such forces which include, among others, secular minded intellectuals. They have an important role to play in the struggle against communalism and the fascistic tendency of communal forces.

## **TASKS FOR COMBATING COMMUNALISM**

- 1) Strengthen the unity of the working class so that it overpowers religious communal identity. Intensive education campaign linked with sustained class struggle, covering majority of workers, is the strategic task.
- 2) Effectively counter the process of communalisation of peoples' consciousness by the communal forces by manipulating their religious consciousness and their spirit of nationalism. We must win over the sections of the working class affected by their ideology.
- 3) Literature dealing comprehensively with the various points of the mischievous communal propaganda should be brought out and methodology for campaign worked out. The form of campaign should be worked out according to the situation.
- 4) Intensify the struggle against the anti worker and anti people economic policies of the Government. The fight against LPG and the fight against communalism are the same struggle on two separate fronts and are essentially connected.
- 5) Raise anti imperialist consciousness among the working class
- 6) Working class and the trade unions can and should effectively intervene at all the stages of communal strife- when communal tension has developed but is yet to burst out into violence, during violence, and

also when violence has subsided.

7) We must collect within shortest possible time relevant information regarding the methods adopted by the communal forces to influence the workers, streamline the strategy for combating the same as outlined above and train up strong and effective cadres for the purpose by organising workshops at all levels.

(Paper adopted by the CITU General Council at its meeting held on 24 – 27 July, 2003 at Cuttack, Orissa)

## INFORMATION DOCUMENT

7th Conference of  
ALL INDIA COORDINATION COMMITTEE  
OF WORKING WOMEN (CITU)  
11-12 October 2003  
Suseela Gopalan Nagar, Mumbai

### SECRETARY'S REPORT

Dear comrades,

We are holding the 7th Conference of the AICWW (CITU) today. The 7th Conference of CITU, which is going to be held at Chennai on 9-13 December 2003. The documents of this Conference will be placed in the 7th Conference of CITU for endorsement. On behalf of the All India Coordination Committee of Working Women (CITU), I extend warm greetings to all the delegates participating in this Conference and thank the Maharashtra State Committee of CITU for hosting the Conference and making excellent arrangements.

#### HOMAGE

We pay respectful homage to all the leaders of the trade union and democratic movement in the country who have passed away after our last conference. Com Niren Ghosh, Secretary of CITU and President of the West Bengal State Committee passed away during this period. He played a very important role in developing the trade union movement in the State.

Veteran freedom fighter and trade union leader, Com Nandani Prasad Rao died on 28th November 2001. He was the Vice President of CITU in its tenth Conference, when he asked to be relieved due to old age. He was one of the leaders who directly led the famous Telangana Peasants' armed struggle against feudal oppression. He was the founder General Secretary of the Andhra Pradesh State Committee of CITU and was instrumental in developing CITU as the foremost struggling organisation of the workers in the State. He took great initiative to develop the working women cadres and ensure their representation in the leading bodies of CITU.

Com Suseela Gopalan, Vice President of CITU and founder member of the AICWW passed away on 19th December 2001. She was also the president of the All India Democratic Women's Association.



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## SECRETARY'S REPORT

**D**ear comrades,

We are holding this 7th Conference of the AICCCWW (CITU), before the 11th Conference of CITU, which is going to be held at Chennai on 9- 13 December 2003. The documents of this Conference will be placed in the 11th Conference of CITU for endorsement. On behalf of the All India Coordination Committee of Working Women (CITU), I extend warm greetings to all the delegates participating in this Conference and thank the Maharashtra State Committee of CITU for hosting the Conference and making excellent arrangements.

### HOMAGE

We pay respectful homage to all the leaders of the trade union and democratic movement in the country who have passed away after our last conference. Com Niren Ghosh, Secretary of CITU and President of its West Bengal State Committee passed away during this period. He played a very important role in developing the trade union movement in the State.

Veteran freedom fighter and trade union leader, Com Nanduri Prasada Rao died on 29th November 2001. He was the Vice President of CITU till its Tenth Conference, when he asked to be relieved due to old age. He was one of the leaders who directly led the famous Telangana Peasants' armed struggle against feudal oppression. He was the founder General Secretary of the Andhra Pradesh State Committee of CITU and was instrumental in developing CITU as the foremost struggling organisation of the workers in the State. He took great initiative to develop the working women cadres and ensure their representation in the leading bodies of CITU.

Com Suseela Gopalan, Vice President of CITU and founder member of the AICCCWW passed away on 19th December 2001. She was also the president of the All India Democratic Women's Association.

She was involved in organising the unorganised sector workers, particularly the coir workers in Kerala. As a parliamentarian and the Industries and Social Welfare Minister in the LDF Government in Kerala, she tried to improve the conditions of the working women in the unorganised sector and the anganwadi employees.

Com Suryanarayana Rao, Vice President of CITU passed away after a brief illness on 1st July 2002. He was also the President of the Karnataka State Committee of CITU and an ardent fighter for the rights of the working class.

We pay our homage to all these leaders who sacrificed their lives for the emancipation of the toiling masses from exploitation and for establishing a society free from all forms of exploitation and pledge to carry forward their unfinished task.

We also pay homage to all the other leaders and cadres of the working class and the people, who have laid down their lives in their struggle for upholding the rights of the oppressed people.

## INTERNATIONAL SITUATION

Comrades,

We are holding our Conference at a time when it is becoming clear to more and more people all over the world that the basic necessities of humanity – food, clothing, shelter, education and health – cannot be ensured in this capitalist society. Not only that, more and more people started to believe that another world, free from exploitation, is possible. The World Social Forum, with the slogan 'Another World is Possible' is attracting the attention of large sections of the people and organisations representing workers, peasants, students, youth, women, and socially oppressed sections of the society, all over the world. In 2004 January, the World Social Forum will be held in our country, in this same city, Mumbai.

The attacks on the working class and the toiling people have increased many times in this period. The World Bank and IMF dictated policies of neo liberal globalisation have increased the gap between the poor and the rich countries and that between the poor and the rich within countries. While the rich have become richer, the poor have become poorer. Unemployment has increased throughout the world, including in the developed capitalist countries, by leaps and bounds. Millions of jobs have been cut in the name of restructuring. Even the World Bank had to admit that its model of globalisation failed to reduce poverty.

After the terrorist attacks in New York and Washington on 11 September 2001, USA declared a 'war on terrorism' and attacked Afghanistan, destroying the country, which was already devastated under the Taliban rule. Though it could not catch Osama Bin Laden till today, it gained control over the strategically important area in Central Asia. The US then attacked Iraq accusing it of possessing 'Weapons of Mass Destruction' and posing a threat to the US. The weapons inspectors, after combing operations for around one year, failed to detect any such weapons. In spite of this, and the opposition of the people in the entire world, including in their own countries, who held massive demonstrations to protest against a war without UN sanction, the US and the UK went ahead with the war on Iraq. They have also ignored the opposition of other countries, including the developed countries like France, Germany etc. Thousands of innocent civilians, including a large number of women and children were killed in the war. Now, even the CIA admits that it may not be possible to find any WMD in Iraq. But the main objective was to gain control over the vast oil reserves in Iraq, which the US achieved through this war.

Nearly five months after Bush declared that the war was over, US finds it difficult to bring law and order in the country, where more US soldiers have died after the war than during the war. It is now desperately seeking to involve the UN and other countries in maintaining law and order in Iraq. Resentment is growing against Bush and Blair, in their own countries.

After 11th September attacks, USA listed Iran, Syria, Libya and North Korea as 'rogue States' and arrogantly declared that it would be free to attack these countries, even using nuclear weapons. The US document on its 'National Security Strategy' where it declares that it has the 'right to police and punish and annihilate with overwhelming force nations and peoples that it deems 'enemies of civilisation' indicates the arrogance of the US.

With the tacit support it has been receiving from the US, Israel continues to occupy the land of the Palestinians, in spite of several UN resolutions. The Government of Ariel Sharon has kept the Palestinian leader Yasser Arafat under house arrest and attacked his house. It continues to kill innocent Palestinians, bulldozing their houses in the occupied territory. Its Deputy Prime Minister talked of killing Arafat. While Israel stands isolated in the world, USA continues to protect it and had vetoed a recent resolution in the Security Council condemning Israel. The BJP led Government had extended a red carpet welcome to this butcher Sharon and is talking of building a US, Israel, India coalition to fight terror. This is in keeping with the line of the RSS, the fascistic parent organisation of the BJP to align with the biggest terrorists in the world, the USA and Israel.

