



Vol. 36

No. 8

April 2006

Price: Rupees Four

THE WORKING CLASS

MONTHLY JOURNAL OF THE CITY

KILLER BUSH GO BACK!



Protest rally at Delhi on 02.03.2006

ECONOMIC SURVEY FINDINGS – A REALITY CHECK

The Prime Minister in his speech as early as October 2004 came out with a slogan “rozgar badhao!” (Refer to speech, page 2)

Has that translated into action, even in a small measure?

The Economic Survey 2005 –06 presents this dismal picture:

The Rural Unemployment rates have gone up from 5.6 percent in 1993-94 to 9.0percent in 2004 for Males and 5.6 to 9.3 for Females.

The Urban Unemployment rates have gone up from 6.7 percent in 1993-94 to 8.1 percent in 2004 for Males and 10.5 to 11.7 for Females.

The Economic Survey laments: “Indian labour laws are highly protective of labour and labour markets are relatively inflexible”.

Data available in the Annual Survey of Industries (ASI), as quoted in a recent study commissioned

by the Asian Development Bank (ADB) reveal the following:

The slow growth of formal manufacturing employment is further compounded by growing use of contract labour, which has seen a growth from approximately 7% of total mandays to 21% in the period between 1984 and 1998. This is the total picture. The growth in use of contract labour in respect of public sector manufacturing for the same period is from 2.9 % to 10.9 %. For the private sector manufacturing the increase is from 10.1 % to 29.1 % during the same period.

The same study goes further to point out:

Growth in real wages per worker during the two last two decades was about 1.1 per cent per year, at a time when per capita income grew over 3.5 per cent per year. However, supervisors and managers’ real earnings increased rapidly during this period, increasing the wage inequality in this (manufacturing) sector. In addition, share of the wage bill in both value added and output has been declining over time, consistent with a possibility of a decline in the bargaining power of workers.

All these are facts related to the organised manufacturing sector.

What inference do we draw from these?

If the ‘Indian labour laws are highly protective of labour and labour markets are relatively inflexible’ as the Economic Survey asserts, how is it that the manufacturing sector has increased employment of contract labour from 7 to 21 per cent between 1984 and 1998?

If the share of wages had declined as a proportion of both value added and the output during the last two decades, whom has the Indian labour laws protected, the labour or the capital?

ON OTHER PAGES

	Page
1. Killer Bush Go Back	200
2. Functioning of Labour Ministry - Chittabrata Majumdar	202
3. CPSTU Workshop	206
4. International Symposium on Mines	208
5. Tax-GDP Ratio	210
6. Power Tariff & Megapower Policies - K R Unnithan	212
7. Reports & Events	From page 216
8. Price Index	222
9. CITU on New Consumer Price Index	223
10. CITU on Budget 2006 - 07	On Back Page

THE WORKING CLASS

CITU MONTHLY

APRIL 2006

Business as Usual

By UNNY



Sorry. We need guides
who'll talk about a
thousand years ago,
not last week.

Courtesy: The Indian Express

EDITORIAL BOARD

M K Pandhe

(Chairman)

W R Varada Rajan

(Working Editor)

Chittabrata Majumdar

Tapan Sen

K Hemalata

Ardhendu Dakshi

EDITORIAL

CHURNING PHASE IN INDIAN POLITY: TIME FOR WORKING CLASS TO ASSERT!

As this issue of 'The Working Class' reaches the hands of our readers, the country would already have been in the thick of the campaign for elections to the legislatures of five states.

Though these elections are confined to a few states, the issues that have come to the fore in the present context assume great significance. The Congress Party, leading the UPA coalition, is in power in three of these five states. The Left Front is poised to stage a come back for the seventh time in a row in West Bengal. In contrast, in Tamil Nadu, the AIADMK regime, which unleashed a reign of state terror against its own employees, is indulging in all sorts of gimmick to avert a rout at the hands of the electorate.

The Indian polity is in a state of churning process. The UPA is seen to renege on its pro-people commitments. The leading party of the UPA dispensation had proved incapable of carrying forward the fight against the communal forces led by the BJP, as witnessed in the NDA taking the reigns of power in Bihar and sharing the spoils of governance in Karnataka. It has miserably failed to tactfully handle the fallout of the disqualification of a Samajwadi M.P. on the question of holding an office of profit. The media has sensationalised an otherwise non-issue, which the bankrupt NDA seized to up its antenna against the Congress leadership. The country is plunged into a divisive political polemics, with the leader of the Congress, Sonia Gandhi, throwing in her resignation – touted as a second renunciation.

The Congress Party, while treading the same path as the erstwhile NDA regime in economic policy regime, is forging opportunist political alliances, overt and covert, against the Left. The leadership of the BJP, facing internal dissensions highlighted by the Uma Bharati factor, is seeking recourse to the same communal issues, by reviving the divisive yatra exercise in the aftermath of a terrorist attack on a U.P temple.

The Election Commission has added its own dimension to the political discourse opting for an unprecedented five-day and three-day polling in the states of West Bengal and Kerala, with no coherent logic when Tamil Nadu could witness a single day polling during the same period. Its firmans, which seek to place hitherto unheard of constraints even on campaigning, indicate a definite bias.

The electoral outcome in these states must be an outright rejection of the disastrous economic policies as well as the communal distracters. A resurgent Left, firmly getting into governance in Kerala and West Bengal and increasing its presence in the other three states as well, will be a source of inspiration for the working class to carry forward its battles ahead. The working people must act decisively!

PEOPLE OF INDIA GREET KILLER BUSH WITH 'GO BACK!' SLOGAN

From Kashmir to Kanyakumari and from Tripura to Gujarat, every nook and corner of our country reverberated with people's protests – big and small – and an emphatic message: "Killer Bush Go Back". Keeping aside our well-known tradition of Athiti Devo Bhava, the people joyously shouted at the top of their voices: Devil Bush, Go Back!

Earlier, the Committee against Bush Visit, consisting of a broad spectrum of mass and political organisations, concerned groups and individuals, had called for organising a huge People's Protest March against US President George W Bush.

Several Central Trade Union Organisations, including the CITU, and organisations of peasants, agricultural workers, women, youth and students, and federations and associations of professionals and other sections had also appealed to all sections of the people to join in large numbers the anti-imperialist protest demonstrations being organised all over the country during the visit of George W Bush. They jointly declared that the democratic and peace loving masses in India will not allow India to be dragged into his imperialist game-plan and aggressive designs.

The mass organisations in their call pointed out that US President was visiting India at a time when the policies of his regime are meeting with resistance and protests all over the world, including the very country whose destiny he is presiding over. The Bush administration has undermined the United Nations and continues its illegal occupation of Iraq, much against the wishes of all sections of Iraqi people. It is fully backing Israel in its military aggression against the Palestinian people. It's holding out the threat of further militarist intervention against Iran, Syria and has included Democratic People's Republic of Korea also in it 'axis of evil'. It continues its horrendous blockade and threats against Cuba, threatens the emerging democratic regimes in Venezuela, Bolivia, Columbia and other countries of Latin America. It is fast eroding the economic

sovereignty of the countries of the third world through its aggressive push for the policies of imperialist globalisation using the international financial and trade institutions. The Bush regime is indulging in a brazen intervention in the domestic policies of India, highlighted by the recent utterances of the US Ambassador in India. The Protest March in New Delhi was held on 2 March 2006, the first day of his official visit.

Spirited demonstrations were held in Kerala, Tamilnadu, Assam, Tripura, Bengal, Maharashtra, Punjab and other states. The highest representative forum of people, Indian parliament, also witnessed impressive demonstrations by dozens of MPs belonging to Left and secular parties, both inside the House and in the parliament premises. Both Houses were adjourned due to this protest.

In Delhi, right at the time our rulers were signing away the nation's sovereignty to US imperialism, under the garb of agreements, thousands of indignant countrymen thundered few hundred metres away from parliament: "No Surrender To Imperialism". The 50,000 strong anti-Bush marchers settled down to hear their leaders speak after a two hour long march from the historic Ram Lila maidan on March 2. While some said the turnout was beyond expectations, others called the anti-Bush rally organised by the Left and secular parties in New Delhi as one of the largest in recent times against any foreign head and his policies.

A riot of colour, interspersed with posters and buntings with tableau and cartoons, some atop buses and trucks all vent their anger against Bush and the UPA government's servile support to Bush. It was a rare rally where the blue of the Rapid Action Force (RAF) and the dingy khaki of the Delhi police force were overwhelmed by the multi-coloured banners and flags of scores of mass organisations as well as the Left and democratic political parties.

Men, women with babies on waist, students, academics, political workers, the ordinary man on

the street were all rubbing shoulders with thousands of toiling workers from different states who congregated at Ramlila ground since the morning. There was significant participation from the land of Bhagat Singh, Punjab. Many people from remote UP villages had come with headgear, drums, deer horns, pipes etc. Some wore colourful folk dresses while others sported black balloons with message "Go Back Bush", which were later released in the air by top leaders.

The rally culminated into a public meeting after reaching Parliament Street. The speakers addressing the rally demanded that Bush must be jailed and tried for the innumerable war crimes he has committed as president of the United States.

The rally warned the Prime Minister Manmohan Singh that if the nation's independent foreign policy were deserted then the UPA government would be totally isolated from the people. Manmohan Singh government should note that the Indian people would not tolerate if it compromises with imperialism. The claim of unanimity on foreign policy issues, by the government is dubious as only the BJP sided with the Congress on servility to US imperialism.

The government could not risk scheduling an address by the visiting US President to a joint

session of the Parliament, in view of the overwhelming sentiments against George Bush. Instead, a meeting was separately organised in the Purana Kila area under a strict security blanket, where Bush sermonised to the Indian rulers to open up the economy and accelerate the imperialist globalisation reforms. He also invited the Indian rulers to join in the US attempts to bring about a regime change in countries from Syria to North Korea and Cuba to Iran et al. Though the Manmohan Singh government later disassociated with this regime-change call, the servile attitude to the USA still marks the response of the UPA in several important international policy matters.

The UPA government unashamedly went ahead with signing of various agreements with the Bush administration during this visit. These pose a major challenge before the nation today. The US is prying open our agricultural sector for the benefit of its MNCs like Monsanto, which will ruin the lives of our peasants further. Bush might have returned after transacting his business with the government in India but the people of the country will take forward this resistance to US imperialism and more particularly the struggle against the UPA government's compromising attitude.

