Vol. 24. No. 6 February 1995 Price Rs. Two

THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

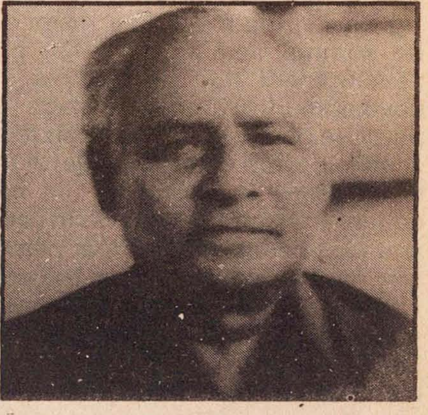
Com.Robin Sen

The Centre of Indian Trade Unions expresses deep shock and profound grief at the sudden and premature passing away of Com.Robin Sen, a Vice President of CITU, member of the Central Control Commission and Secretariat member of the West Bengal State CPI(M). Com.Robin Sen went to attend the Burdwan District Conference of the Party and died of a massive heart attack on 19th January night. He was 72.

Born at Senhati village of Khulna District, now Bangladesh in 1923, Com.Robin Sen joined the freedom struggle even in school days. After completing the school final examination he started his college life at Calcutta in 1938 and joined the anti- imperialist movement as a member of the then Students Federation.

Later he joined the trade union movement and started mobilising the workers in the industrial belt at Dum Dum and other places. He was attracted by the Communist ideology from then and joined the Communist Party in the 1940s. He joined the Royal Indian Airforce as a Pilot. He was influenced by the Azad Hind Fauz and started mobilising different sections of the military against the British imperialists. He played an important role in the anti-imperialist revolt of the Indian Navy after the Second World War. He made contacts with the Bolshevik Leninist Party also during the peak Indian freedom struggle. He participated in one such revolt and was court-marshalled.

Thereafter he completely devoted himself in the working class struggle in the industrial belts of Titagarh, Asansol, Raniganj and other places in Bengal.



He became a member of the W Bengal Secretariat of the CPI in 1960 and joined the CPI(M) in 1964 after its formation. From 1974 to 1989 he served as the Secretary of the Burdwan District CPI(M). Since 1964 he was a member of the West Bengal State Committee of CPI(M) and became its secretariat member in 1989.

Being a dedicated working class leader Com.Robin Sen was a vice president of the West Bengal State Committee of CITU. He was elected as an all India Vice President of the CITU in its 8th Conference held at Patna in March, 1994, and was also the Vice President of the All India Coal Workers FEderation. He was a member of Lok Sabha from 1971 to 1982, being elected from the working class belt of Asansol for two terms. He was a dedicated Marxist-Leninist and was highly respected for strictly observing the organisational norms with a disciplined and comradely outlook. The CITU dips its red banner paying homage to Com.Robin Sen.

The CITU centre sent a condolence message to the West Bengal State Committee. The WFTU and AITUC also sent condolence message.

EDITORIAL

THE WORLD SUMMIT ON SOCIAL DEVELOPMENT

The desperate economic situation in the entire third world that has given birth to almost intractable social problems leading not only to seething discontent but are threatening to tear apart societies and the equally desperate attempts of industrialised advanced countries to mitigate equally intractable problems smiting their recession - racked economies at the cost of the third world render more than usual importance to the ensuing World Summit on Social Development at Copenhagen in the first week of March.

The very fact of the Summit being called by the United Nations towards the close of the century signifies in the main, four major aspects which may be summarised as : 1) that plans of economic development that do not put social and human development at the centre stage - as the essence and purpose of all development endeavours, is not worth sustaining and unsustainable; 2) that the IMF and the World Bank are tools in the hands of advanced countries which lure third world countries into debt trap and foist conditionalities that perpetuate their poverty and backwardness; 3) that the preconditions of third world countries' development are, mainly, creating purchasing power through land reform, expansion of home market and self- reliant growth and pooling of resources, efficient deployment of available capital and manpower, a well-thougthout agriculture and industrial compact and creation of a solid phalanx against advanced countries' onslaughts;

All countries that have gone in for large doses of loans from the IMF with Structural Adjustment Programme (SAP) have all gone down in deeper debts and the economies are ravaged by mounting unemployment, loss of existing jobs, expansion of irregulated low-wage informal sector jobs, industrial sickens, greater economic inequality, expanding trade deficit, homelessness, illiteracy, shrinkage of food security and health facilities and poverty invading new layers of society. On top of all these comes the insistence of advanced countries to ram down the throats of third world countries the Social Clause in trade.

The advanced countries are intolerant of the small share of poor countries in world trade and seek to throttle it by pretentious concern for child labour and squalid conditions of life and work.

In the prolonged world trade negotiation, the third world countries did not play the role that they could have. The main reason was collapse of Indian resistance that left other poor countries with little choice. India has now taken initiative to organise a meet of labour ministers of non-aligned and other developing countries where a consensus is evolving towards rejection of the social clause. This united rejection will open up possibilities of further cooperation in numerous other areas of common interest to poor countries.

The trade union movement and popular opinion is against the pernicious social clause. The CITU has taken steps to make its submissions on all relevant issues and the Social Caluse to the World Summit. The Trade Union movement and the people of this country want the government to resolutely oppose the social caluse in association with the non-aligned and other countries. The World Summit at Copenhagen must not be allowed to be bullied into submission by US bully and its allies.

CITU Extends Solidarity to Khazaksthan TU

(We are publishing hereunder the letter written to Khazakhsthan Trade Unions extending solidarity to their struggles. Ed)

January 21, 1995

Comrade Riahmet Moldajanov,
Vice President of Trade Unions
Federation of the Republic of Kazaksthan
37, Jeltaksun Street, Almaty, Kazakstan - 480 004
Fax:(007 3272) 323962

Dear Comrade,

We thank you very much for your letter dated 11th January 1995.

We are concerned to note from your letter about the violation of social and economic rights of the workers.

The skyrocketting prices of essential commodities, inordinate delay in payment of wages social and pensionary benefits to the workers is bound to cause discontent among the workers. The growing unemployment is only adding to the gravity of the situation. The partial closure of over 1000 enterprises will further worsen the situation in your country.

We are pleased to note that you take effective steps against these serious conditions through collective actions of the workers such as holding meetings, demonstrations and strike.

On behalf of the CITU, we express our firm solidarity with your struggles and we wish that you will succeed in your legitimate struggles to protect the living standards of your workers.

We welcome further reports from your side about the conditions of the workers in your country and the efforts you are making to defend the working and living conditions of workers.

With warm greetings,
Yours fraternally,

M K Pandhe
General Secretary

Indian Labour Conference Exposes Govt's Policy to Scuttle Employments

□ P K Ganguly

Contrary to the Government's oft-repeated claims that the new economic policies would generate increasing employment consequent to the growth of GDP, the 31st Session of the Indian Labour Conference held at Vigyan Bhawan, New Delhi on January 3 and 4, 1995 exposed the fraud and laid bare the results exactly opposite.

Inaugurating the Conference, the Finance Minister, Man Mohan Singh asserted in a triumphant manner that with the new economic policies, the GDP grew from 3.5 per cent to 5.5 per cent. As a result, people below poverty line reduced progressively from 52 per cent to 35 per cent. This alongwiith the prospect of more exports after signing the free trade agreement(GATT) was bound to increase the employment potential in the country. The economic policies were therefore irreversible.

Krishna Sahi, the Industry Minister supporting the Financne Minister, blamed a section of the people(obviously meaning the trade union movement and the opposition) for deliberately misleading the people regarding the economic policies of the government.

The Labour Minister, P A Sangma supporting both of them, asserted that increase in productivity would lead to increase in employments, and instead of making fruitless efforts to revive the sick units, it is better to establish new industries with modern technology, which would generate more employment. He also said that surplus labour was the main problem faced by the Government. Therefore to keep the workers' interests in tact, the government had introduced the scheme of VRS. For more employment he made a diabolical suggestion to reduce the working hours in a day and working days in a week with proportionate wage cuts.

It was interesting to note that although employment was kept as an agenda for discussions on the second day, all the three Ministers referred to the employment prospects, the gloom of which was obviously haunting them.

The CITU was represented in the Conference by E Balanandan, M K Pandhe, Chittabrata Majumdar(delegates), P K Ganguly, Saroj Chowdhury and Kali Ghosh(advisors).

Initiating the general discussions from the trade unions, Sanjeev Reddy, President of INTUC pointed out that the Govt was diluting the seriousness of the Indian Labour Conference each year. He raised the long pending issues of DA, Bonus and Pension and demanded early wage negotiations in Public Sector. Regarding BIFR he said that it was not delivering the goods. On the contrary it was liquidating the units.

R K Bhakt, President of BMS supported Reddy's points, and further opposed the entry of multinationals.

Shanti Patel of HMS said that the proposed Industrial Relations Law was at variance with the recommendations of the Ramanujam Committee. He contradicted Manmohan Singh's figures and said that more people were going below the poverty line.

A B Bardhan, General Secretary of AITUC said that the Government was suffering from the crisis of credibility. Tripartite decisions were not implemented. He raised the question of NTC agreement arrived at the Special Tripartite Committee, which still remained unimplemented despite the assurance given to the workers' delegation by the Prime Minister during the 15th December Textile workers' rally. He assailed the Labour Minister's suggestion for reduction of working time with reduction of wages for more employment, and said that in France or Germany etc there was no reduction in wages for reduction of working time. He assailed the govt's policies which gave rise to not only unemployment, but also price rise and gradual dismantling of the public distributiion system. He further demanded legislation for agricultural workers and construction workers.

M K Pandhe, General Secretary of CITU brought to focus how the unanimous recommendations of the Ramanujam Committee Report on the proposed Industrial Relations Bill have been totally subverted and extraneous points have been incorporated in tune with the new economic and industrial policies. The government violating its own commitment did not even consult the trade unions on the draft proposals for incorporation in the Bill. This was obvious because the govt intended to launch an offensive on the basic trade union and collective bargaining rights of the workers and put a curb on their right to strike as per the demands of the World Bank. He further pointed out that VRS has been launched by government to force the workers to go out of employment with some doles and BIFR instead of going into the modernisation part of the units to revive them, was forcing terms to the workers and liquidating the units. He raised the question of DA and Bonus and warned the government that the workers would be compelled to launch direct actions if they were not implemented. The NRF was being utilised to force out the workers with VRS but not for actual redeployment of workers. Retraining was therefore useless unless there was actual re-deployment. On the contrary closures and reduction of work force were the features of the present industrial policy and the so-called revival plans of the government. He demanded a thorough review of the functioning of the BIFR. Regarding the small scale sector he demanded constitution of a special tripartite committee to discuss the problems and sickness in small scale sectors. He criticised the Labour Minister's speech that liberalisation and protection cannot go together. Regarding the problems of women workers he pointed out that they were the first victims of retrenchment.