## **NATIONAL SITUATION**

The BJP led NDA Government came to power by utilising the discontent of the people against the policies of Liberalisation, Privatisation and Globalisation, which were initiated by the Congress Government and pursued by the successive Governments at the Centre. But it has been pursuing the same policies more vigorously. The State Governments, barring those ruled by the Left Front Governments in West Bengal and Tripura, too have been competing with each other in implementing the same World Bank dictated policies.

Profit making and cash rich Public Sector Undertakings are being privatised. Lakhs of small and medium industries have closed down. Unemployment and underemployment have increased to unprecedented levels. The already vast unorganised sector is further expanding. Casual, contract, part time or home based jobs are increasing while the regular jobs are shrinking. Women who are forced to seek some employment outside their homes get only casual, contract, part time or home based work in the informal sector, where the conditions are severely exploitative.

Agriculture is in doldrums. Hundreds of peasants in almost all the States are committing suicides. Agricultural workers do not find work. Starvation deaths, sale of children etc are being reported among the poor from several parts of the country. The attacks on the working and living conditions of the working class and the toiling masses have increased in the period after our last conference.

The BJP led NDA Government has dismantled the Public Distribution System. Families having a bicycle, a black and white TV or even two male children are taken out of the PDS! The prices of all the essential commodities like oil, vegetables, pulses etc, have skyrocketed. The per capita consumption of food grains has come down. The burden on women, who have to feed the family has increased manifold. Women spend longer periods in search of cheap food, fuel, fodder etc. The unpaid work of women has increased. Increased work loads, lack of proper food, and lack of access to medical facilities seriously affect the health of women workers in the unorganised sector.

The uneven development, lack of industrialisation and the neglect of some parts of the country like Kashmir, the North East etc by successive Governments at the Centre had helped the spread of separatist and terrorist outfits in these regions. The discontent among the youth due to the policies adopted by the BJP led Government has further helped these forces. The State sponsored communal carnage in Gujarat had further aggravated the problem. As a result, the terrorist attacks continue unabated in several parts of the country like Assam, Kashmir, Tripura and other States in the North East. Hundreds of activists of mass organisations, particularly from the leftist organisations have been killed by the terrorists.

## **SECOND NATIONAL COMMISSION ON LABOUR**

The Second National Commission on Labour has acceded to the demands of the employers and completely ignored the interests of the workers. Its recommendations would give a free hand to the employers to 'hire and fire' workers at their own sweet will. The employers will be free to close down their establishments without any restrictions, throwing thousands of workers to the streets. The Labour Commission has also allowed employment of contract workers in all except the core jobs and also in the core jobs under certain circumstances. The right to strike and even the right to register trade unions have been curtailed.

The Commission agreed to the demands of the employers to allow night shift for working women. It has recommended that there need not be any restriction on night shift for working women, if the management is able to provide satisfactory arrangements for their transport, safety and rest after and before shift hours. But our experience is that most of the managements do not provide any transport facilities to the women working in night shifts. In some EPZs, without any consideration for their safety, the women workers are dropped at the nearest bus stop in odd hours, where they find it very difficult to get any bus. Besides, it is not possible for women to take rest during the day because of their family responsibilities. While it may be necessary to allow night shifts for women in select industries, examining the issue on case to case basis, allowing blanket permission for night shift work for women will only help the employers to intensify their exploitation of women.

Another recommendation of the Labour Commission, which endangers trade union unity, is to promote formation of 'Membership Based Organisations (MBOs) for working women and for preferential treatment to them. It is a fact that vast majority of women workers remain outside the pale of the trade union movement today and there is an urgent need to organise them. But promotion of separate trade unions for working women is not the solution to the problem. Working women should be organised as part of the mainstream trade union movement and play an active role in it along with their brothers in the working class. Today, in many establishments, employers use women workers to bring down the wages and to weaken the trade union movement. MBOs for women will only further help the employers to increase the exploitation of both male and female workers, by dividing the trade union movement on gender lines.

## **SUPREME COURT JUDGEMENT**

The anti worker content of the process of imperialist globalisation is also reflected in the recent judgment of the Supreme Court in connection with the Tamil Nadu Government employees' strike. This retrograde judgement has dealt a blow to the confidence that a large section of workers and people had on the judicial system in the country. The Supreme Court on some earlier occasions, in a different international and national context, had given progressive and pro worker judgments. But the judgments in the last few years have been mostly in tune with the neo liberal policies of the Government.

In a separate judgment, the Supreme Court has reversed the judgment of the Bombay High Court permitting the air hostesses of Air India to fly up to the age of 58 years like their male counterparts. The Supreme Court stated that 'Pleasing appearance, manners and physical fitness are required for members of crew of both sexes'. It has also told that for services on board an aircraft, both men and women members of the crew were expected to be smart, alert and agile. But it did not clarify how women become less smart, alert and agile than men at 50. This judgment is not only discriminatory it also deprives women of monetary benefits that their male counterparts continue to receive. The court also commented that at 50 women would like to be with their families, away from stress and tension, implying thereby that women are less capable to withstand stress, which is not a fact. Another danger of this judgment is that it may encourage other managements also to retire women at an earlier age than men. In the case of contract labour, the Supreme Court reversed its own judgment on giving rights to contract labour, which include a large number of women.

The Supreme Court has also upheld the laws enacted by some State Governments barring those having more than two children from contesting in Panchayat elections. As a result of this judgment, many elected women representatives with more than two children, have already been removed from their posts. It is a generally recognised fact that the number of children is usually linked to several factors like infant mortality, poverty, literacy, access to medical facilities, contraception etc. Besides, in our society where son preference is widely prevalent, women have very little choice on the number of children they should have. Unless these issues are dealt with, enforcing family planning through coercive measures does not give the desired results.

#### **DANGER OF COMMUNALISM**

The BJP led Government at the Centre has continued to communalise all the democratic institutions in the country, by appointing RSS functionaries in key posts. The September 11 attacks in the US, the Godhra incident, the terrorist attacks on the Parliament and Akshardham Temple etc, are all utilised to divide the society on communal lines to reap electoral benefits. The BJP rode to power in Gujarat by utilising the communal divide created by the State sponsored communal carnage in the State, in the aftermath of the heinous burning of the Sabarmati express in Godhra. Buoyed by this, it is set to repeat the same experiment throughout the country. The Ayodhya issue is raked up again in view of the ensuing elections to the five State Assemblies this year and to the Lok Sabha next year. As more and more people get disillusioned with the economic policies of the BJP Government and are coming into struggles, the RSS and its outfits like the VHP and Bajrang Dal are pressed into service to rouse communal passions. The communal forces utilise the common religious and traditional practices of the people to spread communal hatred against the other religions. VHP, Bajrang Dal and other RSS outfits particularly target and mobilise women including working women in the name of bhajans, vrats, artis, and other religious festivals and traditions, which are a part of life of many Hindu women in our country. It is to be noted that communalism of one variety helps the other and both are dangerous to the unity and integrity of our country. It is sad that in several industrial centres the working class has fallen prey to the machinations of the communal forces.

Communalism of either the majority or the minority varieties seek to confine women to the home and family and impose many restrictions on working women. Fundamentalists in all religions seek to oppress women. With the attacks on the working class increasing by the day, it is of utmost importance for us to preserve the unity of the working class by opposing any kind of communalism. We must make all out efforts to educate the working women about the dangers of communalism.

## **RISING STRUGGLES**

It is encouraging to note that the first few years of the new millennium have seen the resurgence of a wave of struggles by the working class all over the world against the imperialist dictated policies of neo liberal globalisation. For the first time three international Trade Union Centres- WFTU, ICFTU and WCL – gave a joint call to all their affiliated unions in the world to observe International Protest Day against Globalisation, on 9th November 2001. This was observed in a big way in several countries including our country by big mobilisation. Working women in our country participated in these protests in large numbers. Mighty and militant demonstrations and a wave of strike actions are being held in several countries including the developed countries like Britain, France, Italy, Spain and the USA. Lakhs of municipal employees, rail, road and air transport employees and other workers have struck work against cuts in their pension and other benefits.

