



Vol. 36

No. 9

May 2006

Price: Rupees Four

THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

Revolutionary Greetings on the Historic May Day!

Let us pledge to

- **Hold aloft the banner of socialism!**
- **Fight back the offensives of imperialism and the onslaughts of the ruling classes!**
- **Continue to raise the banner of resistance to the policies of imperialist globalisation!**



Long live international solidarity of the working class!

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

No. 112/6/2006-NCPI

Dated : 31.03.2006

State	Sr. No.	Centre	Jan., 06	Feb., 06	State	Sr. No.	Centre	Jan., 06	Feb., 06
AP	1	GODAVARIKHANI	121	121	MHR	44	MUMBAI	122	121
	2	GUNTUR	117	117		45	NAGPUR	121	121
	3	HYDERABAD	113	113		46	NASIK	120	120
	4	VIJAYAWADA	116	116		47	PUNE	120	120
	5	VISHAKHAPATANAM	116	115		48	SHOLAPUR	116	116
ASM	6	WARRANGAL	119	118	ORI	49	ANGUL-TALCHER	117	116
	7	DOOM DOOMA-							
		TINSUKIA	113	112		50	ROURKELA	118	118
	8	GUWAHATI	112	111		51	PONDICHERRY	122	121
	9	LABAC- SILCHAR	119	119		52	AMRITSAR	126	125
BIH	10	MARIANI-JORHAT	112	110	PUN	53	JALANDHAR	124	124
	11	RANGAPARA							
		- TEZPUR	107	107		54	LUDHIANA	124	126
	12	MONGHYR							
		- JAMALPUR	121	120		55	AJMER	117	117
CHD	13	CHANDIGARH	121	122	RJN	56	BHILWARA	119	121
CHS	14	BHILAI	117	116		57	JAIPUR	122	123
DLH	15	DELHI	116	117		58	CHENNAI	118	116
GOA	16	GOA	115	116		59	COIMBATORE	116	117
GUJ	17	AHMEDABAD	114	113		60	COONOR	115	114
	18	BHAVNAGAR	113	113	TN	61	MADURAI	116	115
	19	RAJKOT	115	115		62	SALEM	115	113
	20	SURAT	112	112		63	TIRUCHIRAPALLY	122	119
	21	VADODARA	114	113		64	TRIPURA	114	110
HRY	22	FARIDABAD	117	118	TRP	65	AGRA	122	123
	23	YAMUNANAGAR	124	124		66	GHAZIABAD	122	123
	24	HIMACHAL							
		PRADESH	115	115		67	KANPUR	120	122
J & K	25	SRINAGAR	116	115	WB	68	LUCKNOW	117	117
JRK	26	BOKARO	116	115		69	VARANASI	118	118
	27	GIRIDIH	126	126		70	ASANSOL	119	119
	28	JAMSHEDPUR	122	122		71	DARJEELING	116	117
	29	JHARIA	121	120		72	DURGAPUR	116	115
KNT	30	KODARMA	128	129		73	HALDIA	113	111
	31	RANCHI HATIA	121	121		74	HOWRAH	117	116
	32	BANGALORE	121	122		75	JALPAIGURI	112	112
	33	BELGAUM	121	121		76	KOLKATA	117	115
	34	HUBLI DHARWAR	118	119		77	RANIGANJ	120	118
KRL	35	MERCARRA	112	111		78	SILIGURI	120	120
	36	MYSORE	121	121					
	37	ERNAKULAM	123	122					
	38	MUNDAKAYAM	122	122					
	39	QUILON	125	124					
MP	40	BHOPAL	120	120					
	41	CHHINDWARA	118	119					
	42	INDORE	115	117					
	43	JABALPUR	122	122					
								ALL INDIA INDEX	119 119

THE WORKING CLASS

CITU MONTHLY

MAY 2006

YOU SAID IT by Laxman



That's a false profit graph. This is the real one. If I display this the staff will start asking for more pay, bonus, perks, etc. So I put up that there and keep this inside.

Courtesy: The Times of India

EDITORIAL BOARD

M K Pandhe

(Chairman)

W R Varada Rajan

(Working Editor)

Chittabrata Majumdar

Tapan Sen

K Hemalata

Ardhendu Dakshi

EDITORIAL

TIME TO CALL UPA GOVERNANCE TO ORDER

The budget session of Parliament, which was adjourned in view of the elections to the legislatures in five States, will resume after the new governments are sworn in these States.

Having minimal or nominal presence in these States, the BJP sought to distract the attention of the people at least in other regions of the country through the 'Rath Yatras' undertaken by its present President and the disgraced former President. It is heartening to find that the people have chosen to more or less ignore these disruptive 'yatras' on the theme of 'minority appeasement'. In a striking similarity, the Congress, charged the Left with the same 'minority appeasement' in Kerala, for electoral gains.

The UPA government had gone ahead with the privatisation of the Delhi and Mumbai airports and allowed signing of documents giving private companies the right to operate, maintain, finance and manage these airports. It has thrown to winds the NCMP commitment not to privatise profit-making PSUs and violated the commitment given to the employees of the AAI to discuss the related matters in a tripartite committee. The Civil Aviation Minister has set deadlines for not only handing over the airports to the private entities but also for the disinvestments of the public sector airlines.

On foreign policy regime, the UPA dispensation is steadily pursuing its agenda of forging a strategic partnership with the USA. The Manmohan Singh regime is eager to expedite processing the proposal to make the United States an observer in the South Asian Association for Regional Cooperation (SAARC). The priority assigned to the US request vis-à-vis the question of involving other major countries of the Asian region and Russia, defies logic.

On issues concerning the working class, the UPA regime is still vehemently harping on making the labour market flexible, while the question of acting swiftly on negating the pernicious impact of several judicial pronouncements, is merrily ignored. After reducing the interest on EPF to 8.5 per cent for the last year, amidst unanimous protest by all the trade unions, the Ministry of Labour has floated the proposal of a further reduction for the current year. The arbitrary release of the new consumer price index and the persistent refusal to undertake a review and setting right the existing anomalies in the compilation of the index are aimed at artificially deflating the index figures to reduce the burden of Dearness Allowance on the employers are matters of grave concern for the workers.

This list goes on. It is time to call the UPA governance to order and force them to adhere steadfast to the commitments made in the NCMP and address the issues of the working masses. Trade union movement must engage in this task and that urgently.

MAY DAY MANIFESTO OF CITU 2006

On the historic May Day - the day of the international solidarity of the working people - the Centre of Indian Trade Unions (CITU) extends revolutionary greetings to and pledges solidarity with the:

- Working class fraternity all over the world.
- Working class and the people of the socialist countries for steadfastly holding aloft the banner of socialism!
- Working class and the people of the advanced capitalist countries, who have raised the banner of resistance to the policies of imperialist globalisation, putting up inspiring and militant struggles against capitalism.
- Working people of the developing countries, engaged in fighting back the offensives of imperialism on the one hand and the onslaughts of the ruling classes on the other.

xxx

The US imperialists, under the Bush administration, continue to push forward with a global strategy of "fighting terrorism" and promoting "democracy". It is continuing its illegal occupation in Iraq, despite the public opinion in the US turning decisively against it. The Tony Blair regime of U K, which has been a running mate of the US regime, is also getting isolated from his own people on this issue.

Despite claims of 'restoring democracy' in Iraq, with the adoption of a new constitution and holding of elections to the National Assembly in December last year, there is a virtual sectarian divide in the division between the Kurds, Sunnis and Shias within Iraq. Attacks on the US and its allied forces have been mounting. Besides Iraqi army and police force, the US army is directly resorting to search and destroy missions in various towns and areas, which is leading to mounting civilian casualties. It has been now revealed that the US army has also used chemical weapons, which have deadly effects, in its attacks.

The trial of Saddam Hussein and his colleagues, being conducted in Baghdad, has no legitimacy whatsoever, as the same is orchestrated by the

United States with a rigged up judiciary.

Coming after the torture of the prisoners in Abu Ghraib by the US army, international media exposure of the CIA's secret prisons has put the Bush administration in further trouble. In the name of war on terror, the CIA has been snatching people in various countries and flown them secretly to prisons in countries such as Egypt, Afghanistan, Poland and Romania for torture. The European Union, by law, prohibits torture and the British and German governments are in the dock for allowing hundreds of CIA flights carrying the illegal detenus. This episode has dented the US claim of being the champions of human rights.

In its single-minded drive for control over West Asia, the U.S. imperialism has acquiesced in the Israeli game plan of reducing the Palestinian State with just some truncated parts along with the Gaza strip, after Israel withdrew its troops from the Gaza strip but annexed a major part of the West Bank. The United States is now targeting both Iran and Syria. The United States openly talks of regime change in Syria and Iran - as also in Cuba and DPR Korea. The US is building up a case for an Iraq type attack on Iran around the nuclear issue and reports are appearing that the Pentagon is preparing for bombing of select nuclear sites in Iran.

Inside European Union, the assumption of office as new Chancellor in German by Angela Merkel as leader of a grand coalition, following a fractured verdict in the election, has resulted in a shift to the right. In Japan also, a pro-US regime had been returned to power in the elections there.

However, political developments in several countries in South America have shown the growing trends of resisting imperialist hegemony and moving away from unipolarity.

The CITU pledges to unleash a powerful anti-imperialist struggle within India, in solidarity with all the peace loving forces, demanding withdrawal of US troops from Iraq, opposing the U S machinations against Iran, the DPRK, Syria, Cuba and Venezuela and extending solidarity with the

Palestinian people.

xxx

On the national scene, with the UPA government in office for nearly two years at the centre, the focus of the political discourse in the country has shifted from non-issues to real issues concerning people's livelihood. The UPA regime, because of its crucial dependence on the Left for its survival, has been forced to adopt a National Common Minimum Programme holding out certain valuable commitments.

The UPA regime has taken certain - though half-hearted - measures towards improving people's welfare. It had enacted the National Rural Employment Guarantees Act, committing itself to provide a legal guarantee for employment to rural households. The Right to Information Act has been adopted. Draconian POTA has been repealed. Legislations have been introduced in the Parliament to protect the rights of tribals, women etc.

