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ALL INDIA

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CONFERENCE

CHENNAI 2003 DECEMBER 9-13

**CHENNAI PREPARES FOR 11TH CONFERENCE !
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INDIAN TRADE UNION DELEGATION TO PAKISTAN

The South Asia Labour Conference (SALC) for Peace and Regional Cooperation was held at Karachi on 1 - 2 September 2003. It was participated by representatives of the trade unions and other organisations in Bangladesh, India, Pakistan and Sri Lanka. PILER (Pakistan) and CEC (Delhi) jointly sponsored this Forum. Among the participants were M. A. Gafoor, Secretary, CITU and P. Roja, Vice President, AP State Committee of CITU and Suneet Chopra of All India Agricultural Workers Union. Besides, the representatives of AITUC, BMS, HMS, INTUC, UTUC, UTUC-LS, AICCTU, NTUI and several others (including J. John, Director, CEC) participated in the conference.

The conference adopted a declaration termed as the 'Karachi Declaration'.

The declaration, inter-alia, pledged to strengthen people's urge for peace and solidarity among the peoples of South Asian region generally and particularly the working classes of the region. It further affirmed to:

- Press forward for the maintenance of peace, reduction of tensions of all kinds and the fostering of a climate of good and friendly neighbours;

- Press to initiate a process of demilitarization and move towards global and regional denuclearisation and elimination of

foreign military bases and weapons of mass destruction and the arms race;

- Press for immediate drastic reduction of defence budgets so that the money saved could be used for promoting people's needs and interests in education, housing, health and welfare;

- Increase people to people contacts and take part in political, economic and cultural events to promote friendship, mutual and common interests;

- Mobilise labour against all hatred, prejudices and divisions based upon ethnicity, race, caste, religion or national chauvinism;

- Ensure that governments in the region withdraw all anti-trade union and anti-worker laws and administrative measures; and governments ensure secure employment, fair wages and safe working conditions to the workers in the unorganized sector, including those in the agricultural sector;

- Ensure safe, fair, equal and equitable working conditions to women workers;

- Eliminate Child Labour from all occupations which are hazardous or deprive a child of rights to healthy physical and mental development;

- Work for full implementation of all United Nations and ILO Conventions on human and democratic rights, for equitable agrarian reforms to promote rights of peasants and agricultural labour, for policies of full employment generation;

- Reject privatisation and disinvestment of Public Sector Enterprises and withdrawal of the state from social, economic, education, health, housing, civic services and welfare spheres;

The conference, in another resolution, strongly condemned the most savage attack and occupation of Iraq on lame excuses violating all international laws, norms, and by-passing the United Nations. It demanded immediate withdrawal of all foreign troops from Iraq. The Conference expressed its solidarity with the people of Iraq.

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THE WORKING CLASS

CITU MONTHLY

OCTOBER 2003

YOU SAID IT by Lakshmi

TOI Archives



How about wording it like this, Sir, "The cut is absolutely essential. The reason for it will be made known when it becomes clear to us."

Courtesy: The Times of India

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EDITORIAL

ENTER DECISIVE ACTION PHASE TO DEFEND RIGHT TO STRIKE

Thousands of trade union activists gathered in the capital to meet in two separate conventions to articulate their displeasure over the inept and unacceptable pronouncements of the Supreme Court denying the workers of the country their right to strike. Just on the eve of these two conventions, the self-same division bench of the apex court, which delivered the contentious verdict on August 6, turned down a petition seeking review of their ruling.

The Government of India has chosen to maintain a studied silence over the united demand of all streams of the trade union movement in the country to take immediate steps to nullify the pernicious impact of the apex court judgement.

The International Labour Organisation has gone on record that they have called for comments from the Government of India on the complaints relating to brazen violation of the right to association and right to collective bargaining during the July strike of the Tamil Nadu government employees.

In the meeting of the Standing Labour Committee on July 25, 2003, the Union Labour Minister and Chairman of the session disallowed even placing of a resolution on the subject.

Even in the Lok Sabha, when a forceful plea for enacting a legislation to nullify the verdict of the Supreme Court was raised, there was no response from the treasury benches. The Prime Minister is yet to make any comment even on this important development:

A defining moment has now come for the trade union movement to take this challenge head on and enter into a phase of decisive action to defend the workers' right to strike, which can under no circumstances be bartered away.