## **MORE WORKING WOMEN PARTICIPATE IN STRUGGLES**

In our country too more and more workers are coming into struggles, not only on their own economic demands but also against the anti worker policies of the Government. Coal workers, Bank and Insurance employees, Public Sector workers, State Government employees and other sections have launched big struggles including strike during this period. The number of working women actively participating in these struggles has considerably increased. Anganwadi employees, beedi workers, women workers in other industries in the unorganised sector are holding militant struggles to improve their working conditions. Women workers in the EPZs, where even forming a union is not allowed, have joined strikes against the harassment by the managements. Middle class women employees in Banks, Insurance, State and Central Government departments, teachers etc, who earlier were reluctant to come out on to the streets shouting slogans are actively participating in processions and rallies in increasing numbers. Thousands of anganwadi employees throughout the country face police lathi charge and arrests, and victimisation by the authorities while participating in struggles.

We have to review the work of the AICCWW in this background and examine how far we could carry out the tasks assigned to us by the CITU. Drawing proper lessons from our overall experiences in our work among working women, we must reorient our work in order to face the challenges ahead and advance working women's active participation in the trade union movement of the country.

## **CONDITIONS OF WORKING WOMEN**

The policies of liberalisation and globalisation pursued by the BJP led Government at the Centre have imposed disproportionately huge burdens on working women.

Unemployment and underemployment have sharply increased. As the poor, particularly women, cannot afford to be unemployed they are forced to seek some work even for a shamefully low wage. Though the proponents of the policies of globalisation, privatisation and liberalisation widely proclaimed that job opportunities for women would increase and there would be 'feminisation of labour', in our country the workforce participation rates of women have fallen, both in the urban and in the rural areas. While female employment in the organised sector was 15.2% in 1987-88, it has come down to 11.4% in 1998.

In 1999- 2000, out of a total work force of 397.9 million in the country women constituted 123.9 million. Out of this 105.7 million women work in the rural areas and 18.2 million in the urban areas. 96% of working women are engaged in the unorganised sector, where there is no job security, no social

security or other benefits and the wages are extremely low.

## **WOMEN IN AGRICULTURE**

Vast majority of women workers are employed in the rural areas. Around 84% of working women are engaged in agriculture, most of them as agricultural workers. 76% of the labour force in sowing seeds, 90% for transplantation, 100% in traditional food processing and 69% in dairying are women. The World Bank and WTO dictated policies being followed by the BJP led NDA Government have played havoc with our agriculture. The cost of inputs of agriculture has increased sharply because of withdrawal of subsidies, levying user charges for inputs etc. On the other hand, our peasants do not get remunerative prices for their produce. While the developed countries force the developing countries to withdraw subsidies, huge subsidies are given to the farmers in their own countries. With the removal of quantitative restrictions on imports, our agricultural products face stiff competition from cheap imports.

More than 56 years after independence, most of our agriculture is dependent on a good monsoon. The severe drought which has affected large parts the country during the last few years, coupled with these anti farmer policies, have led to heavy indebtedness and bankruptcy of a large section of poor and middle peasants. Thousands of peasants all over the country, including in States like Andhra Pradesh, Karnataka, Maharashtra, Punjab, Uttar Pradesh, etc- have committed suicide. Along with the trauma of losing their husbands/ sons, the peasant women in these families have to take up the full responsibility of looking after the family.

Women's share in the total number of agricultural workers has been increasing rapidly. From 31.18% in 1991, it has increased to 36.15%. In some States like Andhra Pradesh and Tamil Nadu women constitute more than half of the agricultural workers. The reason is that the work is of uncertain nature, and women are ready to work for very low wages. Women agricultural workers in many places get only Rs. 15- 20/- per day and in some places, their wages are as low as Rs 8-10/- per day. Due to the shift in the pattern of crops from food crops to commercial crops and increasing use of machines in various agricultural operations like ploughing, seeding, weeding, harvesting etc, the number of days of work for agricultural workers has come down drastically. Agriculture workers are not getting work for even 60 days in a year. Women agricultural workers are the worst affected. As the male members migrate in large numbers women have to take the entire burden of caring for the families. The number of women headed families has increased. Women who migrate in search of jobs are subjected to severe exploitation including sexual abuse.

## **WOMEN IN TRADITIONAL INDUSTRIES**

Women work in large numbers in Beedi, Plantations, Textiles, Handloom, traditional industries like Cashew nut processing, Coir and Fisheries, handloom, Garments, Electronics, Food processing etc. All these industries are facing problems due to the economic policies of the Government.

Beedi workers do not get work throughout the week; the quantum of work has also come down. The Beedi and Cigar Act and the Beedi Workers' Welfare Fund Act are not properly implemented in many places. Most of the beedi workers do not get minimum wages. In some cases the employer employee relationship is masked by making it appear like sale of beedi leaves and tobacco and purchase of beedis.

Several Tea plantations in Kerala, Tamil Nadu, West Bengal and Assam have been closed or abandoned; hundreds of plantation workers have died due to starvation, lack of medical facilities or have committed

suicide in distress. The employers including large corporations like Tata and Birla deny the workers the benefits to which they are entitled under the Plantation Labour Act, in the name of crisis in the industry.

The use of extensive modern technology in the organised food processing sector has also displaced large number of women workers. The unorganised sector in food processing, where large number of women are employed as self employed or working in small units, is getting marginalised.

Permission is given for foreign trawlers to fish in our coasts. As a result, the fish resources get depleted and thousands of our fishermen using small boats do not get any catch. The fisher women, who sell fish in the market, also are rendered jobless.

The handloom industry is in crisis. The price of yarn is affected by the international price fluctuations; the electricity rates have increased sharply due to privatisation; unfavourable quota systems have led to shrinking of export markets. The poor weavers do not get adequate credit. All this has led to large scale unemployment among the handloom workers, including women workers. Suicides of both men and women have been reported from many parts of the country.

### **WOMEN WORKERS IN URBAN ORGANISED SECTOR**

In urban areas, there is some increase in the regular employment only for the highly educated and technically qualified women. But most of them are employed on contract basis, without any social security.

A little more than 48 lakhs women were employed in the organised sector in 1999. But most of them are concentrated in the unskilled and low paying jobs. National Sample Survey data show that the proportion of casual workers in the total women workers has increased from 41% in 1990-91 to 45.3% in 1993-94. The proportion of regular workers fell from 4.5% to 3.4% in the same period. Women are mostly concentrated in those jobs, which are seen as extension of their domestic responsibilities, such as nurses, teachers, anganwadi employees, village health workers, municipal and Panchayat workers etc.

Out of the total women work force in the organised sector, 58% were in public and 42% in private sector. Women's employment in the public sector has come down in the last few years. Women are the first to be retrenched under VRS or downsizing, which the Government is resorting to as per the dictates of the World Bank. In Coal India, a VRS for women workers has been formulated to remove around 9,000 women workers engaged in loading and unloading work, from service. In several Public Sector Banks, women are forced to take VRS under threat of transfer to far off places. In some cases, even the male colleagues and union leaders bring pressure on women to go on VRS. This is the reflection of the misconception in society that woman's income is supplementary to man's income. It is also a fact that some women too prefer to take VRS after reaching a certain age and completing the responsibilities of children's education etc. With the interest rate on Bank deposits coming down and the cost of living and education of children going up by the day, these women find it very difficult to maintain their earlier living standards. It has also been found that some women who have taken VRS and remain confined to their homes, suffer from emotional disturbances.

In the name of promoting exports the Government has decided to set up Special Economic Zones in the country. The existing Export Processing Zones have been converted into SEZs. Thousands of young women aged between 18 and 25 are employed in the units in these EPZs/ SEZs. Though all the

labour laws of the land are applicable in these zones, in practice, the Development Commissioners, who have been given the powers of Labour Commissioners, are more interested in satisfying the demands of the investors than protecting the rights of the workers. These SEZs/ EPZs are deemed to be foreign territories; lot of tax and other concessions are provided to the investors, who flout all the laws of the land with impunity. An atmosphere of terror is created in the EPZs/ SEZs by the security guards and the employers. The workers are not allowed to form unions. In fact, they are not even allowed to talk to each other. Workers are forced to work overtime without being paid any extra wages. Women workers have to work in night shifts without being provided transport or resting facilities. They are subjected to severe harassment including sexual harassment.

