



# THE WORKING CLASS

MONTHLY JOURNAL OF THE CITU

**JOINT TU CONVENTION AND RALLY BEFORE PARLIAMENT DENOUNCES  
REROGRADE PENSION LEGISLATION:**

## Calls For Preparing For Strike Action

On 25th August an All India Joint trade union convention was held at Bangabhawan, New Delhi being sponsored by CITU, AICCTU, IFTU, UTUC, and UTUC(LS) to decide on the course of movement programme against the retrograde scheme of snatching away almost half of the provident fund generation in the name of pension scheme through legislation in Parliament.

The convention was presided over by a presidium consisting of S. Suryanarayan Rao (CITU), Sivmangal Siddhantkar (AICCTU), Iswar Singh (UTUC/LS), Sushil Bhattacharya (UTUC) and Dr. Animesh das (IFTU). Com. M.K. Pandhe, General Secretary CITU, while introducing the draft declaration told that the retrograde scheme might have been passed by the Parliament, but the workers enmasse have already recorded their rejection to the Govt. Scheme. It is unfortunate that the leadership of a section of Central TUs supported the Scheme and took initiative to get the design of loot imposed on the workers. While detailing the programme of industrywise, regionwise and statewise convention and mass petition to Parliament, to prepare ground for countrywide strike action he stressed the need for reaching every individual worker in all the industries, areas, with the message of struggle and draw the workers all affiliations in the movement against the scheme of loot imposed on the workers. Among others who spoke in the convention were Com. Jibon Roy, M.P, Secretary CITU, Dipankar Bhattacharya (AICCTU), Animesh Das (IFTU), Sunil Sengupta (UTUC), Achintya Sinha (UTUC/LS), Arvind Kumar (Kanpur), Udaya Bhat (Kamgar Aghadi-Bombay) Ramanika Gupta (Bihar), Pranab Chakaborty (Steel Workers Federation of India), Vibhuti Math (Karnataka) Satbir Singh (Haryana) etc.

Convention unanimously decided a detail programme of campaign and movement on the issue and called on the workers to prepare for countrywide strike action.

On 26th August, alongwith workers and employees all over the country All India protest day was observed at Delhi by demonstration of thousands of workers before the Parliament. The mobilization and procession was blocked before the parliament street police station where demonstration was held. Workers from different corners of Delhi both from organised and unorganised sector joined the rally in a big way. Report was also received that police detained the workers while they were on their way to rally, at different locations of Delhi to prevent them for participating in demonstration.

In the rally an effigy of pension scheme was burnt amidst slogan shouting.

The rally was addressed by M.K. Pandhe (CITU), Sunil Sengupta (UTUC), Achintya Sinha (UTUC/LS) Dipankar Bhattacharya (AICCTU) and Ramnaresh (IFTU), Surajbhan Bharadwaj (CITU) among others.

### DECLARATION OF ALL INDIA JOINT TU CONVENTION ON PENSION SCHEME

This All India Convention of Trade Unions held on 25th August 1996, at New Delhi being jointly organised by Central Trade Unions viz. CITU, AICCTU, UTUC, UTUC(LS) and IFTU, and participated by trade unions from all over the country, strongly condemns the imposition of the retrograde scheme of virtual dismantling of the contributory provident fund system

(On Page 3)

## August 15, 1996

Fifty years ago on the fateful midnight of August 14-15 India had a "tryst with destiny." Fifty years later on August 15, 1996, which heralded the golden jubilee celebrations of Indian independence, the tryst remains unrealised. The song of that clear, cloudless, starry night died long ago in our throats. The dream that cast its magic spell in every man, woman and youth in every nook and corner of the vast country withered away long back.

During the last 50 years that lie behind many changes have without doubt come about. High tension power transmission lines and towers dot the country; multipurpose dams and barrages have come up; the thud of electric pump sets, noise of tractors and harvesters in countryside are commonplace, more power plants have been constructed, creation of public sector has led to many industries including the basic industries like steel, oil, fertiliser, coal, machine tools, heavy electricals and so on; several crucial sectors of economy has been brought under State ownership; the country has acquired capabilities for more consumer durables and non-durables; India boasts of more railway line, more locomotives and furious expansion of road transport. All these are true.

But despite these, the eight 5-year Plans, the lakhs of crores of rupees invested and expansion of production facilities, India observes 50th anniversary of freedom from British rule amidst grinding poverty of at least 400 million of her sons and daughters, millions loafing the streets seeking just any job, industrial sector plagued by preventable sickness, agriculture declining with diminished food production, this country remaining the home of largest army of illiterates, safe drinking water and sanitation the privilege of few, 40 million child labour toiling amidst filth and squalor for a paltry pittance and growing all-round all-pervasive inequalities. The 50 year-old hope that one day freedom will appear at the common man's doorstep in the form of two square meals a day, reasonable clothing, a roof over the head, a school to send the children to, an equipped health centre to visit when sickness strikes and such other essentials to sustain life, has not fructified. A poor, backward agricultural country embarked upon the path of building capitalism without carrying out any land reform, led to lopsided growth, a shrunk market and all the evils that India suffers from.

No effort has been made to redistribute productive assets and purchasing power. The 50 years have witnessed unprecedented concentration of wealth in a few hands to common detriment. Rural India is steeped in fendalism. No amount of budgetary grant or plan allocation will work unless rural India is cleansed of festering fendalism. But 5 years ago, a government that came to be installed told Indians that all ills would disappear if only India shed her aloofness and embraced the world to be globalised, allowed multinationals to come in with their modern industries and

latest technologies close down the public sector, open up every sector of economy, undertake the Fund-Bank prescribed structural adjustment programme and all that.

Five years later, as the country celebrates its independence day, the public sector is undergoing deliberate destruction, areas reserved for public and small-scale sectors being opened up to multinationals and India Big Business, more public units are being sent to the death row with BIFR being used as a conduit to kill viable units, private corporate sector receiving bonanzas of tax reliefs and customs duties reduced to the detriment of indigenous industries, agriculturist are being encouraged to go in for cash crop to earn foreign exchange, the country is burdened with foreign debt as never before and seems to be heading to enter the debt trap. Unemployment and prices are rising merrily. Shares of public sector units are being sold for a song. Nationalisation of banking which played a notable part in spreading credit facilities to rural areas has been substantially scuttled. Nationalised insurance is being slowly led to the slaughter house despite countrywide opposition. Goods and machineries that were so long being manufactured in India, are being liberally important. Alongside, the country witnesses spread of bribery, corruption and nepotism in public life by people in authority. One scandal after another is rocking the country at regular interval, each one eating into the vitals of the nation.. Indeed, a 4-letter word is haunting India - the word is SCAM. That liberalisation and globalisation breeds corruption is now beyond doubt.

Little wonder, in such a scenario the UNDP Human Development Report 1996 places India at 135th position out of 174 countries in the world. While Rao-Sing duo boasted of fiscal discipline, a better organised capital market, macro economic management, surging exports and GDP growth all these meant little for the poor, the dispossessed the workers and peasants—indeed to the large majority of the people. It is already proved that only a reasonably fed and literate nation can advance in the present stage of human progress. It is tragic that several third world countries which can come nowhere near India by size, resources and technological potential have overtaken India in human development, which must be the central focus of economic development. Economic development in order to be sustainable and worth sustaining must put human development as its purpose and content.

Unless the present policies are reversed, the average Indian will remain marginalised. Only the affluent and rich, the corrupt and corporate manipulators, both Indian and foreign, will thrive and the pledge of freedom struggle to make human being the purpose and essence of economic progress shall remain unfulfilled. Only a determined and decisive intervention by the working class, the peasantry and the toiling masses can bring about the desired change.

# Joint TU Convention...

(Cont'd page one)

in the name of pension scheme, through legislation.

The Govt. Scheme is nothing but a device of loot on the hard-earned savings of the workers. It is deplorable that in spite of widespread opposition to the Govt. pension scheme designed by Narasimha Rao Govt by mass of workers of all affiliations at grassroot level, the UF Govt preferred to push through the identical Bill in Parliament. It is all the more unfortunate that the leadership of a section of Central Trade Unions lent support to the anti-worker Govt. Scheme in spite of opposition by many of their affiliates and workers in general. And their support to the Govt. pension scheme has gone to such extent that they even opposed the 'provision of option' in the scheme and demanded imposition of the retrograde scheme on the workers compulsorily.

The Convention notes with concern that those supporting the govt pension scheme seek to glorify the scheme as friendly to workers of unorganised sector which is totally without any foundation. While saying so they prefer to ignore the blatant fact that the overwhelming majority of the workers in the unorganised sector are not covered by the Employees Provident Fund Scheme and hence fall outside the purview of the Govt Pension Scheme. And even those covered by the pension scheme would all be subjected to huge perpetual loss. In reality the low paid workers of Unorganised and Tiny Sector would lose more heavily by the Scheme since their job itself is not of a permanent nature.

The convention also is concerned over the argument being put forward by those proponents of the Govt. pension scheme that the "Well off" workers in organised sector should sacrifice and accept loss for the sake of giving pensionary benefit to "poor" workers of unorganised sector. While the concept of benefit for any section of workers through the Govt pension scheme is totally illusory, the argument of 'well off' workers and "poor worker" as being put forward by the supporters of Govt. pension scheme is nothing but echoing the oft repeated tactics of the employers' to create division in the working class and weaken the working class movement.

The convention reiterates their demand for replacement of the present retrograde pension scheme with a scheme providing pension as a third retirement benefit for all, and calls upon the workers at grassroot level in all the industries and establishments all over

the country to voice their protest against imposition of the retrograde scheme on them through united struggle.

The Convention also appeals to these Central Trade Union leadership supporting the Govt. pension scheme to please appreciate the gravity of the situation and review their stand on the same so that entire trade union movement can jointly press the Govt. at least not to impose the Scheme on the workers and workers be given a chance to exercise their option.

The convention demands inter alia:

1) Pension as a third Retirement Benefit; for workers of small tiny sector central Govt. should contribute more.

2) The scheme should be made optional.

3) Rate of interest at available market rate.

4) Pension should be linked with Price Index.

5) Joint Board of Trustees to be appointed to run the scheme.

6) Change in the investment policy of the Pension Funds to provide higher rate of interest.

7) The quantum of benefit should be enhanced substantially.

8) Pensionable salary should be based on last pay drawn.

9) Commutation facility as per Central Govt. employees.

The convention while reiterating the earlier decision of All India Protest day to be observed on 26th August, 1996 calls upon the workers to prepare for united struggle including nationwide strike action to defend provident fund and to oppose the retrograde govt. pension scheme and decides upon the following programmes to broaden the platform of struggle for further advancement.

1) Industry based, district regional and state level conventions to be completed by 25th September, 1996.

2) Mass signature campaign addressed to Lok Sabha by the workers, employees demanding pension as a third retirement benefit and also provision of option in the existing scheme pending third benefit, to be completed by 10th October.

3) Submission of Mass Signature by a joint rally. Date to be announced subsequently.

4) Prepare for countrywide strike action in the subsequent phase. The convention appeals to the workers and employees at grassroot level irrespective of affiliations to close their rank to make the programmes a total success and broaden and intensify the struggle for pension as third retirement benefit and for protection of the provident fund.