Others who spoke included N M Barot(NLO), Ashutosh Banerjee (UTUC-LS), Sunil Sengupta (UTUC) and D D Shastri(TUCC). They criticised the government's economic policies which had resulted in price rise and joblessness.

Santi Ghatak, Labour Minister of West Bengal, expressed his total opposition to the economic policies and structural adjustment programme embarked upon the govt. He opposed NRF and VRS. Replying to the Labour Minister's speech he defended the Industrial Policy of West Bengal highlighting its special features which were opposed to the Central Government's policies.

Several representatives of the employers' representing CII supported the government's policy. They however expressed concern over the unemployment situation in the country and asserted that they would extend their cooperation to the government and the trade unions on the question of employment. The representative of AIMO spoke about the small scale sector and wanted protection for this sector. Several other State Labour Ministers spoke on general issues. On the issue of unemployment however, there was a common concern expressed by all.

E Balanandan, President of CITU, exposed the bankruptcy of the arguments by the government in support of the economic policy. He said in technology and R&D the country had almost achieved international standards at lower cost. He precisely pointed out the case of the power sector, oil, railways, telecom,etc where such standards and self-reliance have been achieved at lower cost, but the government was opening up these sectors for multinational penetration. He denounced the agreement with ENRON, the deal with ABB despite the acquired self-reliance by our Chittaranjan Locomotives, invitation to AT&T of USA to the telecom sector and even opening up the vital defence sector to private parties. He challenged the Finance Minister's assertion that GDP was growing. He said in the decade from 1981 to 1991 the average growth of GDP was 5.5 per cent, but after the new economic policy it was less than 3 per cent now. He demanded a self-reliant economic policy free from the pressure of World Bank and IMF.

Chittabrata Majumdar, Secrertary CITU, pointed out that even the unanimous agreements submitted by the managements and the trade unions to the BIFR for revival of the sick units were not being accepted by the BIFR. This goes at variance with the pronouncements by the Labour Minister himself. He said that even the Prime Minister had written a letter to Jyoti Basu, the Chief Minister of West Bengal, assuring that any joint proposals submitted by the managements and the trade unions on revival of the sick units will be accepted by the BIFR. But despite all this, the MAMC of Durgapur has been ordered to be closed down by the BIFR. In Titagar Paper Mills also despite joint agreements in BIFR, the financial institutions have refused to advance money as per the agreement.

Employment Policy

Meera Seth, Member, Planning Commission, placed a report on the employment policy of the government. The Planning Commission has projected that by the end of the Ninth Plan i.e. 2002 the number of work force seeking jobs would go up to 94 million. This was counted on the basis of the present number of job seekers plus the back log of unemployment which was growing with each Five Year Plan. She said GDP has to grow at an average rate of 5.8 per cent each year to create at least 9.4 million jobs every year with effect from 1.4.1992. But since this could not be done immediately in 3 years of the economic policy and the present 7th Plan, the average rate of growth of GDP has to be more in the coming years.Although the trend of increase is there, yet the average growth of GDP in the first two years had been 1.9 per cent. Therefore a thorough implementation of the economic policy was required to provide employment to all job seekers by 2002 AD.

Contd on page 19

"LIBERALISATION" Hits Indian Shipping Industry

□ M K Pandhe

The 93rd meeting of the National Shipping Board held at Paradip on 9th January 1995 highlighted the adverse impact on the Indian Shipping Industry of the so called economic reforms launched by the Narasimha Rao Government. Despite 28 new shipping companies have entered the industry during the last 3 years, the net addition to Indian fleet is only 9 vessels with 0.8 million DWT. The Eighth Five Year Plan target of seven million gross tonnage of shipping is not likely to be achieved since 35 per cent of the Indian fleet is due for replacement.

Prof N K Singh, Chairman of the National Shipping Board in his opening remarks had to admit that, "In sea freight terms, Indian International trade in the foreseeable future will focus on increased imports i.e. high freight value imports against low freight value exports which results in one way traffic for Indian ships." As a matter of fact, in case of foreign trade vessels the tonnage of Indian shipping companies today is almost the same as in the year 1984, clearly indicating a trend of stagnation of Indian shipping. Indian tonnage continues to be about half per cent of the total shipping tonnage.

The refusal of the Government of India to provide funds for the development of Indian shipyards has made the country more dependent on purchasing foreign vessels. During 1994-95 only 6 vessels were built in Indian shipyards while 16 vessels were imported involving an out go of about US $ 240 million. Indian shipyards are gradually being converted into ship-repair yards. Many Indian shipping companies are purchasing second hand vessels making a life of the fleet shorter. Taking advantage of the "liberlaisation" process Indian shipping companies have adopted a method of selling their vessels to their own subsidiaries abroad and taking the same ship on bare-boat charter. This process results in loss of national tonnage. Since "liberalisation" was introduced, 17 vessels were sold by Indian shipping companies and "re-acquired" as bare-boat charter. The money that was received by Indian shipping companies was not used for purchase of new vessels which explains that the purpose of this new device is only to make "money" at the cost of losing national tonnage.

INDIAN GOVT IGNORES SHIPPING BOARD

Though National Shipping Board is a Statutory Body under the Merchant Shipping Act, the Ministry of Surface Transport is not giving necessary weightage to the opinions expressed by the Board in several of its meetings. Government of India representatives on the Board do not attend the meeting regularly and inordinate delay occurs in taking action on the recommendations. Despite the demand made by the DG Shipping to provide Rs 6 lakhs grant for the normal functioning of the Board, the Ministry of Surface Transport has only sanctioned Rs one lakh and 35 thousand for the working of the Board. This callous attitude only highlights the casual importance given by the Government to this high powered body.

The UNCTAD decision in 1977 to ensure 40 per cent of the foreign trade cargo in indigenous bottom has not yet been implemented by the Government of India. Due to obstructive tactics adopted by the Ministry of Commerce it has not been possible to enact a law so far to guarantee 40 per cent of the foreign trade in Indian bottoms. In liners cargo, the percentage of trade in domestic bottoms is as low as 13 per cent. The Indian Shipping industry will not grow unless the Government enacts a law to ensure adequate cargo support to Indian shipping companies. The TRANSCHART which is supposed to distribute cargo to Indian ships is made more ineffective because it has no power to impose penalties for giving cargo to foreign shipping companies. When cargo is snatched by foreign companies the government of India is only behaving like a silent spectator.

NEGLECT OF COASTAL SHIPPING

The National Shipping Board has been pressing Government of India for more than a decade to pay proper attention to the development of coastal shipping. The National Transport Policy Committee has noted the advantages of the coastal shipping but no action has been taken by the Government of India in any manner. Recently, the Ministry of Surface Transport appointed a committee under the chairmanship of D K Afzalpurkar on Coastal Shipping but the recommendations were formally accepted and no action has been taken to implement them with the result that 4000 km of coastal line of India remains sadly neglected. The Government of India has refused to provide funds for development of minor ports and is now toying with the idea of development of minor ports through privatisation of the operation of these ports. The scandalous nature of the behaviour of the Government of India is seen from a letter by D G Shipping to the Government of India in December 1993 which states: "(a) Customs duty on import of spares, equipments and stores is not levied on foreign going ships, but the same has been levied on coastal ships."

This is putting costal shipping operators into difficulties consequently affecting the growth of this transport operation. The meeting of the Shipping Board therefore decided to approach the Government of India to take expeditious steps to develop the coastal shipping which has great potential in building a network of transport facilities in several ports in India.

DEVELOPMENT OF NATIONAL WATERWAYS

India has huge potential for development of inland waterways as one of the cheapest mode of transport in the country. However due to utter neglect by the planners this mode of transport remains unutilised. A paltry sum of Rs 10.83 crores was released by the Central Government which could result in completing certain token work in the period. The National Transport Policy Committee examined the possibility of navigable waterways in India totalling 14,545 kms and recommended 10 major waterways but progress in the matter is highly unsatisfactory. M K Pandhe raised the question about the non-implementation of the projects in this sector but no satisfactory reply is forthcoming from the Government side. Though the depth of Hooghly river between Haldia to Farakka is maintained for 2 meter for the entire stretch, no facilities of jetty have been provided in different regions. Moreover navigational facilities are provided only during the day time which makes the use of waterways uneconmic. According to survey it is possible to use the entire sector of Haldia-Allahabad as national waterways provided the Government of India makes available necessary funds for implementation of the project. During the 8th Five Year Plan the Government of India has provided Rs 240 crore for the development of inland waterways. However, in the first two years of the Plan only Rs 4.76 crores and Rs 5.43 crors have been spent. For the year 1994-95 the outlay provided is only Rs 6.30 crores which points out how even the limited plans prepared by the Planning Commission are no more implemented. Though 3 national waterways have been declared since 1986 no adequate manpower has been sanctioned to look after the developments works. The objective of providing mechanical port facilities has also become a far cry.

DRIVE TOWARDS PRIVATISATION

During his recent visit to Hongkong, Japan and South Korea Jagdish Tytler Minister for Surface Transport has offered $3 billion pojrects relating to ship building, ware-housing cargo berths and container terminals. The World Bank has already sent Hans J Peters to study the privatisation of port operations in India. The Government of India has also offered multi-modal transport operations in India to foreign private operators who will be able to gain control over this important sector of economy. Already a large part of port operation in Nhava Sheva Port has been privatised. Inland water transport sector is also being offered to the private sector by the Government of India. The budgetary allocation for the water-transport sector as a whole is gradually dwindling which will further retard the growth in this sector and open the floodgates for the multinational companies to this sector.

E Balanandan who has joined the National Shipping Board as a representative of Rajya Sabha raised the question of revival of Cochin Shipyard. The chairman agreed to consider the matter in the next meeting of the NSB.

THREE YEARS' NEP : A SAD COMMENTARY

☐ TAPAN SEN

Perhaps the big snub received by the ruling party in Andhra and Karnataka has made them see the King naked. The severe impact of their economic reform programme tutored by their masters in Fund Bank Headquarters on the life and living of the common people could be sensed at least partially by those in governance in Delhi, only when the people crudely fingered their eyes. Even they do not yet appear to have fully sensed the reality. They are still seen groping wild to give their reform package a human face and sell it again. Their predicament has become more serious in view of the ensuing assembly polls.