The Government has cut down the expenditure on health and education as part of its efforts to cut down the welfare expenditure and is promoting private participation in these services. The private convents and schools, which have mushroomed in large numbers charge huge amounts from the students but pay paltry wages to the teachers, most of whom are women. Thousands of teachers' posts in Government schools are kept vacant denying job opportunities to the educated unemployed youth- both men and women- and proper education to the students. The same is the case with health. It is reported that 29 States have allocated three percentage points less in 2003- 2004 budgets, than what they have allocated to health, education and family welfare three years ago in their budgets. Most of the amount sanctioned to family welfare goes to family planning. Private and corporate hospitals are encouraged by providing prime land at nominal costs, tax exemptions/ concessions on the import of equipment etc. Thousands of young women are employed as nurses by many of these hospitals by paying nominal wages in the name of training, while they charge astronomical amounts from the patients.

The Government itself is employing lakhs of women as anganwadi workers and helpers, village health workers, education volunteers, etc and denying them minimum wages or any other benefits by terming them 'social workers'.

## **HOME BASED WORKERS**

The number of home based workers has vastly increased in the period of neo liberal globalisation. Around 70% of the home based workers are women. They are not even recognised as workers. There is no direct employer employee relationship as they are given work by some contractor/ agent/ middleman etc and have no direct contact with the principal employer. They are not paid minimum wages; they have no job or social security and live under constant fear of losing their work, in which case they and their families have to starve. The Government of India has not yet ratified the ILO Convention on Home Based Workers though it has voted in its favour in the ILO Conference.

Employers including big corporations, both national and multinational are resorting to outsourcing work to home based workers. Work connected with manufacture of even products like refrigerators and air conditioners, etc is given out to home based workers.

The knitwear industry in Tiruppur provides an example of the shift from factory based production to home based production. Until 1970, production was carried out in composite mills, where women were not employed. In the beginning of 80s, fragmentation of work started and women started working along with the male members of their families, helping them in cutting, folding and arranging. Part of this work was done at home. Male workers brought it home and the women mostly performed unpaid work. After 1985, while exports have increased manifold, the process of subcontracting has become established and women now constitute around 65% of the work force. They are paid low wages, and

have no job security.

## **MAJOR PROBLEMS OF WORKING WOMEN**

More than 28 years after the enactment of the Equal Remuneration Act with lot of fanfare, it remains unimplemented, particularly in the unorganised sector. Women agricultural workers, construction workers, beedi workers, shop employees etc are paid less than their male counterparts. Jobs are segregated into male and female jobs. Lower wages are fixed for the so called 'women's jobs' though they are back breaking and strenuous. A survey in Andhra Pradesh found that in sugar cane plantation, women were now engaged to do work, which was earlier done by men, at wages that were 30% to 50% less than wages that were paid to men. 8 men were engaged to plant sugar cane in one acre and were paid Rs. 300/- per day. Now, 10 women were being hired for the same work and are being paid Rs. 200/- per day. A woman gets Rs. 17.50 ps less than a man used to get per day, while the employer saves Rs. 100/- per acre in a day.

Working women are often denied training facilities and promotion opportunities. Women having the same qualifications, service and abilities as men are often denied promotions. Women are mostly found in the lower rungs of employment with very few or no woman found in the top managerial posts. Even today air hostesses above 50 years working in Air India are retired or grounded, while their male counter parts are allowed to fly till 58 years.

The vast majority of women workers in the unorganised sector do not get maternity benefit. The Government of India has not even ratified the ILO Convention on Maternity Benefit. Though the Second National Commission on Labour has lavished sympathies on the working women in the unorganised sector, it ended up only recommending that women workers in the unorganised sector should have a contributory maternity insurance. There was no word of any Government contribution to this fund.

Several studies have indicated that vast majority of working women both in the organised and the unorganised sectors are subjected to sexual harassment at some point of their working lives, from their supervisors, colleagues or customers at the work place. Free import of degenerate culture, the ugly portrayal of women in the media as objects of sex, and increasing commodification of women's bodies have led to an increase in the atrocities on women, including sexual harassment. More than six years after the ruling by the Supreme Court on Sexual Harassment, the Government is yet to enact any legislation on the issue. Complaints Committees as per the direction of the Supreme Court are formed in very few establishments, including those in the Public Sector. Even those that have been constituted are not allowed to function properly. Their recommendations are frequently ignored. More than 85% of the working women in the metropolitan cities, not to speak of those in the semi urban and rural areas, are not aware of the Supreme Court judgment on sexual harassment.

## **ACTIVITIES AFTER THE LAST CONFERENCE**

On the whole, the activities of CITU among working women have increased in almost all the States. More women participate in CITU campaigns and struggles. There is a general recognition by the CITU State Committees on the need for improving women's role in the activities of CITU. The membership of women in CITU at the all India level has increased to around 20%; in a few States the membership of women in CITU is more than 50%, while in a few others it is between 40% and 50%. Many of the CITU State Committees now have one or more women office bearers. There is some improvement in the activities of the AICCWW and some of the State Coordination Committees. But many weaknesses still persist and there is an urgent need to overcome them in order to utilise the full scope to advance

our work among working women.

It is heartening to note that the consistent efforts of the CITU and the AICCWW on the working women's front found a reflection in the serious efforts made by some of our fraternal organisations to increase the participation of women employees in their union activities. The All India State Government Employees' Federation and the Bank Employees' Federation of India have organised special women's sessions/ conventions on the occasion of their all India Conferences and have formed women's sub committees at the all India level. The All India Insurance Employees' Association has been organising women employees' conventions regularly at the branch and divisional levels since a few years. Zonal conventions are also organised in some zones. Branch, Divisional and some Zonal level women's sub committees have been formed. As a result of these efforts, more and more women insurance employees are coming forward to take up more responsibilities in the union activities. In some zones, women are elected as important office bearers at the divisional and zonal level.

### **AICCWW CENTRE**

At present three comrades form the Centre and are working from the CITU Headquarters. Besides the work of the CCWW, these comrades are holding responsibilities in some federations in industries with large number of women workers, like the Anganwadi Federation, Beedi Federation, Plantation Federation, Fishermen and Fisheries Workers' Federation and the EPZ Coordination Committee. Efforts are made to increase women workers' role in the activities of these Federations. However, there is still scope for improvement in the work of these comrades.

The attendance of the members in the meetings of the AICCWW has only marginally improved. The average attendance is only a little above 50%. A matter of serious concern is that the Convenors of some of the State CCWWs do not attend the meetings regularly, which affects the implementation of the decisions of the AICCWW. Some comrades continue to face financial difficulties in meeting the travel costs for attending the meetings of the CCWW, at all India and State levels, though on the whole, this problem is now being addressed by many of the State Committees of CITU. We must overcome these weaknesses at the earliest, if we are serious of improving the functioning of the AICCWW. This can be achieved if the CITU State Committees nominate comrades who are in a position to attend the meetings and ensure that their travel expenses are met with.

The recommendations of the 6th Conference of AICCWW were placed before the 10th Conference of CITU, which has adopted them. The AICCWW centre has made efforts to ensure the implementation of the decisions of the 10th Conference, related to our work among working women. Though this has resulted in some improvement in the implementation of the decisions, still many State CCWWs and State Committees of CITU do not take the implementation of the tasks among working women with the required seriousness.

To overcome this weakness, the Centre has taken the initiative to organise a meeting with the State leadership of CITU and the State Convenors of the CCWW, on 5th December 2002 at Delhi. 37 comrades from 17 States participated in this meeting. It is unfortunate that the State Convenors of CCWWs and the CITU State Committee leadership from some of the big States could not participate in this important meeting. M.K. Pandhe, General Secretary of CITU, Kanai Bannerjee and W.R. Varada Rajan, both Secretariat members of CITU also participated in this meeting.

Discussions were held on the basis of a note which tried to identify the causes of the failure by many State committees to implement the decisions taken by CITU on the tasks among working women. The

meeting was of the opinion that State Committees did not take the tasks among working women with due seriousness and pay proper attention to these. The meeting also noted that feudal attitudes towards the problems of women and lack of proper understanding on the role and functioning of the coordination committees and women's sub committees continue among both men and women cadres at different levels. To overcome this weakness, it was decided that such meetings should be organised by all the State Committees and that separate trade union classes for working women activists should also be organised. Attempts to hold such meetings have been made by the Andhra Pradesh and Kerala State Committees of CITU, though proper discussions could not be held due to poor attendance. The State Coordination Committees of Working Women should take initiative to ensure that such meetings are held at the earliest. Discussions should be held on the basis of the concrete situation in each State.