WOMEN GARMENT WORKERS WOUNDED

"13 workers including 11 women were wounded in an accident of a mini bus inside a garment factory in Bangalore on 23rd (March) morning at 8:30 AM. Bombay Ryan Fashions Ltd., newly started a unit in Mysore road after Kengeri. More than thousand workers are working in the unit. The factory management has provided transportation to all of the workers coming from far distances. Today a mini bus carrying workers hit the factory compound at 8:40 AM. Thirteen workers were injured. All workers belong to the areas of Uttarahalli and Channasandra (in Bangalore.)

"The capacity of the mini bus is 25 passengers. But the bus was overcrowded and there were more than 70 persons traveling in it. It shows the negligence of the management. In the name of providing transportation they are playing with the lives of poor workers. Out of thirteen injured one is serious and his leg was removed".

(This is a report placed on the internet by N M Muddappa of Bangalore. This is just one of the many such incidents happening in the country, where Inspector Raj has become a hated term. Are workers in this country just 'use and throw commodities' in the era of labour market reforms?)

IS MINISTRY OF LABOUR ONLY FOR DISMANTLING LABOUR RIGHTS?

Chittabrata Majumdar

On a primary glance of the Outcome Budget and the Performance Budget placed, and on what we have seen from our experience, the functioning of the Ministry of Labour is failing to protect the interests of labour. Whatever steps have been taken by the Labour Ministry, are mainly aimed at patronising the employers. This is in contravention of the NCMP. The NCMP says: "The UPA Government is firmly committed to ensuring the welfare and well-being of all workers, particularly those in the unorganised sector who constitute 93 per cent of our workforce. Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, etc., will be expanded."

LOW ALLOCATIONS

Allocations made in the budget are mocking at the commitments made in NCMP. We find that in this year's Budget, the Finance Minister has provided only Rs. 1176.55 crore for labour welfare and Rs. 548.88 crore for social security and welfare. Out of Rs. 1176.55 crore for labour welfare, Rs. 840 crore is towards regular contribution for the Employees Pension Scheme for those who are covered under the EPF Act. The rest is accounted for general head of industrial relations and welfare

measures for the unorganised sector workers stands completely ignored.

Rs. 548.88 crore, meant for social security and welfare, includes Rs. 435.05 crores for meeting the regular annual payments for pension and other benefits for freedom fighters. There is an allocation of Rs. 40.73 crore for child and women and Rs. 26.60 crores for the handicrafts. So, actually, for the unorganised sector workers, nothing is there in the Budget, though it has been promised that the Government will look and take steps for the betterment of the unorganised sector workers.

COMMITMENTS VIOLATED

The NCMP further states on labour: "The UPA rejects the idea of automatic hire-and-fire. It recognises that some changes in labour laws may be required, but such changes must fully protect the interests of workers and families and must take place after full consultation with trade unions."

But the government is moving in the opposite direction. Yesterday, on 16th March an incident occurred in Ludhiana. The peaceful demonstration by the workers of Oswal woollen factory were brutally lath charged by the police and large number of workers were arrested. The police even attacked the union office to arrest the leadership. The

workers were agitating over non-implementation of labour laws and other demands. About 200 workers were booked under false and fabricated charges.

The case of Honda factory, which happened in July last year, is well known to everybody. We find that with the indulgence of the State governments, the employers in both the unorganised and the organised sector, even where multinationals companies are there, are not allowing the workers to form unions. Their unions are not getting registered by the Labour Department. Even when the union is registered, the management is refusing to talk to the unions to settle the disputes. When the disputes are raised by the Union with the Labour Department, in many cases, the Labour Commissioner's office also does not take any action for the proven violation of statutes and lingers on to convene a meeting and settle the dispute. In many cases, when the meeting is convened, the management does not cooperate. And, there are cases where some agreement was arrived at with them; but even then, the management is not implementing those agreements, with the labour department remaining an indulgent onlooker.

NO RESPONSIBILITY?

And, what is the role of our Labour Department? We raised this issue, a number of times, with the Labour Department. But, the Labour Department did nothing, actually. Sometimes, their reply is that it is the responsibility of the state governments. We have an all India Act, the Trade Union Act, the Industrial Disputes Act and many others, but these Acts are not being implemented. If the States do not implement those, does the centre not have responsibility to intervene?

In Sikkim, the Trade Union Act is not being implemented, and the Industrial Disputes Act is not being implemented. Industries are there, workers are there, but they are not being allowed to form any trade union. Disputes will be there, but where will those disputes be settled? We raised the issue with the Labour Department. But the matter has not been attended to.

So, what is the role of the Labour Department? It has been said that this Department will look after the interests of the workers and their families. What has the Economic Survey for 2005-06 commented? "...Indian labour laws are highly protective of labour and labour markets. Labour markets are relatively inflexible. These laws apply only to the organised sector. These laws have restricted labour mobility consequently...." This approach militates against the basic spirit of the commitments made in the Common Minimum Programme? So, on the one hand, in CMP, it has been announced that the interest and rights of labour and their families

would be fully protected, on the other hand, in the Economic Survey pleads against such commitments. It was said that labour laws are for only 7 per cent workers in the organised sector and saying this attempts are being made to dismantle even those labour laws to take away all rights and protections on the plea of bringing flexibility. They are trying to withdraw those rights and facilities and to convert the workers in the organised sector into unorganised. The government is doing nothing to protect the rights and interests of the unorganised sector workers. So, for the unorganised sector workers, protective measures are not being taken and for the organised sector workers, the protective measures which are there, they are trying to dismantle those, to make them as an unorganised. This is the direction in which the Government is moving.

WORKERS MALIGNED

And while doing so, as a complementary measure, the govt. agencies are campaigning through media that workers and their trade unions are against development and reforms and they are the villains of growth and prosperity. As regards the industrial relations, what do we find? Actually, if anybody goes through the newspapers, TV reports, etc. he will tend to conclude that the workers today are the biggest evil force in our country, on the question of development. These are the campaigns going on against the workers in our country.

When some strike etc. occurs,

it is said that the loss suffered by the economy is due to the action of the workers. But what is the report about the action of the employers? In 1999, man days lost due to strike was 10.62 million days. In 2004, man days lost due to strike has come down to 4.83 million days. But what about lockout? In 1999, man-days lost due to lockout are 16.16 million, where it was 10.62 million due to strike. And, the man-days lost due to lockout in 2004 are 19.04, where due to strike, it is only 4.83 million. Does not lockouts, which are much more than the strikes, cause loss of production and injury to economy? But, you will not find a single word about actions of the employers. What the Labour Department is doing to stop this type of practice? On the other hand, what we find is that the unlawful closure and retrenchments are being allowed and patronised by the govt. machinery.

Today, there is a tremendous development in technology, and, as a result of that, the productivity of industries has increased. But who are garnering the benefits of these technological developments? It should be shared by everybody; it should be shared by the employers as well as by the workers; and it should be shared by the consumers too. But what is happening today? With the development of technology and its introduction in manufacturing process, the hours of work is being increased. The fruits of this technological development are not being shared with the workers at all

and benefits of increased productivity are being totally appropriated by the employers and employees are facing downsizing and retrenchment. This situation cannot continue unopposed.

According to the existing laws in our country, eight-hour day is the working hours for factory workers. But an honest inquiry will reveal that in many of the factories and workplaces, twelve hours work without any extra remuneration has become the norm. In most cases, the workers are forced to work twelve hours a day with the same remuneration as that for eight hours. Who will look into that? Is the law meant only for workers and not for the employers or others?

Further, is the Labour Department serious at all about examining as to whether instead of adult workers, child labourers are being used in factories without even minimum wages? Rather, the Government is proposing dismantling of the inspection system on the labour related issues. That is meant to allow the employers to act according to their will, that is, to use 'hire and fire' against the workers. They want to enjoy that right.

RIDICULOUS SUGGESTIONS

The Economic Survey states: "Evidence suggests that States, which have enacted more pro-worker regulations, have lost out on industrial production in general". ... "States where wages are higher than in neighbouring ones because of strong bargains or social security provisions, such as high

minimum wage, had high incidence of unemployment in general."

What lesson is this government trying to impart to the State Governments — that governments should not enact laws or implement the provisions to protect the interests of the workers, as otherwise they would lose investments and there would be no employment? Ridiculous indeed!

What type of employment the government is talking about? In our country, Contract Labour Regulation and Abolition Act is there. Till now, that Act is in place. According to that Act, in a perennial nature of work, employment of contract labour is illegal. But everywhere, even in the Government organisations also, in the jobs of perennial nature, contract labourers are being appointed instead of permanent workers. Not only that, about contract labourers also, regulations are there. The principal employers have to abide by and ensure implementation of certain terms. But those are not being looked into and the contractors are not following those laws. So, through the employment of contract labour, everything is being done at a much cheaper cost, and, as there is a high rate of unemployment in our country, they are not finding any problem in having supply of workers at very nominal wages. But is that a civilised approach and desirable?

How would the market in our country develop if the purchasing power of the society

were reduced in this manner? Now, we are talking about industrial development. What does the Economic Survey say about annual growth rate on pages 132-133? It says, in mining and quarrying, the production has gone down from 1995-96 to 2005-06. In manufacturing, production has gone down. In electricity, production has gone down. Without electricity, can the manufacturing be done? Ultimately, the purchasing power of the entire society is being reduced which will create further crisis in the system that is going on.

ATTACKS GALORE

All types of attacks are going on against the organised sector workers too. The interest rate on provident fund is reduced. Earlier it was 12 per cent that came down to 9.5 per cent. This year it has come down to 8.5 per cent. It is being proposed that in the coming year it will be 8 per cent only. So by reducing the earnings of the retired workers, how is the Government protecting the interest of the labour and their families?

And on pension bill and related matter, the govt.'s proposal is quite damaging. The employees may lose all their earnings because the proposal is for investment in the share market.