But, the overall direction of the policies pursued by the UPA government is, in the popular perception, drifting away from the commitments held out to the people.

There have been several disconcerting features in the realm of foreign policy. The UPA government has succumbed to US pressures, opting for a framework agreement in defence cooperation, voting in line with the US in the IAEA on nuclear issue, entering into a nuclear deal with the US et al. The U SA will continue to extract a price for accepting India as a strategic ally and extending nuclear cooperation. These are definite compromises over India's independent foreign policy.

In this backdrop, the CITU recalls with pride that even though the ruling classes of the country chose to roll out a red carpet welcome to the US President during his recent visit to India, the working class was in the forefront staging massive protests against 'Killer Bush', with slogans of 'Go Back' renting the air.

The Congress Party, leading the UPA coalition, 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. In the elections to the legislatures in five States the Congress Party, is forging opportunist political alliances, overt and covert, against the Left in the States of West Bengal and Kerala.

The UPA government, in its eagerness to pursue the economic policies of liberalisation, it is reluctant to take measures, which are in favour of the rural and urban poor. It has also taken many a step against the interests of the working class. The Government has reduced the rate of interest rate on EPF from 9.5 to 8.5 per cent, despite the strong opposition of the trade unions. It refuses to accede to the genuine plea to differentiate the EPF as a second security fund from other financial market deposits. The push for labour law reforms has been given a thrust right from the office of the Prime Minister, who voiced in the Indian Labour Conference the demand to allow hire and fire policies. The Ministry of Labour has arbitrarily released 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, a move solely aimed at artificially deflating the price indices leading to severe cutbacks in the Dearness Allowance entitlements of crores of workers.

The government increased the prices of petroleum products in successive phases and refused to revise the taxation structure on petroleum products to obviate passing off the burdens on to the people. The prices of various commodities have been rising sharply, with no effort to check. Though the government after a prolonged stand off by the Left was forced to rescind a cabinet decision to divest 10 per cent of the shares in BHEL. It had opened up the FDI in retail; it has gone ahead with the proposals for the privatisation of the airports; and more such moves are in the offing.

The UPA government has also failed to protect

the interests of Indian agriculture and other sectors of the economy in the ongoing Doha round of WTO negotiations and agreed to several compromises in the recently concluded Hong Kong Ministerial meeting.

The judiciary, of late, has been coming out with pronouncements, which have pernicious impact for labour in the country. A whole series of apex court verdicts in recent years have sought to usher in 'hire and fire' regime, much sought after by the employer class and international finance capital. This has come as a judicial bonanza of completing the 'unfinished agenda of reforms'. The working class has to factor this aspect in its future struggles to defend and enlarge labour rights.

Against these anti-worker measures, the working class of India has staged a series of direct actions. The country wide strike on September 29, 2005, the strike against privatisation of airports at Mumbai and Delhi and the indefinite strike by State Bank employees on pension issue are pointers to heralding a new phase of struggles to reverse the anti-people economic policies.

The CITU calls upon the working class of the country to prepare for a sustained struggle to fight the anti-worker and anti-people measures on all the three aspects – economic policy regime, deviations from independent foreign policy and 'soft-hindutva' approach towards communal forces.

xxx

The working people of India, while carrying on a sustained struggle against imperialist offensives on the one hand and the disastrous policies of globalisation on the other, are mandated with the gigantic task of resisting the onslaught of the communal forces.

After the defeat of the BJP-led NDA government in the general elections of 2004, the majoritarian communal forces represented by the sangh parivar have been in a state of disarray. The BJP has plunged into a deep crisis, with mounting dissidence within and worsening of relations with the RSS. The latter ensured the exit of L. K. Advani, the leading aspirant for the seat of Prime Minister, from the post of President of the BJP, after he sang 'Jinnah the secular' tune during his visit to Lahore. All the claims of BJP to be a Party

with a difference had floundered with the surfacing of scams and scandals involving its leading lights.

The BJP found itself in the dock with the discovery of a mass graveyard in Panchmahal district in Gujarat of the victims of the 2002 State-sponsored communal carnage, the report Banerjee Committee laying bare its lies on Godhra train accident and the Mumbai High Court punishing the criminal conspirators of Best Bakery case, who were let off by the court in Modi's Gujarat. Its close ally, Shiv Sena, met with serious political setback and electoral reverses in Maharashtra.

Yet this motley crowd of self-seeking and unscrupulous elements cannot be written off. They indulge in every sort of maneuvers to get back to the centre stage of Indian polity. With the RSS asserting its domination with the dictat that it shall not tolerate any dilution of its ideological content, the communal forces will up the ante of aggressive pursuit of the fascistic 'hindutva' agenda. The resumption of 'yatra' mode of fomenting communal hatred by Advani and the new BJP President Rajnath Singh, in the aftermath of a terrorist attack on a Varanasi temple is intended to recover its lost political ground through communal polarization.

The CITU calls upon the working people to exercise eternal vigilance over these overt and covert moves by the communal forces and meet their challenge squarely to preserve the secular democratic fabric of the country's polity.

xxx

On this May Day, the CITU calls upon the working people of India to mobilise all sections of the toiling masses in the impending fight against:

- imperialist war mongering and offensives;
- disastrous policies of indiscriminate economic liberalisation;
- menacing advance of the communal forces; and
- the ruling class offensives on labour rights

Long live working class unity!
Long live international solidarity of the working class!
Down with imperialism!
Long live socialism!

Comrade Anil Biswas (1944 – 2006)

CITU deeply mourns the death of Comrade Anil Biswas, the illustrious leader of the Communist Party of India (Marxist) and left and democratic movement in the country in general and West Bengal in particular at an early age of 62. His political life started with his involvement in left student movement. Comrade Biswas became a member of the CPI(M) in 1965 and became a whole-timer of the Party in 1969. He became the Editor of daily organ of the Party 'Ganashakti' in 1983 and continued till 1998. He became a member of the West Bengal State Committee of CPI(M) in 1978, a Central Committee member and ultimately the Secretary of the State Committee as well as a member of the Polit Bureau of CPI(M). As the Secretary of the West Bengal Unit of the Party, he steered the Party in complex situation. He also acted one of the leading architects of the unprecedented electoral success of the Left Front six times consecutively. The CITU deeps its red banner in respect to this valiant fighter for the cause of the working class and the people and conveys its condolence to his bereaved family.

Comrade Mahabub Zahedi (1929 – 2006)

CITU record with deep regret the demise of Comrade Mahabub Zahedi, a veteran Kishan leader who had dedicated his life in agrarian movement for more than fifty years. Born in February, 1929, he joined the Communist Party in 1953 and became a member of West Bengal State Committee of CPI(M) in 1978. He was a Minister in the Left Front Government in West Bengal from 1991-96. Since 1996 he had been a member of Lok Sabha. As Vice-President of West Bengal Krishak Sabha as well as All India Kishan Sabha, he was in the forefront in fostering unity in the struggles of peasants and working class for strengthening democratic movement against exploitation and oppression. CITU while paying homage conveys deep condolence to the bereaved family members of Comrade Zahedi.

Comrade C Kannan (1910 - 2006)

CITU record with deep regret the demise of Comrade C Kannan, a veteran trade union leader who has played a meritorious role in building trade union movement in India based on the principle of class struggle and achievement of socialism. Comrade 'C', as he was popularly known, was one of the pioneers of trade union movement in Kerala. Comrade Kannan played a very significant role in developing All India Beedi Workers Federation and Construction Workers Federation of India. He was the Vice-President of CITU for several years. His role in strengthening the CITU in Kerala as President of Kerala State Committee will always be remembered. He was elected to the Kerala legislative assembly three times. The CITU and 'The Working Class' pay respectful homage to a great worrier of the working class and conveys heartfelt condolences to his family members.

MARCH AHEAD WITH TEACHINGS OF MAY DAY

Chittabrata Majumdar

Be it in France, the prominent European Union member or the industrially grown South Korea, be it the happenings in Indonesia or India, all over, the orchestrated attacks on the toiling mass have been getting intensified by every day and every moment. In fact, deregulation to make the labour market so-called 'flexible' is the top priority in the agenda of the global capital as well as that of the bourgeoisie led governments and their machineries.

Massive informalisation of the work force, obliteration of rights of the working class, annihilation of all sorts of social security of the workers are among the common programmes that have been set by the class represented governments irrespective of in the developed, developing and less-developed nations.

FRENCH PROTESTS

Therefore, after the pension legislation in July 2003, the French Prime Minister, Dominique de Villepin, pushed the New Employment Contract (CNE) on 1st September last year that confers on employers the right to fire anybody at any time and for any reason, without following any formal procedure and without any right of appeal. This will cover firms with less than 20 employees, 66% of French businesses. Again, the latest one is the First Employment Contract (CPE), a legislation, which will apply to those below the age of 26 working for the companies with more than 20 employees, voted by the French Parliament in February 2006. The "first jobs contracts" (CPE) will allow employers to fire people under age of 26 without cause within two years of being hired. The French Premier claims it will ease youth unemployment.

The French people realised that the process is on to make the way open for the complete dismantling of labour code, with long-term consequences in terms of flexible, insecure employment. Therefore, once again the majority of French wage earners - almost uniquely in Europe - fiercely opposed the government attempt to wash its hands off them and let unrestrained

globalisation serve the business class. They viewed the CPE as a part of campaign to destroy the sense of social solidarity central to French identity, signifying a shift in the relationship between political power and society, which could mean the end of the welfare state. That is why France, famed for modern literature and culture, is in revolt, where Carole Cases, a nurse who participated in the protest with two children, told The New York Times, "I want to protect my children's future. They're trying to dupe the young". Unions called for a national day of strike actions on March 28 to protest. Bolstered by this support, student groups held further large-scale protests on March 21 and 23. Protests in 150 cities on March 18 was joined by public figures that included Paris Mayor Bertrand Delance, Socialist Party leader Francois Hollande, former cultural minister Jack Lang and Communist Party leader Marie-George Buffet.