But reality of the fall out of the reform programme on the life and living of the common people is much more grave as can be taken care of by mere white washing.

Growing Poverty: Declining Consumption Level

The UNDP's Human Development Report, 1994 commented on liberalisation policies pursued by the Indian Government saying "The rural poor, more than a third of India's people are paying a price for reforms but not yet seeing many benefits." In fact three year's economic reform programme resulted in sharp redistribution of income in the society and the poorer section has been bestowed with aggravation of their poverty level.

Almost all indicators of living standard tilted violently against the majority of the populace. Notable is the decline in off-take from the Public Distribution System, signifying inability for a major section of population even to afford to pay subsidised PDS prices, leading to absolute decline in their share in consumption. Further the shrinking difference in the PDS issue price and the open market price is also a factor responsible.

The dwindling share of the poorest strata of the population in the overall consumption pattern underscores the reality. Althrough the post-reform periods till date it is they who have been continuously tightening their belt literally, thanks to the wisdom of Prime Minister and Finance Minister in giving such advice while initiating their new policy regime. During 1990-92, the share of consumption of the bottom 30% of rural population fell from 16% to 15.6% whereas for the bottom 30% of urban poor the share got dipped from 13.4% to 13.17%. The middle strata of the population also both in rural and urban sector could not escape the wrath of the market-deity and lost their shares of consumption and only top 30% remain to be the gainers. (National Sample Survey, 1992)

Despite steady upward trend in Agricultural production favoured by consecutive seven good monsoons, the per capita net availability of foodgrains has declined and reached 465.6 grams a day in 1993 from 510.1 grames in 1991. Same is the trend with per capita availability of cloth which has steadily dwindled from 24.1 metres in 1990-91 to 23.7 metres in 1992-93. And even these figures may appear to be a statistical illusion to those consumers at rock bottom level since net availability and actual consumption seldom remain identical, the latter being always lower. Other indicators of the quality of living like dwelling house, health care and the like would give the same sad commentry of steady deceleration.

Real Wage Faces Erosion

Whatever optimism be showered in the forewards of the economic reform programmes, the real life situation suggests the other way particularly when the camera is focused on lower rung of the society covering majority of population. The performance of the reformers inspite of all publicity-bizz, could not hide its ugly bias to minority haves, and speculation got honourability over productive activities. Profit and dividend moved much faster than the wages and incomes and for the lower rung of the wage earners, the period witnessed a sharp decline in real income.

The agricultural wage which had shown an increasing trend albeit marginally throughout 1980's confronted a severe downward pressure in real terms even in the major and richer states like Maharashtra, Gujarat, Andhra Pradesh, Karnataka, the extent of decline ranging from 2% to 25% during 1990-93. Same was also the experience of similar rock bottom strata of urban wage earners. the index of real wage of the lowest paid workers in cotton mills has shown a decline in almost all centres. In the textile centres like Ahmedabad, Baroda, Indore, Delhi, Kanpur and many others, the index of real wage of those workers have suffered a sharp decline during the reform years from 100 in 1990 to 90 to 92 in 1993. Notwithstanding the fact that the minimum wage rates have undergone upward revision for atleast five times during 1990 to 1993 in Delhi, the index of real wages has fallen from 100 in 1990 to 93 in 1993.

These aggregated estimates if further introspected in disaggregation sectorwise would expose further dismality of situation. Nearly 30% of rural households in the country earning livelihood through daily wage employment, mostly live in absolute poverty and practically in utter destitution for a substantial part of the year. The daily wagers in the urban areas constituting around 20% of the total households and a major sector of the salaried workers employed in low wage informal sector are also facing similar situation of declining real income and deteriorating living standards. Not to speak about those several lakhs who lost their jobs and earnings during the ongoing reforms due to closure, sickness and the like.

Inflation Beyond Control

The neomanagers of Indian economy notwithstanding their baptisation in all out market orientation by Fund-Bank masters, made their presence felt only in total mismanagement of price and monetary situation, pushing inflation to unmanageable height. Statistical juggleries like comparing provisional figures of the current year to the final figure of the corresponding period of the previous year, faulty weightage, change of base years and the like sometimes helped them in their effort to maintain a presentable show of inflation in the mediapages and on TV screen but situation has already become too grave to be maneuvered that way. in fact a show of single digit inflation calculated on point to point basis of wholesale price index for same periods of 1993 and 1994 and all glowing campaign by the electronic and print media could not whisk away the fact that such single digit inflation level has been calculated on the top of a persistent double digit inflation throughout 1992 and situation consistently continued worsening, cutting away the already humbled pie of majority of the populace.

Inflation Subdued By Statistics Alone

The illusory statistics of index movement did never focus the criminal act of increasing the price in fair price shops by 86% for rice and 72% for wheat in the public distribution system(PDS) during 1991-94. In fact during the same period, the decline in offtake of foodgrain through PDS was not without any reason.

Illusion is sought to be created to undertone the gravity of situation by various ways. One is of comparing provisional figure of index of the current year to the final figure of the previous year. The rate of inflation was 10.02% in December 3, 1994 by the same measure. If current provisional figure is compared with the provisional one of December 3, 1993, the inflation(point to point) would be 10.2%.

Moreover, inflation is measured interms of wholesale price index whereas for a near-realistic picture, consumer price index should be of greater relevance. During July 1994 rate of inflation on the basis of WPI was 10.5% whereas consumer price index for industrial workers(CPI-IW) depicts an inflation rate of 11.1% for the same period and that of Agricultural Labourers(CPI-AL) 13.4%. During August and September, 1994, whole sale price index(WPI), CPI(IW), and CPI(AL) showed inflation rates of 9.5% and 8.4%, 10.9% and 11.2%, 13.1% and 12.4% respectively.

Illusion and Reality

A much clearer understanding of the disaster unleashed by the so-called market friendly philosopheres of the ruling polity would be possible through reading the price movement since initiation of the new policy regime till date. During June 1991 to December 1994, the price of foodgrains climbed up by 58.2%, pulses by 59.4%, cereals by 57.8%, sugar by 56.6%, cotton yarn by 73.6%, cotton cloth by 44.6% and coal by 58.1%. Price of Drugs went up by 41.9% and electricity by 63.4% during the same period.

The intensity of the price rise got a further accentuation during the third year of the new policy regime. During first nine months of 1994-95, price of foodgrains galloped by 13% and pulses by 23%. And another notable feature is that during successive years of the new policy regime, the average influence of primary articles including food and non-food consumables on the overall price rise was consistently increasing revealing intensification of distress of the common people. During 1992-93 and 1993-94, the share of primary articles in overall inflation had risen from 24% to 26.9% and it jumped at 38.4% in 1994-95 (first nine months).

Poverty Expands

It is not without reason that during the three years of reform the overall poverty level has gone up to push down 40.69% of population below the poverty line in 1992-93 from a figure of 35.5% in 1990-91. Situation in rural India is even more serious. Rural poverty has shot up more than the national average to a level of 41.72% in 1992-93 from 35% in 1990-91 and for urban population it rose to 37.74% from 37%. In absolute terms it denotes a rise in the number of poor by 50 millions only in rural India.

The Human Development Report(UNDP), 1991 assessed 410 millions people in India below the poverty line. As per the same Human Development Report 1994, India's rank in terms of human development parameters dipped from 121st position in 1991 to 134th position in 1994, out of total 173 countries. World Development Report of World Bank, has placed India even below Bangladesh, with Nepal and Pakistan being positioned above Bangladesh, interms of per capita Gross National Product.

Development, Prosperity for Whom!

As per the authors of the New Policy regime, the reform programme is slated to take India to new heights of prosperity. Three and half years of the said exercise although complemented by World Bank and their Transnational Bosses with routined periodicity, has dragged majority of the population towards fast erosion of the level of living and gradual impoverishment. The gains of economic activities during the period have been cornered mostly and at a faster pace by those few owning the capital and by the farmlobby in the country-side, while millions others who have not only no less contribution, but greater, in producing such gains, witnessed fast deterioration all around. The reform process has already set the pattern and pace of the same. It meant only endemic sufferings to common people.

CITU Demands Urgent Steps To Revive Sick Units

☐ **A.K. Padmanabhan**

The CITU has demanded immediate steps from the Government of India, to revive the sick industrial units and expressed resentment over the manner in which Government has been dealing the issue of sick Public SEctor Enterprises.

A meeting of the Tripartite Industrial Committee an Engineering Industry was held on 30th November at New Delhi. The meeting was presided over by the Minister of state for Labour, Shri P.A. Sangma, and was attended by senior officials of the CEntral Government, Representatives some state Governments including West Bengal, Tamilnadu and representatives Central Trade Unions and Employers organisations. CITU, INTUC, BMS, AITUC, and HMS representatives were present. CITU was represented by A.K. Padmanabhan, B.K. Chakaraborthy and Dipankar Mukherjee, M.P.

The meeting was called by the Government only after a lot or pressure from the Trade Unions, especially CITU. When the new economic policies were being implemented, industrial units, especially public sector unions were being declared sick and referred to BIFR. If was under these circumstances, the Government decided to form a special Tripartite Committee to discuss about the industrial sickness and revival of the sick units. Some Tripartite Industrial Committees like Engineering, Textile and Chemical were also formed. But, these Committees are not meeting regularly and the problems of sickness, closures etc. have been increasing.

The Tripartite Committee for Engineering had met in February '94 and had discussed about 15 Public Sector Units. In the meanwhile, there were reports that the Government has decided not to contest the decisions of the BIFR to wind up Cycle Corporation, which was not discussed in the earlier meetings of the Tripartite Committee was also included in this list by the Government.

CITU representatives strongly opposed the decision of the Government regarding the above said PSUs. They wanted the decision to be reviewed in the light of the joint recommendations of the Tripartite Committee, submitted to the Government on 28th February.

It was also pointed out that the Government had earlier assured that wherever joint proposals are being given, BIFR will not be allowed to take its own decisions and the joint proposals will be considered. But, now after joint proposals were given, the Government has decided allowe the winding up f the units and the committee was not being told why the government has taken the decision.

It was also demanded that the Government should immediately confirm their consent to act as promoters for the rehabilitation schemes for Mining and Allied Machinery Corporation, Braithwide, Bharat Pump and Compressor and TAFC.