Another frontal attack on the livelihood of the workers is in the offing. The Labour Minister himself is involved in that. A new series of Consumer Price Index has been announced. Two or three meetings were held with the representatives of trade

unions. Trade unions did not accept that. Instead of 1982 as base year, the base year is being shifted to 2001 without correcting the inbuilt defect in the existing series, which will lead to enormous loss to the workers. All the trade unions unitedly proposed that an Index Review Committee should be formed to examine the various aspects, correcting the defects and for taking a final decision

and in that Committee trade union representatives should also be there. But it has not been done. Instead, the new series has already been announced as a decision. So, what is the use of such discussions with trade unions? What about the protection of rights of workers and their benefits and all talks of consensus with the trade unions? All these things are

going on.

Should we take it for granted by the Labour Minister that this Government will not formalise anything about the workforce in the informal sector; rather, this Government will informalise the workers who are working in the formal sector.

(Excerpts from the speech in Rajya Sabha on the working of the Ministry of Labour on 17-3-2006 - Editor)

Railway Budget:

LARGE SCALE PRIVATE PENETRATION DEPLORED

The rail budget presented by the Minister of Railways on February 24, 2006 had one a matter of satisfaction that the people have been spared of any additional burden by the Railway Minister not resorting to hike in fare and freight. The concessions to some sections of the population, farmers, disabled persons etc. are welcome.

There has been improvement in the performance of the Railways in the current year both in physical and financial terms. The present budget is one of the rare budgets without proposing increase in fare and/or freight. It will explode the myth that railways cannot be run, improvement cannot be brought about without hiking freight and fare in every budget.

In his budget speech, the Minister has proposed a host of plans for all-round improvement of the railway system, particularly in respect of safety, passenger amenity, staff amenity and above all infrastructure including expansion of the network. But all these at once lose all credibility as one looks at the plan for resource mobilisation and outlay. With a poor budgetary support of Rs.7,511 crore and with the uncertainty always involved in respect of other sources it will be plain to everyone that it will take years to complete the plans proposed in this budget.

The CITU expressed serious concern at the attempt of the Railway Minister to propose plan for large-scale penetration of private interest in the railway system under camouflage and in disregard for the NCMP, thereby substantially diluting the public utility character of the system. The Railway Minister's public-private partnership approach obviously aims at progressive privatisation of railway work. Introduction of container trains to be owned and run by private interest is a glaring example while many other such proposals have been made.

The CITU also recorded its emphatic protest against this camouflaged privatisation and demanded the Government to desist from such attempts.

(From the statement issued by the CITU Secretariat)

UNITEDLY STRUGGLE AGAINST PRIVATISATION, DEFEND WORKERS' RIGHTS

18-19 March 2006, the city of Mumbai witnessed the coming together of the leadership of almost all the major public sector trade unions in the country covering all sectors of economy and across the affiliations. The Committee of Public Sector Trade Unions (CPSTU), the biggest joint platform of public sector trade unions comprising PSU unions affiliated to AITUC, CITU, HMS and other independent trade unions in all the PSU centers in the country has organized the national workshop. More than 200 leaders from various public sector unions from all over the country participated in the workshop. The national workshop gave the call to observe "anti-privatisation day" on 30th March 2006 through countrywide demonstration and sending telegram to Prime Minister with special mention against airport privatisation.

The venue of the workshop was the international airport of Mumbai, which had also been the venue of one of the biggest trade union actions against privatisation in the recent times. And thus the leadership of the PSU trade unions coming from all corners of the country were warmly welcomed by huge mobilisation of those airport workers of Mumbai who fought hard against privatization braving brutal police atrocities. The Airport Authority of India Employees Joint Forum comprising workers and officers and AAI Employees Union in particular made all the arrangements of hosting the two-day workshop. A presidium consisting of H.V Anantha Subba Rao (AITUC), Jibon Roy (CITU), Suryakant .K. Bagal, (HMS), Michael B. Fernandes, (JAF, Bangalore) and A. Rajeswar Rao. (PSU Co-ord Committee, Hyderabad) conducted the proceedings of the Workshop.

From the CPSTU steering committee a background paper was circulated on the situation facing the public sector and the PSU workers in the country. The background paper pointed out that the onslaught of privatisation is the biggest challenge before the public sector workers'

movement. Privatisation through different paths including via divestment has become a buzzword of the neo-liberal economic policy regimes. Not even the highest profit making CPSUs are being spared. Strategically important and high profile public sector industries in sectors like Energy – oil & natural gas, electricity, coal, Telecommunication, Transport – rail, road, air, water, Airports, Port & Dock, Financial Sector are priority targets for privatisation. The UPA Governments move to privatize the Mumbai and Delhi Airports and the united resistance struggles of employees of Airports Authority of India are too widely known. The trade union movement must fight back this anti national conspiracy tooth and nail.

The background paper also pointed out that the Govt. and the media have been carrying on maligning campaign on the performance of the public sector units of the country to justify their privatisation moves. But the fact remains that the huge contribution of public sector units in the country in totality in terms of profit, turnover, their contribution to national exchequer in the form of taxes and dividends and their role in the development process of the national economy and welfare of people is parallel to none. All maligning campaigns against PSUs are thus based on falsehoods and distorted information cooked up by the Govt. and the votaries of privatization. The trade union movement must also expose this nefarious and deceptive game plan by the privatisation brigade in the governance and media.

The background paper also acknowledged numerous countrywide strike actions by the public sector workers both at the national level and sectoral level including the last general strike on 29th September 2005. It made special mention of the strike actions in financial sector, telecom and the last but not the least, the heroic four-day long countrywide strike by the airport employees against privatization. Our movement must keep

up continuity of this resistance struggle, the CPSTU asserted.

It was also pointed out that along with privatisation onslaught, attacks are being planned on the rights of the PSU workers. The blue print of such attack on the trade union rights, right to collective bargaining, and wages of the workers have been drawn by the World Bank as an integral part of the privatisation exercise and the Govt. of India have been trying to put that blue print into practice. The move to bring about pro-employer changes in labour laws, mass scale contractorisation and outsourcing of regular work in the PSUs and dismantle the system of apex level industry wise wage negotiation are some of the features of that anti-PSU blue print.

In this background, the public sector workers in the country are to handle the issue of their wage-revision, which is falling due by 1-1-2007. In the forthcoming round of wage negotiation the issues relating to tenure of agreement (5 years or 10 years), percentage rate of annual increment, merger of DA in basic pay, modality of minimum guaranteed benefit etc are going to surface as burning issues which have to be addressed by the PSU movement at the policy level.

In view of mass scale contractorisation of regular jobs in most of the PSUs and in some cases equaling or surpassing the number of regular workers, the question of improvement in the wages and regular revision of the contract workers' wages have also to be raised forcefully by the PSU workers' movement. This aspect is of crucial importance for defence and strengthening of the striking power and collective bargaining rights of the PSU trade union movement.

It was also taken note of that the Central Govt. employees and railway workers' initiative including serving of notice for indefinite strike demanding constitution of 6th Pay Commission is another important event which is also having positive bearing with the forthcoming wage negotiation in the PSUs.

The background paper was presented in the meeting by M K Pandhe, President CITU and supported by R A Mittal(HMS), H Mahadevan (AITUC), Sudarshan (PSU Coord Committee, Hyderabad), Michael Fernandes (Joint Action Forum, Bangalore). Around 42 representatives

from various public sector units viz., coal, steel, other mines, telecom, electricity, petroleum, engineering, electronics, aeronautics, fertilizer, chemical etc took part in the deliberation on the background paper. The speakers stressed upon the need to have more and more countrywide solidarity actions in support of every privatization struggle and opined that the continuity of anti-privatisation mobilisations and struggle can only strengthen the collective bargaining rights of the public sector workers. The need for organising the contract workers and fight for their rights is also crucial importance. Industry wise concerted action of the workers right from submission of charter of demands to united struggle for the same is to be ensured in all PSUs, the speakers asserted.

Based on deliberations in the workshop the Core Group of CPSTU finalized the declaration to be adopted in the meeting. The declaration detailed out the guidelines for preparing charter of demands for the wage revision in the PSUs and it was suggested that the unions in the respective PSUs would try to finalise their charter of demands through joint exercise with other unions in the establishment. It has been mentioned in specific terms that the PSU workers will insist for a five-year tenure of wage agreement with full neutralisation benefit as has already been finalized for the coal mine workers. It was also decided that the charter of demands will be submitted by the PSU unions to respective PSU management on 30th June 2006 through demonstration.

Swadesh Dev Roye, Secretary CITU placed the declaration before the house. R A Mittal(HMS), H Mahadevan(AITUC), A Rajeswar Rao(Hyderabad PSU Coord Committee) and S R Viswanath (Joint Action Front, Bangalore) also addressed the workshop on the subject. The house unanimously adopted the declaration.

The meeting adopted unanimously a resolution extending support to the ongoing struggle against privatisation of airports led by AAI Employees Joint Forum. Jibon Roy, Secretary CITU commended the resolution. It was also decided to observe "Anti-Privatisation Day" on 30th March 2006 through countrywide demonstration and sending telegram to Prime Minister to that effect.

INTERNATIONAL SYMPOSIUM ON SAFETY IN MINES

The Institute of Mines Energy Social History (IHSME) of France organized an International Symposium on Safety in Mines on March 1-2, 2006 at Billy-Montigny in North France on the occasion of centenary of big mining disaster of Courrieres mining company in which 1204 miners were killed. The accident was caused due to powerful explosion inside the mine which was underground. The fire spread rapidly making it difficult for the workers to come out of the mine. Out of 1295 workers working in the shift only 591 could save themselves from the disaster. This was the second largest mining catastrophe known in the world, next only to the accident at Honkeido in old Manchuria province of China in the year 1942 in which 1572 workers perished.

Apart from the trade union activists and academicians from France the international symposium was attended by representatives from Germany, Australia, Belgium, Great Britain, India, Morocco, Poland and Ukrain and participated in the deliberations.

The representatives of South Africa could not participate due to elections in their country at the same time. Some members of French Parliament also participated in the symposium. Francois Duteil, President of IHSME, while welcoming the participants noted that several countries in the world

experienced similar big disasters. He further observed, "It is necessary for all the mining countries to have an exchange on the past and the future of the mining industry in the world to avoid new disasters in the mining industry." He stressed the need for ensuring adequate safety measures by governments of all countries so that precious life of our miners is saved by collective efforts.