The AICCWW Centre has been organising Vimal Ranadive Memorial Lectures since 2001. First VRM Lecture on 'Impact of globalisation on working women in the unorganised sector' was delivered by the eminent economist Jayati Ghosh; the Second Lecture on 'Labour Law Reforms and impact on working women' was delivered by the then General Secretary of AIIIEA N.M. Sundaram; the third lecture in 2003 on 'Globalisation, War and Working Women' was delivered by the noted columnist Nalini Taneja.

15% quota was given to working women in the delegates to the Tenth Conference of CITU. But the actual participation of women in the Tenth Conference of CITU was only 10.8%. Though many States elected women delegates as per the quotas, it is unfortunate that women delegates from the stronger States were far less than the quota. In view of the increase in the women's membership in CITU, the General Council of CITU, which met in Cuttack on 24- 27 July 2003, decided that women should comprise 20% of the delegates from all States with more than 15% women membership, and at least 15% in the others, in the 11th Conference of CITU to be held at Chennai. The State Coordination Committees should make efforts to ensure that this is implemented.

## **ACTIVITIES IN THE STATES**

According to the information received by the Centre, there is some improvement in the activities of the State Coordination Committees after the last Conference. BUT, one of the major weaknesses that continues in our functioning is that many State CCWWs, particularly those in the big States, do not send reports of their activities. However, it is necessary to analyse our experiences in different States, on the basis of the information that is available and take necessary steps to further improve our functioning.

State Conventions were held and State Coordination Committees were formed before the last CITU Conference in many States. CCWWs have been formed in Andhra Pradesh, Assam, Bihar, Delhi, Haryana, Jharkhand, Karnataka, Kerala, Maharashtra, Orissa, Tamil Nadu, Tripura, Uttaranchal and West Bengal. But only some of these are functioning regularly. Around 9 State CCWWs are functioning to some extent and trying to implement the decisions of the AICCWW and CITU. In some States, members representing the CITU affiliated unions do not usually attend the meetings. In some States like Tamil Nadu, Kerala, Andhra Pradesh and West Bengal district level coordination committees have also been formed. In Tamil Nadu, district coordination committees have been formed in 30 out of the 34 districts in the State. In Tripura, sub divisional level coordination committees have been formed. However, the functioning of most of these coordination committees at lower levels needs much improvement.

According to available information, women's sub committees have been formed within some unions in industries with a large number of women workers, in some States. In Andhra Pradesh, the Andhra

Pradesh State Road Transport Corporation Staff and Workers' Federation has formed women's sub committees at the State level and in several districts, and is making serious efforts to make them functional. Women's sub committees have also been formed in the union of the Medical and Health employees' union. In West Bengal, women's sub committees have been formed in beedi and plantation unions.

Tamil Nadu State CCWW has taken this task seriously and formed women's sub committees in many unions in several industries. State level women's sub committees are functioning in CITU affiliated unions in the Electricity Board, Water and Drainage Board, Construction Workers' Federation, etc. District level sub committees have been formed in construction federation and the unions of Match workers, Beedi workers, Tailoring workers, Papad makers, Quarry workers, Fisheries workers, handloom workers, and Salt Pan workers in different districts.

The last Conference gave a call that efforts should be made to involve the CITU affiliated unions in the observance of International Working Women's Day on March 8. The Tenth Conference of CITU endorsed this decision. Accordingly, CITU unions are being called upon to take initiative to observe International Working Women's Day. The number of unions taking this initiative has increased in the last two years. March 8 was observed through group meetings at the work place, conventions, wearing badges with the demands of working women, cultural programmes etc in Tamil Nadu, Andhra Pradesh, Bihar, Maharashtra etc. The number of working women participating in these programmes has also considerably increased. Male workers are also involved in these activities.

The campaign we have decided in the last conference on the four major problems of working women could not be held in a successful manner except in Tamil Nadu, where the State CCWW conducted the campaign seriously. But campaigns on the problems of working women, particularly on sexual harassment, have been held in several States. Surveys, leaflet distribution, press meets, group meetings, round table meetings, conventions, etc were held in several States like Tamil Nadu, Andhra Pradesh, Karnataka, Kerala etc. More than 700 working women from different industries participated in the procession as per the call given by the Tamil Nadu CCWW, on the demands of working women in Chennai. In Tamil Nadu, Andhra Pradesh, Kerala and Karnataka, coordination committees have intervened in cases of sexual harassment.

In general, the State CCWWs have tried to mobilise working women in large numbers in the CITU campaigns and struggles, including strike. Large number of working women courted arrest on 8th January 2003 at the joint call of the Central Trade Unions to protest against the policies of the Government. The participation of women workers in the 26th February 2003 'March to Parliament' was impressive. Lakhs of women workers including the anganwadi employees, beedi workers, quarry workers, plantation workers, and brick kiln workers etc participated in the all India General Strike on the 21st May 2003. The State CCWW made efforts to mobilise women workers in all these activities.

The Kerala and Tamil Nadu CCWWs played an active role on the occasion of the Government employees' strikes in their States. Several women employees, including the members of State/ district CCWWs were arrested and kept in jail for 10- 14 days. In Tamil Nadu, several leaders of the Anganwadi Employees' Association were also arrested and kept in jail.

On the whole, it is evident that while the activities of some State Coordination Committees have improved, there is urgent need to improve the functioning of the CCWWs in many other States. More efforts are also needed to raise the consciousness of working women. It is also necessary to concentrate on organising the home based workers and to increase our efforts to organise the working women in

the unorganised sector. A special paper is being presented in this Conference, which after adoption will form the basis for our work among the home based workers.

## **ORGANISING WORKING WOMEN IN THE UNORGANISED SECTOR**

Most of the women in the unorganised sector still remain outside the periphery of the trade union movement, even in areas where the CITU has a strong presence. Though some efforts have been made to study the concrete impact of the policies of globalisation on the conditions of the working women in the unorganised sector, these were not successful. The AICCCWW decided to conduct a study, to start with, on the women in handloom, construction, and fisheries in the southern States of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu. This was envisaged to help the State CCWWs in developing contacts and understand the problems faced by the working women in these sectors, so that efforts could be made to organise them on their specific demands. A questionnaire was prepared and sent to these States. But the study is yet to be completed.

The State CCWW have to identify the industries in the unorganised sector with a large number of women, study their problems, formulate concrete demands and work out strategies to organise them. Some efforts towards this end were made in Andhra Pradesh, Tamil Nadu and Kerala etc. Domestic workers, Papad makers, fish vendors, tailors and women engaged in food processing etc have been organised. The CCWW in Visakhapatnam has actively participated in organising the workers in coffee plantations, most of whom are women.

But these efforts need to be increased many times in all the States and identified sectors. The women office employees, who are educated and have organising capabilities, should be motivated to take initiative to organise women in the unorganised sector.

## **THE JOURNALS**

The Voice of the Working Woman has been upgraded to a monthly from January 2002. Efforts are being made to improve the contents as well as the format of the journal so that it is made more attractive and informative for the readers. The journal is generally appreciated as being informative and useful for union activists. The Centre tries to utilise occasions like Conferences, General Council and other meetings to sell the journal. Around 1,000 copies were sold at the time of the Asian Social Forum at Hyderabad.

But, the number of annual subscribers of the journal has almost remained stagnant since the last Conference. It has reached 3, 700 but again came down to 3,234 now. The State CCWWs must ensure that all the subscribers renew their subscriptions to sustain the subscriptions. Though the matter is regularly being discussed in all the meetings of the AICCCWW and quotas are taken unanimously, the State CCWWs have not made serious efforts to implement the decision to conduct intensive campaign for enrolling subscriptions. We have to earnestly implement the decision to take up subscription enrolment campaigns to utilise the vast contacts we have with English reading women employees in Insurance, Banks, State and Central Government undertakings etc. We can easily fulfil the quotas given in the annexure if State CCWWs plan properly and make serious efforts.

The Hindi 'Patrika' which was started as a news letter to reach out to the working women in the Hindi speaking States, is being brought as a quarterly bulletin. The circulation is around 2,000 and almost all the subscribers are anganwadi employees from Hindi States. It is necessary to take the 'Patrika' to other sections of working women in the Hindi speaking States. The circulation can be increased to

over 5,000, if the comrades from the Hindi speaking States seriously make the necessary efforts.