The CGT, France's largest union federation, said, "This measure, ineffective for employment, offers employers a new means of pressuring employees to renounce most of their rights under the penalty that they will be pushed out of the door: it is a welcome to unpaid additional work condition, lower salaries, sick days not respected, scorned dignity, etc."

This is a sort of repetition of the happenings that have been observed in South Korea. It's Government has decided to pass the employment bill, which as described by Korean Confederation of Trade Unions as the attempt to gift the employers more flexible labour market ruining the workers rights. The workers of the country went for a weeklong strike from 10th April 2006. Indonesian workers also are on the street to resist the move of the government to amend the labour laws to curtail their rights at the behest of the capitalists.

IN INDIA ...

In our country, the scenario is not very different, if not worse even. The attack on the lakhs of government employees and teachers on strike in

Tamil Nadu in 2003, followed by the Supreme Court's remark that 'there is no fundamental, legal, equitable or moral right to strike' for government employees and a sweeping remark denying right to strike to all workers was nothing else than a move to undo the right of collective bargain. Orders of some High Courts, such as an order of Ranchi High Court banning the strike by the steel workers at Bokaro, are the manifestations of anti working class attitude the state machineries as well as the ruling class carry. We must also not forget the report of Second National Commission on Labour, during BJP-led NDA government's regime, which was designed in the name of second-generation reform to attack on workers' rights to organise, bargain and agitate, including the right to strike.

In 2004, the UPA government, which came to power with the outside support from the Left, announced in its NCMP: "the UPA government is firmly committed to ensure the welfare and well-being of all workers, particularly those in the unorganised sector who constitute 93% of our workforce." Further it stated: "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 interest of workers and families and must take place after full consultation with trade unions."

But in reality, the off and on comments and statements from even ministerial level reveal what the present government is anxious to do. It is too eager to reform the labour laws to make the labour market of the country more and more flexible, to satisfy the domestic and foreign capital, reducing the NCMP commitments to a mere lip service. But, the stiff resistance from the Left parties and the working class as well as the trade unions act, undeniably, as the deterrent, stalling the anti-worker moves contemplated by the Government. On March 16 in Ludhiana, the police brutally lathi charged the workers of Oswal woollen factory staging a peaceful demonstration against non-implementation of labour laws and other demands and arrested a large number of workers, including leaders. The brutal attack on the workers of Honda in July last year is also a notorious record. The days long successful strike at Honda factory in Gurgaon is going on to press the workers'

legitimate demands. In Sikkim, the Trade Union Act and Industrial Disputes Act are not introduced. The workers are not allowed to form any trade union, not only in Sikkim but also in many other parts of the country where the Acts are already in force. We have some all India labour laws such as the Trade Union Act, Industrial Disputes Act and many others, but these Act are not being implemented. The central government decided to sit tight passing the buck to the state governments. If the states do not implement these laws, does the centre not have any responsibility to intervene?

Despite such rampant violations of labour laws across the country, 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". It further 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".

Saying that only 7 per cent workers in the organised sector, attempts are being made to dismantle even the existing labour laws, doing away with all the rights and protection of the workers, on the plea of bringing flexibility. The workers of unorganised sectors are left solely at the mercy of employers, with the government doing nothing. At the same time, whatever the protective measures are there for the organised sector workers, they are being dismantled, to make them unorganised.

ROLE OF JUDICIARY

The role of judiciary also is required to be discussed here. The Industrial Disputes Act, 1947, has recognised the strike as a weapon in the hands of the industrial workers, wherein the provisions of sections 22 to 25 deal with the power and regulations of strike. The Supreme Court long back in 1972 in the Ballapur Collieries Ltd case affirmed the right to strike by the workers. The apex court, speaking through Krishna Iyer J in

LABOUR REFORMS, COURTESY JUDICIARY

The Supreme Court judgement in the case relating to the government employees of Rajasthan is yet another pernicious verdict with ominous portents for the labour in this country. The judge of the apex court who crafted this verdict is the same author of the August 2003 judgement depriving the government employees and the workers of their right to strike.

The ruling of the Division Bench of the Rajasthan High Court, which the apex court has overturned now, had only granted the employees concerned the benefit of redeployment with pay-protection and service-continuity, while permitting the closure of a unit of the State Housing Board. By this judgement, the Supreme Court has now conferred unfettered right of 'hire and fire' to the government with no protection whatsoever to its employees. The wording of the verdict, as reported, is in the nature of sweeping generalisation that could be interpreted to be applicable to any employer. The excitement with which the media had hailed this verdict goes to prove that the much sought after 'labour market reforms' had arrived, courtesy the judiciary.

It is deplorable that the highest judiciary in the country is hell bent on liquidating the hard won rights of the workers and employers, making them the sacrificial goats at the altar of neo-liberal economic reforms, virtually negating the fundamental rights and directive principles of the Indian Constitution. The judiciary seeks to throw to winds the very concept of welfare and social security for the workers.

The refusal of the government to act on the demand of the trade unions to negate the pernicious impact of the earlier judgment of the Supreme Court on Right to Strike had encouraged the judiciary to indulge in such excesses as a matter of routine, as testified by a spate of anti-worker pronouncements, including the present one. The workers will not accept such excesses lying down. This ruling had come at a time when the media world over is replete with the news of countrywide protest actions witnessed in France, over a government legislation conferring right to fire, albeit limited to 26 years of age of the employees hired. This should be an eye-opener to all concerned as to how the working people will press for their inalienable rights.

The CITU demands of the government to take immediate steps to review the situation created by this and similar other judgements and take speedy action to negate their harmful impact.

(Statement issued by the CITU secretariat on March 29, 2006)

Gujrat Steel Tube Ltd case also spelt out that the strike is a valuable right of the workmen. The legal position on the right to strike of the non-industrial workers is that suitable legislation in this effect does serve the purpose of conferring that right without amendment of the Constitution.

But regrettably contrary to its former role, the ruling on April 10, 2006 by the five-judge bench headed by Chief Justice Apex Court, proclaimed that a daily wage earner, even after years of toil in the same job cannot claim the right to regular employment in a case filed by Karnataka government. This is a further addition to judicial rulings that enthuse those hawks for 'hire and fire' regime. Today, the undeniable fact is that the government itself is the single largest employer

engaging highest number of workers on contract or non-permanent basis. If the present provisions in the legislation for abolition of contract labour system in jobs of permanent or perennial nature were to be applied, the governments/government undertakings would be the most conspicuous violator of the law. The apex court judgement precisely legitimises such violations by upholding the right of the governments to engage workers on daily basis for years on with no end and with no obligation to regularise their services.

Further, only a few days back, another bench of the same court blessed the governments with unlimited powers to abolish departments and posts with no liability towards rehabilitation or social security of the affected work force. Again,

there is a growing tendency on the part of the judiciary of giving the ruling prohibiting the workers' agitations and strikes in advance on the basis of pre-emptive applications of the employers. The ruling during the recent agitation by the employees of Airport Authority of India testified the same. It appears that the apex court had taken upon itself the task of ushering in the 'hire and fire regime', a familiar plea from the reformers, making a shift from the pre-reform era approach of judiciary that had effectively leaned on the directive principles of state policy in the Constitution to protect the interest of the weaker of the two classes in conflict viz. the labour.

Thus, in our country, which the rulers proudly claim to be the largest democracy, wage earners are confronting the threats and attacks seeking to deprive them of the hope for protection from the governments or the judiciary as well.

FRANCE, AN IMPETUS

But at the same time, we have to again look at the development in France. French President Jacques Chirac abandoned his government's contested youth job law CPE amidst stiff united resistance of the wage earners, students, youths and intelligentsia of the French society. Though it appears that French people have only won the

first round of the bitter battle, it definitely serves as an impetus and gives a lesson prompting the urgency of united struggle against the ceaseless anti-people and anti-labour conspiracy engineered by the ruling class.

When the working class is celebrating another May Day, it is by now established without denial that the ruling class, amidst its prolonged and deep-rooted crises that have developed as an inevitable consequence of its policies, is unable to sustain on its own and incapable to make any sort of equitable adjustment with the working class. Therefore, it is obstinately on its toes to rescue itself taking on the toiling masses, crushing their unity and rights. The working class must realise the gravity of the threat, which the vast majority of the people all over the world is facing. The working class has to draw the lessons from numerous bitter struggles it had fought in the past, as well as those waged during the recent period. It also has the onus to recognise that the unity of the working class is the precondition for a united force bringing together all sections of the oppressed masses of the society to put up a formidable resistance to the attacks of the ruling class to save the mankind as a whole.

PRIVATISATION: AIRPORT EMPLOYEES PROTEST

Despite opposition from all corners, the Govt. hurriedly entered into agreement with the chosen private parties to handover the Delhi and Mumbai Airports to chosen private players on 4th April 2006. The Govt. has earlier committed in writing to constitute a tripartite committee to discuss the issue of modernization of airports by the Airport Authority of India before making any move. But in the tripartite committee, the Govt representative refused to discuss the issue of airport modernization pertaining to Delhi and Mumbai airports.

The Airport Authority Employees Union reacted by organizing massive demonstration all over the country on 4th April itself. At Delhi, the employees came out of the office at Rajib Gandhi Bhawan at 11 am and staged demonstration within the campus braving police atrocities. The employees from the Indira Gandhi Airports also joined the demonstration at Rajib Gandhi Bhawan in a big way.

M K Ghosal, General Secretary of Airport Authority Employees Union and Tapan Sen, Secretary CITU addressed the demonstration.

STATE BANK STAFF WIN PENSION DEMANDS

W R Varada Rajan

Over two lakh employees of the State Bank of India commenced an indefinite strike on April 3, 2006, which continued for a whole week. The employees were demanding a comprehensive review of the pension scheme that had been in vogue for several decades. The strike was total in all the 9,000 branches of SBI, with the officers and employees under the banner of the All-India State Bank Officers' Federation (AISBOF) and All India State Bank of India Staff Federation (AISBISF) staying away from work.