SAFETY AWARENESS

The Mayor of Billy-Montigny, Brino Troni, appreciated the steps taken by the organizers of the International symposium to commemorate that the mining disaster in his town and used this occasion to create awareness about the question of safety in the mines. He pointed out that the mine involved in disaster started operation in 1850 and the working conditions and wage earnings of workers were not good. On 10th March in 1906 the disaster occurred in the mine owned by Courrieres mining company. The whole of France as well as the European countries were shocked to hear the serious nature of the accident. Mere payment of compensation could not help to ameliorate the anguish of a large number of family members whose breadwinners were involved in the disaster.

The first technical session of the symposium dwelt at length with the causes and consequences of the Currieres accident. It was presided over by Jean-Marie

Czapraga, President of Institute of Social History and addressed by Denis Varaschin, Professor of History, University of Artois, Stephane Sirot, Professor of History, University of Cergy-Pontoise, Oliver Kourchid, a research worker and Achille Blondeau, a regional trade unionist. They explained various aspects of the disaster and pointed out lack of safety measures that led to loss of large number of lives. The French Government has now stopped operation of coal mines and the energy need of the country is generated with nuclear fuel. Despite huge reserve of coal it is not being exploited. The government of France is now considering the proposal to hand over the mines to private operators, which were objected to by the trade unions.

The vivid description of the causes of accident underlined the need to pay more attention by the government and trade unions to ensure safety of miners.

The report of the medical examinations of the bodies of miners recovered showed that none had survived the day of the catastrophe. The explosion was extremely powerful and spread quickly all over the mines remitting in large number of casualties. Only the workers who were near the shaft could save themselves.

The official report of inquiry acquitted all engineers of all the blame during the rescue

operation. It was noted that in the northern region mines it was not obligatory to stow or fill up the worked out and abandoned part of the mine which provided space for accumulation of noxious gas, which was obligatory in other regions of France. It was also noted that there was no statutory regulation in France for systematic and complete filling of goat and abandoned mines. The second technical session reviewed experience of different countries on the situation of safe working conditions in mines. It was presided over by Serge Terrier, chief of International Department of Fédération of Energy and Mine Workers Union (CGT). Presentations were made by Manfred Warda (Germany), Ian Laveny (Great Britain), Khalid Alami (Morocco), Rajmund Moric (Poland), Anatoliy Sabynin (Ukraine) explaining the struggle of the trade unions in their country to ensure health and safety in the mining industry. They highlighted the need to ensure ratification by all the countries in the world the ILO Convention No.176 on health and safety in the mining industry.

ROLE OF IEMO

M K Pandhe, Co-president, IEMO, explained the measures taken by the organization to create awareness on the question of health, safety and environment in mines. He explained the decisions of the IEMO Congress held at Cochin in India recently, which called for a worldwide campaign on these issues so that the life of the miners is made safer. He pointed

out how despite development of new technology mining conditions all over the world are unsafe and major accidents occur from time to time. The dreaded disease of Pneumononeosis caused due to inhaling coal dust while working in the mines is incapacitating thousands of workers in coal mines all over the world. The mining workers of Asbestos mines are facing serious hazards for which there is no cure. Pandhe emphasized the need for international co-operation in the trade union movement.

Pandhe explained the harrowing conditions in Indian mines and blatant violations of safety rules by the managements of mines both in private and public sectors. He narrated the struggles conducted by the mine workers in India.

In a separate technical session several trade union in mining industry in France discussed about the lessons of Courrieres disaster and measures to be taken to strengthen the TU movement to intensify the struggle for ensuring safe working conditions in mines. They also reviewed the impact of globalisation on the mine workers in France.

The deliberations of the International Symposium resulted in an agreed consensus to develop more cooperation among the trade union movement all over the world. The growing attacks on TU rights all over the world was observed by several speakers and the symposium stressed the importance of fight for TU rights

as an inseparable component of the struggle of ensuring health and safety of the mine workers.

TOWARDS UNITY ...

During the symposium a meeting of the mining union leaders was held. The meeting considered the need for bringing together the unions in mining industry irrespective of international affiliation.

The meeting considered that the following issues should be the basis of international unity of mining workers.

1. Improvement in working and living conditions of the miners

2. To struggle to implement ILO convention No.176 on health and safety by the government of all countries

3. To protect the trade union rights of mine workers

The meeting proposed that an international conference of mine workers should be held in India in October-November 2006 to consider the three issues and build a united international movement of mine workers. It also suggested that all mine workers organizations in India should work together to prepare for such a conference. It decided to appeal all miners unions in the world to come together to make the conference successful.

The conference will not disturb the present international affiliations but to bring together mine unions all over the world on a common platform, which will be an important step in building worldwide unity of the working class.

HOW HAS THE TAX-GDP RATIO GONE UP?

The increase in Central Government tax revenues has been described as a victory for the government's efforts to mobilise more revenue. Finance Minister P Chidambaram in his Budget speech claimed that this has happened because there has been a structural shift in the Central Government's ability to mobilise resources. He also claimed that the strategy of enhanced revenue mobilisation through reasonable rates, better compliance and widening of the tax base has yielded tangible results.

He identified three sources for this tax buoyancy: A regime of reasonable rates of taxation, improved tax administration and a widening of the tax base. However, the first of these, reflecting the view that moderate rates make people more willing to pay taxes resulting in improved tax buoyancy, is a mere statement of belief with no logical basis. It underlies the infamous "Laffer curve" argument, which has been shown to be empirically unjustified in many contexts.

Further, while the tax administration may have improved, persisting arrears indicate that this has not gone far enough. It cannot be an explanation for the kind of buoyancy that has been recorded. To assess which factors are adequate explanations of tax buoyancy and gauge their relative roles it is best to turn to the available evidence. Between 2004-05 and 2005-06, the gross tax revenues of the Centre rose by a little more than Rs 65,000 crore or by 21.4 per cent. With real (inflation adjusted) growth in GDP placed at around 7.5 per cent in that year and prices having risen by 4-5 per cent, this increase in tax collections is well above the increase in nominal GDP.

But not all the principal sources of revenue have been characterised by such buoyancy. A breakdown of the increase indicates that close to a third of this increase was on account of corporation taxes, which rose by 25.3 per cent, a little more than a quarter was on account of income taxes (characterised by a 26 per cent rise) and around a fifth on account of excise duties (20 per cent). Increases in other significant taxes such

as the service tax (13.5 per cent) and Customs duties (10.1 per cent) were more or less in line with the increase in GDP.

The relative lack of buoyancy of service tax is surprising, since a feature of Indian economic growth during the 1990s has been a much faster growth in services as compared with the commodity producing sectors like agriculture and manufacturing. Recognising that the coverage is not enough, or that the net has not been widened enough.

The relatively poor performance on the Customs duties front is also intriguing for two reasons. To start with, the high and rising level of oil prices should have helped mobilise additional revenues from these taxes. Further, non-oil imports have been buoyant, because of the rise in GDP. If despite these developments Customs duty collections have failed to keep pace with GDP, the lesson to take home is that tariff reductions associated with trade liberalisation have diluted the role of Customs duties as a revenue-generating device. Thus, if the buoyancy in tax revenues has to be explained we have to understand why, despite moderate tax rates, increases in corporation and income taxes in particular, and excise duties to a lesser extent, have been larger than warranted by the increase in aggregate GDP.

In the circumstance, there appears to be only one explanation.

Growing inequality in the distribution of income between the corporate and non-corporate sectors and between richer and poorer individuals has shifted income in favour of the higher tax bracket. If this is occurring, even for a given level of compliance, tax revenues from these sources should rise faster than aggregate GDP.

One indication that this could have played a role comes from recent evidence on corporate profitability. The net profit of the top 20 companies according to market capitalisation rose by a dizzying 46.5 per cent during the four quarters ending September 2005 when compared with the corresponding period of the previous year. This

trend has since continued. This would make the buoyancy in corporation taxes woefully inadequate relative to profit movements.

This trend in Corporate India has been accompanied by a similar movement in corporate and private sector salaries resulting in substantial increases in inter-personal income inequalities. It is this, which appears to have delivered more taxes than warranted by the trend in aggregate GDP, but perhaps still not enough.

What this means is that if this increase in tax-GDP ratio is to mark a real turning point and be sustained into the future, it will be essential to tax the rich more; for example by reinstating capital gains tax.

In this edition of Macroscan, C. P. Chandrasekhar and Jayati Ghosh examine the real reasons behind the recent increase in the tax-GDP ratio, in

particular the change in income distribution and higher profitability of companies.

The major positive feature of the recently announced fiscal measures is the evidence of increased Central Government tax revenues (Chart 1) and an increase in the tax-GDP ratio. For the Centre, the gross tax-GDP ratio, after rising from 9.2 per cent in 2003-04 to 9.8 per cent in 2004-05, has increased further to 10.5 per cent in 2005-06 (RE), and is estimated to go up to 11.2 per cent in 2006-07.

Coming after more than 15 years of decline, this is clearly a positive sign. It is even more noteworthy because, as part of the process of import liberalisation, the Government has been reducing peak and weighted-average import tariffs.

*(C P Chandrasekar and Jayati Ghosh in
'The Hindu BusinessLine')*

BUDGET: ANGANWADI WORKERS DISAPPOINTED

The All India Federation of Anganwadi Workers and Helpers (AIFAWH) had termed the Budget 2006-07 as highly disappointing to the lakhs of anganwadi workers and helpers in the country, as well as the beneficiaries of ICDS.

The Budget has utterly failed to provide any justice to the more than 14 lakhs anganwadi workers and helpers, the key functionaries of ICDS at the grass root level. They are made to work for more than 6-7 hours a day discharging various responsibilities related to the Health, Education and other departments but are paid only a meagre honorarium of Rs 1,000 and Rs 500 respectively. The Budget has no provision to increase their honorarium or improve their conditions. The UPA government has in its NCMP, committed to universalise ICDS and provide a functioning anganwadi centre in all human settlements, as per the order of the Supreme Court. Even after two years, that commitment remains unfulfilled. Several organisations of agricultural workers, poor peasants, unorganised sector workers and women etc representing millions of beneficiaries as well as all the organisations of the anganwadi workers and helpers have been demanding universalisation of ICDS and its institutionalisation, so that its services would be available to all children of our country on a permanent basis. This demand has been completely ignored.