## **WOMEN IN CITU**

As noted already, there is some increase in the number of women members in CITU and also in the representation of women in the CITU Committees at various levels as well as their presence in the committees of the various industrial federations. Women's membership in CITU has increased from 15.91% in 1998 to 19.08% in 2001. It was 20.68% in 2000. Women constituted 55% of CITU membership in Karnataka and 48.65% in Himachal Pradesh in 2001. It was between 20% and 40% in Andhra Pradesh, Assam, Haryana and Kerala in the same year. It is to be noted that many unions do not mark the number of women members while filing annual returns. If this is rectified the number of women members will be actually more. The State CCWWs should ensure that women's membership is properly mentioned while filing annual returns.

Almost all the State Committees and many district committees of CITU have at present women members and many have at least one office bearer, though it is not commensurate with the women members in CITU. The number of women members in the working committees of Beedi Workers' Federation, Plantation Workers' Federation, and Construction Workers' Federation etc has also increased. The CITU State Committees need to ensure that these women participate in the meetings regularly and they are trained to carry out their responsibilities more effectively.

The experience of Tamil Nadu indicates that if regular guidance is given by the CITU State Committee, the functioning of the CCWWs would not only improve but also a large number of women cadres could be developed. A large number of educated women office employees in the State are closely associated with the day to day activities of the CITU and many of them are elected as members and office bearers of the district committees of CITU.

To create awareness on the importance of our work among working women it is necessary to include a subject on 'Working Women and the Class Perspective' as one of the subjects in the general trade union classes of CITU. It is also necessary to conduct separate trade union classes for working women activists.

To advance our work among working women it is suggested that all the State Coordination Committees of Working Women take up a wide campaign on the following demands of working women in the country.

## **DEMANDS OF WORKING WOMEN**

1. Reverse the anti worker and anti women policies of globalisation and liberalisation.
2. Stop the anti worker amendments to the labour laws.
3. Ban retrenchment of women in any form. Create more employment opportunities for women, as a matter of policy.
4. Unemployment benefit should be given to all those who have been retrenched and to those on the employment register.
5. Eight hour work in a day should be strictly implemented for all working women including those in the

EPZs and in the unorganised sector. Overtime wages should be paid whenever they are asked to work for longer hours.

6. Equal wages and equal opportunities for work.

7. No discrimination in training, promotion, deployment and retirement in both public and private sectors.

8. Maternity benefits should be provided for all working women including to those in the unorganised sector and agricultural working women. This should cover miscarriages also.

9. National Minimum wages should be fixed as per the recommendations of the 15th ILC and should be strictly implemented.

10. Supreme Court judgment on Sexual Harassment should be strictly implemented in all establishments; Complaints Committees should be formed as per the guidelines of the Supreme Court. Legislation should be enacted against sexual harassment at work place immediately.

11. Ratify ILO Convention on Home Based Workers and enact law for home based workers.

12. Crèches should be provided near the place of work. Working women should be given time to feed their babies.

13. No blanket permission for night work.

## TASKS

In our last Conference, we have noted that as crisis in the capitalist system intensifies, the ruling classes would seek to shift the burden on to the working class and the toiling masses, by intensifying exploitation. They will not hesitate to attack even the democratic rights of the workers and the people. All the arms of the State- executive, legislative, judiciary and the police – will be utilised to suppress any resistance to their attacks. This is what we have witnessed in the recent period. We have to multiply our efforts to organise working women from all sectors under the banner of CITU, train and educate them in order to raise their consciousness and prepare them to effectively repulse the attacks on their livelihood. We must also make them realise that the exploitation of women workers as part of the working class will continue as long as this capitalist society exists. The basis for the end of exploitation of women can be established only in a socialist society where there would no exploitation of one human being by another. We must create this awareness among working women.

Keeping this in view, the 7th Conference of the All India Coordination Committee of Working Women (CITU) calls upon all the State Coordination Committees of Working Women to undertake the following tasks with due urgency and seriousness:

1. Organise meetings of the State leadership of CITU along with the State CCWW as recommended by the 5th December 2002 meeting at Delhi.

2. Improve functioning of the State and District Coordination Committees of Working Women.

3. Organise wide campaigns on the demands of working women, through local meetings, district and State level conventions etc culminating in a massive mobilisation of working women at Delhi in April 2004.

4. Identify priority areas in the State and prepare a plan to organise the women working in these sectors/ industries
5. Increase membership of women in CITU; ensure adequate representation of women in leadership positions in CITU Committees and its affiliated unions at various levels.
6. Concentrate on organising Home Based Workers. Identify the jobs, in which women home based workers are involved in large numbers, decide priorities, study their conditions and prepare a plan to organise them.
7. Ensure formation of working women's sub committees within the CITU affiliated unions/ federations with large number of women.
8. Ensure proper functioning of the working women's sub committees.
9. Hold separate State level trade union classes for working women on a regular basis
10. Conduct a campaign for enrolment of subscribers to 'The Voice of the Working Woman' and increase the circulation to 5,000 and increase circulation of 'Patrika' to 5,000 before the end of 2004.

Besides these, for the better functioning of the Coordination Committees of Working Women at various levels and further improvement in the representation of women in the membership of CITU and in its committees at different levels, the 7th Conference of AICWW also suggests that the following decisions of the CITU be reiterated by the 11th Conference of CITU at Chennai, for effective implementation:

- æ Allot a full timer, preferably a woman, at the State Centre for the work among working women. If a woman is not available, a male comrade should be given the responsibility.
- æ An office bearer of CITU State Committee should be given the responsibility to guide the work among working women and the progress of our work should be monitored periodically.
- æ Ensure that the expenses of women members for participating in union/ CCWW activities are met by the concerned committees.
- æ Gender issues to be incorporated as a part of the curriculum in the general trade union classes for the CITU activists.

I trust that all the delegates will study the report carefully and enrich it with their rich and varied experiences.

With greetings,

**Yours comradely  
Hemalata  
Secretary**



# **CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE**

**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003  
CHENNAI, TAMIL NADU**

## **INFORMATION DOCUMENT**

7th Conference of  
ALL INDIA COORDINATION COMMITTEE  
OF WORKING WOMEN (CITU)  
11 - 12 October 2003  
Suseela Gopalan Nagar, Mumbai

### **DISCUSSION - NOTE ON HOME BASED WORKERS**

**T**he neo liberal policies of imperialist globalisation have led to fast expansion of the already vast unorganised sector in our country. More than 90% of the work force in the country is in the unorganised sector, in which 96% of the women workers are engaged. Most of them work as contract, casual, part time, temporary or home based workers.

Home based work can be defined as a system of production under which work of an establishment is carried out by an employee at a place of his or her choice, usually his or her own home. Home based work differs from handicrafts or the cottage industries in that it is not an independent form of production. Home based workers are not free to decide what to produce and do not market their own products. They are dependent on the work given to them by the establishment, mostly through middlemen or contractors/sub contractors.

There is an increase in Home based work in the era of globalisation. In the early days of capitalist production, capitalists drew workers from villages and employed them in the production of commodities. Women and children were also brought into organised production in factories. But with the development of technology, the scope for dividing the manufacturing process into innumerable small parts, which can be executed by unskilled workers, has increased. The capitalists utilise this to reduce their cost of production and increase their profits, by outsourcing work to the informal sector. Now the reverse process has started in that production is being shifted from factories to the informal sector. Factories are being closed down, and workers are retrenched, women being the first to be sent out.

In the advanced capitalist countries, where informal sector is very small and production is carried on mostly in the organised sector, there is not much scope to outsource the work to the informal sector. Globalisation has enabled the manufacturers in the advanced capitalist countries to outsource work to the workers in the vast informal sector in the developing countries like India. Availability of cheap labour and the lack of any legal protection to the home based workers in the developing countries

including India have made it attractive for even the big multinational corporations to outsource work to home based workers in these countries.

In our country, in addition to the traditional jobs like weaving, lace, chikan work, handicrafts etc, lot of newer types of jobs including assembling of electronic and electrical products etc are performed by home based workers, in the era of globalisation. Home based workers are involved even in the production of garments, leather goods, and electronic goods etc, marketed under the brands of multinational corporations. Most of the home based workers are women.