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# Widespread Resentment Against the Passage of Black Pension Bill

Reports of widespread spontaneous resentment are pouring in from different corners of the country against the anti-worker pension bill passed by the Parliament. In spite of strong opposition by CPI(M) and RSP MPs to prevent the passage of the bill in its present form atleast without making it even optional, the present govt with the tacit support of Cong(I), BJP, and all other political parties big and small and their mass organisations the INTUC, HMS, BMS, AITUC and others could get the black bill passed and in the process have nakedly put their seal on the scheme of loot of workers' money. CITU and others who are opposed to this Bill alongwith the working class of this country accepts this challenge and are determined to launch a serious united struggle to stall this naked attempt. On 30th July, CITU organised protest demonstration at Patel Chowk, New Delhi.

**In Visakhapatnam:** More than 500 employees of Visakhapatnam steel plant formed a human chain for more than one hour against the Pension Scheme, on 1-8-96 informs Com.Narasingha Rao, General Secretary of CITU district committee.

He said that nearly 6000 workers wore black badges against the passage of pension bill. Rallies and big demonstrations were also held in the Steel Township area.

**In BMP&V Ltd,** in all shift workers were black badges and demonstrations were held. In Hidustan Zinc Ltd, Hidustan Shipyards Ltd, Hindustan Polymers, etc workers were very restive and conducted protest rallies. The general workers irrespective of their affiliations responded well for the protest day on 1st Aug 1996. On 1.8.96 a scooter rally was held at the industrial centre of Gajuwaka, Visakhapatnam in which workers from all major industries in the city have participated in large numbers. Workers are very much determined to fight back this anti-worker draconian bill at any cost and appealed to all unions to join this just cause of the workers.

**Bhopal:** BHEL Kamgar trade union (BECTU) CITU published and distributed thousands leaflets in which it described the passage of pension bill in the Parliament as "a black decision". It severely criticised the UF govt's role in this regard. The government has totally ignored the strong opposition made by CPI(M) members in the Parliament. The CPI(M) members left no stone unturned to prevent the passing of this draconian bill in Rajya Sabha. CITU had demanded to withdraw this pension scheme in its present form because among other things it denied the pension as a third retirement benefit to the workers. It appealed to the various trade union organisations to launch a united struggle for saving the CPF.

BECTU also criticised the role played by AITUC, INTUC, BMS, HMS, etc in favour of anti-worker pension scheme.

**In Bhilai** CITU union organised shop level protest campaign which was responded to by the workers belonging to other affiliations as well in a big way.

**In Bihar,** report was received from Bokaro Steel Plant regarding protest meetings against the Black Pension legislation.

**U.P.,** at the call of the UP State Committee of CITU state wide resistance day was observed against 'Black Pension Bill' on August 10, 1996. From Kanpur, reports were received that Workers held big demonstrations and rallies. Effigies were burnt on the gates of Swadeshi cotton mill, JK Jute Mill, JEL, Earthon West Mill, Syntex-tube gate, etc in Kanpur.

In the meantime Kanpur Dist committee also observed Protest Week from 17th-24th August. During this week Gate meetings rallies and meetings were organised at the Factory Gates all over the state. Massive postering in and around the surrounding areas were also done. Prior to this District level rally was also organised.

Similar reports are coming from other districts and industrial centres as well.

## ASSAM CITU STATE COMMITTEE DECIDES MOVEMENT AGAINST ANTI-WORKER PENSION SCHEME

The extended meeting of the Assam State Committee of CITU held at Guwahati on 5 and 6 August 1996 reviewed the political situation of the country as well as the state after the installation of UF govt at the Centre and AGP led five party govt the State.

The meeting noted that the working class of the country is definitely opposed to the communal forces

and from that point of view the UF govt is definitely welcome to the trade union movement. The Common Minimum Programme of the UF Govt contains various steps beneficial for the federal structure of the country and also for the poor and rural population including backward communities and the women. The CMP promises legislation for agricultural workers and recognition of trade unions through secret ballot.

However, the meeting expressed serious concern at the position taken by the UF govt regarding public sector, disinvestment of shares, revival of sick units and certain other economic policies including rise in prices of petroleum products and consequent adverse impact on all essential daily necessities.

The CITU meeting expressed strong opposition to the adoption of New Pension Scheme by the UG govt totally ignoring the serious protest of the working class.

Coming to the position of the AGP led Assam Govt the meeting expressed the hope that this government would ensure corruption-free governance and take all necessary steps to arrest the insurgency, bring peace and work for all round development of the state.

The meeting noted with concerned the deteriorating condition of the industries in state sector. It demanded that the state government should take the trade union movement into confidence in working out practical revival scheme for the sick state PSUs in public sector.

The question of wage revision of the tea garden workers came up for discussion in the meeting. The meeting rejected the anti-worker settlement recently signed by the INTUC led Assam Chah Mazdoor Sangha with the Planters, while it appreciated the constitution of Tripartite wage committee for the tea garden workers by the AGP government, the meeting hoped that the committee would come out with a satisfactory solution.

This two days long meeting was attended by two central secretaries of the CITU, Com. Jibon Roy, MP and Com. Swadesh Deb Roy.

The meeting further, has adopted the following decisions:

1. To participate in the National convention against the anti-worker pension scheme at Delhi and demonstration before the parliament on 25th and 26th August 1996 respectively.

2. To organise movement against the anti-worker pension scheme as per the call of central bodies of the opposing trade unions all over the state and appealed to the working class irrespective of affiliation to ensure active participation in the movemental programmes against the Pension Scheme at the national and state level.

3. To mobilise the trade union in the state on the issue of revamping the state PSUs and rehabilitation of the sick units.

4. To implement various steps to gear up the organisation in line with the document on organisation adopted by the CITU Central Committee with a view to face the serious challenges confronting the trade union movement at national and state levels.

## TRADE UNIONS PROTEST ENACTMENT OF EMPLOYEES PROVIDENT FUND AMENDMENT BILL.

### CONDEMNS IMPOSITION OF RETROGRADE GOVT PENSION SCHEME ON WORKERS

Five Central Trade Unions viz CITU, UTUC, UTUC(LS), AICCTU and IFTU strongly condemned the imposition of the retrograde scheme of virtual dismantling of the contributory provident fund system in the name of pension scheme through legislation. The Govt Scheme is nothing but a device of loot on the hard-earned savings of its workers. It is deplorable that inspite of widespread opposition to the Govt pension scheme designed by Narasimha Rao Govt by mass of workers of all affiliation at grassroot level, the UF Govt preferred to push through the identical Bill in the Parliament. It is all the more unfortunate that the leadership of a section of Central Trade Unions lent support to the Govt Scheme inspite of opposition by many of their affiliates and workers in general. And their support to the Govt pension scheme has gone to such extent that they even opposed the provision of option in the scheme and wanted imposition of the retrograde scheme on the workers.

The trade unions while reiterating their demand for replacement of the present retrograde pension scheme with a scheme providing pension as a third retirement benefit for all, called upon the workers at grassroot level in all the industries and establishments all over the country to voice their protest against imposition of the retrograde scheme on them through demonstration etc. in respective industries and areas.

It has also been decided to hold an all India convention of trade unions on the govt pension scheme on 25th August 1996 at New Delhi and to observe all India protest day on 26th August 1996 i.e. the day of resumption of the Parliament session.

Trade Unions called upon the workers to prepare for untied struggle to defend provident fund and to oppose the retrograde govt scheme.

Sd/- (Tapan Sen) CITU	Sd/- (S.R. Sengupta) UTUC	Sd/- (R.K. Sharma) UTUC(LS)
Sd/- (Ranjan Ganguly) AICCTU	Sd/- (Dr. V.K. Patole) IFTU	

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# THE RAILWAYMEN PROTEST AGAINST UNPRECEDENTED DELAY IN PUBLICATION OF 5TH PAY COMMISSION'S REPORT.

□ S.K. DHAR

The Railwaymen under AIREC organised Protest Action against the abnormal delay in Publication of 5th Pay Commission's report. This is on record that the Govt. of India denied to accept one of the vital recommendation of the Fourth Pay Commission to appoint a wage review committee and also refused to accept the workers demand for constituting the "Wage Board" to determine a rational basis of wage on national level, the Govt. took decision to appoint 5th Pay Commission but shifted it to as a part of the JCM agreement and appointed Pay Commission on 16.9.1993. Thereafter vide official resolution No.5(12)E-III/93 dated 9.4.1994 as well as public notification on 5.5.1994, in response to the same. The memorandum was submitted by AIREC on 10.7.1994 within the stipulated time. The reply of the questionnaire was also submitted on 3rd March, 1995 within the stipulated time. It was expected that the fair deal will be delivered by the Pay Commission within the period of 18 months as assured by the previous Government. But the Commission did not submit its report within that time. But said that the Commission will submit its recommendation within the last week of June '96. Then again it was assured to public the report in the first week of Sept. '96. Finally it was assured through budget speech by Finance Minister of the present Govt. that the recommendation of Pay Commission will be submitted in the last week of Sept. '96. There was a serious resentment amongst the Railwaymen which forced the AIREC to take the following programmes:-

- (a) The Programme of "Badge Wearing" on the only demand of "Immediate Publication of 5th Pay Commission Report" was observed in a befitting manner on 18th July '96 followed by submission of memorandum addressed to the Railway Minister through respective DRMS.
- (b) Dharna was staged in front of Shram Shakti Bhawan, Rafi Marg, new Delhi on 8th August

'96 participated by more than one thousand Railwaymen from all parts of the Indian Railways.

## THE DEMANDS OF THE DHARNA

- (a) The minimum wage of CGE should be determined on the laid down norms of 15th ILC and the pay Commission's effect be given from 16.9.93.
- (b) Wage Parity between CGE and PSUS worker should be ensured fully.
- (c) Interim report submitted to the Govt. on 2nd May ' 1995 should be reviewed to give retrospective effect of implementation of report and payment 97% gratuity to the retired employees w.e.f. 1.7.93 instead 1.4.1995.
- (d) The amount of Interim relief should be counted for all purposes.
- (e) Appointment of permanent "Wage Board" should be recommended for Central Govt. Employees instead of appointing any other Commission. The Dharna was presided over by C.M. Singh and addressed by amongst others Basudev Acharya MP, Jibon Roy MP, N.S. Bhagoo, S.K. Dhar, D.N. S.S. Rao, G.P. Mishra, Jamalludin, D.K. Moitra, D.B. Roy, A.A. Khan, A.K. Bhattacharya. Then a memorandum mainly consisting of main two demands viz Immediate Publication of 5th Pay Commission report and Restoration of channel of negotiation submitted to the Minister for Labour by a delegation consists of CM Singh, N.S. Bhagoo, S.K. Dhar, D.B. Roy, D.N.S.S. Rao and Jamalluddin accompanied by Basudev Acharya, M.P. The Minister for Labour gave a patient hearing and assured to take an appropriate step. In regard to granting of channel of negotiatic the Minister said that the same will be taken up with the Minister for Railways.