The increase in the allocation of ICDS is meagre compared to the amount required to universalise ICDS and improve the conditions of the anganwadi workers and helpers.

The AIFAWH demanded the government to take immediate steps to universalise and institutionalise ICDS and increase the honorarium of anganwadi workers and helpers to Rs 3,000 and Rs 2,000 respectively, pending their recognition as government employees.

The AIFAWH also called upon all the anganwadi workers and helpers in the country to unite and intensify their struggle for due recognition and improvement in their conditions.

(From a statement issued by the All India Federation of Anganwadi Workers and Helpers)

POWER TARIFF & MEGAPOWER POLICIES

K.R.Unnithan

The tariff policy now finalised and declared by the Government of India (GOI) is in pace with the New Electricity Policy and tailor made to suit unbundling and privatisation of Electricity Boards and public sector power utilities. No body can expect otherwise from this UPA government.

The policy clearly speaks of a power tariff, which can attract private capital to power industry like any other industry. This simply means that the tariff is to be formulated in such a way that it should guarantee a rate of return which is not inferior to the rate of profit in any other private sector business. This concept pursued by GOI is totally ignoring the fact that electricity is a basic need and basic infrastructure facility. Higher return leads to higher tariff or higher rate of exploitation.

State Electricity Regulatory Commissions (SERCs) are permitted to allow higher return in distribution, taking the view that higher risk is involved in power distribution activity. (Expecting that distribution, including the existing lucrative areas will be privatised shortly.) When State Electricity Boards (SEBs) were performing this job, governments and other critics of SEBs were blind to see this fact. This aspect of the policy is only a corollary of the above.

Tariff policy re-enforces, the concept of multiple licensees in transmission and distribution. Multiple licensees in the same area will only create inefficiency and increase the tariff.

The policy insists to ensure that the uncontrolled costs like, fuel cost, cash on account of inflation, taxes and cess, variation in power purchase unit cost - including on account of hydro thermal mix - are recovered speedily. The consumers are to bear frequent tariff arrear shocks!

The tariff policy promotes captive generation by providing a lot of concessions like restricting the cess, duties, etc. The policy also persuades the states to provide open access in distribution too without waiting up to the demarcated date of 27.1.2009. The aftermath of implementation of neo-liberal policies in power sector world over is that the grid is dismembered; the unbundled grid power becomes unaffordable and non-reliable.

This situation itself promotes captive generation, which is an inbuilt costlier option to those who can afford it. Concessions are being poured to these sections of consumers thro' tariff policy. Consumers resort to captive power when the grid power is costlier and not reliable. Consequently the grid power, generally owned by the state, loses economically sound consumers, which badly affect the revenues of state-owned utilities and its capability to provide subsidised power.

While insisting to provide open access to intending consumers in transmission and distribution, the policy re-iterated that the responsibility of augmenting the capacity of the transmission system, reduction of line losses and providing alternate supply in case of a failure of generation vest with CTU/STU, (Transmission Undertaking - TU) owned by the state. The well-off sections of the society can enjoy all facilities with the hard earned money of all the sections of the society. The policy promotes a multi year tariff regime. Before introducing it, the policy advises to fill up the gap between the required tariff (on cost plus basis) and the existing tariff through tariff charges and through alternative means. This will give a tariff shock to consumers.

The policy demotes the maintenance of regulatory assets and stipulates hard conditionalities to declare Regulatory Asset. So the gap, if any, between the Aggregate revenue requirement (ARR) and Expected revenue from charges (ERC) are to be filled up every year by increase in tariff. The policy insists to limit the impact of cross subsidy within +/- 20% and advises to confine to those who are consuming less than 30 units/month. This results in the increase of tariff to rural and domestic consumers, agriculture connections, small scale / rural industries etc and decrease in tariff to well off sections.

The policy advises the state government to increase the duty on electricity to fund subsidies, if the government wants to subsidise some category like poor farmers rather resorting to cross-subsidy.

Trading is separated from transmission and

distribution activity to promote the so-called competition and market driven pricing of power. So now the tariff policy permits 100% foreign investment in power trading. But, profits of generating companies and trading companies will increase only in a scarcity driven market, providing little incentive for adding new generating plants.

The formula for calculating surcharge is made in such a way that the public sector utility will get very meager amount often tending to almost zero. This will result in the disablement of public sector utilities in providing cross subsidy to the needy.

The policy empowers the appropriate commissions to initiate tariff determination and regulatory scrutiny on a suo moto basis in case the licensee does not initiate filings in time. So in reality state's power is now limited to provide explicit subsidies to any group of consumers even though sn.108 is provided in the act, as correctly pointed out in the report of the Expert's committee.

POSITIVE SIGNS

Protracted campaigns and agitations unleashed by EEFI and other progressive forces succeeded in bringing few positive steps in the tariff policy. Those are:

The debt equity ratio is regulated in such a way that the equity in excess of the norms (70:30) should be treated as loans, advanced at the weighted average rate of interest and for a weighted average tenor of the long-term debt component of the project, after ascertaining the reasonableness of the interest rates. This will help to reduce the cost of investment and reduction in tariff.

Advance against depreciation permitted earlier to enable pay back of amortisation results in a front loaded tariff; meanwhile the investor is freed from the risk of paying back the debt and interest with in a short tenure. But the tariff policy denies the need for any advance against depreciation.

Foreign exchange rate variation was a major factor loading the fixed charges. Earlier guidelines to formulate tariff permitted this factor as a pass thro' item to tariff. The tariff policy clearly speaks that foreign exchange rate variation risk shall not be a pass through. This will be a relief to the consumers in terms of tariff.

It has become mandatory that all future requirements of power for medium or long-term

period should be procured competitively thro' bidding process, by distribution licensees except in case of expansion of existing projects or where there is a state controlled company as an identified developer. This proviso may help to put an end to MOU route purchase of power from IPPs, the built in kickbacks and consequential tariff hike.

MEGA POWER POLICY

But when the above stipulation is read with the Mega Power policy announced by GOI, one can find the unconstitutional conditionality of privatization of distribution to get comparatively cheap power. Those thermal stations which are of and above 1000 MW capacity and hydel stations of and above 500 MW capacities are designated as Mega power projects (MPPs) by MOP and many concessions including exception of customs duty are provided to those MPPs. Consequently the tariff of power generated will be low. The conditionalities to get this cheap power according to the Mega Power Policy are (1) formation of SERC and (2) distribution of those cities whose population is above 10 lakhs are to be privatized to enable payment security. The latest developments in Orisa and OSERC's order to Reliance power companies engaged in distribution in Orissa to show cause why the licenses of these companies are not revoked, makes the whole gamut of such arguments mockery. The charges are (1) huge arrear towards cost of power purchased (1814 cr.) and breach of contract (2) Deterioration in the standards of performance and (3) disregard to the orders of OSERC. Even though the constituents of SREB jointly protested against this policy, MOP had reiterated it's stand on 13-2-06. GOI is snatching away the state's power denigrating the federal set up enshrined in the constitution which is a serious political issue to be fought back politically.

The National Electricity Policy, Tariff policy, Mega power policy, Ultra Mega power scheme, APDRP scheme, RGGVY, etc are avenues/by pass routes leading to privatisation of power industry. Being the true disciples of the deleterious neo-liberal policies, GOI miserably failed to formulate the tariff policy incorporating the scientific and technological ways and means to provide reliable and affordable power to all.

ASIA-PACIFIC SEMINAR

CALLS FOR WORLDWIDE CAMPAIGN TO BAN ASBESTOS

B. Madhava

The 4th UITBB (Trade Unions International of Workers of the Building, Wood and Building Materials Industries) Seminar for Asia-Pacific Construction and Wood Worker's Unions, held at Tokyo, Japan from March 10 to 12, 2006 has demanded that Asbestos should be banned in the whole world. It has called upon the affiliates and supporters of UITBB, to participate in the protest against the Canadian Government's attitude to asbestos, planned for April 28, 2006.

A recent epidemiological study, entitled The Epidemiology of Asbestos-Related Diseases in Quebec, Canada has indicated that Canadians working with asbestos, as well as those exposed second-hand, are at a significant risk for developing deadly diseases such as mesothelioma and asbestosis. What makes the situation even more abhorrent is the fact that Canada ships nearly all of the asbestos it mines to developing countries.

Asbestos was banned in Canadian work places in 1971. All buildings built in Canada till that time were sprayed with asbestos between the concrete ceiling and the finished drop ceiling space. The space between drop ceiling and the concrete ceiling would be sued as the return air plenum. The heated forced air would be delivered through sheet metal

ducts delivering the heated air to each room and the return air would be removed through the space that was coated with the asbestos. Over many years, the air movement removed loose asbestos fibres and put them back into the room through the heating ducts. People living in the rooms continuously inhaled these fibres and had the attacks of the dreaded diseases of Asbestosis and Mesothelioma. These diseases have no cure and death is certain within two years. Asbestos is now mined almost exclusively in Canada. Although it is banned in Canadian work places, they are exporting this carcinogenic fibre to various countries in the world. William Signal representative of the United Association of Plumbing and Pipefitting Industry of United States and Canada made a fervent appeal at the Seminar to launch a worldwide movement demanding total ban on mining and distribution of asbestos.