CITU representatives strongly protested against the inordinate delay in taking decisions by the 'Group of Ministers' who were dealing with the issues and pointed out that this delay had prompted the BIFR or the operating agency to issue advertisements for privatisation of the above said units. In this connection, the case of Bharat Ophthalmic Glass was also pointed out where closure has been ordered by BIFR in the absence of any decision from the Government. The Labour Minister assured to look into the issue and also to take efforts to reduce the delay.

It was also demanded that the Government should immediately convey their acceptance of the schemes approved by BIFR like those for Bharat Breakes and Valves and Tyre Corporation.

The case of Scooters India was also taken up by the Trade Union representatives. The Labour Minister assured that the Government will take a sympathetic view for its revival. it was also noted that there has been considerable improvement in the functioning of this unit.

It was also pointed out that a large number of Engineering Units in the private sector has also become sick. CITU representatives demanded the the Committee should take this issue also. it was decided that a separate meeting will be held to review the sick private sector engineering units as early as possible.

CITU representatives raised the issue of serious crisis in wagon building Industry. The Minister assured that he will hold a meeting of concerned Ministers - Railways, industries, Labour etc. - to discuss the issue so to prevent further crises in the industry. It was also stressed that Ministry of Labour should ensure prompt payment of wages and other statutory benefits like PF, Gratuity and ESI to the workers of sick public sector units.

Through the Trade unions have been raising important issues, whenever these committees are meeting and some decisions are taken because of the pressure exerted, the Government has not been implementing those decisions. Even the unanimous decision of the committee are being given up in the name of decisions from 'Group of Ministers', 'Committee of Secretaries' etc. As more and more industrial units both from public and private sector are becoming sick, threatening thousands of employees and workers, Trade Unions will have to build up united struggles to force the Government to understand the seriousness of the situation and change this attitude.

Consumer Price Index Numbers For Industrial Workers (BASE 1982 = 100)

Centre	Sept.'94	Oct.,94	Linking factor for Old Base
All India	288	289	4.93
Gudur	274	279	4.33
Guntur	288	289	5.60
Hyderabad	265	272	5.23
Visakhapatnam	265	272	---
Warrangal	280	283	---
Doom-Dooma			
Tinsukia	262	265	4.05
Guwahati	290	291	---
Labac-Silchar	257	260	3.96
Mariani-Jorhat	270	276	3.95
Rangapara-Tezpur	273	278	4.29
Jamshedpur	269	271	4.68
Jharia	253	254	4.63
Kodarma	256	260	5.43
Monghyr	275	282	5.29
Noamundi	260	261	4.58
Ranchi-Hatia	281	282	--
Ahmedabad	290	290	4.78
Baroda	293	289	--
Bhavanagar	309	301	4.99
Rajkot	290	286	--
Surat	309	309	--
Faridabad	285	284	--
Yamunanagar	274	276	5.53
Srinagar	288	286	5.47
Bangalore	280	282	5.66
Belgaum	294	296	--
Hubli-Dharwar	287	286	--
Mercara	280	282	--
Alwaye	279	283	5.19
Mundakayam	281	291	--
Quilon	295	297	--
Trivandrum	313	300	--
Bhalaghat	288	287	5.24
Bhilai	261	261	3.49
Bhopal	303	306	5.46
Indore	307	305	5.18
Jabalpur	310	311	6.41
Bombay	317	315	5.12
Nagpur	305	301	4.99
Nasik	306	306	---
Pune	306	304	--
Sholapur	298	298	5.03
Barbil	280	280	5.00
Rourkela	263	267	3.59
Amritsar	271	275	5.19
Ludhiana	277	279	--
Ajmer	289	287	5.01
Jaipur	280	280	5.17
Coimbatore	278	283	5.35
Coonor	297	302	4.80
Madras	294	298	5.05
Madurai	288	288	5.27
Salem	290	293	--
Tiruchirapally	307	307	--
Agra	274	273	--
Ghaziabad	279	278	--
Kanpur	290	292	4.69
Saharanpur	279	285	5.06
Varanasi	297	299	5.12
Asansol	271	273	4.77
Calcutta	290	295	4.74
Darjeeling	261	267	4.55
Durgapur	294	300	--
Haldia	296	299	--
Howrah	304	310	4.12
Jalpaiguri	263	266	4.16
Raniganj	256	257	4.40
Chandigarh	285	283	---
Delhi	314	319	4.97
Pondicherry	320	328	--
Additional series of Labour Bureau			
Kothagudem	284	294	3.25
Himachal Pradesh	277	282	3.75
Bhilwara	301	303	3.20
Chindwara	292	296	2.59
Tripura	277	281	4.37
Goa	317	316	3.40

Note: Figures on old base can be obtained by multiplying the Index Number on New Base by the linking factor given and rounding off the result to nearest whole number.

--Dash denotes new centres under 1982 series,

TEXTILE WORKERS TO INTENSIFY STRUGGLE

The Joint Action Committee of Textile Workers met at Bombay on 7th January and decided to carryforward the united struggle in the Textile Industry.

It is to be recalled that after the all India rally before Parliament on December 15, both the Prime Minister and the Textile Minister had assured the JAC delegation that the unanimous agreement on NTC would be approved by the cabinet soon. The Prime Minister wanted 2-3 days time. But the agreement has not been approved yet. In the private sector also despite assurances no meeting of the Tripartite Industrial Committee in Textiles has been called to discuss the growing sickness in the private sector. The conditions of powerloom and handloom workers continue to be deplorable.

In the above background the Joint Action Committee decided to carryforward a sustained countrywide movement in pursurace of the demands which include:

1) Implementation of the 8-point unanimous agreement on NTC mills.

2) Opening of all the closed textile mills in the private sector and reabsorption of the two lakh workers rendered jobless.

3) Revival of all sick mills in consultation with the trade unions.

4) Implementation of Labour Laws, Social Security Measures and Minimum Wages in powerlooms.

5) Supply of Hank Yarn and other raw materials at subsidised rates and minimum wages in the handloom sector.

6) Formulation of a new integrated Textile Policy in consultation with the trade unions, so as to ensure a balanced development of all the three sectors and generate employment.

The meeting decided to organise joint dharna of the leading functionaries of the unions before Parliament from 7th March 1995 during the budget session.

COM. JOE SOLVO

The Centre of Indian Trade unions expresses profound grief at the demise of Com. Joe Solvo, the Chairman of the Communist party of South Africa and a legendary name in the South African peoples struggle against the former apartheid regime led by the ANC. He headed the Umkhonto-we-seizwe and led the armed struggle for national liberation. He was the target of attack by the hated apartheid regime and had to remain underground and in exile for a number of Years. The CITU dips its red banner in honour of Com. Jeo Solvo.

COM.B.K. BANERJEE

The Centre of Indian Trade Unions deeply mourns the sudden demise of Com. B.K. Banerjee, the General Secretary of the All India RMS and MMS Employees Union Class III on 20th December, 1994. He met with an accident and had to be operated upon in the brain, but all efforts to save his life failed. Com. Banerjee was a dedicated and hard working leader and emerged as a leader of the Central Government employees at national level. He successfully mobilised the RMS and MMS employees to participate in the All India Strike actions against the economic policies of the Government. The CITU conveys heartfelt condolence to the RMS and MMS employees and to be bereaved members of his family.

COM. GOPILAL SIWALIA

The Centre of Indian Trade Unions mourns the death of Com. Gopilal Siwalia of Synthetic Unity Centre (CITU) of Ujjain. Com. Siwalia died of heart attack while on duty in the mill. Com. Siwalia was an important cadre of the union. The CITU conveys heartfelt condolences to the bereaved members of his family

COM BTR'S BIRTH ANNIVERSARY OBSERVED

The Co-ordination Committee of unions and Associations, Patna organised a Seminar on 19th December'94 in the L.I.C. Recreation Club, to celebrate the 90th Birth Anniversary of Com. B.T. Ranadive in which CEntral and STate Govt., Bank, Insurance, Peerless, Pharmaceutical, Electricity, Transport, Railway, Postal and other private sector employees and workers, Students, Youth., Kisan, Footpath Dukandar, Auto Rickshaw, Rickshaw and Tamtam Chalaks participated. The Seminar was presided over by Com. B.B. Ghosh, Vice-President, Bank Employees Federation, Bihar.

Com. Sachchida Nand Singh, Covnenor, Coordination Committee of Unions and Associations, Patna submitted a document on the life of Com. B.T. Ranadive depicting various aspects of his experience and ideology on the issues which have confronted the working class in national and international level. Com. Suboth Rai, General Security, Bihar Rajya Kisan Sabha spoke elaborately on Com. B.T. Ranadive and told that experience and teachings of Com. B.T.R. will always be a guideline in our struggles ahead. Com. Radha Raman Sinha and Yogendra Pd. Singh, President and General Secretary, Bihar State Non-Gazetted Employees Federation respectively also spoke in the seminar.

The Seminar also passed a resolution demanding of the Govt. of Bihar to concede the demand of the Non-Gazetted employees and Teachers who are on indefinite strike, so that the strike may be ended soon. The Seminar passed another resolution demanding of the Govt. to stop removing the Footpath Vendors from their present place of business without making an alternative arrangement.

The birthday of Com. B.T. Ranadive was celebrated by ABK Metal and Engineering Workers Union, Burnpur, West Bengal with enthusiasm on 19th December '94.

In the morning, Com. Dilip Sarkar, Vice President of the Organisation garlanded Com. BTR's photo with due honour and devotion, followed by other Union officials.

In the evening the union arranged a general meeting. The president of the Union, Com. C.S. Mukherjee, gave an eloquent speech commemorating the departed leader in a befiting way. Thereafter the General Secretary, Com. J.N. Dubey, and other Union officials spoke.

COAL STRIKE DEFERRED

S.K. Bakshi, Working President and Suni Basu Roy, General Secretary of All India Coal Workers Federation issued the following statement:

In view of the Wage-freeze policy practiced in the Coal Industry five CEntral Trade Union Organisations. Namely CITU, INTUC, AITUC, HMS and BMS met at Dhanbad on ist january, 1995 an decided unanimously to go on a 3-day All India Industry-wise Strike in Coal to press the long standing demands. It was also decided to serve strike notice on 15th January, 1995.

Meanwhile, a meeting of the newly constituted JBCCI-V was held in Calcutta on 9th and 10th January, 1995. The unions' united stand in the meeting compelled the management to consider the demands submitted by them. The Management, in return, agreed to settle the Wage Disputes by 31st March, 1995. It was also agreed that Interiam Relief will be enhanced by 10% of basic, SPRA, FDA, subject to a minimum of Rs.150/- with effect from 01-07-91. Further, the Management agreed to pay arrears in FEbruary, 1995 and May, 1995. The Management also agreed not to divert any fund from Welfare Fund.