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# PENSION DEBATE IN PARLIAMENT

**Com. E. BALANANDAN AND AJAY MUKHERJEE SPOKE DEFENDING WORKERS' RIGHT FOR 'OPTION' OF NOT TO BE LOOTED.**

The Employees Provident Fund (Miscellaneous Provisions) Amendment Bill which was actually authored by Narasimha Rao Govt. has been debated in the both the House of the Parliament in the Current Session. Com. E. Balanandan, and Com. Ajoy Mukherjee took part in the debate on behalf of CPI(M) in the Rajya Sabha and Lok Sabha respectively. They upheld the workers' right for 'option' for not being looted by the retrograde provision of the Bill in the name of Pension Scheme.

Both in Lok Sabha and Rajya Sabha CPI(M) brought amendment of the Bill demanding specific provision for 'option'.

The amendment proposal was voted out by both the houses of the Parliament. Only CPI(M) and RSP members voted in 'favour of the amendment for 'provision of option' and others against it.

Reproduced below the text of speech by Com. Balanandan and Com. Ajoy Mukherjee in the Parliament.)

## COM. E. BALANANDAN (RAJYASABHA):

Sir, thank you for giving me four minutes. Sir, this Bill, as my hon. friends were saying, has gone through different stages and now it has come before us to finally do something about it. Before going into the details of the Bill, I would submit that I rise to oppose this Bill in its present form since I feel that this Bill goes against the interests of the members of the Fund. What is the special nature of this scheme? People are saying so many things about it. I would like to submit that the corpus of the Fund is created from the Provident Fund. Nobody else is the owner of the Fund except the worker. This is the workers Fund which is being converted to help the workers and to give pension to them. So, this is not anybody else's money. Somebody was saying that social security etc. is being given by somebody. Who is giving it? This is the workers fund which is coming into the EPF. A portion of it, that is, 8.33 per cent, is converted into this scheme. My friend opposed the Bill on the ground that Rs. 9,000 crores which have accrued in the Family Pension Scheme are being invested in the public funds of the Government at the rate of 8.5 per cent interest. I would like to remind the hon. members that when we were discussing the question of the Employees Family Pension Scheme, the actuary had said that the contribution which was being made was quite insufficient to meet the scheme as such. It was hardly able to meet the requirement of expenditure.

This was the claim made at that point of time. Now we find that there is an accrual of Rs. 9,000 crores. Now, another statement was made by the actuaries when we met them. They said that the rate of pension which is being offered to them is so high that if a few workers opt out and do not remain members of the Fund, then the Fund will not work. After some time, you will find that thousands of crores of rupees are again accrued in the Fund which will be used at the minimum interest for adjusting the ways and means requirement of the Government of India. So what does it mean? The workers money is now converted into a scheme by which the workers are not given proportionate benefits. A profit is made through this scheme and the money which accrues is converted into a lump sum which is transferred to the public accounts and the workers are given only 8.5 per cent interest. In India we get 14 per cent commercial interest and in some cases we get up workers' money at the rate of 8.5 per cent interest. Why is it so? Why do you want to do that? I am sorry to say that some of the hon. Members are experts in the subject. According to me, pension should be a third benefit. What does this mean? My hon. friend, Mr. Narayanaswamy, was dilating on that. I don't want to say anything more. But the essence of the Statement that "We want pension as a third benefit." means we want that the employers should contribute — and we the workers will contribute — and the Government also should contribute to the extent that they have agreed at least 1.16 per cent. The present benefits which the workers are enjoying from the Provident fund stand as it is. And whom are you excluding? The employer, I am sorry to submit, with your permission, Sir, that we are in love with the workers. Okay? But we are more in love with the employers' Aren't we? We are excluding them. We are leaving them out. Who is contributing? Only workers contribute to this fund. He claims as a member of the provident fund that "my money is being converted into a fund; I must get my dues". Isn't it true, Sir? "Am I have a right to have my money?" You are having another argument. Being socialist you can argue..(interruption)... What is this? I did not say anything. The point is that being socialist you want to help everybody. I can understand that. My friend, Mr. Narayanaswamy, knows about the wages in the liberalised sector. He wants to have the liberalised set-up the integrated world from Germany to poor India. You know the wage-structure in other countries. The wage is 17 dollars per hour. Do you know that? No. In Germany it is 17 dollars per hours; in the Untied

States it is 16 dollars per hour. In India a worker gets Rs.5,000/- or Rs.6,000/- is a big amount of wages, according to you. All right: I do not argue on that. But, sir, one point I must submit here and that is, there is an argument being made by the employers as well as the Government that when the workers who are slightly high-paid make a demand for wage-increase, immediately the employers would be vocal, "What are you talking of? The worker next door is getting; two rupees only." While he is taking two rupees, how can you demand more? You cannot demand more." This kind of arguments are made. When the two-rupeewalla makes a demand they will say, "My friend, mind you; this industry is here because of two rupees. In case demand more. It will be shifted to London, to Calcutta or into suburbs of Calcutta. So you do not make any demand. This kind of arguments are flimsy; we expose them. My trade union friend knows this. I do not want to dilate on that, with your permission, Sir, I will quote on the third benefit from the statement issued by the AITUC Secretary, which appeared on 8th June, 1996, New Age, which states: "There is discontent among the workers of public sector undertakings and the better off industries about the pension scheme. They have gone to courts in several parts of the country but so far no concrete proposal has emerged to solve this problem except that there is a demand for third benefit or a scheme without touching the provident fund"...the date you kindly note, Sir. It is 8th June..."A public sector undertaking and the better-off industries about their pension scheme: "They have gone to court in several parts of the country, but so far, no concrete proposals have emerged to solve this problem..."- Sir, I am quoting—"...except that there is a demand for a third benefit or a scheme without touching the provident fund". This is the demand of the AITUC Secretary. This is made in June this year.

Sir, with your permission, I may quote one more thing from the New Age, i.e. the AITUC resolution. In that resolution it is stated, among other things. I am sorry. "The interest is not less than 12% of the corpus, indexation and capital return and removal of the ceiling of Rs.5000. It was also decided to urge the government to exempt the prosperous industries from the scheme and allow to evolve their own scheme." These are the demands of the AITUC.

I am only saying that those friends who are supporting it here—I don't want to name them—told me privately. "I am for your amendment. I am for option. But my constraint, as you know, is my party mandate". This is the position. This is what I am told privately.

I can quote one thing more. But I don't want to rake it up now. The trade unions have taken a position. That they want pension as a third benefit because the employers cannot go scot-free. They

have to contribute. Now they are not contributing. Govt. wants profit, tax employers. This scheme is being used for that purpose and the benefit which accrues to workers is being taken away by the Government to adjust its own ways and means. Everybody is saying that this is a very good scheme. Workers are eagerly waiting for getting this Bill passed. If it is so good, so fine, Sir, I put a small question. Can't we allow option for those workers who do not want it? Will it harm anybody? Many have argued in this august house that this is one of the finest schemes on earth and every workers wants it. Workers say that "It is my own fund". I may be given option". Who are we to object to it? And say that they can do it collectively. workers insist that "I must get the freedom to opt myself because it is my own fund. I don't want it now. Yes, this is my freedom. you cannot take it". Time is not there so I will not go into the details. My point is, we in the House can differ on certain questions. Millions of workers acted in strength. The expression of workers which is expressed in an all-India action through out—in every state workers went on strike; what more do you want; Mr. Vayalar Ravi will also support me. This has to be taken note of by this august house. I pray, plead and beg of the Members of this house to consider my submission that those workers who want to opt out of this scheme may be allowed to do so. I think all will agree to it. Other demands which have been made by my friends who spoke before me about linking it with the cost of living...I stand by it.

My party is very small. What can I do? It is a very serious question. Though I am in a minority in this house. We are in a majority outside (Interruptions).

I once again say, "Hon. Members, the future of the country is in your hands."

You are the people who make or the lives of people. So, before you act on this, I plead on behalf of the workers to see that option is given to them. Thank you.

### COM. AJOY MUKHOPADHYAY (LOKSABHA)

Mr. Chairman, Sir, this Bill seeks to make provisions enabling the Government of India to introduce a Pension Scheme in place of the existing contributory system of Provident Fund.

But it has become a fait accompli now. The earlier Government did not wait for the approval of Parliament. They have already introduced and implemented the Pension Scheme from 16.11.1995 by promulgation of an Ordinance. So, it is quite evident that it is the legacy of the past which has fallen upon the United Front Government. It is the foster child of the present Government. I would have been happy if the U.F. Govt. could give some new thought over the scheme.

Before I proceed any further, I would like to

express my strong reservations about many provisions of the Scheme; because this scheme is not an improvement over the existing benefit of the workers; rather it will be detrimental to the interest of the entire working class in many respects. The fund required for the scheme has been sought to be created by diverting the employer's contribution in the workers' provident fund to the tune of 8.33 per cent of worker's wage. It means that pension scheme will be operative by way of impounding nearly half of the provident fund generation of the workers. There is no need for any actuarial exercise. Anybody with some amount of knowledge in arithmetic will find that the total accumulation of principal amount in the shape of employer's contribution and the interest thereon at the rate of twelve per cent will never be returned to the workers. The loss is enormous. Sir, not to speak of any gain, the loss is enormous. A lot of workers' money which is taken out of the corpus of contributory provident fund, has been spent for propagandathrough media that this is an outstanding step and totally beneficial to the workers of this country. But the workers know what is outstanding and what is not.

It has also been propagated that the working class of this country had been agitating since long for this. But what is the reality? Yes, the working class was demanding and struggling for pension as a third benefit. But in this scheme, not to speak of any additional benefit being extended, on the contrary the existing second benefit is being curtailed. The benefit which was earned by the working class through prolonged struggle is being slashed down now through this scheme. The provident fund is the property of the worker and the Government is snatching away nearly half of his property unilaterally and by force without taking any consent from him.

There is no option. This is unjust, improper and unethical, if not illegal. I do not know whether it is legal or not. Yes, it is said that the workers, who will die or declared physically disabled, in the early period of their service will be benefited. But this is not a death benefit scheme. It is essentially a retirement benefit scheme. The family pension scheme was there. Why did it collapse? What was the usual inflow and outflow of the family pension scheme? How Rs.9,000 crore has been accumulated in that Fund? The ratio of inflow and outflow was 10:1 i.e. the outflow was ten times lower than the inflow. Does it not mean that the families of the workers who died did not get the family pension?

While introducing the Bill, the Hon. Minister wastelling, many things were wanting in the family pension scheme. Hence, this scheme. But why do you not revise that family pension scheme without dismantling the existing CPF system? You could do that. But you have not done that.

The Government wants the people to believe that

workers of the unorganised sector will be benefited most by this scheme. Is it not a myth? Is it not a fact that the workers, whom we call unorganised in the traditional form, are not covered by the Employees Provident Fund Scheme? So, how they will come under the purview of this pension scheme? they cannot.

So far as the workers in the tiny sector - casual and contract labour, etc., - are concerned, what would happen in their case? They will not be benefited. Why it is so? Because the annual rate of growth in their wage will be between five and six per cent. The actuary of this scheme, who deposed before the Select Committee in Rajya Sabha agreed that the scheme is based on the assumption that the rate of annual wage growth would not be less than 10 per cent. That is the national average wage growth. But will bidi workers, contact workers, construction workers or those who are working on a casual basis or are getting consolidated pay, be benefited? No, they will not be benefited. That is the assumption of the actuary of this scheme, who deposed before the Select Committee formed in the Rajya Sabha last week.