It was very significant that the Seminar was held in Japan. Tomikoka Tadao of Japan informed the seminar that Japan is 25 years behind the Western countries in stopping consumption of asbestos. From 1926 to 2004, Japan imported 10 million tons of asbestos. With several tens of thousands of tons produced in Japan, most of the asbestos was consumed in the country. About 90% was

used for construction materials such as asbestos cement and boards. It is also used in products like floor tiles, heat insulator, soundproofing, break lining, paints and adhesives. Part of these asbestos products have since been removed or disposed, but asbestos still remaining in buildings in estimated to amount to 5 to 6 million tons. When these buildings are demolished in course of time, asbestos will cause serious damage to the health of the people. There is an estimation that during the 40 years period from 2000 to 2039, about 103,000 people of Japan will die of malignant mesothelioma caused by asbestos. According to a recent epidemiological study conducted in Japan, the cases of asbestos-induced lung cancer account for more than double of those of mesothelioma. Mr. Tomikoka laments that the risk of developing diseases due to asbestos was known to the general public of Japan as recently as June 30, 2005 when the media reported that in the areas around a plant of Kubota Company that deals with asbestos, 5 people developed mesothelioma and 2 of them died, and that 78 plant workers had died of asbestosis induced diseases. Use of Asbestos was prohibited in Denmark in 1986. In that small

country of a population of only 5.2 million people, there were 3,327 asbestos – related work deceases during the period from 1988 to 1997. Among them 1,624 were asbestosis, 951 were lung-cancer and 426 mesothelioma. Flemming Hansen, who has made a study of the causalities of asbestos says that in the United States 220,000 have already died from asbestos diseases. In Great Britain 3,000 die every year. In Sweden the number of

asbestos-related deaths is higher than all other work-related deaths put together. Researchers estimate that 250,000 will die from mesothelioma in Eastern Europe over the next 35 years. It is estimated that 100,000 people will die every year from asbestos – related diseases worldwide.

William Signal of Canada informed the Seminar that an Agency in Canada called the cryotile Institute situated in

Quebec Canada is organizing a conference in Montreal from 23rd to 24th May this year. Their objectives is to find ways to sell more asbestos. They are supported by the various companies that support the use of Asbestos throughout the world. In this context, the observance of the international Memorial day on 28th April, for Victims from work-related deaths assumes great significance.

SIXTH 'VIMAL RANADIVE MEMORIAL LECTURE'

The Tenth Conference of CITU held in 2000 has decided to organise annual lectures on subjects relevant to workingwomen, on the birth anniversary of Vimal Ranadive, an outstanding leader of CITU who was instrumental in the formation of the All India Coordination Committee of Working Women (CITU). She was also the first convener of AICWW (CITU). Since then the CITU has been organising the Vimal Ranadive Memorial Lectures regularly on different subjects like the Impact of neo liberal policies, labour law reforms, communalism, unemployment etc on workingwomen. Lectures are organised at the CITU Centre as well as in the state capitals. In some states they are organised at the district level also.

The subject for the Sixth 'Vimal Ranadive Memorial Lecture' to be held on 10th April 2006 has been decided as 'Hazards faced by Working Women in the Era of Globalisation'. Though women are coming out in search of work in more numbers, the attitude of the society towards women working outside their homes has not undergone much change. They do not get due recognition for their work nor the required support from the family, government or the trade unions. They have to undergo severe physical and emotional stress, which in turn reflects on their health and well being. The CITU Centre has opined that the lecture should focus on the different hazards faced by women workers in society, inside their homes as well as at the work places and not merely confine to sexual harassment and night shift work.

The CITU Centre has requested all the state committees of CITU to organise the lecture at state capitals and district headquarters wherever possible, by inviting suitable speakers on the subject taking the help of the state Coordination Committees of Working Women are requested to plan. The state committees where elections to the state assemblies are being held in the month of April may adjust the date of the lecture, according to their convenience.

READ & SUBSCRIBE

CITU Journals for Working Women

THE VOICE OF THE WORKING WOMAN
(Monthly in English)

PATRIKA
(Quarterly in Hindi)

REPORTS & EVENTS

Punjab:

DEMONSTRATION AGAINST POLICE ATROCITIES

In protest against brutal lath charge made on the workers of Oswal Woolen Mill Ludhiana on 16th March 2006 and registration of false police cases under various sections of IPC including Section 307 IPC against about 200 innocent workmen the industrial workers and employees of the various boards, corporations and Govt. of Punjab and Chandigarh organized rallies and processions all over the state and burnt effigies of the Punjab Chief Minister. In these rallies which were held at Ludhiana, Amritsar, Sangrur, Chandigarh, Patiala, Hoshiarpur, Gardhiwala, Saila Khurad Sahnewal, Raikot, Jalandhar, Nawan Shehar, Ropar, Dera Bassi, Rajpur, Asron, Dhuri, Ahemadgarh, Malerkotla, Pathankot, Batala, Barnala, Dhuri, Firozpur, Balachour, Cathinda, Malout and Mukatsar.

More than twenty thousand workers and employees took part in these rallies to express complete solidarity with the workers of Oswal Woolen Mill Ludhiana. At different places these rallies were addressed by Prof. Balwant Singh, president, Com. Raghunath Singh, General Secretary and Com. Vijay Misra working president of CITU. Apart from the state office bearers of Punjab CITU Com. Dev Raj Verman, Com. Ram Singh, Com. Sucha Singh, Com. Tarlochan Singh,

Com. Jatinder Pal Singh, Com. Mohinder Kumar, Com. Gurmeh Singh, Com. Ranbir Virk, Com. Kishan Singh, and working committee members CITU Punjab, Com. Jagdish Chouhkan, Daljit Gora, Ram Singh Sangrur President Lal Jhanda FCI workers and Palledar Union Punjab, Com. Jagdish Chand, General Secretary Lal Jhanda Bhatta Worker Union, Punjab Sucha Singh, President and Malkit Singh Jassowal, General Secretary of PRTC Motor Mazdoor Union, Punjab ?State General secretary of PSMSRU Com. A Sawhney and President Com. Inderjeet Singh, Com. Hergobind Kaur, president and Com. Herjeet Kaur General Secretary of Anganwadi Mulazim Union Punjab, Com. Khushi Mohammed President and Com. Fateh Chand General Secretary of Punjab Roadways Motor Mazdoor Union, Jagsir Singh President and Tarsem Lal General Secretary Janglat Vibagh field workers union Punjab, Com. Satinder Singh General Secretary and Com. Mohar Singh President of CTU conductors union, Com. Rakesh Kumar Convenor Co Ordination Committee of UT and MC Employees unions and other leaders of various government and MC employees.

While addressing the protest rallies Com. Balwant Singh President and Com. Raghunath Singh, General

Secretary of CITU Punjab told that the Chief Minister of Punjab is directly responsible for the police repression and told that to give befitting reply to the repression and the terror of the police and that policy of victimization and coercion of the employers, a state level rally at Ludhiana will be organized. CITU leaders demanded from the governor of Punjab to personally intervene to get the arrested workers released and withdrawal of all false cases. Besides implementation of all labour laws. The employers of different industrial units have been indulging the great violation of labour laws and unfair labour practice and the innocent workers are subjected to ruthless economic exploitation. Rule of the jungle is prevailing. The employer of the Oswal Woolen Mill has also been violating labour laws ever since it started production. When the workers organized themselves and joined the CITU the employers resorted to victimization and coercion. The police beat the workers of Oswal Mill who came to do their duty in the factory on 16 March mercilessly. Workers were followed up to their houses and brutally beaten. Even women workers, residents of the locality and the owners of the houses in which the workers live were not spared. The entire industrial area has been turned into Police camp.

REPORTS & EVENTS

The police raided houses of more than two hundred workers. Wives and children of the workers are

being tortured, terrorized and threatened with the dire consequences. CITU

congratulated the workers of Ludhiana for their heroic struggle braving all atrocities.

ANDHRA PRADESH: ANGANWADI WORKERS' MARCH

Thousands of anganwadi workers and helpers in 22 districts marched to the district headquarters and laid siege of the offices of the District Collectors on 20th February 2006. Around 2,000 of them were arrested in Srikakulam, Hyderabad and Anantapur districts. The Andhra Pradesh Anganwadi Workers and Helpers' Union gave the call for seizure of the district collectorates on 20th February 2006, demanding enhancement of honorarium and withdrawal of the increase in the working hours. Ever since the state government announced the increase in working hours accompanied by the payment of a small amount from the state's budget last year, the Union has been opposing it. The Chief Minister promised that the increase in the working hours would not be implemented. But, the officers recently have increased the pressure to work more hours. Protesting the increase in workload without any

commensurate increase in remuneration, the Union gave the call to seize the District Collectorates. In most of the districts, the collectors assured that they would take the demand to the notice of the government. They also assured to solve the other local problems of the anganwadi employees. In Visakhapatnam district the collector tried to hold a videoconference in the presence of the delegation and solve their problems.

In addition to this massive mobilisation in several districts, the Union has organised dharnas on several local demands like payment for distribution of ration cards, against harassment by the local political leaders, and also demanding that the ECE workers should be given preference while recruiting anganwadi employees in the newly sanctioned anganwadi centres.

The Union condemned the attitude of the West Godavari district collector who refused to receive

the memorandum, accused the CITU and threatened to arrest the leaders of the Union who went to submit the memorandum. Hundreds of anganwadi employees shouted slogans to express their anger at his attitude. The Union printed 4,000 leaflets condemning this and also complained to the Chief Minister. Two zonal trade union classes were also organised by the Union to provide training to the activists in different districts. 140 anganwadi employees from 56 projects in Srikakulam, Vizianagaram, Visakhapatnam, West Godavari and parts of Krishna districts participated in the class organised in Visakhapatnam on 11- 14 March. Evolution of Society, Political Economy, Present Political Situation, Impact of the Policies of Globalisation on the Working Class, Tasks of Trade Unions in the present situation and Organisation were the subjects discussed in the classes.

MASS RALLY IN PATNA PLANNED FOR 18TH APRIL

The state organising committee of the Bihar Anganwadi Workers and Helpers' Union was held in the CITU office in Patna on the 5th March. Representatives

from Bhagalpur, Muzaffarpur and Begusarai participated in the meeting. Arun Mishra, General Secretary of the Bihar state committee of CITU also

participated.

The meeting reviewed the implementation of the decisions of the state convention in February. Asha Devi, convenor of the

REPORTS & EVENTS

organising committee reported that several project and sector level meetings were held in Begusarai and Bhagalpur districts and there was very good response from the anganwadi employees.

The organising committee prepared a charter of demands, which included several state level demands besides the all India demands of universalisation and institutionalisation of ICDS, recognising the anganwadi workers as Grade III and helpers as Grade IV employees and enhancement of their honorarium to Rs 3,000 and 2,000 per month pending regularisation.

The Union strongly demanded that the rampant corruption at different

levels of ICDS be immediately eliminated. The Mukhia of the Panchayat, the president and the members of the committee constituted to monitor the proper disbursement of the supplementary nutrition, the supervisors, CDPOs – all demanded a share in the money provided for supplementary nutrition to the children, pregnant women and lactating mothers. As a result, very little was left for the beneficiaries.