While all the bank offices remained shut, the strikers held daily demonstrations in front of them, joined by large numbers of pensioners and family pensioners.

The United Forum of Bank Unions, an umbrella organisation, comprising nine federations of bank officers and employees had extended support to the strike in SBI.

THE BACKDROP

In the entire banking industry, State Bank of India was the first institution to have a pension scheme for its staff in place, since several decades. Subsequently, as a result of an agreement between the Indian Banks Association and the bank unions, a pension scheme was introduced covering the employees and officers of the other banks as well. The Reserve Bank of India also

introduced a pension scheme for its staff. But, the pension scheme of the State Bank of India had remained almost unchanged, even while these schemes were introduced in other banks. Moreover, the family pension had not been revised in the last 20 years.

A major discrepancy in the pension scheme for SBI, when compared with the other public sector banks, is that for SBI staff there is a ceiling on pension income, fixed at Rs 8,500 per month for calculation of monthly pension payable, whereas for the rest of the banking industry it is 50 per cent of the last pay received with no ceiling. Hence, the staff of SBI had been demanding, inter-alia, the following: " Pension at 50 per cent of the last drawn salary; commutation on par with industry; index-linked dearness allowance on pension on par with industry; and upgradation of basic pension of all past retirees taking into account the current merger of index at 2,288 points ". The present strike is, in the main, on these demands.

WORK PARALYSED

The strike had hit the banking operations in the country seriously affecting the cheque-clearing, forex and call market operations. The strike had a paralysing impact throughout the country. The Reserve Bank of India (RBI) took over the clearing operations in most of the major centres operated by

the SBI, but transactions involving the SBI could not be processed, thus the clearing operations remained affected for most part.

The SBI also has the largest number of Automatic Teller Machines (ATMs) throughout the country. These were also affected when the machines ran out of cash.

Ironically, the strike prolonged, despite the management and the staff declaring that they were prepared for a dialogue to resolve the issues involved.

FM's RIGID STANCE

The representatives of the striking staff had a discussion with the union labour minister on April 2, along with a representative of the finance ministry. It was reported that the unions were asked to put the issue on hold until the assembly elections, under way in five states, are over. But the unions refused to budge without a firm commitment on meeting the demands.

The major roadblock to a settlement of the strike was the stand taken by the finance ministry, with senior officials indicating that the government was not in favour of acceding to the demands as it could result in similar demands being placed by other state-owned banks.

Another round of conciliation meeting with the chief labour commissioner was held on April 5, but there was no outcome. The finance ministry had a

grand design. It is keen to push the New Pension System (NPS), which has been imposed on the government employees recruited after January 2004, to the arena of financial sector as well. In fact, the pension sector reforms – actively pursued by the finance ministry – aims at liquidating the very concept of defined benefit pensions. This is one core aspect of the problem.

The CITU had extended support to the strike by the employees and officers of the State Bank of India. It held the finance ministry, which had taken an unrelenting stance, as responsible for the present impasse and demanded the intervention of the prime minister.

DEMANDS CONCEDED

The strike by employees of SBI continued for a whole week for wisdom to dawn upon the finance minister to extend an invitation late on the evening of April 8 to hold further negotiations. After hectic day-long negotiations on Sunday (April 9) between the management and the unions in the presence of top finance ministry officials, a new formula on the pension issue was agreed upon.

Under this, the fresh 'cut-off' of basic pay for determining pension has been increased to Rs 21,040 from Rs 8,500. All employees earning a basic pay of Rs 21,040 would get pension at 50 per cent of that amount, while those earning above that level would get 40 per cent for the incremental amount above

Rs 21,040 "subject to a minimum of 50 per cent of Rs 21,040".

With this successful resolution of the pension issue, the seven-day long strike was called off. Announcing the settlement, the finance minister commented, "The financial implications are within the financial capacity of SBI." Here comes the moot question: If that is so, who is responsible for the inconvenience caused to the banking public and who inflicted the enormous loss on the leading public sector bank? The answer is simple: 'It is the ego of the finance ministry that held the bank, its employees and the public to ransom for a week.' Thankfully, the agony has ended!

With the government forced to come down and conceding the demands of the staff, the employees withdrew the seven-day strike. The CITU General Secretary Chitrabrata Majumdar in a congratulatory letter to the employees on April 11 hailed it as a glorious victory in the backdrop of the adamant stand adopted by the finance ministry. "It is the rocklike determination and solidarity manifested by the lakhs of your members that forced the Ministry of Finance to come down from its ivory towers and to accede to the genuine demands of the workforce in the larger unit of public sector banks in the country", he stated.

IN OTHER BANKS ...

The finance minister also hoped that the revised package was not expected to result in similar competitive demand from other public sector banks, as other

nationalised banks had their own formula. But, he would do well to remember that following the last industry wage settlement of 2005, the bank unions and the Indian Banks Association had been in dialogue over the long pending demand of the employees of other banks for an opportunity to exercise the option for the pension scheme. This is yet another dimension to the pension issue in the banking sector, which could plunge the entire industry into a crisis. The finance ministry had been sitting tight-lipped over a demand of the bank unions for one more option for pension and upgradation of pension in the other PSU banks. When the pension scheme for the staff of the other PSU banks was introduced in the 90's, it provided for an option of choosing either pension foregoing employer's contribution to provident fund or availing employer's contribution to provident fund, foregoing pension. The employees, who at that time did not opt for pension, constitute a significant number and want to opt for the same in the changed scenario of falling interest rate regime. This demand is strengthened by the fact that the RBI, which introduced a pension scheme later, had provided such option to its staff at the time of subsequent wage settlements.

Is the finance ministry bracing for another stand off on this? Or will it respond in time to the wake up call?

ECONOMY: REALITY CHECK

WTO RULES –USA TO FLOUT AND INDIA TO ABIDE BY !

The Dispute Settlement Body of the World Trade Organisation (WTO) recently ruled illegal certain provisions of US laws....The European Community raised the complaint that US laws allowed export subsidies to its corporations operating overseas in violation of GATT/WTO agreements. The story-inside story of the "Foreign Sales Corporation Case" started with the raising of dispute by the European Community in 1997. Every known

dispute resolution process of the WTO – consultations, constitution of a panel to hear the dispute, appellate panel, compliance review panel and arbitration—was gone through each at least twice over, to get the US to honour the first ruling that went against it. ...US introduced two new laws thereafter,,but these two laws also have now been held to contraven GATT/WTO agreements....

(Editorial, THE HINDU, 05-04-2006)

END PRODUCT OF GLOBALISATION...

"....The end product of globalisation is that in USA, one job in three was in manufacturing 50 years ago, but today less than one job in 10 is in manufacturing. In fact, the number of people in manufacturing, world over, is the same today as 50 years ago, but they are six times more

productive." –said Stephen Poloz, Senior Vice President Corporate Affairs and Chief Economist of Export Development, Canada.

(The Business Line, 05-04-2006)

It is JOBLOSS GROWTH indeed and should we emulate the same blindly?

SPECIAL ECONOMIC ZONE BONAZA, IS IT WORTH ?

.....The issue of tax incentives has become especially pertinent with the Special Economic Zone Act that confers sweeping privileges on SEZs....The Commerce Ministry might look with

approval at the widespread interests shown in the SEZs but will have to consider the fact that in its earlier avatar the SEZs have not been a success story.

(Editorial, The Business Line, 05-04-2006)

DEVELOPMENT VIS-A-VIS PEOPLE

.... there are some important features of the recent growth process that ought to be a source of concern....The income inequalities in the economy at large are being accentuated. Starting salaries of well heeled graduates from established management and technological institutes have lately been the super income range...This contrasts with the periodic reports from remote villages in Andhra Pradesh and Maharashtra of suicides deaths owing to farmers' inability to repay relatively small debts.

There is one issue that gives the lie to the thesis

that everything about the recent growth process is satisfactory. The recent 60th round of the National Sample Survey Organisation reveals that unemployment rate for males increased from 5.6 per cent to 9 per cent in rural areas and from 6.7 per cent to 8.1 per cent in urban areas during the period from 1993-94 to 2004. The rates for women too have gone up. Need less to say unemployment directly impacts on incidence of poverty....

There is an India where significant sections of the youth in villages and tribal belts have only a bleak

ECONOMY: REALITY CHECK

landscape before them, and no gainful employment. And this comes along with a steady and unprecedented growth in aspirations. This

combination can hardly be salutary for stable and equitable economic development.

(Times of India, 07-04-2006)

DAMS, DEVELOPMENT AND DISPLACEMENTS...

.....The norms set by the Narmada water Disputes Tribunal and the Supreme Court through its orders in October 2000 and March 2005 clearly state that an increase in the height of the dam is to be allowed only after the oustees are resettled. This has not happened in this case.... In spite of the norms clearly stating that dam oustees should be given land, states like Madhya Pradesh have been trying to force people out after offering cash compensation. These developments constitute nothing but a breach of trust on the part of the state.....

Medha Patkar's non-violent protest raised fundamental issues related to development. Is development of infrastructure, industry or natural resources justified if it involves destruction of communities and livelihood? This question is central to big dam debate as well as issues including urban development and forest management. The answer is obviously no. There

is no single solution to problems of development and displacement. There has to be a basket of solutions, each according to the nature and context of the problem at hand. They have to be localized, arrived at after negotiations with local communities, and compatible with the social capabilities and needs of the affected people. However, there can be some common criteria. One, bulldozers and other construction equipments should not move in unless and until proper rehabilitation of oustees is completed to satisfaction. Two, cash compensation for land is no solution. If comparable land is not available as a substitute, other options to rebuild livelihoods should be tried. Ousteas should be made stakeholders in the project and given the option of employment. Three, the right of the threatened people to protest and demand should be respected.

(Editorial, Times of India, 07-04-2006)

SHARE MARKET BUOYANCY

Non-farm credit has grown at 30 per cent for two consecutive years now, as never before. There is an apprehension that some of this credit is going to commercial real estate and the stock market and could lead to a phenomenon of asset price bubbles.