In view of these assurances the CEntral T.Us agreed to after the proposed strike to facilitate conclusion of NCWA-V within the stipulated period.

All india Coal Workers Federation (CITU) calls upon the Coal Workers to continue the agitation and preparation for STRIKE in Coal Mining Industry for a speedy settlement and conclusion of NCWA-V. The AICWF congratulates the workers for responding to the united call of the Trade Unions. The unity of the workers is vital for achievement of the demands. it must never be allowed to be weakened.

Pakistan Trade Unions Form Confederation

Six national trade union centres in Pakistan recently formed a National Confederation named Pakistan Workers' Confederation. The trade union centres included the All Pakistan Trade Union Federation(APTUF), All Pakistan Federation of Trade Unions(APFTU), All Pakistan Federation of Labour(APFOL), Muthidda Labour Federation(MLF), All Pakistan Trade Union Organisation(APTUO) and Pakistan Trade Union Federation(PTUF).

This information was given by the All Pakistan Trade Union Federation(APTUF) in a letter to the CITU dated 31st December, 1994. The confederation was formed to get together and cooperate with each other to strengthen the unity of the working class and galvanise their struggle for achieving economic and social rights of the working men and women in Pakistan.

Immediately after the formation of the Confederation, they organised a massive procession and rally at Rawalpindi, participated by about 30,000 workers of different industries including private and public sector undertakings. The rally was against privatisation, unemployment and inflation. The rally further demanded a minimum wage of Rs 1500/- per month, reinstatement all dismissed workers, abolition of all anti-women laws and restoration of their equal rights. The rally was addressed by prominent leaders of the all the trade unions.

The Confederation decided to further step up the united movement by organising a big demonstration before Parliament at Islamabad in January 1995. It further decided to observe 8th March as the International Women's Day alongwith the Working Women's Organisation, and also the May Day jointly.

The CITU has congratulated the Confederation and the working class of Pakistan for consolidating their trade union unity by formation of the Confederation.

Incidentally, the HMS Bulletin has focused this news received from ICFTU-APRO Labour Flash, in their November issue highlighting it as a right step towards furthering trade union unity.

Pursuing its efforts for the formation of a Confederation in India, the CITU has approached the HMS, AITUC and other trade unions to come together and take similar steps in India.

DISINVESTEMENT PROGRAMME OF PSUs

Per cent share of Government holding after disinvestment in 1994-95

NALCO	-	87%
AIR INDIA	-	80%
HIND TELEPR.	-	80%
INDIAN OIL	-	80%
MSTC	-	80%
OIL	-	80%
ONGC	-	80%
IRCON	-	79%
SAIL	-	79%
DREGING CORP.	-	78%
MMTC	-	77%
STC	-	70%
NEYVELI CORP.	-	68%
HMT	-	66%
VSNL	-	62%
IPCL	-	60%
BEL	-	59%
SHIPPING CORP.	-	59%
BHARAT PETRO.	-	57%
IBP	-	55%
ITI	-	55%
LUBRIZOL	-	55%
MTNL	-	55%
BEML	-	54%
BHEL	-	53%
ANDREW YULE	-	52%
COCHIN REF.	-	52%
HOC	-	52%

(UNI - Times of india 12-1-95)

Airlines Employees Demonstrate Against Privatisation

The airline employees under the banner of the Air Corporation Employees Union(ACEU) organised a massive demonstration before the Airline Head Quarters at Delhi on January 10, protesting against the move of privatisation of airlines taken by the Government and Russie Modi, the chairman. Similar demonstrations were held in other parts of the country also, when Russie Modi had talks with the private operators like Modiluft, East West, Dmannia, Jet, NEPC, etc.

NAM Labour Ministers' Conference

The Fifth Conference of the Labour Ministers of the Non- Aligned and other developing countries started at Vigyan Bhawan, New Delhi from January 19-23. All the Central Trade Unions were invited in the inaugural and valedictory session. Com.M K Pandhe, General Secretary attended the sessions on behalf of the CITU.

On 20th January evening the trade unions gave a reception to the NAM Labour Ministers at Vigyan Bhawan and submitted a joint appeal to them. The trade unions were also invited in the gala dinner hosted by Shri PA Sangma, India's Labour Minister the same night at Ashoka Hotel.

We are publishing hereunder the joint appeal submitted by the trade unions to the Labour Ministers:

AN APPEAL FROM

THE CENTRAL TRADE UNION ORGANISATIONS OF INDIA TO THE FIFTH CONFERENCE OF LABOUR MINISTERS OF NON-ALIGNED AND OTHER DEVELOPING COUNTRIES(NEW DELHI, VIGYAN BHAWAN, 19-23, JANUARY 1995.

Excellencies, Esteemed Ministers from Non-Aligned and Developing countries,

On behalf of all the Central Trade Union Organisations of India, we heartily welcome you to our country, for your Fifth Conference.

On behalf of the entire working class of India, we convey to you, and through you to the people and the working class of your respective countries our fraternal greetings and good wishes.

We, representing Labour in our country, highly assess the significance of this conference, at a time when the urge for development is motivating economic and social actions by governments and other non-governmental organisations, a process, in which the contribution of Labour is unversally recognised.

Though our countries are at different levels of development, and each has characteristics and compulsions of its own, we share certain common problems and common aspirations.

We take this occasion to draw your attention to some of the common problems faced by the people in general and the workers in particular in the non-aligned and developing countries so that you can consider them dispassionately while taking appropriate decisions in the conference.

The socio-economic development of the non-aligned and developing countries has to be carried out in an atmosphere when Transnational Corporations control one-third of the world production and trade with their advanced technology.

The UN resolution on new internal economic order is being consistently opposed by the developed countries and they are refusing to pay 0.7% of their GDP for the development of the developing countries as required under the UN resolution.

The code of conduct for Transnational Corporations to be finalised by a Committee set up by the UN is yet to see the light of the day.

The TNCs continue to ignore the problem of environment in the developing countries and we have the worst experience of the Bhopal gas disaster that took a toll of thousands of people.

ILO declaration on the code of conduct for Transnational Corporations is being systematically violated. Hence we urge that the declaration be taken up for adoption as a convention of ILO.

In most countries, we are faced with the grim problem of poverty and unemployment, of a severe lack of educational and health facilities. In most countries, we have still not overcome the legacy of the colonial past. For solving these problems, suitable economic reforms are indeed necessary. however, we note the fact that the attempt by international financial and trade agencies which are controlled by a handful of developed countries, to impose a Structural Adjustment model and iniquitous terms on us, is aggravating the problem of unemployment, and giving a set back to programmes of social welfare, besides impinging on our sovereignty.

Staggering debt is putting a heavy burden of repayment and debt servicing on most of our countries, which already suffer from low capital formation and severe resource crunch. wE feel a way has to be found to correct this historical imbalance, so that our countries can undertake programmes of poverty-eradication and balanced development.

In our view, the question is not just to mitigate, what is recognised as the negative impact of structural adjustment programmes, but to consciously promote employment and social welfare for our people. We note with concern that emphasis on 'market forces' is in most cases, ignoring the need for state role in the matter of education, health, social security and other social infrastructure. We wish to stress the need to priorities on an expanding domestic market, based on a programme of land reforms, full employment, rising labour and living standards.

The experience in India is that the social safety net visualised is of no long term benefit to the workers and they become destitutes after the separation compensation is spent off. there is urgent need to develop employment generation plans if the plight of such workers is to be ameliorated. The need for protecting existent job, by resoring to redeployment and retraining wherever necessary requires to be given importance.

The sickness of the industries is increasing very fast. The exit policy is no solution to the problems of sickness and collective efforts are necessary to find out ways and means of making them viable. A special fund should be created for financing the revival packages of such sick units. There is need to revamp existing machinery of revival so that it becomes effective in reviving the sick units on a time-bound basis.

The high rate of inflation and price rise is drastically eroding the standard of living of our working class. Official machinery to check the price rise is totally inadequate. There is need to take effective measure to supply essential commodities to the mass of people through effective public distribution system at affordable prices. Man, - the common man has to be the focus of development.

The structural adjustment programmes have resulted in incrasing pauperisation of the major section of population while a small section has become elitist. proper wages and incomes policy should be evolved to reduce these inequalities and ensure reasonable distribution of wealth among poorer sections of the society. It is extremely necessary to maintain a sustainable economic growth in the country.

The entry of Transnational Corporations with various concessions and facilities which are denied to the established industries in developing countries, retrads the self reliant growth of economies.

Of top priority in our trade union activities has been the issue of raising our labour standards, of impressing on our governments to ratify ILO Conventions and Recommendations, and to eliminate such inequities as child labour and weated labour, within as brief a period of time as possible in each country. This will always be on top of our agenda.

However, we notice that circles in developed countries are using the so-called 'social clause' as a weapon to deny us market access in their part of the world, and to prohibit entry of our products into their markets. In effect this amounts to 'protectionism', to rising extra-tariff barriers to trade, while demanding all the time that we should give the developed countries and their TNCs unrestricted access into our vast markets. We cannot accept the attempt to link the 'social clause' with trade. These issues will also come up for consideration at the World Development Summit being held at Copenhagen 6-12 March this year, where we expect trade union representatives of play their role.

We are conscious that the centre of gravity of developments is shifting, and has to shift, in the direction of our countries, and that we are on the threshold of a big leap forward. For this, we look forward to more horizontal cooperation among all our countries, to more and more regional cooperation, in the field of trade, economy and culture, and also in taking common stand consistent with national interests in all international fora, so as to ensure fair play and justice.

We also look forward to growing cooperation among trade unions and other social organisations, of developing countries, as also of the developed countries. We do to visualise any long-term conflicting interests among us, in pursuit of these aims.

We should like to see the unfortunate trend towards erosion and curtailment of social benefits and trade union rights that are seen here and there, to be reversed. The obligations flowing from ILO Conventions on Freedom of Association and on Collective Bargaining, have to be respected. This in our view, is a necessary condition for growth with equity, for developing our vast human resources, and for harnessing working peoples' in raising productivity.

Once again, we extend you a hearty welcome, and our best regards and wishes for successful deliberations and fruitful outcome of your Conference.