Besides, the Union has also demanded that implementation of ICDS be removed from the purview of the Panchayats and that it should not be mandatory for the anganwadi employees to get the signatures of the Mukhias to

get their honorarium. Additional remuneration for additional work, strict implementation of all the benefits available to the anganwadi employees, filling of all the posts of supervisors with eligible anganwadi workers only and summer holidays were some of the other demands raised by the Union.

It was decided to meet the Women and Child Development minister in a delegation and to popularise the demands among the anganwadi employees in the state; print leaflets and posters and campaign about the 18th April mass demonstration in Patna widely among the anganwadi employees.

U.P: ANGANWADI WORKERS PLAN ACTIONS

A meeting of the district level leaders of CITU was held in Allahabad on 9th February 2006, to plan work in the anganwadi front. Daulat Ram (General Secretary of the state committee), Nawal Singh from Ferozabad, Vashi from Kanpur, Sanjay Narang from Moradabad, Mayank Khare from Allahabad, OP Sharma from Aligarh and Anasuya Singh, leader of the anganwadi union from Sonebhadra participated. Hemalata, General Secretary of the All India Federation of Anganwadi Workers and Helpers participated from the Centre. Daulat Ram informed that the CITU state committee has decided to expedite the work among the

anganwadi employees and to convert the Sonebhadra district level union of the anganwadi employees into a state level union by making the necessary amendments to its constitution. The district union in Jhansi would also be merged with in the state level union so formed.

Hemalata explained the decisions of the working committee of AIFAWH. The meeting decided to organise a state level dharna in front of the UP Assembly on the 18th April 2006 in Lucknow. It was also decided to hold a convention after the dharna and form a state level organising committee.

The district leaders of CITU took the responsibility of convening

meetings of anganwadi employees in their respective districts and also to make efforts to develop contacts in the neighbouring districts. The dates for the meetings in the five districts were also fixed.

As a follow up of this, a meeting of CITU activists working in different unions in Moradabad was convened by Sanjay Narang on 4th March. Leaders of the Medical Representatives' Union, Pital Barthan Kamgar Union, and Sugar Factory Workers' Union besides anganwadi employees participated in the meeting. Veena Gupta leader of JMS, ZM Naqvi a well-known advocate of the city and Narendra Kumar from Bijnour

REPORTS & EVENTS

assured of all the necessary help in the efforts to organise the anganwadi employees in the district. It was decided to hold a district level convention of anganwadi employees on 16th April in Moradabad. Mithilesh, an activist of the anganwadi union took on the responsibility to mobilise the anganwadi employees for the convention. A reception committee was formed in a broader meeting held on 26th March to make preparations for the convention.

A meeting was also held in Kanpur on the 18th March. Around 25 anganwadi employees in addition to some activists of AIDWA participated in the meeting. They informed that the anganwadi

centres in the city were handed over to the District Urban Development Authority, which ran the centres for a couple of years. Though the honorarium was paid by cheque, the anganwadi employees were forced to pay Rs 50/- every month on the pretext that the DUDA did not have enough resources to run the centres. Later, during the BJP rule in the state, these centres were handed over to some NGOs close to the BJP. The honorarium was not paid regularly and deductions from the honorarium continued. After 2 years, the NGO closed down the anganwadi centres, which have not been opened till now. The anganwadi workers and helpers lost their jobs and the

children and women in the area the benefits. The meeting passed a resolution demanding that anganwadi centres be opened in all the slums in the city.

A meeting of anganwadi employees was also held in the Electricity employees' union office in Hardwarganj in Aligarh district, in spite of the intimidation and bullying by a supervisor belonging to the area, who was afraid that if the anganwadi employees get organised by CITU she would no more be able to extract money from them on different pretexts. The meeting decided to hold a bigger meeting on the 2nd April and submit a memorandum to the district authorities.

DHARNA BY RAILWAY PORTERS

A massive dharna by hundreds of railway porters under the banner of Southern Railway Porters' Union (CITU) was held in front of Calicut Railway Station

on 24th February 2006 demanding abolition of contract system and privatization of Parcel handling and withdrawal of all vindictive measures taken against the

porters. Ajay Kumar, MP, R G Pillai, President of the Union, T Dasan, Secretary of the District Committee of CITU and V Mohandas, NFPE, addressed the dharna.

Major victory for CITU Unions in NTPC Secret Ballot

Secret Ballot took place in three different major NTPC power generation stations – Singrauli Super Thermal Power Station, Rihand Super Thermal Power Project and Unchahar Thermal Power Station. All these projects are located in the state of

Uttarpradesh.

Out of the three projects CITU won in two and lost in one with very small margin. *(For details results please see box in next page)*

It may be mentioned that with the present victory, CITU has climbed

to No.1 position with regard to number of elected unions with each of the central trade unions in the National Bipartite Committee (NBC) of NTPC. The present position is CITU – 5, BMS – 3, INTUC – 1 and AITUC – nil. Incidentally it may be mentioned

REPORTS & EVENTS

Name of the Project	CITU	AITUC	INTUC	BMS	HMS	IND
Unchahar	310	140	138	41		
Rihand	196	176	101	54		
Singrauli	292	37	54	100	86	326

that secret ballot is not taking place in two major projects and Corporate Office of NTPC due to certain interpretation of law. Whenever secret ballot will take place in these three locations, the position of CITU shall definitely be

further strengthened.

It may be worth mentioning that in Singrauli project of NTPC, there are more than 350 workers who are residents of the surrounding villages. The independent union, which has won the election, is

called the 'local union', which mainly functions among the local workers noted above. Thus while the overwhelming majority of the general workers have voted for the CITU union, the local workers have voted en-masse for the 'local union'.

FRANCE ABLAZE AGAINST 'HIRE AND FIRE' LAW

Unemployment is a major worldwide problem today assuming alarming proportion in several developed countries. The problem has no solution within the framework of capitalism. But it is used to increase the attacks on the working class, particularly in the era of globalisation. The recent student unrest in France, where hundreds of thousands of students are protesting an amendment to the labour laws, is a manifestation of the increasing resistance to such attacks.

France is a country with high levels of unemployment. It is estimated that youth unemployment in the country is 23%. It is around 50% among the poorer sections. Unemployment was blamed as one of the main reasons that led to the riots in the French suburbs some months back. The governments plans to allow the employers to hire and fire young workers has again led to massive protests across the

country.

The French government enacted a law known as CPE (First Employment Contract), which would enable the employers to terminate the contracts of workers below the age of 26 years, in the first two years on a job, without giving any reason, in short giving the employers, the freedom to 'hire and fire'. This has been the demand of the employers all over the world, including in India, on the pretext that it would allow them to face the growing competition, in the liberalised world economy. The law, which will deny the young workers the job security that is being enjoyed by their older colleagues, was to come into force from 1st April 2006. The government argues that this would increase employment opportunities.

Students all over France realised the danger the law posed to their job security earned by their forefathers through decades of struggles and

immediately came out on to the streets. Reminiscent of the student unrest of 1968, that sparked student worker uprising that paralysed the country, thousands of students have gone on strike and occupied the universities. The strike has spread to 60 out of the 84 universities in the country, forcing 40 of them to close down. Tens of thousands of students participated in the demonstrations at the Place de la Nation in eastern Paris and the Sorbonne University. Processions were organised in 160 places, including small provincial towns to major cities. In Marseille, some youths climbed the façade of the City Hall and replaced the French flag with a banner reading 'Anti capitalism'. The police used force to evacuate the students occupying the different universities. They resorted to firing of tear gas and baton charge the demonstrators. Hundreds of students and youth were arrested.

REPORTS & EVENTS

Despite the attempts of the government to suppress the struggle, support to the demand to scrap the law, has been growing. Different sections of the people including youth, teachers, workers, employees, retired persons etc have joined it. A survey has shown that

around 64% of French people now want that the anti worker law should be scrapped. The trade unions have warned the government to go on a nationwide strike on 28th March, if the Act is not withdrawn. This struggle of the French students and workers inspires the working

class all over the world, who are resisting the attacks on their job security and working conditions with the illusion of creating more jobs. The 'Working Class' extends its solidarity to the struggling students and workers in France.

Meeting of CITU Leaders from Hindi States

A meeting of the Presidents and General Secretaries of the CITU state committees in the Hindi speaking states was held in the CITU headquarters at BT Ranadive Bhawan in Delhi on 22- 23 March 2006. Leaders from Bihar, Chattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Rajasthan and Uttar Pradesh participated in the meeting. M K Pandhe and Chittabrata Majumdar, President and General Secretary of CITU along with other office bearers of CITU functioning from the CITU Centre attended the meeting.

The state representatives reported about the state of organisation and the various activities taken up by them in the intervening period after the last meeting. The meeting noted that the past several months have been a period of continuous struggles in the midst of attacks from the employers and the police. It was felt that the prestige of the CITU has been growing among the workers and there was immense scope to strengthen the organisation. The meeting decided to strengthen the state centres. It was decided to discuss the issue in depth in all the state committees on the basis of written notes.

The meeting also decided to intensify the campaign for the introduction of the Unorganised Sector Workers' bill and for effective implementation and extension of the Rural Employment Guarantee Act.

75th ANNIVERSARY OF BHAGAT SINGH'S MARTYRDOM

23rd March was the day 75 years ago, when Bhagat Singh, along with his comrades Rajguru and Sukhdev attained martyrdom in the struggle for India's independence. Bhagat Singh not only fought against British colonialism but he wanted all exploitation to end and was very clear in his mind about the role of the working class in this struggle.

75 years after the ultimate sacrifice by Bhagat Singh and his comrades and more than 58 years after India attained independence, today we find the country and its people are facing increasing onslaughts of imperialism on our economic sovereignty and self reliance. In this background it is essential to remind our younger generations, those who are not aware of the heroic struggles launched by our forefathers to liberate the country from the shackles of imperialist exploitation, of the legacy of Bhagat Singh. It is also important to propagate his ideals and his commitment to socialism, particularly when even communal organisations, which never have opposed nor do oppose imperialism now, lay claim to his legacy.