The stock market index scaled another all-time peak.

The Sensex rose by 71 per cent during the last fiscal year, and during this calendar year it is already up by 26 per cent, after rising 41 per cent during calendar 2005. Real estate prices across towns in India continue to rise at double-digit rates. Gold prices have risen by close to 38 per cent since March 2005.

The review covers the developments in the stock markets but does not go deeply into their causes. It says that the capital market exhibited buoyancy with the benchmark indices reaching record highs driven by strong support from foreign institutional investors and domestic mutual funds on the back of robust macroeconomic fundamentals, congenial investment climate and strong corporate profitability. These factors can certainly explain a boom in the market of normal proportions. But how does one explain shares with a face value of Rs 10 and Rs 5 or even Re 1 bought and sold at prices running into four digits?

(from comments in 'The Hindu BusinessLine on RBI policy)

WHITHER LABOUR POLICY FOR ELEVENTH PLAN?

The first meeting of the steering committee on Labour and Employment for the Eleventh Five Year Plan was held on 17th April under chairmanship of Dr. B. Mungekar, Member Planning Commission. Out of 34 members of the committee only one was representing trade union while the employers organisations and NGOs were liberally given nominations indicating Planning Commission's approach on the question. The key issues identified by the Planning Commission clearly expressed its bias in favour of the private sector. For example, the Planning Commission wanted to know, "Should the Rural workers hired under the National Rural Employment Guarantee Act programme be utilized by private employers located in these backward districts". This is intended only to help the landlords and the rural rich to utilize the public funds for their personal benefits.

In a similar fashion the Commission wanted the so called labour flexibility which in practice means non-implementation of the labour laws to be utilized for benefits of private sector employers. The Commission has asked, "What measures be taken, which encourage the private employers in the organized sector to hire more workers?"

The Planning Commission visualizes "The prime objective in the Eleventh Plan is to increase employment outside the government and public sector which will ensure regular wage/salary". It means it does not think appropriate to increase employment in public sector and government services. It expects legal framework in India to be changed to suit this requirement. A clear bias is reflected in this case against public sector though the National Common Minimum Programme assures development of public sector.

The Planning Commission's note on key issues talks of social security for the unorganized workers but wants such scheme to be linked with the savings of the individual workers" and "the scheme should be self-sustained and outside the

budgetary support to the government."

The Additional Labour Secretary in his remarks sought deletion of section 5 of the Industrial Disputes' Act and advocated granting of powers to the employers to terminate services of workers up to 500 employment as demanded by the World Bank in its report. He further advocated changes in the Contract Labour (Regulation and Abolition) Act allowing employers to engage more contract workers. He noted that retrenchment compensation should be raised from 15 days to 45 days per year of service as recommended by second National Labour Commission. He mentioned about the three separate drafts of the Bills on the unorganized workers and expressed his view that the Ministry of Labour should prepare an integrated Bill to place before Parliament. He noted difficulties of implementing the Bill in view of a large number of workers involved in its coverage. He also pointed out the difficulties posed by the trade unions opposition to the basic charter of the Bill itself.

M.K. Pandhe, President CITU while intervening in the discussion protested about having only one representative of the central Trade Unions in the Committee. He observed that trade unions are interested more than any other section in deciding the labour policy for the Eleventh Plan. He pointed out that during the days of Gulzarilal Nanda when he was Deputy chairman of the Planning Commission there used to be a labour panel in the Planning Commission to consult trade unions on all labour matters related to the plan but during the course of time consultation by the Planning Commission with the trade unions had been declining.

Pandhe expressed regret at decline of tripartism in India due to the policy of the Union Labour Ministry while most of the tripartite committees have become defunct. The Indian Labour conference is losing its significance and is becoming a mere debating society. He criticized

the Union Labour Ministry for not accepting the unanimous recommendations of the seminar organised by the V.V. Giri National Labour Institute on the unorganised workers Bill and proposals unitedly given by the Central Trade Unions for improvements in the Bill.

He objected to the formulation of the Planning Commission that mere growth of GDP leads to automatic rise in employment. He pointed out the observation of the note itself that "Since 1999 onwards, almost in all the states the employment in the organised sector is declining." The employment in the traditional and small scale industries has declined in the country due to withdrawal of reservation for over 1000 items for the small scale industry by the NDA Government while credit facilities to this sector have been dwindling.

While advocating the need for vocational training Pandhe noted that lakhs of apprentices trained by industries are without jobs while more than half the registered employed persons in employment exchanges are educated. Since globalization lakhs of skilled and highly skilled manpower has been retrenched through VRS and are in a search of alternate jobs. The government has to find a method to provide jobs to these skilled personnel. He criticized the quality of ITI training and noted that the training does not have approach to find out in what sectors jobs are available.

He opposed the changes in Labour laws proposed by the Ministry of Labour and warned that any unilateral approach by the government would only lead to industrial relation problems. He objected to the proposal to allow private contractors in National Rural Employment Guarantee Scheme and demanded that the scheme should be extended to urban areas in a phased manner.

He opposed the concept of Labour flexibility which in practice means exemption from the Labour Laws.

Regarding social security for the unorganized workers the CITU representative advocated that the Central Government must contribute to the social security measure. He called for a cess on employers having a turnover of above Rs.1000 crore for the social security scheme for the

agricultural and unorganised sector workers. He gave the example of PF Scheme in West Bengal for the unorganised workers where the government contributes. The unorganized workers whose wages are below poverty line and who do not get work for the whole year cannot be expected to contribute for the social security measures.

Objecting to the argument of the employers that labour laws are creating obstacles for more investment Pandhe pointed out the total collapse of labour laws in country while most of the labour laws are not implemented. In the name of abolition of Inspector Raj Factory inspections are not being conducted properly which is only encouraging non-observance of laws. He pointed out that in several states even the Registration of unions is not granted inspite of completion of all formalities. He advocated a complete review of labour laws in consultation with trade union to ensure full protection to workers from exploitation by the employers.

Dr. T.S. Papola Director Institute for studies in Industrial Development while taking global review of the development noted that by merely making changes in the labour laws the employment generation cannot take place. He further observed that even without changes in labour laws contract labour in India went up from 10 to 20 per cent after the economic reforms commenced in India. He advocated that budgetary support for social security schemes in India was essential. However, he wanted section 5 of the Industrial Disputes Act to be deleted.

The employer's organizations strongly pressed for immediate amendments to ID Act and Contract Labour act for higher investment.

Prof. Mungekar in his inaugural address reviewed the recent developments and stressed the need for making change in the labour laws to ensure faster economic growth. He emphasized the social security aspect of the unorganized workers which should be given top priority during the Eleventh Five Year Plan.

Prof. Mungekar agreed to call a separate meeting of central Trade Union representatives to discuss the issues in greater details.

MEASURING POVERTY: A THIN INDIAN LINE

Dilip D'Souza

The first step towards eradicating poverty is to understand just how many of us are poor, and what that means. Thus far the government's measurement of poverty has simply been a self-serving one, and it's time we adopted a more honest calculation.

The poverty line. You've heard that phrase so often. So many below it, so many have moved above it; 36 per cent below it once, 26 per cent now. The numbers fly about, the debates rage on. Yet what is the line? What does it mean to say someone is below the poverty line?

Let's start with what the line is. The definition according to the Government's Ministry of Statistics and Programme Implementation is: "The official estimates of the poverty line are based on a norm of 2400 calories per capita per day for rural areas and 2100 per capita per day for urban areas." This goes back to the 1970s; at that time, we decided to measure poverty levels by considering a minimum nutritional level. The measure was the amount of money required to buy food equivalent to this nutritional level. If you earned more than this amount, you were above the poverty line.

Something important to note here: it's not that your expenditure on food - the portion of your earnings that you spend on food - had to be more than this amount for you to be recognised as being above the poverty line. No, the definition assumed that your entire earnings had to be more than the amount. That is, the official definition of the poverty line assumed that you spend all your money on food.

In the '70s, when our governments first began using this definition, the monthly cost of the "basket of food" required to supply these nutritional levels was calculated to be Rs 62 in rural areas, and Rs 71 in urban areas. With inflation, those numbers rose to Rs 328 and Rs 454 respectively, by the year 2000. As far as I know, we don't yet have available any poverty figures post that date. But according to government figures inflation was 3.8 per cent in

2001, 4.3 per cent in 2002, 4.1 per cent in 2003 and 5.5 per cent in 2004. Inflate Rs 454 by these amounts, and you get a 2004 figure of Rs 540: the price of our urban basket of food. (I'll focus on the urban basket for the rest of this article; the reasoning is similar for rural areas).

Thus, in 2004, if you lived in an Indian city and you earned more than Rs 540 a month, you were considered above the poverty level. Remember again that this figure is the estimated cost of that basket of food on which you spend all your money. We are not talking here about whatever you need to spend on shelter and clothing and transport and such like.

So if your total earnings amounted to more than Rs 540 a month, you were not considered poor. If you earned, let's say, Rs 600 a month, out of which you paid Rs 540 for food, you were not considered poor. And it is by this calculation that we estimate that 26 per cent of India is below the poverty line; that we are pleased that that number has declined from 36 to 26.

It's worth some thought, the implications of these numbers and this method.

First thought, can you think of anyone you know who earns Rs 540 or less a month? I certainly don't. The woman who sweeps our house every evening, who is visibly poorer than most other people I know, takes home Rs 700 from us, and similar amounts from other homes she works in. She's nowhere close to this line.

Yes, I know nobody who lives below the official poverty line. Yet according to widely publicised figures, 26 per cent of India lives below it. That is, every fourth person around me, here in India, is officially poor - and I don't know any of them. In contrast, I recently ran into figures that show that only four per cent of India - or every twenty-fifth Indian around me - uses the Web. I know plenty of those Indians.

Second, consider again the meaning of the poverty line: that your entire income must be below the price of the basket of food for you to qualify as poor.

How realistic is this? For all of us, food is just one of the things we spend our income on. What about shelter, clothing, transport, fuel, health care, education, putting something away for a monsoon day? What about paying off a loan I might have taken to buy seed, or a cow, or a motorbike? All these things need money, take chunks of our earnings.