It is very unfortunate that a calculated and sustained campaign has been launched against the organised working class of this country, particularly against those wage earners whose salary exceeds Rs. 5,000 per month.

Sir, will they be treated as the creamy layer? Will they be treated as the affluent section within the working class? Even a semi-skilled worker in a factory, an Upper Division Clerk in a Government Department today, in the background of inflation, gets more than Rs. 5,000 per month. But if your salary is more than Rs. 5,000, then, the portion above Rs. 5,000 will not be calculated for pension. So, it is really unfortunate. Can you deny that the organised working class is the backbone of the entire work force of our country? Is it their fault, is it their crime that through their struggle they have achieved some wage improvement? Is it their crime for which they have to be penalised? What is the infrastructure of the management of the employees provident fund? Is it capable of running the whole thing?

Sir, another point is, when a Government employee retires, if he is eligible for pension, will get his pension immediately. But according to this scheme, if an employee retires at the age of say 40, thanks to the present industrial policy of the Government, he will have to wait for 18 more years to get his pension. He will get his pension at the age of 58, at the age of superannuation. He will have to wait for long 18 years. This is there in the scheme.

Thousands of workers are retiring at the age of 40. You may say otherwise, but the reality is that.

(On page 13)

# PENSION DEBATE : EXPOSURE OF REALITY

□ TAPAN SEN

## Singing Employer's Song

When some one says "Workers of Organised Sector of industries are quite highly paid, well off, and they do not deserve anything more, and they must sacrifice for giving more to the poor workers of unorganised sector, or they should accept loss for the gain of their counterpart in the unorganised sector" one would conclude immediately that such statement must be from any Employers Organisation or chamber of commerce or from some pandits from the Planning Commission or Government. And also such statement reminds us of the famous theory of "High Wage Island" being preached during the Indira Gandhi regime, as if struggle for higher wages and benefits by the workers of organised sector is responsible for the miseries of the workers of unorganised sector and poor peasants.

The working class movement considered this as a nasty ploy to deceive the workers, divide the working class movement and set the one section of the workers against the other. This also exhibits the unscrupulous attempt to divert the wrath of the people from the root cause of poverty and distress - the pro-landlord pro-employer economic system of the country.

It is but natural that employers' class would continue to make such statements and we have to face it. But if some one who claims to represent the working class and common people makes such statements it becomes a bit difficult to digest instantaneously.

But precisely that has also happened in the recent debate on Employees Provident Fund (Miscellaneous Provision) Amendment bill relating to Pension Scheme in both the houses of Parliament. Many of those claiming to be representing the working class and common people echoed the same statement referred to in the preceding paras, so long heard from the employers and bureaucrats and politicians of the ruling polity.

## HOSTILITY TO WORKERS OF ORGANISED SECTOR

The EPF Amendment Bill which seeks to dismantle the Contributory Provident Fund System already introduced by Congress Govt. through Ordinance, was opposed by the workers in general at in the grassroot level. But most unfortunately even the leadership of some of the left Central Trade Union

organisations supported the same bill on the plea that the Govt scheme benefits poor paid workers and for the same 'well paid workers in the organised sector should sacrifice and accept loss emanating out of the scheme.

Their contention is totally wrong beyond doubt but same contention of theirs got reflected in the speeches of MPs from respective political parties in the Rajya Sabha.

Vayalar Ravi M.P. of Congress (I) stated "I support the bill..... Above Rs.5000/- there are 2.49 per cent worker. And these are the people who are opposing. Unfortunately my friend Balanandan (of CPI(M)) spoke for them. ...there is no individual option.... The other important point is that this money (which is being diverted to pension fund) is the money contributed by the employers. The employees' 50% money is there, nobody is taking it.....My friend Jibon Roy is fighting like anything in various committees.....But he deals with only workers of Organised sector who are drawing more than 5000 Rupees..."

Sir V. Narayanawamy of Congress (I) went a step ahead he said, "I support the bill. One organisation is opposing it. I am pained to say that this organisation is for the Organised employees Association... I am not representing employees of Philips, and the public sector undertakings. These employees are getting a salary of Rs.7000/-, 8000/- or Rs.10000/- per month.... In the name of trade unions, we should not protect the rich employees. Let us protect poor employees...The Govt cannot give gratis to employees. They are getting overtime allowance.....bonus. Therefore it is not the employees of Organised sector who should be given another benefit"...The option for the employees to choose should not be there... It is a very novel scheme..."

Shri Satish Agarwal of BJP staged a drama. He moved a resolution for disapproval of the Pension Ordinance and while moving the same he said "I formally move the motion later on to withdraw my resolution...I am supporting the bill."

Shri Gurudas Das Gupta of CPI echoed the same frenzy against the employees of Organised sector of course in a more sophisticated manner. He said "I rise to support the bill not because the bill is not having any shortcomings....I rise to support the bill since it is further extension of principle of social security particularly among unorganised workers....Sir I rise

to support the bill because it is an example of principle of cross-subsidisation. The workers in the well off sector will have to take the responsibility of standing in solidarity with the workers in those sector where they are much less paid..."

Sri Raghaji of Madhya Pradesh stated while supporting the bill that in reality this pension scheme is not bringing any additional benefit to workers since employers contribution to workers' PF has been fully diverted to pension fund. He cited example and said that "It would not be any exaggeration to say that by the scheme the workers have been cheated" He also criticised the minimal interest rate of only 8.5% being paid for the pension fund and he characterised this as loot on the workers. But still he supported the bill.

The whole debate in support of the Govt. pension scheme demonstrated the frenzy against the workers of the organised sector who happen to be in the leadership of the entire trade union movement and who represent the vital striking strength. It is but natural that ruling class and employers' class speak in this line since it is to their advantage if workers of organised sector get isolated and the TU movement is weakened. But it is not that natural when same anti-working class philosophy, the philosophy of letting one section of the workers against the other is parroted by those who also share platform in United Trade Union Movement and claim to represent the working class.

Workers of Organised sector can be subjected to losses and sufferings. But will that ensure that workers of the unorganised sector would be benefited by that. This theory helps employer to readjust its labour cost and deprive the workers, and pass on the burden of rising cost on the workers. Those who spoke supporting the pension bill precisely served the employers' class and working class stand betrayed unfortunately and mainly by a section of their leaders.

### **CALLING THE WORKERS 'RICH' : HELPING THE EMPLOYERS**

Com. E. Balanandan M.P, while participating in the debate sought to expose this game. he said in clear terms "According to me pension should be a third benefit...Essence of this statement is that employers should contribute.... Present benefits which the workers are enjoying from the Provident Fund stand as it is. And whom are you excluding (by opposing third benefit)?- The employers. I am sorry to submit... We are in love with employers..So we are excluding them. Are'nt we? Only workers contribute to this (Pension Fund)...My friend Mr.Narayanaswamy knows about the wages of liberalised sector. He

wants to have the liberalised set up, the integrated world from Germany to poor India. You know the wage structure of other countries, The wage is 17 dollars per hour. In United States it is 16 dollar per hour. In India a workers gets Rs.5000/- or Rs.6000/- that is a big amount according to you" Com. Balanandan further stated "There is an argument made by employers as well as the Govt. that when the workers who are slightly high paid make a demand for wage increase immediately employers would be vocal: what are you talking. Worker next-door is getting only two Rupees, how can you demand more. When two-rupeewallas make a demand employers will say: this industry is here because of two-Rupees wage. In case you demand more, it will be shifted to London...so don't make any demand. This kind of arguments are flimsy, we expose them".

### **WORKER OF UNORGANISED SECTOR LOSES MORE**

Now the other question. How far does the so called agony of such leaders for the unorganised sector stand the test of logic. Those prescribing the workers of the organised sector to tighten their belt and accept the loot designed by the pension scheme gracefully conceive that the said scheme would benefit the poor workers in a big way. To be polite and modest enough, such understanding is a total misconception.

Fact remains that the low paid workers would lose more heavily. And this is sheer arithmetic. Under the present scheme even the workers drawing only Rs.1000/- per month to start with would lose heavily both in terms of rate of return as pension (as compared to 12% interest on the accumulation of diverted fund) and in terms of return of capital. And employee drawing Rs,1000/- per month cannot be called an well-paid employee and our so called poor-friendly leaders must agree with it. Such an employee even enjoying consistent annual wage rise, @ 10% every year will get pension at the end of 30 years of service an amount equal to Rs.2286/-. During the same period the diverted amount of provident fund towards pension fund would accumulate Rs.5,35,384/-which could have given him a monthly return of around Rs.5353/-. This is simple arithmetic and no philosophy is involved in it.

But even above assumption is a bit divorced from reality. Because it is not correct to assume that an worker in unorganised sector would continue to work regularly for 30 years. It is also not a correct assumption that in unorganised sector wage would consistently increase @ 10% every year.

In case of 4% wage rise every year an employee

starting in with Rs.1000/- per month will get pension after 20 years of service Rs.579/- where as monthly interest earning on accumulated amount of diverted provident fund would be Rs.932/-. Besides the loss in monthly pension, the worker would also lose substantially in terms of capital return.

Only those would benefit out of the Scheme who can die premature death or get disabled. But is it a death benefit scheme? It is essentially a retirement benefit scheme but one has to die a premature death to satisfy the claim of those who glorify the govt pension scheme as a poor-friendly scheme.

In fact it is illusory to claim that the govt scheme would benefit the low paid workers. The entire pension scheme is framed on the basic assumption that there will be consistent wage rise @ 10% every year which is far from truth incase of low-paid workers in the unorganised sector. In fact in unorganised sector rate of wage rise is around 4 to 5 percent and that too not regular. Pension amount which is determined on the basis of wages in the year of retirement remains low owing to the suppressed wages. On the other hand the accumulation towards diversion of 8.33% to pension fund would have grown consistently @ 12% per year had it not been diverted to pension fund. The more the gap between the rate of annual wage rise and the interest rate, loss becomes more. This gap is wider in case unorganised sector than incase of organised sector and hence low paid workers would lose heavily out of the pension scheme. And the claim of the supporters of the govt scheme that it is poor friendly is not at all based on fact.

In Lok Sabha, CPI(M) member Com. Ajoy Mukherjee argued on the above premise and established by facts and figures that the low paid workers lose more heavily by the scheme. Notable enough, during Lok Sabha debate almost nobody even from other parties could speak in support of the scheme. But while casting votes, they did not support the amendment for option and allowed the bill to get passed.

#### **IF THE SCHEME IS GOOD, WHY NOT OPTION!**

In both the houses of Parliament CPI(M) and RSP members moved amendments on the schemes demanding in particular the provisions of option which have been voted out by all other parties. They claim that bill is beneficial to all particularly the workers in unorganised sector who are in majority among the workers covered by the scheme. Question is that if the scheme is so good, so fine, what is the problem of making the scheme optional. Now those supporting the scheme argue: if option is allowed scheme cannot

be sustained since majority would opt out of the scheme. Even when CITU delegation met the Labour Minister, on this issue, the Labour Ministry officials also confirmed that if option is allowed, there would hardly be any optee in favour of the scheme. This exposes the real face of the scheme. No doubt the scheme is very good, very fine, but not for the workers. It is good for the employers who need not contribute for pension fund anything additional, it is fine for the govt since they would get cheaper money from the workers kitty.