In fact, Home based work or the putting out system is not a new phenomenon in India. Its roots can be traced to the 'dadni' system which was prevalent in the Mughal period, when artisans, particularly weavers, chikan embroiders, raw silk producers etc were given orders by middle men and paid wages. Home based work in different industries has different origins. For example, in 1860, lace making was first taught by the Christian missionaries to poor women who converted to Christianity in Narsapur in Andhra Pradesh, to help them earn their living. Lace made by these women was exported and the money collected was paid to them. Lace making on regular commercial lines was started in 1900, using home based workers. The industry today is well integrated into the international market.

In the beedi industry, initially production was carried on in factories. But after the Factories Act was extended to the beedi industry, the employers shifted to home based production to avoid implementation of the provisions under this Act, which provides for specified working conditions and some welfare benefits to the workers.

Chikan embroidery flourished in the Mughal period. Under British rule it declined and men shifted to find better paid work. Only women continued to do chikan work. After independence, efforts were made to revive the industry and traders and exporters utilised the situation to organise production through home based work by women.

The spread of home based work is an attempt by the capitalist class to bring about a change in the organisation of production as a response to the ongoing struggle between labour and capital. Several examples of this can be found in our country. In the beedi, coir and cashew industries, production was earlier carried out in factories or 'karkhanas'. The workers in these industries organised into unions and conducted many struggles, which compelled the Government to enact certain laws to protect the interests of the workers. As a response to this, the capitalists reorganised their production plans, shifting bulk of the jobs to home based system as in beedi or cottage based subcontracting as in cashew and coir. While the real employers could get away from their responsibilities towards the workers and increase their exploitation, this made it difficult for the workers to get organised and challenge their exploitation.

Home based work provides lot of opportunities for the employers to increase the exploitation of the workers while the workers have no other option to survive.

With the advent of the LPG policies, lakhs of small and medium factories have closed down, throwing millions out of jobs. Agriculture, handicrafts, and traditional industries are all in doldrums. Unemployment and underemployment have increased. Women, who are traditionally required to feed the families, are forced to seek some employment even for a meagre wage. The employers utilise this situation to cut their costs of production by paying very low wages to the home based workers.

Home based work provides many advantages to the employers. The employers do not have to incur

the expenses on machinery, equipments etc, as these are borne by the home based workers themselves, as the production is carried out in the home of the workers. The employers even charge rent and maintenance costs when they provide any equipment as in the case of machines for making drawing pins, sewing machines for stitching etc.

The employers do not have to bear the cost of infrastructure too. The work is carried out in the home of the worker; thus the worker provides space, bears the cost of electricity, water etc.

Home based workers are also made to subsidise the cost of the raw materials. For example, in Papad making, workers have to bear the cost of oil; in paper- bag making and labelling of individual beedis, the cost of glue is borne by the workers.

Work is provided as per the requirements of the employers, depending upon the market. No overhead costs need to be incurred by the employers when there is no work. As the workers are scattered and work in isolation, it is very difficult to organise them. As workers are not organised and are under constant uncertainty of getting work, the employers need pay very low wages only.

Besides, by and large home based workers are not covered by any legislation. Though the Government of India has voted for the ILO Convention on Home Based Workers, it has not yet ratified the Convention. The ILO Convention says that there should be equality in remuneration and statutory social security between Home Based Workers and those working in an enterprise and that they should have the right to join organisations of their choice. It also requires Governments to formulate a National Policy which should be implemented through legislation.

Home based workers are paid as per the piece rate system. Thus they are made responsible for the quality and quantity of what they produce. By this method, they are made to work for longer hours to earn their daily wage, with the employer having no need to employ a supervisor at the work place.

## **EXTENT OF HOME BASED WORK**

Home based workers are engaged in a large variety of jobs. But the Census or the other data available do not reflect the magnitude of the problem. The products of their labour are seen everywhere but they are invisible in official statistics. In the Census, most of the women engaged in home based work are registered as non workers and their contribution to the economy is not recognised.

According to the information available, the following are some of the many hundreds of jobs in which home based workers are engaged:

\* Beedi \* Agarbatti \* Papad making \* Lace making \* Garments \* Glass bangles \* Embroidery \* Weaving dupatta borders \* Jewellery \* Cosmetics, Bindis \* Safety pins \* Drawing pins \* Agro processing \* Leaf Plate making \* Shoe making \* Making Flower garlands \* Making seats for bicycles \* Making seats of chairs \* Making Foot balls \* Laundry \* Assembly of Electronic and electric goods \* Paper bags \* Gum making \* Dye making \* Kite making \* Toys, painting of pupils on dolls' eyes \* Cotton pod shelling, rice husking, tobacco shredding, nut cracking and processing, shelling fish, jute threshing \* Packaging \* Making plastic wire scrubbers \* Tele work \* Data feeding, accounts etc on computers \* Typing, translation, editing, printing, book binding

## **CONDITIONS OF HOME BASED WORKERS**

It has been estimated that around 70% of the home based workers are women. A large number of them work from their homes because of social restrictions. Some of them are forced to work at their homes because of closures of the factories, where they worked earlier, retrenchment, dismissal and non availability of factory work.

Home based work is paid by piece rate, which is very low. It is several times lower than the minimum wages fixed by the Government. One survey found that the average income from home based work in Delhi was only around one fifth of the legal minimum wage. This in spite of the fact that several members of the family, including children particularly girl children, work to complete the job.

Rejection or 'chaat' is very common in home based work. The finished products are rejected on the pretext of bad quality and wages are not paid to the worker for the rejected pieces. But these pieces are neither returned to the worker nor scrapped even. They are often sold in the market. The workers are provided less quantities of raw material and are asked to make the prescribed quantity of the finished products. They are forced to buy the raw material from the middle men at higher price.

Because of the increasing unemployment, and the resulting intense competition in the era of globalisation, wages have remained almost stagnant in some works, while in some like embroidery, piece rates have in fact declined. Wages are not paid regularly. There is no guarantee of regular daily work. They have to work for more hours. It was found that around 20% of the home based workers had to work for 10 hours in a day. Most of these in fact work on the job for 12- 16 hours in a day.

Because of the long hours of work and the unhealthy conditions in their homes, most of the home based workers suffer from occupational health problems. A large number of them engaged in embroidery, bindi decoration, etc, where they have to work in a bending position and concentrate on minute parts, suffer from back pain, eye strain etc. Those working with wires like fixing electric wires on electric irons, and screws on voltage stabilisers etc have cuts, blisters and other injuries on their hands.

There is no comprehensive legislation to protect the interests of the home based workers, except for the beedi workers who are covered by the Beedi and Cigar (Conditions of Employment) Act and the Beedi Workers Welfare Fund Act. They do not have any social security.

## **ATTITUDE OF THE GOVERNMENT**

The Government wants to portray home based workers as 'own account' workers, that is, those who produce and sell their products. But, reports of several studies including the Shramasakti report (Report of the National Commission on Self Employed Women) show that majority of the home based workers are wage workers and not own account workers. Accordingly, the Shramasakti report recommended legislative protection for home based wage workers. But till now the Government did not make any effort to bring law for the home based workers. Instead, in the Draft National Policy on Home Based Work, which is not yet finalised, the Government seeks to conceal the difference between the 'own account' workers and the home based wage workers. The policy proposals of the Government are primarily directed at the 'own account' workers, ignoring the intense exploitation of the majority of the home based workers by the contractors, and the principal employers.

Besides, there is a misconception that women prefer home based work, because it provides them with the opportunity to manage both their domestic responsibilities and wage work. This line of thinking is

also promoted by the Government. But it has been found that many women prefer factory work to home based work, because of the intense pressure and the work load which they have to face while working at home. Many work at home because they could not find a regular and better work. In a survey it was found most of the women told that they were working at home because of social restrictions but none told that they preferred home based work as managing their family and work was easy.

Pursuant to the adoption of the ILO Convention on Home Based Workers, the Ministry of Labour prepared a discussion paper on 'Draft National Policy on Home Based Work'. (This policy, as mentioned earlier, is yet to be finalised). The paper projects home based wage work as advantageous for the economy and lists the 'advantages' under:

- a. No overhead costs, as these costs are borne by the workers
- b. Workers subsidise costs of raw materials
- c. Workers form a dispensable pool for the employers
- d. Because workers work in isolation, unionisation is difficult
- e. Employers can pay them very low wages; employers do not provide them with social security
- f. Piece rates ensure that workers bear the responsibility for quantity and quality of output and save cost of supervision for the employer

The discussion paper equates the advantages for the employer with those for the economy. If this is the line presented in a paper prepared by the Ministry of Labour, only the naïve will expect that the Government is serious in taking any serious steps to improve the conditions of the Home Based Workers.