To put this in perspective, let me arbitrarily decide for the purposes of this argument that people at the lower end of the economic scale spend one third of their earnings on food. Therefore, to be able to spend Rs 540 a month on that basic basket of food, such a person would need to earn Rs 1620 a month. Less, and she would be unable to afford those minimum nutritional standards. Less, and she would be poor.

Does this seem like a better way to measure poverty? To me it does.

So do you know anyone who earns less Rs 1620 a month?

I do. And that leads me to this thought. If 26 per cent of India lives below the poverty line, earning less than Rs 540 a month, what fraction of India earns less than Rs 1620 a month? What does that say about our poverty levels?

Why all this calculation and reasoning? Because to me, it seems obvious that we need a more realistic way of measuring poverty in this country. At the Centre for Policy Alternatives Society in New Delhi, Ronald Abraham and Mohan Guruswamy have just published a monograph called "Redefining Poverty: A New Poverty Line for a New India." It looks at just the issues I've touched on here, though of course in much greater detail.

But theirs is not the first attempt at a better measure of poverty. Another such attempt came from the UNDP, who first used it in their 1996 Human Development Report. They called it the Capability Poverty Measure, or CPM. Here's a short extract from that Report:

"[We need] a more people-centred measure of poverty that recognizes that human deprivation occurs in a number of critical dimensions. Lack of income is just one dimension, and it is focused on means rather than ends. The CPM is a multi-dimensional index of poverty focused on capabilities ... Deprivation is reflected in a lack of basic capabilities - when people are unable to

reach a certain level of essential human achievement or functioning." [My italics]

So for any country, its CPM is calculated using three chosen factors: the percentage of children under five who are underweight; the percentage of births unattended by trained health workers; and adult female illiteracy. Why these? "Rather than trying to be comprehensive by reflecting deprivation in all human priority areas," says the 1996 Report, "the index emphasizes critical areas where progress is needed most."

And what did the CPM reveal about India?

According to the 1996 Report, 53 per cent of Indian children under five were underweight. 67 per cent of Indian births were unattended by health personnel. 64 per cent of Indian women were illiterate. Average these to get our CPM: 61.5. That made us 89th among 101 developing countries the HDR ranked that year by their CPM. In other words, in 1996 about three of every five Indians i.e. 60 per cent, were "capability poor" (as opposed to "income poor"). Of such people, that 1996 Report observes that they "lack basic, or minimally essential, human capabilities."

Actually, the first step towards eradicating poverty is to understand just how many of us are poor, and what that means. That's the reason for these different ways to consider the poverty line. As Guruswamy and Abraham write: "The present unrealistically low poverty line only serves the purpose of making the Government and its development efforts - or the lack of it - look good."

(Courtesy: *The Hindu*, 17 March 2006)

READ & SUBSCRIBE
**THE VOICE
OF
THE WORKING WOMAN**
Monthly journal of the
All India Coordination
Committee of Working
Women
Single Copy Rs. 5
Annual Subscription Rs. 50

AN IMPORTANT VICTORY FOR THE STRUGGLE

Prasanta Banerjee

On April 10, 2006, French President Jacques Chirac bowed to the pressure of millions of students and workers marching across France and withdrew a hated law granting employers the right to fire a young worker at will for up to two years after he or she is hired.

"This is a big victory for the labour movement, for students and youth. This anti-labour law is dead," said professor Jean Solbes in a telephone interview from his home near Montpellier in southern France. "This is the first time since 1968 we have seen such a big movement of university and high school students. And for the first time in many years, we had a united front of the entire labour movement to defeat it.

The law limiting the labour rights of youth under age 26 was rammed through with no debate last month by Chirac and Prime Minister Dominique de Villepin, who claimed it would reduce France's chronic double-digit unemployment. But the law ignited street protests of up to 3 million youth and their worker allies. Hundreds of university campuses, high schools, factories, offices and other workplaces were idled by nationwide strikes. Villepin poured fuel on the protest with his arrogant refusal to meet and discuss the draconian law, claiming it was essential to modernize France and make it competitive in "globalized markets." Finally, after weeks of rising fury, Chirac was forced to withdraw the law, known as the First Jobs Contract (CPE).

The majority right-wing government initially pushed the CPE through without any debate, Solbes charged. "Villepin has never been elected in his life. He is an agent of the big bourgeoisie. He is very arrogant. The plan was to destroy all labour rights in France."

Solbes, who participated in the movement and who serves on the higher education committee of France's largest union federation, the CGT, said the marches, rallies and strikes were "filled with joy and solidarity." The youth now are less

doctrinaire than in 1968 when a similar uprising of students and workers swept France, he said.

"This time we were focused on defeating deregulation and privatization, all the neoliberal policies that strip workers of their rights," Solbes said. "We are saying: We are human beings. We won't be treated as objects. Our future is ours, not the property of the big bosses of the transnational corporations."

Solbes added, "You have to take into account that this struggle came just a few months after French voters overwhelmingly rejected the European constitution. The people saw it as a blueprint for privatization and deregulation. They voted 'no' on the constitution, even though the conservatives and the social democrats endorsed it."

An honorable exception was the French Communist Party (FCP), which campaigned vigorously for the EU constitution's defeat. The FCP joined with energy and enthusiasm in the fight to defeat this anti-labour law as well. "Now the labour movement, the student and youth movement must maintain their critical independence and keep the pressure on to transform a labour victory into a political victory." Although Villepin has denied he harbours presidential ambitions, both he and his rival, Interior Minister Nicolas Sarkozy, have been considered possible successors to Chirac. But polls indicate that Villepin's approval ratings have plummeted to 25 percent, a drop of 16 points in just the past month. Chirac's ratings have also fallen to 25 percent.

Sarkozy is hoping to capitalize on their woes. But students in Paris carried a banner that read, "Villepin, we got you ... Sarkozy, you're next!" They also vowed to remain vigilant in their defense of labour rights, with some demanding that a similar law that applies to enterprises with fewer than 20 workers, the CNE, also be scrapped.

Writing in the FCP daily, L'Humanite, Jean Lojkin debunked the corporate media for interpreting the

student-worker uprising as a case of “insiders,” older workers who enjoy job security and benefits, against “outsiders,” marginalized younger workers.

“More than two-thirds of the French population are now against the ‘First Job Contract’ law, far more than the ‘excluded’ and the ‘youth,’” he wrote. “The real reason for this widespread mobilization is the rejection of the whole concept of elimination of job security, making people’s lives insecure, from the unskilled to management-level employees. The whole labour force today faces the threat of torn-up collective bargaining agreements, of loss of workers’ rights and loss of social securities.”

Nor is this struggle unique to France, Lojkin continued. “This is happening throughout Europe. The new scheme is often held up in the mass media as the ‘New El Dorado.’ Any talk of the ‘generation conflict’ is therefore only a trap, a firewall masking the rising class struggle. ... The ties uniting these groups are much stronger than they were in 1968, partly because of the increased maturity of the student organisations and the linkages ... they are making with the demands of labour organisations representing workers.”

He concluded, “All eyes are now on France, less isolated than it has ever been. Didn’t Marx say that France was the nation in which class struggle would ultimately be victorious?”

Delhi CITU Demands Stern Action Against Police Brutality

The CITU, Delhi state committee strongly condemned the barbarous torture and sexual abuse of four male workers of M/s Superior Crafts, D-13, Udyog Nagar, Peera Garhi, New Delhi by police personnel Nangloi police station. Not only were the workers stripped of their clothes and beaten mercilessly but they were also exposed to other barbarities. These perverse and third degree methods resemble the horrific tortures perpetrated by the Anglo-American aggressors in the Abu Ghraib prison in Iraq.

The brutality took place on March 10, 2006. However it came to light only by the end of March when the tortured workers approached the CITU. The CITU had immediately written to the Union Home Minister, Police Commissioner and the National Human Rights Commission demanding stern action against the guilty police officials.

On 17th April the Delhi State Committee of CITU organised a protest march and demonstration before the Nangloi Police Station. Around a thousand workers marched from the factory to the Police Station where protest demonstration took place for about two hours. Swadesh Dev Roye, Secretary CITU, Sudhir Kumar, Mohanlal, President and General Secretary of Delhi State Committee of CITU led the protest march and demonstration.



Anganwadi Employees Demand Institutionalisation of ICDS

Thousands of anganwadi employees marched in the capitals of different states in the country, demanding institutionalisation of ICDS and regularisation of anganwadi workers and helpers as Grade III and Grade IV employees and enhancement of honorarium to Rs 3,000 per month for workers and Rs 2,000 for helpers, pending regularisation. The demand for social security benefits including provident fund and pension were also highlighted in the rallies. The decision to hold these rallies was taken by the All India Federation of Anganwadi Workers and Helpers in its meeting held in Kolkata in January 2006. Here are some reports received till date.

In Andhra Pradesh, around ten thousand anganwadi employees marched in the scorching sun from Indira Park to Sundarayya Vignana Kendram in Baglingampally carrying placards and banners and shouting loud slogans demanding additional payment for additional work and other pending issues in addition to the all India demands. Addressing the gathering, P Madhu, MP, Rajya Sabha assured that he would raise their issues in the Parliament. P Roja, General Secretary of AP Anganwadi Workers and Helpers' Union, S Punyavati, Vice President of the CITU state committee, Gaffoor, MLA, M Swarajyam, veteran leader of AIDWA and others spoke. B Lalitamma, President of the Union presided over the meeting. Earlier, a delegation met the Chief Minister and submitted a memorandum. The Chief Minister assured that the state government would enhance the amount that it was paying.

A militant procession and demonstration was held in Matka Chowk in Chandigarh by the Anganwadi Mulajam Union, Punjab, in which more than 7 thousand anganwadi workers and helpers from around 12 districts participated. Hargobind Kaur, President, Harjeet Kaur, General Secretary and Usha, Finance Secretary of the Union, Raghunath Singh, General Secretary of the Punjab state committee of CITU and several other leaders of the union and fraternal organisations addressed the rally.