Yours sincerely,

Indian National Trade Union Congress
Bharatiya Mazdoor Sangh
Centre of Indian Trade Unions
Hind Mazdoor Sabha
All India Trade Union Congress
United Trades Union congress
Trade Union Coordination Committee
National Labour Organisation
National Federation of Indian Trade Unions

ENRON PROJECT : UNVEILING THE TRUTH

It has become transparently clear by now that the Maharashtra Government is unwilling to listen to any voice of reason on the controversial issue of the proposed 2015 MW (Megawatt) thermal power station in Guhagar taluka of Ratnagiri district in the state.

Every single aspect of the mega project bears a questionmark-the unseemly haste in which the Maharashtra State Electricity Board (MSEB) contract with the Danbhol power Company was rushed through, the total secrecy that still envelopes the various vital clauses of that all-important document, the strange arguments being propounded officially in justification of the project, the forcible acquisition of land at the selected site, the environmental impact, and last but not the least-the economics of the project!

Considering the wide range of the issues involved and the profound significance thereof, it was imperative that all aspects of the project were subjected to a close scrutiny at the appropriate fora before a decision was made. Unfortunately, however, it is apparent that the authorities concerned bypassed this process before signing on the dotted line. What is worse, the latter seem determined to turn a deaf ear to all disenting voices even at this stage.

As things stand, therefore, it is inevitable that this subject be placed on the national agenda by drawing attention of all legislators across the country, irrespective of their party affiliations. Here is an issue that affects the future of cores of Indias, involves billions of rupees, and lays down a precedence for the decades to come.

LET THE FACTS SPEAK FOR THEMSELVES:

The Dabhol Power project Company Private Limited 9DPC) which will build, own and operate the project comprises the following constituents.

Enron Development Corporation	80% equity
General Electric Capital Corporation	10% equity
Bechtel Enterprises Inc	10% equity

Enron will manage the project.

Contrary to the general impression that is being spread by protagonists of the project, Enron and its collaborators can claim little expertise in constructing and operating power stations as a large as the proposed one at Dabhol. By the Enrons own admission, it operates and/or has ownership interest in facilities generating more than 3,700 MW of power worldwide. Thus, the DPC power station alone would have more than half of Enrons present total worldwide capacity! The only plant comparable in size with the proposed in Ratnagiri is located at Teeside in the UK. Completed in 1993, it has a capacity of 1875 MW.

The contract between the DPC and the MSEB was signed on December 8, 1993. Accordingly, about 700 hectares at villages Anajanwel, Ranvi and Veldur near the Dabhol port in Ratnagiri district were earmarked for acquisition. In the first phase, a 695 MW capacity power station would be built and will use oil for power generation till gas becomes available. The total capacity of 2015 MW would be reached when the second phase is complete. The power station will run on liquefied natural gas to be brought in ships from Qatar, Aman and other Gulf countries, and stored in tanks at Dabhol.

In their deliberate haste to sign up Entron, the government and the MSEB, did not even bother to consider other options. The Rs. 9,200 crore project was okayed without floating tenders! Clauses of the agreement have been kept under wraps. But whatever information which the authorities have made available clearly indicate that while the DPC's high profits have been safeguarded, the cost of the project and the price of electricity generated would be very high because of the numerous concessions given to the DPC.

HERE ARE SOME OF THE SALIENT FEATUES OF THE PROJECT CONTRACT;

* MSEB has to buy all the power generated by Enron, irrespective of whether there is demand or not.
* The DPC has been assured of a post-tax return of 16% on capital investment, which is higher than the current market rates, and could reach a much higher figure.
* There is no limit to the capital investment by Enron.
* There are counter guarantees from the State & Central Governments for the payments that will be due from MSEB to the DPC.
* There is a sovereign guarantee for the bonds to be floated.
* Indian financial institutions will provide much of the finance.
* As against the normal rate of 3.5%, a higher rate (7.5%) of depreciation has been permitted.
* Higher maintenance costs have been allowed.
* Permission has been given to pay 12% interest on foreign bonds floated for this project.

* An assurance has been given that the project will not be nationalised.

The 1875 MW Teeside power station which was completed in 1993, is the only comparable Entron project inthe present context. While the capital cost per MW of that project works out to only 0.64 million dollar, the per MW capital cost at Dabhol would be 1.4 million dollars. That is, 2.2 times that of Teeside, The price per unit of electricity that will be paid to the DPC is Rs. 2.40, with the following built-in esacalations-

* A 4% increase per annum of 'fixed' capacity fee.
* The actual increase in cost of fuel (base price 3.8 dollars per million BTU).
* The purchase price of electricity is fixed in US dollars. hence any devaluation of rupee would automatically raise the price.

Since the MSEB has agreed to take upto 86% of the energy generated by the dpc even if it is surplus to its needs, the MSEB may have to close down a part of its existing generating capacity. This, despite the fact that the MSEB power is now being generated at a cost of around only 1 rupee per unit! Yet another urneasonable concession trotted out to the DPC is that arbitration in the event of a dispute over the counter guarantee will be only under the English Law in London courts.

If This Is Not Infringement of Our National Sovereignty, Then what Is?

The World Bank was approached by the department of Economic Affairs for financing the project. The World bank refused to do so, pointing out that the project would not be "economically viable" for the MSEB. Two reasons were offered for this conclusion on the part of the World Bank.

a) The World bank found that the proposed 2015 MW project was too large for base load operation in the MSEB system. Also, since the MSEB had contracted to purchase all the power generated by DPC, it would be forced to replace lower cost coal power with much higher cost liquefied gas power.

b) The world Bank opined that the project was not part of the least-cost sequence for Maharashtra Power Development. it.asserted that local coal and gas were preferred choices for base load power generation. it had suggested that the size of the station be reduced from 2015 MW as one way to solve the problem of base load.

Ominously enough, the World bank also cautioned that the implementation of the project would place a significant long-term claim on India's foreign exchange resources.

It is estimated that thanks to the DPC project, a foreign exchange worth about Rs.2,900 crore would flow out of this country every year. The costs, of course, will be borne by the Indian consumers. The MSEB would keep losing about Rs.500 crore every year because of the contract compulsion to buy all power from the DPC. Consequently, electricity prices in Maharashtra would be hiked drastically, thereby crushing innumerable small industries, farmers and individual households under the burden. Indeed, a classic case of transfer of wealth from India to the US, na da concurrent transfer of poverty from the US to India!

The DPC project is bound to cause multiple damaging effects on the environment over thousands of acres along the hreathtakingly beautiful coastal Konkan region. Air, water and noice pollution are expected to be of a very high order, thus threatening mango, cashew, Jambhul and other orchards, as well as the fish in Vasishthi and Ranvi rivers and the sea.

A total of 728 land-holders from Anganwel, Ranvi and Veldur villages have been sent acquisition notices by the Maharashtra Government. About 440 of them have raised objections for the same. The government, however, is trying every possible trick in its bag to take over the land. Policemen have become a virtually permanent feature at the site. And now that the Environment Ministry too has given a green signal, repressive measures are expected to escalate in imminent future.

What Needs To Be Done?

* A complete review of the Enron project is imperative.
* The Environmental Impact Assessment (EIA) report of theDPC on the basis of which the ministry gave clearance should be made public.
* The veil of secrecy surrounding the contract between the DPC and the MSEB should be lifted and a through scrutiny of the same be facilitated at the appropriate public fora.
* Alternative options for conservation and generation of energy should be explored before thinking about a high-cost project such as the DPC.

Apart from affected local villagers, trade unions, environmental and social activist groups, scientists and economists have also raised serious objections to the disastrous Enron project. In order that the government heeds and introspects, these efforts need your active and urgent support.

(ABHISARAN, PUNE)

ENRON: ENVIRONMENTAL SELL-OUT

☐ **By Sulabha Brahme**

The residents of the Konkan region have united themselves to oppose the controversial Enron project. In this article, economist Dr. Sulabha Bhrame, who visited the region recently has discussed the various factors which have forced local residents to oppose the multinational company.

The farmers and residents around the Dabhol area in the Konkan region of Maharashtra, have united themselves to oppose the proposed Enron project. Many farmers, including some Women, Were arrested recently. When they objected to the forceful acquisition of their land for the controversial project. Why have the residents of the backward Konkan region stood up in firm opposition to this project?

For several years now, the government has been promising to take many steps for the development of this region. The ill- effects of the growth of the chemical Industries in this region during the last two decades has, however, how disillusioned the local people.

The acquisition of land by the Maharashtra Industrial Development Corporation (MIDC) for the development of the Lote Industrial Estate has deprived local farmers of their livelihood.

Since 1981, over 200 big and small industries have come up in this region by these industries have not provide any job opportunities for the local youth. The growth of chemical Industries in this area has adversely affected the local life in several ways.

Firstly, these chemical Industries have caused large scale air and water pollution has adversely affected the fisheries business in this area.

Besides, the yield of cashew and mango fruit has also Witnessed a sharp decrease during the past few years. The water of many wells in these villages is polluted due to the chemical Industries. The local residents have been complaining of infeasing cases of giddiness, headaches and other health problems caused by the air pollution.

To make thenmatters worse, six workers were killed when an explosion took place at a chemical factory in the industrial estate in August, this year. As a result, the agitation to oppose the chemical Industries in this area is strengthening gradually.

The government is, however, determined to introduce many projects in this area despite the opposition of the local people.

The MIDC Act has empowered the state government to acquire private lands for development of new Industrial estates. Earlier, the public opinion was in favour of Industrilisation. However, the absence of job opportunities for the local people and the air and water pollution caused by the chemical Industries have forced the residents to oppose the growth of new Industries in this area.

There is a provision to provide compensatory land for people. Wholes aldn has been acquired for construction of dams, However, this alternative land is not given to people when their land is acquired for industrial purposes. There is no justification behind such a blatant act of snatching the traditional source of livelihood of people without compensating them adequately.

Many basic questions are being raised in connection with the controversial Enron project. Who will tuilise the electricity generated at this project? Why is the government hell bent on promoting chemical Industries in this region? Who will benefit by the so-called development of the Konkan region? And who should pay the price for this development?

The Government is not keen on answering these embarrassing questions, Instead, it is making full use of its machinery and police personnel to forcibly acquire land for big companies.

The India public had launched a long battle to oppose the British regime in the country. After the departure of the British., the Congress came into power. Now that very congress government is offering Indian land and marine resources to foreigners.

The people who are opposing this move are sought to be crushed by the use of police force.

Ingoa, Du Ponte, a multinational company, is attempting to launch its nylon project. This product is required to make tyres for speedy American defence planes. Earlier this material was produced in America. This production process, which leads to large scale pollution had threatened the marine life in America and therefore, the multinational company has displayed such avid interest in shifting the production process to India, In Goa too, the government has decided to ignore people's opposition to the project.