Several progressive organisations of our society have observed the 75th anniversary of Bhagat Singh's Martyrdom by holding different types of programmes all over the country. It is very important to regain the anti imperialist legacy of our independence struggle, when our rulers are taking steps to sell off our sovereignty to imperialist forces.

Consumer Price Index Numbers (General) for Industrial Workers (Base 2001=100)

No. 112/6/2006-NCPI

Dated : 09.03.2006

State	Sr. Centre No.	Jan., 06	Linking Factor	State	Sr. Centre No.	Jan., 06	Linking Factor
AP	1GUNTUR	117	4.57	MHR	44 SHOLAPUR	116	4.73
	2WARRANGAL	119	4.75		45PUNE	120	4.96
	3HYDERABAD	113	4.79		46NAGPUR	121	4.68
	4GODAVARIKHANI	121	N		47NASIK	120	4.94
	5VIJAYAWADA	116	N		48MUMBAI	122	5.18
	6VISHAKHAPATANAM	116	4.64	ORI	49ROURKELA	118	4.03
ASM	7RANGAPARA- TEZPUR	107	4.17		50ANGUL-TALCHAR	117	N
	8GUWAHATI	112	4.80	PND	51PONDICHERRY	122	4.88
	9MARIANI-JORHAT	112	4.01	PUN	52JALANDHAR	124	N
	10LABAC- SILCHAR	119	3.65		53LUDHIANA	124	4.12
11DOOM DOOMA- TINSUKIA	113	4.04			54AMRITSAR	126	4.09
BIH12	MONGHYR- JAMALPUR	121	4.30	RJN	55BHILWARA	119	4.62
CHS	13BHILAI	117	4.20		56JAIPUR	122	4.25
GOA	14GOA	115	5.59		57AJMER	117	4.78
GUJ	15VADODARA	114	4.39	TN	58CHENNAI	118	4.95
	16AHMEDABAD	114	4.62		59COONOR	115	4.58
	17RAJKOT	115	4.38		60SALEM	115	4.45
	18SURAT	112	4.54		61TIRUCHIRAPALLY	122	5.01
	19BHAVNAGAR	113	4.76		62MADURAI	116	4.51
HP	20HIMACHAL PRADESH	115	4.53		63COIMBATORE	116	4.49
HRY	21YAMUNANAGAR	124	4.34	TRP	64TRIPURA	114	4.17
	22FARIDABAD	117	4.79	UP	65LUCKNOW	117	N
J & K	23SRINAGAR	116	5.62		66AGRA	122	4.36
JRK	24JHARIA	121	3.72		67KANPUR	120	4.50
	25KODARMA	128	3.89		68VARANASI	118	4.96
	26GIRIDIH	126	N		69GHAZIABAD	122	4.78
	27BOKARO	116	N	WB	70HALDIA	113	5.64
	28JAMSHEDPUR	122	4.23		71DURGAPUR	116	5.13
	29RANCHI HATIA	121	4.20		72ASANSOL	119	4.37
KNT	30MERCARRA	112	4.47		73HOWRAH	117	5.42
	31BELGAUM	121	5.02		74KOLKATA	117	5.12
	32MYSORE	121	N		75SILIGURI	120	N
	33HUBLI DHARWAR	118	4.71		76JALPAIGURI	112	3.96
	34BANGALORE	121	4.51		77DARJEELING	116	3.80
KRL	35MUNDAKAYAM	122	4.37		78RANIGANJ	120	4.02
	36QUILON	125	4.61				
	37ERNAKULAM/ALUVA	123	4.52		ALL INDIA INDEX	119	4.63
MP	38BHOPAL	120	4.83				
	39CHHINDWARA	118	4.03				
	40INDORE	115	4.73				
	41JABALPUR	122	4.53				
CHD	42CHANDIGARH	121	5.26				
DLI	43DELHI	116	5.60				

1. The CPI-IW for the month of February, 2006 will be released on 31st March, 2006

2. E-Mail Address : dgshimla@sancharnet.in

3. Website : <http://www.labourbureau.gov.in>

4. Linking Factor - Figures on old base 1982=100 (General Index) can be obtained by multiplying the index numbers on new base 2001=100 by the linking factor given above and rounding off the result to nearest whole number

5. N : New Centre under 2001 Series

CONSUMER PRICE INDEX:

ARBITRARY RELEASE OF NEW SERIES

On March 9, 2006, the Labour Bureau, Shimla, with the approval of the Government of India released the new series of the Consumer Price Index Numbers for Industrial Workers on base 2001=100. The CPI-IW (2001=100) series replaces the CPI-IW (1982=100) series. The Labour Bureau has released the maiden index based on 2001 series with effect from index pertaining to January, 2006. The All India Index for the month of January, 2006 stands at the level of 119 and Linking Factor for conversion of new series index to previous series on base 1982=100 is 4.63. The Labour Bureau stated that the CPI-IW for February, 2006 will be released on 31st March, 2006.

The press release by the Labour Bureau highlighted the following as "some of the important improvements made under the CPI-IW (2001=100) series vis-à-vis CPI-IW (1982=100) series":

■ A total of 78 centres have been covered in the 2001 series as against 70 centres in the 1982 series.

■ The sample size for the conduct of Working Class Family Income and Expenditure Survey, on the basis of which weighting diagrams have been derived, was increased to 41040 families from 32616 families in the 1982 series.

■ The number of selected markets for collection of retail price data has also increased to 289 markets under the 2001 series as against 226 markets covered in the 1982 series.

■ The number of items directly retained in the index basket has increased to approximate 370 items as against 280 items approximately in the 1982 series.

It added: "The Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL) has approved the new series".

The fact of the matter is that on none of the 'improvements' highlighted as above, the trade unions were taken into confidence. Rather, the

very release of the new series comes in the background of stiff opposition by all the central trade unions of the country.

Reacting to this development, the CITU Secretariat in a statement released on March 10, 2006 said: "The Ministry of Labour has resorted to yet another arbitrary step of releasing a new series of Consumer Price Index for the Industrial Workers with the base year 2001 – 100, brazenly ignoring the unanimous opposition of all the central trade unions.

"In all the three meetings convened in this connection viz. 1) National Level Index Users' Meeting in May 2005, 2) Meeting with the Central Trade Unions in September 2005 and 3) Special meeting of Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL) in February 2006, the representatives of all the central trade unions voiced concern over the faulty procedures adopted in the compilation of the new series of price index. The government had deliberately failed to consult the trade unions prior to compilation of the new series on the methodology to be adopted, family budget survey, the consumption basket, selection of centers and markets et al. In fact, the government had turned a deaf ear to the demand of the trade unions for appointment of an Index Review Committee and implementation of the Rath Committee report on the consumer price index.

"The launch of the new series of price index is solely aimed at artificially deflating the price indices leading to severe cutbacks in the Dearness Allowance entitlements of crores of workers. The CITU unequivocally condemns this move and reiterates the categorical assertion made by all the central trade unions in their joint letter dated February 17, 2005 addressed to the Labour Ministry that the trade unions would not accept the new series of index".

The CITU, therefore, urged the Ministry of Labour to withdraw the new series of index released by the Labour Bureau, Shimla.

Budget 2006 – 07

COMMON MAN HAS NOTHING TO CHEER

The budget speech of the Finance Minister conforms to the pattern evolved by him since last year of keeping the budget a low-key affair and pursuing the reforms agenda through intermittent executive fiats throughout the year. The Economic Survey preceding the Budget presentation has laid out an ominous road map for such reforms. It advocates a shift from the existing Minimum Support Price (MSP) and Public Procurement System for the agricultural produce to developing alternative product market; prescribes pursuit of pension reforms, an euphemism for privatisation of social security; favours further liberalisation of FDI regime and speeding up privatization exercise in the mining sector; regrets floundering of the movement towards market determined prices particularly regarding LPG and Kerosene subsidies; cautions against deterioration of central and state finances while constituting sixth pay commission and the like. The budget has thrown hints of removing 184 items from the list of items reserved for the small-scale sector and seeks to redefine 'captive mining' moving towards privatisation of coal mining; indicates measures to promote private control (both domestic and foreign) in strategic infrastructure areas like sea-ports, airports, highways and also in petroleum exploration and refining, electricity etc. By seeking a consensus on targeting (eliminating) subsidies on essential commodities and inputs and laying stress on quality of social sector spending, the budget makes clear the real intention of the government, which is to cut down on government spending for the poor and common man.

Though there is no imposition of new taxes or hike in tax-rates, there is no relief to common man either. The popular demand for relief from tax-burden on welfare and housing facilities, in the name of perquisites, went unheeded. On the other hand, there has been no effort to augment the revenues of the government by taxing the rich and affluent, who have practically cornered the gains of GDP growth. This creates serious apprehensions on implementation of the pro-

people promises in the Common Minimum Programme, including those for the workers of in the unorganised and agricultural sectors. On the other hand, the increase in the cess on domestic crude will impact adversely the oil sector PSUs, producing crude.

The Finance Minister has derived consolation that tax revenue as a per cent to the GDP is inching forward from 9.2 per cent in 2003–04 to 10.5 in 2005–06, hiding the fact that this figure is related to current market prices whereas the GDP growth is derived at constant prices. There is no word on recovery of huge backlog of tax-arrears and bank loan defaults of the corporates.

There is some apparent increase in allocations for some segments. But on the whole, the allocation proposed to the flagship programmes of the much-acclaimed Bharat Nirman itself is a mere Rs. 50,015 crore in the total budgeted expenditure of Rs. 5, 63, 991 crore i.e. less than 8 per cent. There is no mention of the revenue losses on account of the steep reductions in the custom duty. The reduction of duty on alloy steel and minerals will create obstacles for the indigenous steel and mining industry.

The Finance Minister boasted about the growth in the domestic savings rate to 29.1%. But in reality, as highlighted by the Economic Survey, the household savings have actually declined, which is the direct result of the lowering of the administered rate of interest and the move to subject the various savings instruments to taxation at the terminal stage. The budget only opens up the avenues for the mutual funds to hike overseas investment up to \$2 billion with relaxing the reciprocal share holding stipulation even.

In fine, the budget 2006 – 07 yet another phase in carrying forward the disastrous economic reforms and hides more than what it presents. Common man has nothing to cheer.

(Statement issued by the CITU Secretariat on February 28, 2006)