More than five thousand anganwadi employees

from all over the state participated in the massive procession and rally was held in Bangalore, the capital of Karnataka. A delegation led by S Varalakshmi met the Governor and the Deputy Chief Minister and held discussion on the demands. The Deputy Chief Minister assured to seriously consider the proposal for pension for anganwadi employees and other demands. The leaders of the Union, CITU and other fraternal organisations addressed the rally.

In Asom, rallies were held at the district level in 9 districts, despite heavy rains throughout the day, the Bihu festival and the difficulties posed due to the just concluded elections to the state Assembly. More than three thousand anganwadi employees participated in these rallies. In some places, deputations were given to the district authorities. An impressive procession and rally were held in Patna, in which thousands of anganwadi employees from 7 districts participated. Neelima Maitra, President of the All India Federation of Anganwadi Workers and Helpers participated and addressed the rally. Asha Devi, convenor of the organising committee and Arun Mishra, General Secretary of the Bihar state committee of the CITU also addressed the gathering.

Hundreds of anganwadi employees from different districts in Madhya Pradesh participated in the procession and rally held in Bhopal on the 18th April. Badal Saroj, General Secretary of MP state committee of CITU, Kishori Varma, General Secretary and Vidya Khangar, President of the Madhya Pradesh Anganwadi Sevika Sahayika Ekta Union and Sandhya Shaily, state leader of AIDWA addressed the rally.

For the first time hundreds of anganwadi employees, under the banner of Anganwadi Karmachari Union, Uttar Pradesh, affiliated to CITU and AIFAWH, participated in a dharna in front of the Vidhan Sabha in Lucknow. Hemalata, General Secretary of AIFAWH participated in the dharna. Anasuya Singh, member of AIFAWH working committee, Daulat Ram, General Secretary of the UP state committee of CITU, Madhu Garg, Secretary of the state committee of

AIDWA and other CITU leaders addressed the gathering. Veena Gupta presided. Later a state level convention was held in the CITU office, in which representatives from 8 districts participated. A state level organising committee was formed with Veena Gupta as the convenor and decided to enrol members in different districts and start the process of formal organisation by holding project, district and state conferences.

Around two thousand anganwadi employees participated in a rally held in Srinagar. Md Tarigami, President of the J&K state committee of CITU, and other union leaders addressed the rally. Rallies and deputations were also held in the Dodi and Uddhampur districts in the Jammu region.

In Maharashtra, processions and rallies were organised on 18th April in Pune, Chandrapur and Jalna, in which hundreds of anganwadi employees participated.

In Chattisgarh, around seven hundreds of anganwadi employees from Rajnandgaon, Rajarrha, Raipur, and Korba etc participated in the rally held in Raipur.

Anganwadi employees from different projects in Sikar, Alwar etc held a dharna near the Secretariat in Jaipur in Rajasthan and submitted a memorandum to the Women and Child Welfare Minister, on the 18th April.

Hundreds of anganwadi employees participated in the dharna held in Dehra Dun in Uttaranchal. They demanded immediate implementation of the state Government Order on payment of Rs 1,500 for workers and Rs 750 for helpers by the state government.

The state committees of Kerala, Pondicherry, Tamil Nadu and West Bengal, which are in the thick of elections decided to defer the rallies and hold them at a later date.

YET ANOTHER ATTACK ON LABOUR

Right from the time the Supreme Court pronounced its August 2004 verdict denying the workers their right to strike, the trade union movement had unanimously urged the government to step in and take steps to undo the pernicious impact of the said judgement. Successive governments at the centre paid no heed to the trade union plea and persisted with their indifference towards labour rights. This has, in a way, emboldened the judiciary to tinker with the hard earned rights of workers by way of verdicts, one after another, the latest in the series being the one delivered by the apex court on Monday, proclaiming that a daily wage earner, even after years of toil in the same job, cannot claim the right to regular employment in a case filed by Karnataka government. Only a few days back, another bench of the same court blessed the governments with unlimited powers to abolish departments and posts with no liability towards rehabilitation or social security of the affected work force.

Today, the single undeniable fact is that the employer engaging largest number of workers on contract or non-permanent basis is the government itself. If the present provisions in the legislation for abolition of contract labour system in jobs of permanent or perennial nature were to be applied in such cases, the governments/government undertakings would be the most conspicuous violator of the law. The apex court judgement precisely legitimises such violations by upholding the right of the governments to engage workers on a daily basis for years on with no end with no obligation to regularise their services. It has, unfortunately, erred in to note that nature of job (permanent or temporary) and mode of payment (daily or monthly) are two distinct aspects of wage employment. It appears that the apex court had taken upon itself the task of ushering in 'hire and fire regime', a familiar plea from the reformers' corner. In pre-reform period, the judiciary had in several instances leaned on the directive principles of state policy in the Constitution to protect the interests of the weaker of the two classes in conflict viz. labour. Now, the judiciary goes overboard the liberalisation bandwagon, throwing to winds the basic human right to dignified employment and decent work environment.

The CITU regrets this anti-labour mindset that has descended on the judiciary and demands of the government to take immediate steps to negate their harmful impact of this and similar other judgements.

(Statement issued by the CITU secretariat on April 11, 2006)

REPORTS & EVENTS

WEST BENGAL WORKERS' RALLY

On March 12, 2006 a massive rally culminated into a Mass meeting of Workers and Employees of West Bengal to voice their appeal to the people of the State to come forward to set up Left Front Government for the Seventh term in office. Main speakers of the mass meeting were Comrade Jyoti Basu, Chief Minister Buddhadev Bhattacharya besides the main functionaries of CITU, West Bengal. Participants of the rally exceeded One Lac Fifty Thousand in number.

CITU West Bengal State Committee, right from the District Committees / State based Unions to individual local level unions, strove hard to make the rally successful. Over Hundred Thousand Posters and Leaflets were circulated all over the State. Organisational meeting took place all through the State. The members of CITU wore Badges on their chest between 10th & 12th March for making wider campaign to make the 12th March rally a grand success.

Jyoti Basu in his speech

emphasised the essentiality of formation of Left Front Government in the State to protect the rights and interest of the toiling mass as well fostering the achievements of Left Front regime. He sarcastically mentioned that impediment may be created on election campaign through orders and circulars but mind of people can't be won with their tools and devices.

Buddhadeb Bhattacharya deliberated through sharp and precise points on the determination of the Left Front Govt. to safeguard the interest of the wider section of the working people, more precisely of the 92% of workers in the unorganised sector. He mentioned the need for making a comprehensive plan for the Self Employed Persons like urban Street Vendor, Railway Hawkers. He clarified the welfare measures undertaken by govt. of West Bengal such as Provident Fund for workers of unorganised sector, welfare scheme for construction workers as well financial support from State Govt. for the workers

of closed factories. Com. Bhattacharya advised the workers to strengthen their struggle for which the Left Front Govt. came into existence, survived through struggle and will be kept seated with the waves of struggle of workers and peasants of the state to create history.

Kali Ghose, General Secretary, West Bengal Committee invited fullest support in favour of Left Front in the ensuring Assembly Election from the people of the State on behalf of workers and employees. Subhas Chakraborty, CITU Vice-President as well Transport Minister of the State simply asked the workers to raise the slogan urging people of the State on necessity of formation of Left Front Govt. in recurrence. Md. Amin, CITU leader and State Labour Minister, explaining the schemes in favour of workers implemented by the govt.

Shyamal Chakraborty, President of State Committee, presided over the meeting. Mrinal Das and CITU leader Tapan Sen also spoke in the meeting.

MARCH 30: COUNTRYWIDE ANTI-PRIVATISATION DAY

At the call of Committee of Public Sector Trade Unions (CPSTU), "Anti-Privatisation Day" was observed in all the public sector units throughout the country through massive demonstration

and sending telegrams to Prime Minister demanding stoppage of disinvestment in profit-making PSUs and privatisation of Delhi and Mumbai Airports.

As per reports received at the

CITU Centre, all the major PSUs in the country witnessed massive demonstration by the workers denouncing the move of the Govt of India for selling shares of profit making PSUs and privatization of

REPORTS & EVENTS

airports.

At the national capital Delhi, the anti privatisation day was observed through massive demonstration at the headquarters of Airport Authority, Rajib Gandhi Bhawan. Around 2000 workers from various PSUs at Delhi assembled before Rajib Gandhi Bhawan defying prohibitory orders and

staged demonstration to denounce the anti-PSU policy of the UPA Govt. The meeting was addressed by Dipankar Mukherjee, MP and Tapan Sen, both Secretaries CITU, M M Gope (AITUC), Mohanlal, General Secretary Delhi State CITU, Virender (Delhi Jal Board Workers' Union), Somedutt (BEL Employees

Union), Suresh Ranga (CONCOR Employees Union), Gourishankar (All India BHEL Employees Union), T A K Sinha (AIIEA), Sudha (CEL Employees Union), Ramashankar (Bharat Petroleum Employees Union) Ranjit Singh (Airport Employees Union) and M K Ghosal, General Secretary, Airport Authority Employees Union.

Successful Strike by Hero Honda Workers

The contract workers of Hero Honda Motors Ltd. Gurgaon Plant -II stopped work on April 9, 2006 to press their longstanding demands for better service conditions. The main demands of the workers were to increase basic pay, all the temporary workers should be given full incentive and all the service benefits like permanent workers. The management swung into action and resorted repression but it failed to stop workers for going to strike. The permanent workers were given compulsory leave and about 300 workers working under contractor were not allowed to

enter the premises. But inspite of repression about 2500 workers participated in strike. Due to the intervention of CITU leaders, pressure was built on the Deputy Labour Commissioner to intervene. He along with the leaders of CITU and other Central Trade Unions went to the gate of the Plant and held a tripartite meeting. The meeting continued till midnight. Management agreed to accept some of the demands and assured that it will consider the other demands. The agreement was signed between the Union and the management. Raj Kumar Singh, Satyender Dube, Ratender

Pathak, Shyam Chander, Navin Saroj of CITU along with some other trade union leaders participated in the discussion. The workers of the plant formed their own Action Committee and Davender Singh was made president. In the meantime the Dharuhera plant of Hero Honda refused to give any assurance about incentive and other benefits to the casual workers as per permanent workers. The case is pending before the Labour Court, Chandigarh. The workers of the Plant have intensified their struggle under the guidance of CITU leadership.