#### **DAY-LIGHT ROBBERY ON WORKERS**

By not allowing option, those supporting the bill imposed on the workers the retrograde scheme, which can only be termed as dacoity in daylight of the workers money. While doing this, they argued that it is employers contribution to PF which is being diverted. The argument itself exposes the level where the supporters of the pension scheme stooped down. Employers' contribution to PF is a right earned by the workers through grim struggle. It is workers own money, the integral part of the return of their sweated labour. While arguing in favour of the scheme, sponsors of the govt. scheme did not hesitate to deny that right to workers.

The employers contribution to pension fund is workers own money and it is being so long maintained in the Provident Fund account of the worker. It is the money in his personal pool. Now that money is being diverted to common pool of pension fund from 16-11-95. Worker's personal property is being taken over by the Govt. But Govt. does not bother taking his consent and option is not allowed. And still it is being supported by some of those who claim to represent the workers!

The Bill is ultimately passed by the Parliament. Net result is that workers of all sectors would lose heavily and the contributory provident fund system got virtually dismantled. Even provision of option as demanded by CPI(M) and RSP members in parliament have been voted out by others to uphold the Govt. pension scheme in toto. Workers for whom pension is meant for have been subjected to huge loss to ensure that the Govt gets cheaper supply of money from the pension fund at minimum rate interest.

Working class will definitely not reconcile with this betrayal. They will not accept this daylight robbery lying down. Let votaries of pension scheme sing the tune of employers and Govt. on "rich worker and poor worker". Working Class would fight to defend their hard-earned right.

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(Cont'd From page 9)

What will happen to the bidi workers, to the so-called unorganised sector, the construction workers? They will be lost in the crowd. Their service period is not more than 20-25 years and they will have to wait upto 58 years of age for getting pension. Is it not atrocious? You think that this is a beneficial scheme. It has been stated in paragraph 26 of the scheme that pension fund would be invested to the Public Accounts of the Government of India, the rate of interest being only 8.5 per cent. How can it match the benefit of provident fund where 12 per cent rate of interest is available? What you will do with this money? Government will spend that money for other purpose. It is the workers' hard-earned money and that will be diverted for other purposes.

Sir, is it permissible?

Another aspect which I would like to point out is that, besides all these, a portion would be deducted towards administrative charge, which may be about three per cent. So, it would not remain even at 8.5 per cent. It would further come down.

Sir, I am very much pained that most of the Central Trade Union Organisations are accepting this scheme. Some Hon. Members have also mentioned that this is an outstanding scheme. If that is so, if it is

so fine, so good then simultaneously, why are those members expressing apprehensions and objecting to giving the scope for individual option to the workers? Why they are apprehensive? There is no need for them to be apprehensive about it. If it is so good, so fine and so beneficial to the interest of the workers, the workers would automatically opt for this scheme. You cannot rob the money of workers in this way. You cannot snatch away half of their provident fund money without giving any scope of option, without taking any consent from them.

Sir, I would like to urge upon all the Members of this House, cutting across Party lines, and I would also appeal to your goodself to please ponder over these things once again. Do not play with the working class of this country but for whose untiring labour and boundless sacrifices, the growth in the economy and development of this country could not have been possible. Do not play with them.

So, I would like to request you, appeal to you to kindly ponder over the whole thing once again. I would like to pinpoint on the only question of making a provision for individual option in the scheme.

Sir, otherwise it would be counterproductive for everybody the Government as well as the Trade Unions.

With these words, I conclude

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## CITU DENOUNCES GOVT'S MOVE TO DISINVEST PSU SHARES

The CITU Secretariat issued the following statement to Press:

CITU records its vehement protest against the move on the part of the govt of India for disinvestment of PSU shares and constitution of Disinvestment Commission, in spite of strong protest and opposition by the entire trade union movement the govt is moving ahead with its plan for disinvestment of PSU shares. In view of the Govt's policy declaration regarding off loading of PSU shares to the tune of 74% in most of the public sector units barring a few units in strategic sector like Defence Communication, etc, the Govt's move for disinvestment of PSU shares would lead to privatisation of the major portion of public sector network having serious bearing on the self-reliance and strength of the Indian economy.

It is further note-worthy that the first two tranches of disinvestment of PSU shares would be controlled and monitored by a Core Group of bureaucrats in the finance and industry ministries. And the cosmetic provisions of reserving a part of PSU shares for small investors and workers can in no way stop flowing of the major part of PSU shares to Foreign Capital and Monopoly Houses and consequent transfer of the

ownership and control of PSUs to them much to the detriment of country's over all interest.

CITU notes that Govt of India has taken a move for disinvestment citing the Common Minimum Programme. Common Minimum Programme also envisages strengthening of public sector units in the country. But the govt's declared policy for disinvestment would result in dismantling of the major part of PSU network which also goes against the basic spirit of Common Minimum Programme.

CITU also notes that Govt of India is demonstrating extra-promptitude in the matter of disinvestment whereas the task of revival of sick PSUs which has also been committed in the Common Minimum Programme has been lying totally neglected, with number of sick PSUs languishing in BIFR.

CITU denounces such an approach of the Govt of India towards public sector and urges upon Govt of India to refrain from such policies and stop the process of disinvestment of PSU shares.

CITU also calls upon the trade union movement and the working class to unitedly oppose the govt design of privatisation and fight for defence of public sector.

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# CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

(BASE 1982 = 100)

Centre	May.96	June.96	Linking factor for Old Base	Centre	May.96	June 96	Linking factor for Old Base
All India	328	333	4.93	Barbil	325	328	5.00
Gudur	332	330	4.33	Rourkela	305	303	3.59
Guntur	322	330	5.60	Amritsar	289	292	5.19
Hyderabad	304	307	5.23	Ludhiana	297	296	—
Visakhapatnam	317	321	—	Ajmer	323	328	5.01
Warrangal	314	319	—	Jaipur	312	319	5.17
Doom-Dooma Tinsukia	303	305	4.05	Coimbatore	327	336	5.35
Guwahati	339	341	—	Coonoor	346	350	4.80
Labac-Silchar	296	293	3.96	Madras	351	364	5.05
Mariani-Jorhat	317	317	3.95	Madurai	333	348	5.27
Rangapara-Tezpur	318	317	4.29	Salem	333	360	—
Jamshedpur	312	317	4.68	Tiruchirapally	355	363	—
Jharia	279	284	4.63	Agra	303	315	—
Kodarma	283	284	5.43	Ghaziabad	310	317	—
Monghyr	302	305	5.29	Kanpur	319	326	4.69
Noamundi	298	301	4.58	Saharanpur	298	304	5.06
Ranchi-Hatia	315	316	—	Varanasi	336	343	5.12
Ahmedabad	334	338	4.78	Asansol	306	307	4.77
Baroda	332	334	—	Calcutta	335	339	4.74
Bhavanagar	339	346	4.99	Darjeeling	286	291	4.55
Rajkot	328	340	—	Durgapur	343	341	—
Surat	352	359	—	Haldia	351	351	—
Faridabad	314	319	—	Howrah	340	342	4.12
Yamunanagar	310	308	5.53	Jalpaiguri	297	298	4.16
Srinagar	315	318	5.47	Raniġanj	294	296	4.40
Bangalore	322	327	5.66	Chandigarh	307	306	—
Belgaum	348	353	—	Delhi	337	341	4.97
Hubli-Dharwar	329	339	—	Pondicherry	375	383	—
Mercara	328	339	—				
Alwaye	347	354	5.19	<u>Additional series of Labour Bureau</u>			
Mundakayam	353	362	—	Kothagudem	333	345	3.25
Quilon	354	366	—	Himachal Pradesh	306	308	3.75
Trivandrum	371	386	—	Bhilwara	323	332	3.20
Bhalaghat	318	324	5.24	Chindwara	334	346	2.59
Bhilai	298	302	3.49	Tripura	319	320	4.37
Bhopal	341	345	5.46	Goa	365	376	3.40
Indore	340	345	5.18				
Jabalpur	331	338	6.41				
Mumbai	362	366	5.12				
Nagpur	336	339	4.99				
Nasik	353	357	—				
Pune	357	359	—				
Solapur	347	354	5.03				

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,

# 50 YEARS OF INDEPENDENCE AND MORE THAN 50 SCAMS AND SCANDALS

## NEHRU ERA

Jeep Scandal

Expulsion of Congress MP on charges of improper recommendations.

Sardar Patel orders the arrest of a minister of state for demanding and receiving a bribe.

Independent India's first finance minister, R.K. Shanmukham Chetty, resigned for deleting name of companies (close to Congress) from a list of companies to be investigated for tax evasion. Keshav Dev Malviya had to quit after it was discovered that he received Rs.10,000 from dubious mine owners in Orissa.

## INDIRA ERA

Nagarwala case.

Kuo Oil deal

Cement (Antulay) scam

Dalda scam

Tirpude (Maharashtra CM) marks scam.

Westland helicopters

Kosi project

Maruti scam

Fraud in the Food Corporation of India

Vasantrao Naik's land reclamation scam

## ALL TIME SCAMS

Election funds

Bofors

ABB railway engines (Jaffer Sharief)

Submarine scam

Jawahar Rozgar Yojna

Employment Guarantee Scheme in Maharashtra

Justice Ramaswamy impeachment, which failed.

Bombay Chief Justice Bhattacharjee's book royalty issue.

Chandra Shekar's petrol pump licensing scam.

Captain Satish Sharma's LPG licensing scam.

Arjun Singh's Churhat lottery case

Housing scam (Shela Kaul)

Narmada

Enron

LLB marks scam

SSC paper leaks

Saree Scam of Jayalalitha

'Mother of marriage' scam of Jayalalitha

Sukhram's sugar scandal

Kalpanath Rai's sugar scandal Harshad

Mehta scams

Harshad Mehta bribes Narasimha Rao

Congress bribes Jharkhand Mukti Morcha (JMM)

Lakhubhai Bribery case

Rs.113 crores urea scam

BMC petty works scam

Jalgaon sex scandal

Maharashtra Dal scam

Shiv Sena's Zunka Bhakar Scam

Bal Kalyani case -IAS officers allotted plots at

Walkeshwar

Animal husbandry scam

Ranchi land scam

Bitumen scam

Police Officers' uniforms scandal

Public Distribution System (PDS) scam

Madhya Pradesh engineers scam

(Note: Only a few resignations have taken place because of these scams, many of the cases are still in court and some you will not hear about again). Reproduced from "The afternoon Despatch & Courier, "Bombay, 16.8.96.

# PRIVATISATION OF ANGANWADI PROJECTS STOPPED IN ANDHRA PRADESH

In the last week of May, a letter was sent from the commissioner, women's Development and Child Welfare, to all the district programme officers of the ICDS scheme. The letter asked them to invite applications from interested voluntary organisations, to operate the Anganwadi Projects. This created an upsurge among the Anganwadi employees in the State and a massive anti-privatisation struggle was launched by the Andhra Pradesh Anganwadi Workers and helpers union, ultimately forcing the state government to abandon the idea of handing over the maintenance of the Projects to NGO's atleast for the time being. The Anganwadi Workers scored a victory through their organised strength.