Even economists are of the view that the Enron project is not in the interests of the country on any social and economic criteria. The Enron project is bound to create many problems, affecting the country, the local populace and the environment badly. The natural gas at the project may pose a serious threat of leakage as did the Bhopal gas tragedy.

on December 2, 1994, the Bhopal tragedy will be a decade old. but even today lakhs of the gas affected people continue theirlegal battles to claim compensation. learning from the lessons of the Bhopal experience, the Indian Public is becoming more alert about such possible threats.

Besides the question of safety and environmetnal viability, the Entron power project proves to be undesirable on various other accounts too. that raises a question of the very need of this power project.

The costly power supplied by the project and the subsequent Increase in power tariff and the control of the multinational company over the Dabhol port are some of the other issues raised by those who oppose the project.

Notwithstanding widespread public opposition, the government has deployed a sizeable police force to acquire land for this anti-people and dangerous project. The local people are, therefore, forced to wage a battle to project their interests.

CITU Supports FMRAI's Action Prgramme against Amendment of Patents Act

The Centre of Indian Trade Unions extends full support to the call given by the Federation of Medical and Sales Representatives' Association of India(FMRAI) to launch countrywide protest actions against the amendment of the Indian Patents Act by the Government of India.

The FMRAI has called for statewise and unitwise demonstrations and an All India Protest Day on January 25, 1995 against the Ordinance amending the Patents Act. The programme will be in the form of street corner meetings and demonstrations and submission of memoranda to the District authorities and to the State Governors.

The CITU calls upon all unions and State Committees to extend support to the agitational programme and participate in it.

Contd. from page 4

P K Ganguly, Secretary CITU, initiating the debate launched a blistering attack on the government's policy. He said the government had not formed any employment policy at all despite repeated demands by all trade unions since the 29th Indian Labour Conference. Even the member of the Planning Commission did not speak out as to what was the concrete approach of the government to generate employment and give employment to all the job seekers by 2002.

The main question was genuine land reforms. without which employment potential cannot increase at all. The government was totally silent on this issue. Besides the government did not give any data on the rural unemployment, which was around 70 to 80 million at the moment. In the urban sector alone according to Employment Exchanges the unemployment had increased from 34 million to about 40 million during the 3 years of economic policy. With the rural unemployment the total unemployment was more than 110 million now. He quoted datas from various sectors of industries and section of the people to show that instead of generating employment, the govt was generating unemployment and was unable to protect the existing jobs.

He warned that because of the vast army of unemployed which the government was creating at the behest of World Bank, IMF and now WTO, the trade unions will have to plan a march to parliament programme demanding jobs for all and the right to work unless the government retraces from its path.

It stimulated a hectic debate and members of all other trade unions, employers and state labour ministers participated in the debate. All the trade unions unequivocally supported the demand for employment generation policy by the government.

The resolution of the ILC which was drafted earlier, had to be changed and a para was added to highlight this demand. Many other amendments sought by the trade union representatives had to be accepted by the Labour Minister. A para on the decisions of the Standing Labour Committee meeting held earlier also had to be incorporated. This was regarding the rejection of inclusion of a social clause in the GATT agreement and on elimination of child labour. The trade unions asserted that while they were opposed the linking of social clause which included labour standards, child labour, and environmental matters to international trade, they demanded implementation of labour standards by the Government of India including the vital demand of right to trade union activities and collective bargaining.

CITU Condemns Ordinance Amending The Patent Act

The Centre of Indian Trade Unions condemns the Narasimha Rao Govt. for ratifying the GATT agreement and amending the Indian Patents Act by and ordinance without placing them in the parliament.

It is to be noted that even in the advanced capitalist countries including in the USA, the main crusader of the neo- colonial offensive, the GATT agreement was subjected to heated debtes in their Parliaments before ratification. The Govt of India which claims to be the largest democracy in the world, has thus proved itself to be the largest authoritatian regime in the world, riding roughshods over the Parliament.

It is reprhensible that the Narasimha Rao Government without any least resistance has trapped the country into the neo- colonial net of the intellectual properly regime of the USA and other imperialist countries by amending the Patents Act. Such surrender of national sovereignty by the third world countries was visualised by the Paris convention on Patents during the colonial period.

Due to product patenting no new products can be introduced by the Indian sector. The country's research activities, self- reliance and the process of indigenisation in new drugs, chemicals, pesticides and agriculture will have to be stopped, as all the products marketed by the multinationals will be patentable for 20 years. The country will have to be entirely dependent on imports, not only for patented raw materials, but also for the patented finished formulations in the entire range of chemicals, pharmaceuticals and agriculture. The inevitable result will be closure of the country's most advanced national laboratories and research institutions. And prices of all such drugs and medicines and chemicals will rise to unassailable heights, as there can be no price control. Moreover, instead of life saving and essential drugs, the Indian market will be flooded by spurious, banned, irrational and hazardous drugs which will have no relation with the disease pattern in India.

Above all, export activities in this entire range of industries will receive a serious jolt with the inevitable rise in imports, and India's balance of payment position will be further worsened.

The CITU calls upon all unions and appeals to the National Platform of Mass Organisations to step up united struggles to compel the government to retrace from its path and safeguard the country's sovereignty.

CITU Denounces MOU with MNC in Telecom

The Secretariat of the Centre of Indian Trade Unions has issued the following statement to the Press:

The Centre of Indian Trade Unions denounces the Telecom decisions announced by the Government of India which allows multinational companies to have a major say in the vital sector of economy.

The decision of the Cabinet Committee on Foreign Investment to grant licence to US, West, the Denvor based communication giant corporation is a sell out of the national interests. It is surprising that the so-called MOU with this company has been dictated by the multinational and Government accepted all preconditions without taking into account the national interests.

The tender conditions announced by the Government make it obligatory on the Indian companies to have a collaboration with foreign multinational companies. The choice of technology will thus be dictated by the multinational companies and India will be forced to accept the technology imposed by these companies.

The Government of India's decision is more shocking since the public sector companies are prevented from bidding in the tenders which will hit the public sector in the electronics and communication sectors. The DoT today is now fully controlled by the multinational companies and it has mortgaged national interests in this crucial sector.

The Government of India's policy has dangerous implications from the national security angle. Through the control of communication network the multinational company will have access to our defence secrets and at the times of war India will face vulnerable situation.

The entry of Indian private sector and multinational companies will lead ultimately to increasing the cost of telecommunication services on the plea of economic viability. This will impose heavier burden on the people and telecommunication services will be a privilege of the few citizens in India.

The CITU congratulates telecom employees for their total opposition to this anti-national and anti-people telecom policies and welcomes their decisions to go on nationwide strike against these policies.

The CITU appeals to all the trade unions in the country, irrespective of their affiliation to rise in protest against these detrimental policies and demand its withdrawal.

AIREC demands Further Interim Relief, 100% merger of DA, early submission of Pay Commission Report

The Central Working Committee of the All India Railway Employees Confederation which was in session in Delhi on 20-21 Jan 1995 demanded early submission of the Pay Commision report. The Govt gave it to understand that the Pay Commission would be asked to submit its report within 18 months. it resented the way the commission has been functioning. It took note of the amendment of the terms of reference of the commission made by the Govt which virtually gave green signal for prolonging the work of Pay Commission. The Central Working Committee demanded 100% merger of DA and 20% of interim relief with pay and similar merger in the care of pensions.

The Committee finalised its reply to the questionnaire of the Pay Commission. It expressed its opposition to the Govts effort to enforce Prakash Tandon and Nandunjappa Committee's recommendation in an articulated manner and decided to hold massive demonstration at the zonal Head Quarters on 8 May prior to which the committee has directed its unitysto carry on sustained campaign on demands and against mindless efforts for privatisation.

The committee took decision regarding application of CLW Labour Union and Dakhin Railway Employees Union for affiliation of AIREC.

AILRSA MEET

The Central Working Committee of All India Loco Running Staff Association met in Delhi on 18 January 1995. The meeting reviewed its activity since the last meeting and adopted phased programme for future.

The Committee noted that the programme of campaign week from 13-15 December followed by Division level demonstration on 21 December were successfully implemented. The Committee decided to stage demonstration at zonal headquarters on 3rd Feb 1995. It also decided to stage all India mass Dharna before the parliament during its next session.

The Committee criticised the way the pay Commission was functioning leading to delay in publication of its report and demanded a second instalment of interim relief with cent percent merger of DA. It noted the Govts. Plan for privatisation on a massive scale and gave a call for building up strong united movement.

Central Rly. Workers on move

Mass Dharna against privatisaition etc.

In accordance with the decision of the Working Committee of the National Rly Mazdoor union held on 9/11/94 the Branches jointly conducted a day long dharna at almost all important centres over the CEntral Railway on 16/12/94 to record union's protest against the policy persued by the Govt. of india and Ministry of Railways in respect of privatisation, filling up vacancies and Repairs to Railway Quarters.

There was mass response everywhere. Hundreds of workers enthusiastically participated forgoing one day wages.

At the end of day long programme the leaders submitted memorandum on this issue to all local authorities. At Bombay the General Secretary alongwith other leaders submitted memorandum to G.M.

Protest Dharna on 16 December

Jhansi Protest Against Delay in Payment of Interim Relief and Merger of D.A. with Pay.

As per the call of the AIRF, Union observed Protest Day throughout Central Railway on 29-12-94 by holding meetings, demonstrations etc. to express strong resentment against the delay in finalising the Vth CPC report by the Vth COP and the refusal of the Govt of India on sanctioning 2nd instalment of interim relief and merger of DA with basic pay. Posters and banners in large numbers were displayed in the railway premises all over the Central Railway.

Jhansi (EMS-1) Branch organised a gate meeting under the banner of union in front of Jhansi Workshop on 29-12-94. It was a largely attended meeting. The meeting was addressed by Coms. S.L. Dubey and P.R. Menon.

Similar gate meting was also held in front of DRM's Office Jhansi during lunch reces as a part of the same programme. This was also addressed by Coms. S.L. Dubey, P.R. Menon, Rajendra Singh, M. Narain and certain other local leaders.

The programme avoked good response from the railwaymen over the Central Railway. It also received a good media coverages at several places.

World Summit for Social Development

☐ **HEMANT KUMAR**

A World Summit for Social Development has been convened by the United Nations at Copenhagen, Denmark, from 6-12th March 1995. This summit is intended to bring Heads of States or Governments together to address the social disintegration and world disorder that threatens global security and development. The future of the UN's work in the social and economic fields is expected to be shaped by the policies and commitments agreed to in Copenhagen.