(Report: Raj Singh)

CHANDIGARH: MARCH 29th STRIKE BY EMPLOYEES

On 29th March 2006, workers and employees of Union Territory and Municipal Employees of Chandigarh staged day-long strike demanding settlement of their long pending demands. The main demands of the employees are 1)

Service Conditions of the UT Employees at par with Central Govt Employees as prevalent before, 2) Payment of Bonus, 3) Immediate release of appointments on compassionate grounds. The Coordination

Committee of Govt & MC Employees sponsored the strike action. The strike was preceded by 475 days long dharna and relay hunger strike by the employees in support of their demands. The striking employees staged

REPORTS & EVENTS

demonstration at Matka Chawk. The demonstration was addressed by Raghunath Singh, General Secretary of Punjab State CITU.,

besides the leadership of coordination Committee. Demonstration took place braving police intervention and the

leadership of the Coordination Committee including Rakesh Kumar, Convener, Darshan Singh, Satinder Singh, Pishora Singh, Rajkumar and others.

Chhatisgarh: CITU to struggle against anti-Labour Policies

The meeting of State Committee of CITU was held on April 17-18, 2006 in Raipur. A. K. Lal, President of state committee presided over the meeting. The meeting noted that the BJP led State Government has adopted anti-labour policies on many matters related with the working class. It is not implementing the labour laws and is working in the interest of employers and the factory owners. The government at the Center is also adopting the same anti-working class policies as

a result of which danger is looming large mainly over the working people, employees and workers. The State Committee gave a call to the working class to struggle unitedly against the anti-labour policies of the Government. The State Committee decided to achieve the membership target for the year 2006; to increase the circulation of CITU MAJDOOR, to organize the Trade Union Education Programme etc. The State Committee decided to celebrate May Day this year by organizing programmes against

communal hatred, attacks on labour and against the disastrous policies of reckless liberalization. The State Committee decided to celebrate the Foundation Day of CITU with enthusiasm throughout the state. State Committee decided to organize a big rally on May 22, 2006 in the state capital Raipur against the pro-employer, anti-working class policies of the Government and attacks against workers, dalits, farmers, youth, women and tribal people.

(Report: B. Sanyal)

Meeting of the CITU General Council

A meeting of the CITU General Council will be held on July 15 - 18, 2006 at Ranchi, Jharkhand to transact the following agenda:

1. Confirmation of the minutes of the last General Council meeting
2. Presidential Address
3. Report of the General Secretary
4. Special discussion on "Judiciary and the Working Class"
5. Holding of the 12th Conference of CITU
6. Accounts for 2005 - 06
7. Any other issue with the permission of Chair

Please Note:

- 1) Venue of the meeting is: Mayuri Auditorium, CMPDIL, Ranchi.
- 2) The meeting will commence at 10.00 a.m. on July 15th and conclude with a mass meeting on 18th evening.
- 3) G C Members shall pay Rs. 500 per head towards boarding expenses.
- 4) G C Members should intimate their travel schedules to the Reception Committee in advance.

Address for Communications:

Com. D D Ramanandan, Secretary, Reception Committee,
C/o, BSSR Union, Vishwa Karma Mandir Lane,
Opp. to Wool House, Main Road, Ranchi
Phone: (0651) 2232178 (Res.) Fax: (0651) 2307457
Mobile: (0) 93344 52787

Breach of Trust by the UPA Govt.

Dipankar Mukherjee

Is Privatisation synonymous with modernization?

Had it been so companies like IISCO, Braithwaite, Burn Standard, Richardson Crudus, NTC, NJMC etc. etc. could have been modernised by the private owners only. It did not happen and today the Govt. has to take up the upgradation/modernization of some of these industries. Along with 100 and odd PSUs, more than 4000 sick medium/large industries in private sector stand referred to BIFR because of lack of modernization. Private or public ownership has nothing to do with modernization.

Tughlaqiant Approach

Airports Authority of India Act was passed in Parliament in 1994-95 to bring the four metro airports viz Delhi, Mumbai, Kolkata and Chennai belonging to International Airports Authority of India and other airports belonging to National Airports Authority under one umbrella viz. Airports Authority of India with the declared object which read as follows:

"International airports are put to more intensive use and generate substantial revenues which accrue to International Airports Authority of India. Revenues of National Airports Authority of India are much less buoyant because a number of airports do not have the commercial air services whatsoever, while many others have only infrequent operations. The National Airports Authority has therefore, not been able to generate adequate resources to meet the requirements of development and modernization. To overcome this handicap and provide for closer integration in the management of airports and air traffic control, it has been found necessary to merge the International Airports Authority of India with the National Airports Authority of India."

Accordingly the merger process are completed on 1998. But in the same year i.e. in 1998 when NDA Government came to power it was decided to demerge Delhi, Mumbai airports for the

purpose of privatization. Though the said decision was taken by the NDA Government, same is being given effect to by UPA Government led by Congress Party which had decided earlier for merger. Mohamed Bin Tughlaq decided to shift the capital from Delhi to Tughlaqabad in 1326 AD and reversed the decision within a year. History still ridicules him. How would the earlier and present Government explain the merging and demerging decision of AAI within a year? The present Government led by Congress owes a reply to the people of this country.

Who stalled the modernization of Delhi and Mumbai Airport?

At the time of formation of International Airports Authority of India as per the Act passed in the Parliament in 1972 the mission of the Authority was to design, construct and manage international airports for providing service and facilities comparable to the highest international standards thereby ensuring maximum satisfaction to various users in a cost-effective manner." The annual report of Airports Authority of India, which are placed before Parliament, declares, its mission for "progress to excellence and customer satisfaction with world class airports".

From 1972 on words the nation was assured through Parliament its capability of making world class airport. Then who decided in 1998 that this is not possible? If the Government reached the conclusion regarding incapability of Airports Authority of India in setting up and running of the airports of international standards, it is obliged to amend the declared mission of the Airport Authority and to appraise the Parliament to this effect. Also the Government is responsible to appraise the entire nation the parameters to determine the efficiency in providing the services to qualify, as world class and how and why Airports Authority of India fails to approach the benchmark.

The need of modernization of the airports not only in Delhi and Mumbai but also in other metro

airports as well as the non-metro airports was felt long back. In 1996, AAI sent proposal for modernization of Mumbai and Delhi Airports. The proposals were processed and then stalled in 1998 by the Govt. without placing the same to the Public Investment Board (PIB). In June 2003 AAI Board approved modernization proposal costing Rs.3000 crore approx for Delhi and Mumbai Airports. Government did not pursue the same on the logic of "no modernization before privatisation".

Is AAI capable of modernizing the airports?

The Airports Authority based on the Joint Employees' Forum's proposal for modernization of both Delhi and Mumbai airports had submitted its alternate plan. The plan prepared by seven senior executives of AAI and forwarded by Chairman, AAI to the Ministry had categorically reaffirmed AAI's technical and financial capacity to modernize Delhi, Mumbai and 35 non-metro airports. But this was turned down by the Government without showing any reason. AAI having a reserve of Rs.3000 crore and annual profit of Rs.400 crores can easily borrow Rs.9500 crores from the market for modernization of not only Delhi and Mumbai airports but for non-metro airports also. The organization that have a strong asset base can mobilize the required fund from the financial institutions and banks and even may go for the 70:30 debt-equity mix where the 70 per cent will be debt fund and remaining 30 per cent will be equity. Instead, the Government has selected the party having much lesser financial base to share the profits of the Delhi and Mumbai airports, the modernization projects of which will be in reality funded by the Government's debt as well from banks like SBI, ICICI and many others. It is a clear case of privatizing the profit at the cost public exchequer.

Land and not the Airport- the major target for privatization

The fact reveal that much publicized concept of world-class airport has nothing to do with the aeronautical services, but is centered on which is being eyed as non-aeronautical business indeed. It is the 2500 acres of land - 500 acres in Delhi and 2000 acres in Mumbai, the major sources of

earning revenue. AAI has so far been barred from utilizing this prime land for commercial purpose. Now some one is taking over the airports with meager Rs.500 crores to mint money from real estate business. Airport modernization is only cover for allowing builder and land mafia to have a go at land assets of AAI.

Breach of Trust

In the overall interest of AAI as well as the country the employees of AAI, under Joint Employees Forum has been fighting a bitter struggle against privatization. Because of their struggle which led to an unprecedented agitation in all the airports through-out the country in 1st week of February 2006, the Prime Minister had to intervene and Minister of Civil Aviation through his letter dated 4.2.2006 had to agree to form a Tripartite Committee comprising representatives of the Govt., AAI management and Joint Employees Forum to discuss the restructuring proposals of Airports by AAI and other employee related issues. The committee was formed on 22.2.2006 and was asked to give its report within 3 months i.e. by 22.5.2006. Even before the committee had occasion to discuss the substantive issue of restructuring of Mumbai and Delhi Airports, Govt. forced AAI management to sign shareholders agreement with two private parties viz M/s GMR & GVK on 4th April in the evening hours in a hotel in Delhi. This conspiratorial action behind the back of the employees, shows not only breach of trust but also its total lack of public accountability in handing over profitable public asset to a chosen few. This is no longer an issue for Airport employees only as this route of privatizing profit making PSUs would be followed by pro-privatisation regimes if not resisted at this stage. This has to be resisted by the working class so that Govt. is forced to retrace its steps. Fight against privatization is a continuous process till the policy is buried and the valiant struggle of the airport employees would definitely be encouraging the future anti-privatisation struggles and further strengthen the fight against the blind followers of neo-liberal policy of "privatization at any cost", in any plea, in any manner. "Breach of trust" is no matter for such public asset-dealers.