In fact, the G.O. intended to hand over the projects to NGO's was formulated in October '95. In spite of that in February '96 the Chief Minister promised to a gathering of 10,000 Anganwadi Employees that he would recommend to the centre that the Anganwadi Projects should not be privatised. The G.O. was released after the Parliament elections were over and the TDP got a good number of seats. The Anganwadi employees felt that they were deliberately cheated by the Chief Minister.

As soon as the G.O. came to our notice, we issued a statement condemning it and demanding its withdrawal. All the district units were informed by telephone to organise processions and dharnas at project level and to send telegrams to the Chief Minister and the Principal Secretary, Women Welfare demanding withdrawal of the G.O. Processions, dharnas and rasta rokos were organised in many districts spontaneously and about 9000 Women participated in them throughout the state. Telegrams were sent from about 100 projects.

The State Committee also directed to organise district level dharnas at district collectorates/ICDS offices. The Anganwadi employees participated in this programme also in large numbers. About 12, women participated in 17 districts.

The Anganwadi Women were so restless and afraid of privatisation that they wanted to come to state capital and demand the Government to withdraw the G.O. As it was a policy issue and Central Government directive, we had to convince them that we should mobilise maximum support among the Anganwadi employees as well as the beneficiaries, before we could have "Chalo Hyderabad."

The State Committee of the Union met on 23rd of June and after assessing the situation gave a call to observe the July 10th demands day as 'Anti Privatisation' day and organise mass hunger strikes. It was also decided to collect signatures from Anganwadi employees as well as the beneficiaries.

The July 10th hunger strike was a big success.

About 19,000 Anganwadi employees in the state participated in the mass hunger strike.

The campaign which was conducted for about 40 days received wide publicity in the media. The district editions of the local newspapers carried the news about some type of struggle being conducted in some part of the district, almost daily. The ETV, in its news bulletin showed the Anganwadi women marching with our banners, almost daily. The name of the Union and CITU spread to remote villages, where previously it was not heard.

Anganwadi workers in Adilabad and Nizamabad held rasta roko and gheraoed Central Minister Venugopalachary and M.P. Baga Reddy demanding withdrawal of the G.O. Ministers and MLA's of the ruling party were questioned whenever they went on tour to the districts. All of them had to explain that personally they were against privatisation of the projects and promise that they would impress upon the Government not to privatise them.

Ultimately, the Government had to relent. When our delegation met the Chief Minister of July 15th, he said that he was aware of the agitation of the Anganwadi Employees, he too was questioned in his native district and that he would stop implementation of the G.O.

Finally, on the 30th of July instructions were given that none of the existing Anganwadi Projects would be given to NGO's. The 191 old projects as well as the 17 new projects that are becoming operational this year all the 208 projects would be run by the State Government.

By the organised strength, the Anganwadi, employees of the state could gain this second victory in this year.

In an effort to consolidate the union, we are trying to organise projectwise classes in all the projects. So far the classes have been conducted in 45 projects and about 3200 women participated in them. Classes will be held in the rest in this month.

We have planned to introduce our union to the newly recruited workers in the 17 new projects. We have instructed to our district committees to collect the addresses of the women and send post cards congratulating them. The Card will mention the achievements of our union and extend all support and assistance to them during their training period and afterwards. The address of the district unit and CITU office will be given. In this way we plan to attract them towards our union immediately they join duty.

Membership campaign is continuing. Till now we received fees for about 11,000 members. Another 2,000 is with the district committees. We expect to cross 15,000 this year.

□

# RESERVE BANK EMPLOYEES TO OBSERVE ALL INDIA STRIKE ON 9TH SEPTEMBER '96.

Samir Ghosh, General Secretary of All India Reserve Bank Employees Association has issued the following statements:

The RBI management have virtually ceased recruitment in base cadres for the last 6/7 years while natural depletion by way of retirement, promotion, resignation, death etc. continues, resulting in an accumulated vacancy of nearly two thousand in clerical cadre alone in twenty offices of the Bank. Many posts in Officers' cadre also remain unfilled for years. This results in piling up of arrears, frequent failures to conform to time-schedules, malfunctioning or at best perfunctory functioning in many vital areas. The RBI management's fetishism for reduction of work-force by any means affects the banking system dearly.

Admittedly it is the RBI only which has the requisite expertise, experience capability and which can set-up necessary infrastructure in no time to effectively monitor banking system, non-banking financial activities, forex dealings and currency management, unfortunately the management seem to be reluctant and sluggish. Sudden stoppage of printing of small denomination currency notes without commensurate supply of coins has thrown the entire country into an unprecedented chaos while soiled, unusable, torn, mutilated currency notes circulate in the market with abandon adding to common peoples' sufferings. While two note printing presses are being commissioned at Karnataka and West Bengal, RBI is not readying itself to deal with about a million pieces of notes coming to the market annually. The two year old agreement between the Bank and AIRBEA on updated currency management still remains on paper while nothing has been done so far to upgrade issue offices in Chandigarh, Jammu, Lucknow and Bhopal. Follow-up of inspection reports is lagging in Dept. of Supervision (DOS) and Dept. of Financial Companies (DFC) mainly for lack of adequate staff.

While AIRBEA, representing the largest work force in the Bank, repeatedly assure the Bank management of their co-operation in discharge of Bank's vital responsibilities, the management seem to have decided for shrinkage and decimation of this premier institution.

After five decades of independence, RBI do not have even formal presence in as many as seven states and have just token existence in two states.

This has justifiably led to the charge of discrimination and neglect. The most important requirement of the day to have full-fledged RBI offices in all states is still remote, while the assurance of a second office in West Bengal seems to have been shelved permanently.

In this situation lest the nation does not accuse RBI employees of keeping it in dark of such state of affairs, and when the repeated pleadings of AIRBEA to the management to augment work force as required yield only some vague utterances of induction of some sports-persons and a few others here and there, we are constrained to give vent to our feelings of exasperation and disappointment by All-India Strike action on 9th September 1996, for which AIRBEA seeks support from all trade unions, democratic organisations, students and youth fora, State Governments, Parliamentarians and the Press.

## SILVER JUBILEE LECTURES ORGANISED BY O.S.R.U.

On the occasion of the Silver Jubilee Celebration, Orissa Sales Representatives' Union (OSRU) an affiliated unit of FMRAI, organised three lectures at Comrade Rabi Rout Manch (Barbati Stadium), Cuttack on July 7, P.K. Ganguly, All India Secretary, CITU, dealt on 'Impact of Structural Reforms on Indian Economy. He stated that structural reforms consists of three components viz. liberalization, privatisation and globalisation. Privatisation means dismantling of Public Sector and hand them over to the private sector and that too in a globalised forms, meaning thereby opening flood gates for MNCs. Ganguly in his speech emphasised on the effect of structural reforms especially in aggravating unemployment situation all over the world including the imperialist countries. He called upon the audience which comprised of doctor, s lawyers etc. apart from the members of various mass organisations of Orissa, to intensify struggle against communal forces which are all out to capture political power in the name of religion. He added that the working class, while supporting the positive aspects of the Common Minimum programme of U.F.

(On page 19)

# TAMIL NADU CITU PREPARES FOR ORGANISATIONAL CONFERENCES

Tamil Nadu State Committee of CITU has decided to hold organisational conference in all districts before holding the Seventh State Conference.

State Committee of CITU met at Thanjavur on 8th and 9th July. R Umanath, president, chaired the meeting.

The committee paid rich tributes to the memory of V G Bhaskaran Nair, secretary, CITU, K Thiruvengadam, veteran leader of State CITU and C S Panchapakesan a senior leader of the post and Telegraphs employees movement.

Presenting the General Secretary's report, T K Rangarajan, general Secretary, explained about the international situation, national and state level political situation after the Parliament and Assembly elections. Decisions of the working committee of CITU, at its recent meeting at Delhi were also reported.

Report on the activities during the period after the last meeting was placed by A K Padmanabhan. Internal audit report of the previous year and the current years accounts were also submitted. Various Industrial federations also submitted their report on activities.

Participating in the discussions, members referred to their experiences during the election campaign in the state. Various suggestions on streamlining the activities of our unions and committees were also put forth.

Summing up the discussions, General Secretary, pointed out the necessity of improving the organisational functioning and building up mass movements.

**Conferences:** State Committee decided to hold the seventh state conference at Madras by the end of the year. Preceding the State conference, district level conferences of CITU and that of the working women coordination committee is to be held. State Conference of Working Women committee is to be held in Trichy.

It was decided that the conferences should aim at taking decisions for improving the organisational functions at various levels. All the conference are to be held on the basis of the paid up membership for the year 1995.

The committee also decided to renovate the State Committee office building. Fund collections for this building and for the Com.BTR Memorial building at Delhi is to be completed by April 1997.

## Martyrs Day:

State Committee called upon all affiliated unions to observe the 50th anniversary of the Golden Rock Martyrs on 5th Sept. It was on 5th Sept 1946, five comrades were shot dead by the central interim government in connection in the historic railway

workers strike.

## On child Labour

State Committee has also decided on campaigns and rallies in connection with the ILO-CITU project on Child Labour. Lecture meetings are also to be organized in 50 centres all over the state. Various resolutions were also adopted. The committee called upon the state government, to hold talks with the Central trade unions on various issues connected with the working people in the State. Committee expressed solidarity with the struggles of Central Government employees and Insurance workers.

The State Committee also endorsed various decisions on campaigns finalised by the Industrial Federations.

The state Committee congratulated workers in various parts of the state, who have organised struggles against the unprecedented increase in the price of petroleum products.

Auto Rickshaw and Taxi workers unions affiliated to CITU has taken lead in organising strikes in various parts of the State. Protest meetings and demonstrations were also organised by other CITU unions.

## RALLY BY POWERLOOM WORKERS

A massive victory rally was held in Chowk Putlighar by the workers of Power Looms industry. The rally was addressed by Comrade Vijay Misra, Senior Vice President of Punjab CITU. Comrades Amrajit Singh Asal, Secretary of Amritsar Unit AITUC, Com. Kisan Singh, Des Raj, Kishan Chand and Surinder Nath. More than 20,000 workers working in different Units of Power looms and hand looms industry were in indefinite strike since July 12, 1996. Last night settlement was reached between the employers representative Mr. Balraj Puri, Master Om Parkas, Seth Om Parkash, Mr. Amrajit Singh and representatives of CITU and AITUC. Main features of settlement were explained in rally by the Unions leaders highly welcomed by the workers. According to settlement all the workers working in power looms and hand loom industry in Amritsar will get increase of 9% in their rates and wages w.e.f. July 1st 1996. Salaried workers those getting upto Rs.4000/- per month will also get increase of 9% above that will get 6% increase. Employers will give Rs.30/- to each of his worker as goodwill gesture. It is also decided to form joint committee of representatives of both employers and workers to understand the problems of industry and to settle workers dispute.