A regional Consultation was held at Bombay on 20th December 1994 by the United Nations in India as a part of the series of consultations proposed to be organised by the UN in relation to the world summit for social development. In its efforts to initiate a national debate and work out a strategy for promoting the goals and objectives of the summit and a national course of action, the government, non-government organisations (NGOs), private sector, trade unions and selected individuals were invited to the consultation. Trade Union representatives in the meeting were from the CEntre of Indian Trade Unions (CITU) and BMS. The CITU was represented by Hemant Kumar.

Three core issues were identified for the submit by the Preparatory Committee viz. (a) Reduction and elimination of widespread poverty, (b) Productive employment and reduction of unemployment (c) Social integration. Three resource persons invited to the consultation initiated the debate by their presentations on the above topics. While Mr Madhav Sathe presented a comprehensive view on communalism and other important aspects relating tonsocial tension and violence in India, Dr.(Ms) Madhura Swaminathan concluded her presentation on poverty allevation by quotating the example of West Bengal where igh development rates were achieved in agriculture and forestry after the introduction of land reforms and panchayati rule since the decade in the 1980s. ILO opened up the debate amongst the participants on the negative impact of the government of India's structural reforms on employment. This paper highlighted the casulaisation of employment in India in recent years.

The second post-lunch session was conducted in group discussions. The view of the groups were reported to the plenary session.

The report prepared by the Ministry of External Affairs, Govt. of India and titled "INDIA NATIONAL REPORT" came in for heavy criticism by a very large number of participants. The trade unions, NGOs including media representatives termed the report as Govt. of India's report and not the national REport, as a very large section of the population in India do not subscribe to the Govt. of India's philosophy of development including the structural reforms process initiated at the behest of multilateral financial institutions like the IMF and the World Bank.

Likewise the draft declaration to be adopted by the Heads of Govts/State in Copenhagen along with the draft programme of Action came in for criticism. The declaration contained 9 commitments to be made by the Governments which include commitments to ensuring that structural adjustment programmes will include social development goals of eradicating poverty, generating productive employment and enhancing social integration, in a spirit of partnership, through the United Nations and other multilateral institutions. Most of the governments attending the summit the already violating human rights, agreed commitments, resolutions of the UN including the govt, of India which is yet to ratify ILO conventions. The govts. must thus, first commit to implement the existing commitments was the unanimous opinion.

Emphasis was also made on the need for equal rights to women, their involvement in development process and participation of trade unions and NGOs in this process.

WFTU Rejects inclusion Social Clause in International Trade

The World Federation of Trade Unions unanimously adopted a resolution in its Congress held at Damascus from November 22-26, 1994 rejecting the inclusion of a social clause in international trade. The resolution is published hereunder:

AGAINST TRADE SANCTIONS

Whereas the global economic crisis, which is affecting even the so-called rich nations, is a consequence of the "adjustment" policies of the IMF and the World Bank;

Whereas the peoples of the countries of the so-called Third World have suffered more than any the adverse effects of neoliberal policies;

Whereas unemployment rates, including those in the so-called rich nations, are the result of the recession imposed by "neoliberalism";

Whereas low wages in the so-called underdeveloped nations - whose economies are dominated, moreover, by transnational cartels - constitute the basis for the exploitation of labour and for the transfer of resources to the rich nations;

The 13th Congress of the WFTU rejects the inappropriately named "social clauses" contained in trade agreements, and condemns the attempt to adopt and impose the most brutal and inhumane protectionist measures against products from "Third World" countries.

THE MEXICAN CRISIS : Warning Bells For Economic policy

(We are reproducing hereunder an article written by Praful Bidwai which appeared in Times of India, New Delhi edition, on January 12, 1995-Ed.)

The Mexican bubble has burst, for the second time since 1982. Then, the pretence that Mexico could rapidly industrialise through the foreign borrowing route collapsed catastrophically as its government went insolvent. This time, both the pretence and the catastrophe are bigger. At stake is a whole comprehensive economic policy crafted by Harvard and Chicago trained free- market economists, which was declared to have produced a latin American miracle: control over fiscal deficit, stable prices, booming foreign investment, high foreign exchange reserves (sounds familiar?), privatisation of the public sector, and ergo, higher efficiency and growth.

NEW VISTAS

What has collapsed is confidence in an economy tom-tommed as the fruit of successful STructural Adjustment. Mexico was among the first countries to receive Structural Adjustment Loans (SALs) from the World bank in 1979, and has since drawn innumerable SALs, executing major policy changes. The catastrophe is all thegreater because it is so closely tied up with NAFTA (North American Free Trade Agreement), which President Carlos Salinas de Gortari hailed as opening new vistas for Mexico through trad with the U.S. and Canada, with its vast potential for exports from labour-intensive production units. The Mexican crisis casts doubts on the wisdom of what has been termed the "Washington Consensus" the package of Structural Adjustment policies favoured by the U.S. administration and the Bretton Woods twins.

There is clearly a lesson for in this for India, as our executive director at the IMF, Mr. K.P. Geethakrishnan, has pointed out in a letter to Mr Montek Singh Ahuwalia. This is so not because the Indian Economy is a replica of the mexican, but because the same "Washington Consensus" package has been implemented here, perhaps at a more primary stage, but with considerably greater zeal. So it is futile for Mr. Ahuwalia to claim that "there can't be any comparison" with Mexico and that Mr. Geethakrishnan was only summarising political developments in Mexico". The truth is that Indian policy-markers have put this economy on the same long-term trajectory as that of Mexico, and aspire to the same status in some ways. Indeed, only last week,. we had fresh evidence of their growing enthusiasm to join a much less ambitious version of NAFTA,namely ASEAN. Thus Mr Geethakrishnan is perfectly right to ask why the Mexicans "have landed themselves" in a crisis despite the "harsher measures" and "sacrifice" than "what we in India had to undertake".

In some ways the mexicans were wiser than our policy makers. Mr. Salinas at least launched his PRONASOL (programme of national solidarity) a huge enterprise to help sections of the poor and fund local cooperatives and youth training. This was his way of creating some kind of safety net, perhaps only to co-opt his opponents and victims of Adjustment. In India, the national Renewal Fund, based on a World Bank loan on the promise of pro- poor measures, has remained a dead letter as a social safety net. Contrary to what Mr Narasimha Rao asserted in Calcutta in his aggressive market-records-at-any-cost speech, virtually no NRF money has been spent to create a safety net, retrain workers, or fund their cooperatives. The NRF is a glorified voluntary retirement scheme for public sector employees. And the "human face" is empty rhetoric.

Admittedly, neither PRONASOL nor other "human face" measures helped Mr. Salinas much, as the Chiapas uprising of New Year's Day fast year showed. The uprising was of historic significance and raised big policy issues. But Mr Salinas chose to ignore them. In business school fashion, he tried to dismiss it as a minor, passing episode which Mexican democracy and NAFTA between them would take care of. REality has now caught up with Mexico. The consequences of imquitous, lopsided growth based on sweated labor (real wages are today lower than in 1990), maquiladora (assembly) production for the American market from which middlemen are making millions, and resource-and energy-intensive high chemical input, ecologically unsound and unsafe agriculture, are there for all to see.

GREAT SIMILARITY

As recent International Labour Organisation and World Bank studies have pointed out, there is a

Licensed to Post Without Prepayment under License No. U(C) 39/95 Postal Regd. No. DL-13016/95 Delhi R.N. 18560/71
Posted at Eastern Court P.O. New Delhi February 1 & 2nd 19

great deal of similarity between India and Mexico: in the neglect of infrastructure, low and skewed investment rates declaiming employment in the organised sector and sluggish employment growth in the economy as a whole, sharp rise in prices of basic necessities, low rates of taxation for the rich, discrimination against women, the elderly and the young, and further deterioration in the quality of life of the poor. Both countries have achieved a degree of macro- economic stabilisation, but its quality remains poor, as the runaway increase in the fiscal deficit in India last year showed. Both have started liquidating the public sector, instead of trying to reform it, in the blind faith that private is good, government is bad. And remarkable, both continue to reiterate then mantra of "irreversibility" of neo-liberal reform.

In reality, thereis nothing irreversible or inevitable about the NEP Broadly, there are two components to it dismantling of excessive regulation and lifting of banners to investment and trade and secondly, wholesale re-ordering of investment priorities and flows in favour of the private entrepreneur and tradeables sector, retreat of the state from essential social functions, and indiscriminate marketisation and privatisation,. While there is fairly broad agreement in favour of the first. the second component commands little support from the majority of the people. It is also wholly ideological and lacks economic rationality. it does not correspond to the actual experience of rapid industrilisation, founded upon state intervention in the economy, coupled with heavy investment in R&D and in people.

SECOND COMPONENT

The second component must be thoroughly reviewed, and if necessary, reversed. This is an agenda not for giving a "human face" to the NEP, but for giving it a human soul and body, a pro- poor combatant. As Mr. Geethakrishnan says: " in free market politics, there is no place for compassion or sympathy" for the poor. The solution, therefore, is to get away from free-market politics. This, logically, has four components. First, there must be an immediate doubling of public spending on health, education, social security and employment generation. SEcond, the government must halt reckless discrimination against the public sector energy telecommunications, transport. Thi resource mobilisation should shift away from obsessive emphasis on foreign investment equitable taxation and domestic savings. For all o exertions, we have only attracted Rs.4,879 crore FDI since 1991 - less than Thailand, Vietnam, or eve the Philippines, Southeast Asia's worst performi economy. FDI accounts for just 2.2 per cent of o total annual investment. FDI cannot be a substitu for indigenous savings and investment. And fourt there should be no complacency abo macro-economic stabilisation. It is far fro complete. besides we must urgently lower extern and internal debt.

But an our policy-makers willing Gomg by t recent record, most of them are so beguiled b neo-liberal policies that they act irrationally. At th height of the sugar scam, for instance, they refuse to intervene by importing sugar. Mr. Kalpanath Ra may have had sinister motives in shooting dow imports, by the finance ministry's - and Mr Ahuwalia's - position was no different, according to the Gy Prakash and Saifullah disclosures. It wanted to lea the job to private traders in the naive belief that "t market" would take cre of shortages. But markets to fail and they fail disastrously. That is Mexico's lesso our leaders can whoose to ignore it - and refuse to see the Andhra and karnataka results as our ow non- violent chapsa - at their own peril.

BOOK POST

Published by M.K.Pandhe on behalf of Centre of Indian Trade Union, 6 Talkatora Road. New Delhi 110 001, Typeset