The Second National Commission on Labour does not make any specific recommendation for the protection of the home based workers, though it vaguely states that the home based wage workers and the 'own account' workers may need different types of protection and recommends that the home based workers should be covered under the Minimum Wages and other existing laws. This is not possible under the existing conditions because of the difficulties in establishing the employer employee relationship in the case of home based workers.

The whole approach of the Government towards home based work is in line with the policies of globalisation and liberalisation, which consider the informal sector as an engine of growth and 'which works within the discipline of the market without imposing the extra responsibility of formal employment'.

## ORGANISATION

Vast majority of the home based workers are entirely unorganised. Only a small percentage of home based workers in beedi, agarbatti, garments, Papad making etc are organised under trade unions.

Obviously, it is very difficult to organise home based workers. Geographically they are scattered and there is constant fear of losing the work. The work is prone to shifting; whenever the contractor or the middleman gets inkling that the workers are getting organised immediately the work is shifted to some other place. As the nature of the work is usually unskilled or such that the required skills can be acquired/ imparted easily, this poses no problem for the employer.

Most of the home based workers are illiterate and have no knowledge about unions. Many trade unions also do not even try to organise them in view of the difficulties in organising them. It is also very difficult to get any benefits for them as they have no legal benefits and there is no visible employer

employee relationship. The persistent attitude of indifference towards gender sensitivity that plagues the trade union movement in the country in general had acted as a deterrent in due attention being paid to organise the informal sector workers, particularly the Home Based Workers. The CITU had, some time back, emphasised the need to organise the workers in the unorganised sector and also of the importance of organising working women, with some measure of success. But, we cannot claim to have made any serious efforts, focussed on organising the Home Based Workers.

In spite of all these difficulties, it is necessary that we pay attention to this question and make efforts to organise the home based workers, in view of ever expanding home based work, in the era of globalisation. A large number of the home based workers belong to the minorities, dalits and other socially oppressed sections of the society. It is necessary to bring these sections into the trade union movement.

A beginning can be made by making a study of the problem and identifying priority areas and industries to organise the home based workers. In some States, efforts have been made to organise the home based beedi workers, agarbatti workers, garment workers, Papad makers, handloom weavers, leaf plate makers etc, with some success. These experiences can be studied in detail to draw proper lessons and take up the task in other areas.

Though it is necessary to conduct a detailed sector/ industry wise study to identify the concrete problems and demands of the home based workers in different sectors, the following demands can be made the starting point for our work among the home based workers:

1. The Government should conduct a comprehensive survey and collect data on home based workers- the extent of home based work, the different industries/ sectors/ trades where it is prevalent, the number of home based workers, their conditions etc. Data on home based workers should be collected in the Census.
2. Government of India should immediately ratify the ILO Convention on Home Based Workers
3. Enact a Comprehensive Central legislation for Home based workers; all the establishments/ employers/ contractors/ sub contractors etc employing home based workers should be compulsorily registered.
4. Identity Cards should be issued to all home based workers.

## **TASKS**

We should take up the following tasks to advance our work among home based workers:

1. State Coordination Committees should undertake study on the conditions of the home based workers in their States
2. Identify priorities and work out strategies at State level to organise them
3. Plan a campaign programme in the selected industry/ sector
4. Address problems related to the residential areas, like ration cards, water, sanitation, caste oppression and other social problems

5. Take up such issues and campaign methods that will involve large number of home based workers and create confidence in the strength of unity

6. Various transitional forms of organisation like area based groups, self help groups, support centres, cooperatives etc should be considered depending upon the specific situation, to facilitate the process of organising these workers.

Com. P Ramamurthi Nagar  
9-13 December 2003  
CHENNAI, TAMIL NADU

## REPORT OF THE TREASURER

Comrade President and Comrades,

The audited statement of accounts of CITU, for the years 2000, 2001 and 2002, are placed before you for your consideration and adoption. Since it has become a statutory obligation to file income tax returns, our accounting year will be April to March. The audited statement accordingly covers the period up to March 2003.

These year wise audited accounts have already been adopted by the meetings of the CITU Working Committee and General Council, held from time to time, since last conference.

### ON FUNDS

You are aware that we are in the midst of a very big struggle. Every other day one issue or the other is cropping up, which warrants our immediate intervention. You are also aware that major initiative is taken by us to broad base the platform of united struggle encompassing large sections of the working class. Our independent activities have also increased along with the joint actions. Needless to say, all these involves substantial amount of money. This apart, our office expenses have increased three fold. It is, therefore, important for our unions and State Committees to ensure that the affidavits, i.e., the only source of our income, are collected and deposited with the CITU centre regularly. Our membership as per Annexure I is over 34 lakhs, although we had committed to make 1.40 lakhs. Nevertheless, since this conference is being held on the basis of 2002 membership, major portion of the collections have already been made. It is, therefore, necessary that we maintain our efforts to broaden membership collections regularly every year. The regular flow of funds will help the State Committees also to augment their funds. I may inform you that the Government of India has already notified the verification of membership of Central Trade Union Organizations. The verification will be undertaken on the basis of membership of 2002. According to the process initiated, we are to place our claims by 31st January 2004. I request the State Committees to collect and send the left over annual return and affiliation fees immediately so that it can be included in our claim.

### BTR FUND

I am closing the collections made by our State Committees towards the fund till date. Till 13th December 2003 will be the 100th birthday of Com. BTR, and the year thereafter will be celebrated as a centenary year. BTR's vision for a Trade Union Research Centre and a School will have to be given shape to. This will probably be our best contribution to our most beloved leader. I therefore, appeal to you to fulfil the commitment made towards collection of BTR Fund, so that a good memorial can be



# CENTRE OF INDIAN TRADE UNIONS ELEVENTH CONFERENCE

**“Com. P.Ramamurthi Nagar”**

**9-13 December 2003**

**CHENNAI, TAMIL NADU**

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### BTR FUND

I am giving the collections made by our State Committees towards the fund till date. This 19th December 2003 will be the 100th birthday of Com. B.T.R. and the year thereafter will be celebrated as a centenary year. BTR's vision for a Trade Union Research Centre and a School will have to be given shape to. This will probably be our best contribution to our most beloved leader. I, therefore, appeal to you to fulfill the commitment made towards collection of BTR Fund, so that a most modern Research

Centre and a Trade Union School at Ghaziabad, named after our founder General Secretary Com. P. Ramamurthi can be completed during the BTR centenary year.

## ON PUBLICATION

The outstanding dues on CITU publication including our two journals the CITU Majdoor and the Working Class has attained alarming proportions. In spite of continuous efforts from the Centre from time to time not much of an improvement has been observed. These are longstanding dues, since 1988 and went on piling up year by year and today we have Rs. 76,554 due towards CITU Majdoor Rs. 29,815 towards Working Class and Rs. 1,30,802 towards CITU publications. This is a very serious matter. Moreover during the forthcoming centenary year some more publications will be there apart from the routine campaign material for the struggles ahead. It is therefore necessary that some serious effort is put in to recover the dues. This will release some pressure on the Central funds which unnecessarily has to take the burden.

With this I place this report for your consideration and adoption.

**Ranjit Basu**  
Treasurer

## ON FUNDS

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## BTR FUND

I am giving the collections made by our State Committees towards the fund till date. This 15th December 2003 will be the 100th birthday of Com. B.T.R. and the year thereafter will be celebrated as a centenary year. BTR's vision for a Trade Union Research Centre and a School will have to be given shape to. This will probably be our best contribution to our most beloved leader. I, therefore, appeal to you to fulfill the commitment made towards collection of BTR Fund, so that a most modern Research



*Greetings for the New Year 2004 !*

**Let's Direct Our Energies and Dedicate Our Efforts  
Towards a World  
Without War and Sectarian Violence  
Without Want and Hunger  
Without Poverty and Despair,  
Without Stark Disparities Between  
The Rich and The Poor, Countries and People  
and  
for a Better Quality of Life for All !**