# TRADE UNIONS DEMAND IMMEDIATE STEP FOR REVIVAL OF HEAVY ENGINEERING CORPORATION (HEC) RANCHI.

FIVE MAJOR CENTRAL TRADE UNIONS VIZ CITU, INTUC, AITUC, HMS AND BMS IN A JOINT LETTER TO PRIME MINISTER TO INDIA DEMANDED IMMEDIATE STEP FOR REVIVAL OF HEAVY ENGINEERING CORPORATION OF RANCHI, BIHAR. THE TEXT OF THE LETTER IS REPRODUCED BELOW:-

27-7-1996

Shri H D Deve Gowda  
Hon'ble Prime Minister of India  
New Delhi

Dear Sir,

We the major Central Trade Unions of the country request your urgent intervention in the matter of M/s Heavy Engineering Corporation (HEC), Ranchi, Bihar, the premier public sector unit in the machine manufacturing sector which contributed a lot in country's industrialization since its inception.

Now HEC has been languishing in BIFR since 1992 and situation is deteriorating consistently mainly owing to Govt's decision.

A revival package of Rs.253 crores has been finalised for M/s HEC after thorough interaction among all the concerned agencies. All the agencies including financial institutions okayed the revival package and BIFR approved the same. But still final clearance of the revival package for implementation has been withheld in BIFR only due to Govt of India's indecision in the matter of settlement of past liabilities as per report received by us.

Entire workforce of HEC have already been facing immense hardship expecting early action by Govt. of India for speedy revival of HEC. Since 1987 there had been no wage revision for the workers and officers of HEC and already the total workforce has been reduced to half. In the face of so much sacrifice made by the workers, further delay in revival of HEC

would seriously dampen the morale of the most skilled workforce in the country besides adding complication of implementation of the revival package.

We would request you to please intervene in the matter so that immediate steps are taken by the ministry of industry for expeditious clearance of the long pending revival package of HEC by BIFR and this premier public sector unit of the country is revitalised to serve more effectively for country's industrialization.

With regards,

Yours sincerely,

Sd/-(B.D.Joshi), AITUC, Sd/-(O.P. Aghi)  
BMS, (M.K.Pandhe), CITU,  
Sd/-(U.M. Purohit) BMS, Sd/-(R.L. Thakkar) INTUC.

## FULL SECRETARIAT MEETING

A meeting of the full Secretariat will be held at the Central Office of CITU, New Delhi on September 7 and 8, 1996.

## MEETING OF A.I. TEXTILE COORDINATION COMMITTEE

The meeting of All India Coordination Committee of Textiles (CITU) will be held at Amritsar, CITU office, Putlighar on September 5 and 6, 1996.

## MEETING OF AICWW

A meeting of the All India Coordination Committee of Working Women (CITU) will be held at Visakhapatnam on 16.11.96.

(Cont'd Page 17)

Government, should also fight for correcting the negative aspects. He also appealed to continue relentless fight against the basic economic policies which are famed at the dictates of the IMP-World Bank.

Dr. Surya Kanta Mishra, Minister, Land REforms, Panchayat and Rural Development, Government of West Bengal, Placed his deliberation on 'National Integrations. He explained on development of different nationalities and ethnic groups over the years. Such a reality must be taken into consideration while discussing on the subject. Concentration of power at the centre under decades of congress rule in the country has given rise to regional

disparities and dissatisfaction of the people. He scathingly attacked those forces which are mixing religion in dealing with the affairs of the State. With examples, the established that religion can not keep a state united. Mishra emphasised on the unity of working class and continuing relentless struggle for its emancipation alongwith other sections of oppressed people. Bijoy Kumar Bohidar, an eminent educationist dwelt on the 'Prospects and problems of Orissa's development!

A.K. Ghosh, General Secretary of the Union gave introductory speech. A presidium consisting of Vice-President of FMRAI N. Chatterjee, S.K. Padhy and M.K. Ghosh, President and Vice-President of OSRU conducted the session.

## For Whom The Bell Tolls

□ Saroj Chaudhuri

Reiteration by the Finance Minister of his determination to proceed with reforms in insurance sector has spurred a flurry of activities amongst the prospective entrants to Indian insurance market. Government's assurance to confer statutory status to the Insurance Regulatory Authority (IRA), now in the making, and also to bring about necessary legislation sooner than later together with the induction of the former chairman of Central Board of Direct Taxes (CBDT), N Rangachari as the chairman of the proposed IRA have heightened the expectations.

### TO SELL THE THEORY OF PRIVATE ENTRY

It is thus that meetings and seminars, conclaves and consultations are taking place every other day at New Delhi. The leading lights of Indian private sector are rubbing shoulder with highly placed representatives, Chief Executive officers and managers of different insurance multinationals, who have descended here. Indeed, some of these foreigners have made New Delhi their second home for some time. Irrespective of the size or the reputation or area of operation of the company or group they represent, the refrain in their speeches is common: India has wasted 40 years and 26 years respectively by nationalising insurance industry - Life and General Insurance; it has been overtaken by others. India must now leave all that behind and face up global competition to integrate with the global economy; competition will unleash the enormous latent potential in insurance; once allowed to operate, the foreign companies will bring in the marvels of technology-based consumer-friendly modern insurance. All these, it is being emphasised, will make India ready for the next century which is just a few years away. All this is scintillating music in the ears of eager Indian partners.

### CII SEMINAR: BASED ON SLANDER:

The persistent efforts of the chieftains of Indian private insurance interests are climaxed by the largely attended conference hosted by the Confederation of Indian Industry (CII) only 10 days ago. This was significantly addressed by Finance Secretary M S Ahluwalia. Also present was former Reserve Bank

Governor, R N Malhotra, by whose name the infamous report has come to be known.

In the Souvenir that was published on the occasion, the CII presented a Background Paper. If anyone expects that the CII while espousing its case for opening up insurance would at least tell the truth about LIC and GIC and stick to widely known published facts, he is in for rude shocks. Being intoxicated by the possibility of opening up, all distinctions between truths and untruths, facts and lies have become blurred.

While it is absolutely unnecessary to give point-by-point reply, a few jewels that are strewn in the said Background Paper may be picked up

\* Nationalisation has failed to cure the ills of the insurance sector.

\* Level of customer satisfaction is very low

\* Amongst the major ills, the most important are:

a) rebate in commission

b) high expense ratio

c) high lapse ratio

### FACTS SPEAK OTHERWISE

Little wonder, in a presentation to please the foreigner so that he opens his purse string widely such distortions should be aplenty.

Much has been said about customer service. The Malhotra Committee appointed the reputed market survey organisation, MARG, whose findings are incorporated in the report itself. The MARG survey revealed that overwhelming majority of policy holders or their succors were satisfied with LIC's servicing levels: they variously described it as "excellent" "up to the mark" "very good" "prompt" etc. Indeed, large majority of policy-holders who call at the counters found the employees "efficient, cooperative and skilful". R N Malhotra would have felt oust fallen. Only 3 per cent corporate clients found the service "unsatisfactory." Can there be any surprise in it!

As for expense ratio, let the figures speak for themselves:

At the end of 1955 (the last year of private sector) it was 17.3 per cent. By 1960 it started coming down despite the high expenses in the initial years. While as at 30.12.1961 it stood 12.42 per cent, it came tumbling down year after year to fall to 3.04 per cent as on

31.3.90 and has remained in the close vicinity.

(Renewal expense ratio is the ratio of expenses on stipulated items out of renewal premium income).

None but an ignoramus can talk of high lapse ratio in LIC. The reality is as follows:

1990-91	6.0 per cent
1991-92	6.1 "
1992-93	5.9 "
1993-94	6.3 "
1994-95	6.1 "

*(Percentage of Net lapses to Mean Life Insurance Business in Force).*

Many more figures from LIC's Balance Sheets can be cited. But that is not required.

### PRIVATE ENTRY:WHO GAINS, WHO CLAPS

The mouth-watering prospect of opening up of insurance have rendered the leading lights of private capital and their organisations off-balance. They want that dame insurance in India must part here theighs as it were during high noon to please the foreigner with a hefty wallet.

They are dreaming to use foreigner's money and technology' to reap higher profits. What is in store for them is just the opposite apart from the destruction of two national institutions, LIC and GIC. The financial and technological clout of foreign players are so enormous, their grip over international finance capital is so total and their manipulative connections are so enormously powerful that the Indian Johnnies will soon find themselves in subsidiary minor partner's position or elbowed out from the market totally. All major decisions will be taken by the foreign partner, they will lay down the business policies; they will control from investment, valuation, premium rates,

etc down to every little detail. The niceties of ratio of share capital, etc will be of no avail. These are borne out by the myraid experiences about multinationals in every country in recent years. And India can be no exception.

On the other hand, the proponents of private entry in the Insurance Sector in the Government are also in day-dream; as the Finance Minister stated that private entry in Insurance Sector would ensure huge flow of foreign funds in the country. The foreign players would come to grab the insurance market in the country and repatriate profit plus some thing more in the name of consultancy, technical advice, Inspection Service etc. etc. And the LIC and GIC who have been faithfully parting with their ever increasing surplus to fill the Govt. exchequer would suddenly find themselves dried up. Foreign players are definitely not coming to creat new market and generate additional surplus. No Multinational Company does so.

Still it is understandable as to why Govt. of India is proceeding the Suicidal path of drying up its most potential source of revenue from Insurance Sector. They are over head and ears in debt from the Fund/Bank masters and the the ears are in their hand .

What is not understandable as to what makes the Indian Private Capital so joyous, and their joyful gesture sometimes resembles lunacy. What are they going to gain by the private entry in insurance sector? They can at best get a few pieces of "bones," that too, if they collaborate, after the flesh has been eaten away by their foreign masters.

The Indian private capital has been receiving bonanzas ever since India became free, but never as much as during the last five years of Manmohanomics. But still Indian private capital is prepared to sell itself to the foreigner for a few crumbs of dishonour!

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## CITU DELEGATION IN SOUTH AFRICA

□ M K Pandhe

The nine day visit of the CITU delegation to South Africa, for the first time after the end of hated apartheid regime and assuming power by a new non-racist government led by Nelson Mandela, was full of extremely useful experience. The tripartite unity of the ANC, South Africa Communist Party (SACP) and Congress of South African trade Unions (COSATU) which was at the helm of affairs had achieved remarkable success in mobilising the nation on a new democratic path. The newly acquired freedom was consolidated under the new regime and involvement of people at all levels was substantially strengthened.

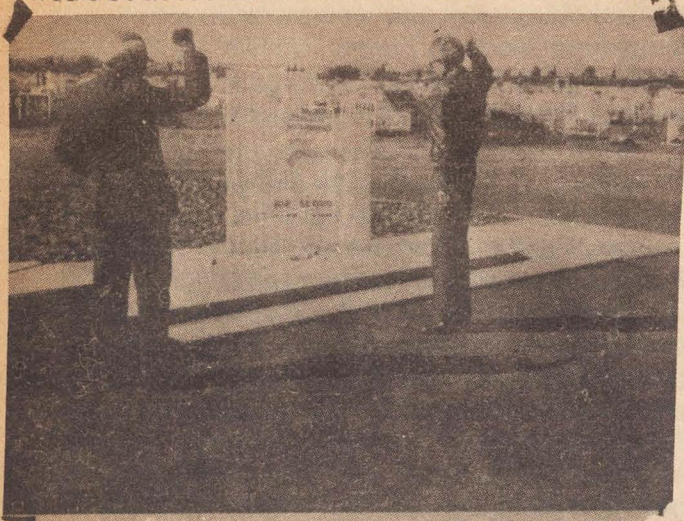
The white minority has not fully reconciled with the new reality. The economy was still under their control and multinational corporations have been entrenched in several industrial undertakings.

The Tripartite alliance was grappling with the complicated situation and by and large the alliance has been working well. However, some differentiation have cropped up recently which are being resolved through negotiations in a friendly manner.

At the invitation of COSATU a meeting was called at Johannesburg on August 1-3 to discuss the issues involved in preparations of the forthcoming Indian

Oceanic Conference to be held in Calcutta on February 17-22, 1997. The CITU was represented in the meeting by Chittabrata Majumdar and myself. The representatives of Australian Council of Trade Unions (ACTU), KMU of Philippines, Labour Research Centre of Malaysia and Artisans and General Workers Union of Mauritius attended the meeting.

The CITU wanted to broaden the scope of the conference to include the trade unions from the Asian continent. The Australians however felt that the widening of the scope should be done at a later stage. However it was agreed that Indian trade unions can invite Asian trade unions to attend as observers to participate in the Conference. All SAARC countries were also to be requested to attend as delegates to the conference. The total number of participants would be about 200 of which 75 would be from outside



**M.K. Pandhe and Chittabrata Majumdar Paying homage to Joe Slovo at his grave in Sweto cemetery**

India. Indian contingent would be decided by the Indian trade unions. It was agreed that the representatives of the WFTU and ICFTU would be invited to attend the conference as observers. The proposal about participation of CGT representative from France was also accepted by the meeting. There would be separate session of cultural workers during the conference. The discussion in the meeting was held in a friendly manner which led to successful conclusion of the meeting.

We had an occasion to attend a meeting of the gold miners in Carletonville on 4th August which was a joint celebration of the 50th Anniversary of the historic miners strike in South Africa as well as the 75th Anniversary of SACP. It was a massive gathering of miners in a stadium near Western Deep levels No.2 of the Gold mine complex despite chilly weather.

The meeting was jointly addressed by the leaders of ANC, SACP and National Union of Mine Workers. On the eve of the rally there were revolutionary songs and dances in which the entire audience and leaders

participated. In between the speeches also there was a mass dancing and singing of revolutionary songs.

The mine was owned by a private company owned by whites while wages and working conditions did not improve much after Mandela Government came to power. Therefore the leaders exhorted the workers to go in for agitation including strike action to force the management to concede the demands of the workers.

The meeting also remembered the glorious role played by the SACP in the struggle against racial discrimination and workers were called upon to struggle to build a socialist South Africa. On behalf of the Presidium the fraternal delegates from India, Philippines; Malaysia and Italy were welcomed and introduced to the audience. Both members of the Indian delegation were given a seat of honour on the dias.

We visited the central headquarters of the South African Communist Party on 7th August, which was located on the Third floor of the COSATU building. Charles Nqakula General Secretary of the party along with Kay Moonswamy who was chief of ANC office in Delhi during seventies and Langa Zita of the National Political Education secretariat Nqakula enquired about the political situation in India and how the CPI(M) was tackling the situation. He also explained the problems faced in South Africa and how the SACP was advancing by proposing a suitable tactical line in the light of the decisions of the Ninth Congress of SACP held in April last year.

Some strains have been noted in the recent past in the tripartite alliance of ANC, SACP and COSATU due to the South African government's policy of "capitalist accumulation at the centre of growth and development" and "right wing shift" by the ANC government. A critique of the South Africa Government's macro-economic strategy prepared by the SACP National Political Education Secretariat states: "The macro-economic strategy did not emerge out of a collective process of the tripartite alliance and as such does not represent the constituency which voted ANC to power. Consultation was merely driven by the intention of dampening any misgivings of the alliance partners. Leading elements in government used the technical skills of mainly old order economists and the World Bank, while progressive economists in NGO's and broader alliance were not part of the process. The outcome is therefore not surprising given the composition of the team."

The pronouncement of the official spokesman that the parameters were non-negotiable "contradicts the basis of the alliance itself." Therefore "It is imperative that the SACP seriously engage the ANC and COSATU on the future of the government's macro economic strategy."

The CITU delegation had a bilateral talks with the leadership of the COSATU. From the side of the COSATU Sam Shilowa, General Secretary, Zwelinzima Vavi, Assistance General Secretary and



**CITU delegation with Charles Ngakula General Secretary SACP and Kay Moonsasny former ANC representative in India**

Bangumzi Sifingo International Officer participated in the discussion which was held in extremely cordial atmosphere. During the discussion the outcome of the Cairo meeting held in last March was discussed and it was felt that there was a need for strengthening the worldwide solidarity of trade unions irrespective of international affiliations. The meeting also considered the question of further cooperation between the two organisations to ensure that the forthcoming meeting of Indian Oceanic Region successful which would pave the way for further broad based cooperation on common issues, such as opposition to World Bank-IMF policies of globalisation, opposition to the multinational corporations, opposition to privatisation and deregulation and resistance to attack on trade union and democratic rights of workers.

The COSATU and CITU will also develop coordination and industry level unions so that the ties of friendship can be developed at grass root levels.

Like CITU, COSATU is not affiliated to any international centre though the discussion regarding international affiliation is still debated in the organisation.

We extended invitation to COSATU leadership to send fraternal delegation to the forthcoming CITU conference being held next year which was accepted by them.

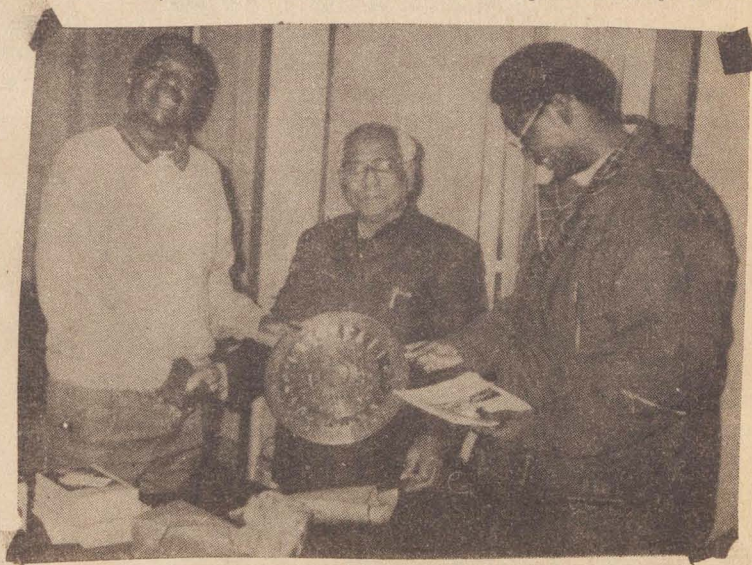
We had also bilateral talks with leadership of South African Municipal Workers Union. During the talks both sides expressed desire to have links between the two countries at the industry level so that the cooperation can be developed to learn from each others experience. During the discussion with the leadership of National Education

Health and Allied Workers Union, its President Vuzi Nhlapo emphasised the need for cooperation between the trade union movement in India and South Africa. The leadership also agreed to give full cooperation to Sukomal Sen who has been recently elected as secretary general of TUI Public Employees (WFTU) in strengthening its activities.

Our visit to the National Labour & Economic Development Institute (NALEDI) was extremely useful. This Institute has been doing extremely useful work in helping COSATU in policy formulation by supplying studied material on most of the current problems facing South Africa. Viswas Satgar, South African of Indian origin has been taking keen interest in the work of NALEDI and

we found that such a research organisation really helps the trade union movement in supplying useful material for education of cadres as well.

COSATU arranged our meeting with Jayendra Naidoo, Executive Director of National Economic Development and Labour Council which is a tripartite body which regularly discuss the economic policy issues and recommends to the government their proposals on major issues facing the national issues. The Joint forum also deals with the legislative frame work and generally the ANC government gives importance to their recommendations. This forum goes deeply into every question of economic policy and tries to achieve common approach on the issues involved in the discussion. Since the work is done in a professional manner its utility is clearly seen in



**M.K. Pandhe handing over CITU memento to Sam Shilowa General Secretary and Zwelinzima Vari, Asstt. General Secretary COSATU (Photo: Chittabrata)**

acceptance of several of their recommendations by the Government.

On 8th August we were taken to South Western Township (SOWESTO) which was established by the apartheid regime as a black township. It was about 30 kilometres from Johannesburg and African workers had to come to the city from this township daily. Passes for a particular period were issued by the racist government and people were allowed to work in Johannesburg only with that limited time.

The conditions in SOWESTO were almost like slums known as ghettos and it was a conglomeration of several towns. The Black population was given only unskilled and semi-skilled jobs. Several leaders of ANC were staying in this township Joe Slovo veteran leader of SACP was also staying in this township. We visited his grave in the local cemetery where his grave was artistically built indicating unfinished mission of his life. We paid homage to the hallowed memory of this great revolutionary in the struggle against racial discrimination.

We visited the township Orlando where on 16th June 1976 there was an uprising of students against compulsory education in Africaner language (originally based on Dutch language) of the white settlers. Scores of children were brutally killed in the firing by the trigger happy racist police. The first victim was a young bright boy Hector Peterson who braved the police bullets to become a martyr. A memorial slab was placed by Nelson Mandela on the 10th anniversary of the Sowesto uprising.

Living conditions in Sowesto clearly indicates the glaring difference between the facilities available to the black and white population. A visit to Sowesto even now reminds a visitor the shocking conditions in which the black population was subjected to by the racist regime. Sowesto also became the base of the ANC activities against the Apartheid regime.

On the last day of our visit we were taken to about 300 km in North Western province town Mmabatho where a two day workshop was being held for the SACP activists who were elected representatives to the state legislatures and local self government Langa Zita accompanied us who was one of the faculty members in the workshop. Some Ministers of the Provincial Government were also participating in the class along with 25 other participants. The purpose of the workshop was to equip the participants with knowledge of the issues involved in their activities.

Chittabrata Muzumdar explained about the West Bengal experience regarding the land reforms and the reforms in the panchayat raj system. It appeared that lot of interest is taken in South Africa about the

developments in west Bengal and the land reforms initiated by the Left Front Government under the leadership of Jyoti Basu. A debate is also going on in South Africa on introduction of land reforms and strengthening of the local self government. A proposal to send a study team to study the land reforms and Panchayati Raj system in West Bengal was also discussed.

I spoke on the present political situation in India and the formation of the United Front Government. The steps taken to build a united movement of the working class to fight against the liberalisation policies of the government while the need to fight the communal forces in the country were also explained.

Several questions were asked to both of us indicating keen interest taken by the participants in the Indian developments.

9th August was being observed as the National Women's Day and we expressed our solidarity to the African Women in their struggles for achieving equality in all spheres of life.

The visit of the CITU delegation resulted in strengthening the bonds of friendship between the CITU and COSATU. Both the organisations decided to further strengthen the fraternal relations in the struggle against imperialist machinations and dictates of the IMF and the World Bank, wherever Indian delegation visited we were warmly greeted by the workers who expressed their firm belief to strengthen the relations between trade union movement of India and South Africa.

The Indian delegation left South Africa with confidence at the growing solidarity of the working class to resist the policies of globalisation and attacks on TU and democratic rights. □

## BOOK POST