The working class must steer clear of the dubious confusion sought to be injected by certain interested quarters that a distinction must be made between the rights of the government employees and other sections of workers. This implies that denial of such right to government employees must not be called into question. Another attempt is to make light of the impending danger by airing a view that the apex court has only incorporated some observations in its ruling and they neither have force of operation nor are binding on workers other than the Tamil Nadu government employees. Such academic discourses should not be allowed to distract the determination of the united working class movement to wage an unrelenting fight to repulse this monstrous attack.

"We shall go on strike to defend the right to strike!" This is not meant to be a just a rhetoric. Let's testify by our action, prepare for the same.

KILLER SHARON'S UNWANTED VISIT

M. K. Pandhe

On 9th September 2003, early hours after mid-night Israeli Prime Minister, Ariel Sharon, landed at Delhi airport amidst unprecedented security. Leaders of various opposition parties in a press statement opposed the visit of this war criminal to India.

Sharon was responsible for throwing out large number of Palestinians and forcibly occupying their land for the settlement of Jews. He became notorious when he blew up the entire village Qibiya in the West Bank killing men, women and children.

He concentrated his attention on Gaza Strip, West Bank and Golan Heights where, in some areas Sharon was responsible for completely eliminating Palestinians.

Through out his life Sharon continued his activities against the people of Palestine. He occupied important position in Likud Party, a fascist organization based on the hatred towards the people of Palestine and ultimately, he became President of the right wing party.

Due to his Zionist chauvinism Likud Party could win the last elections and formed the Government in cooperation with the Labour Party. Sharon after becoming the Prime Minister of Israel carried his anti-Palestine's activities with more vengeance.

US PATRONAGE

Since the inception of Israel in 1947 when UN divided Palestine

and 56 per cent of its land was allotted for creation of separate homeland for Jews, the US imperialists boosted Israel. It helped Israel to become a powerful military entity as a bulwark against Middle East countries. This made Israel to become an aggressive power threatening the very existence of Palestine. Israel actually occupied 78 per cent of the land. In the war of 1967 the entire territory of Palestine was occupied by Israel.

Despite passing of resolution in UN to withdraw Israel army to pre-1967 level it was not implemented by Israel nonchalantly due to support it received from US imperialists. A large number of Jews settled in the occupied land and Palestinians became refugees in their own homeland. A reign of terror was imposed on the people of Palestine by the Israeli army.

When the Palestine Liberation Organisation and Yasser Arafat gave a call for Intifada (sustained protest) in 1987 severe repression was launched by the Israeli Government with a view to crush the freedom struggle.

The conditions of the people of Palestine were described by Amnesty International in the following words:

"Some 60 per cent of the Palestinians now live below the poverty line of 2 dollars per day and most are forced to depend on aid....The high levels

of unemployment, poverty, malnutrition and other health problems affecting Palestinians are not just humanitarian problems; they are the direct result of restrictions imposed by Israel on the Palestinians in the occupied territories."

Israeli authorities impose curfew frequently in areas under their control and have imposed severe restrictions on traveling by the Palestinian people. The security barriers created by the Israelis in the Palestinian areas are adding to the difficulties of mobility of the people from village to village.

Under these circumstances inviting such a murderer of the Palestinian people to India by the NDA Government was a step which was being resolutely opposed by the vast majority of the people of India.

The massive protest demonstrations organized all over India reflected the strong feelings of the people against this unwanted visit. These demonstrations condemned in unequivocal terms the shift in the policies of the BJP-led government which is toying with the idea of forming an axis against terrorism by US, Israel and India. Sharon and Bush are the topmost terrorists in the world who should be punished as war criminals but Vajpayee Government has no compunction to join hands with them. Perhaps the terrorist policies pursued by RSS against minority communities in India is

prevailing upon the government of India to find allies among the world famous terrorists. NDA Government has, no doubt, made a common cause with the imperialist forces who are striving to subjugate the world. Brajesh Mishra, Principal Secretary to the Prime Minister, first spoke about an axis of US-Israel-India to fight against global terrorism. He would not have done this without the approval of the Prime Minister himself. When Deputy Prime Minister, L K Advani, visited US he further lent support to the concept. And now after the visit of Sharon, the axis has received a concrete shape. As Israeli Deputy Prime Minister, Joseph Lapid, made a statement during the visit to India, "There is mutual interest of the three countries in making the world more secure place for all of us. There is American support for development of this unwritten axis."

BJP's fondness for Israel arises from anti-Muslim angle. Its lukewarm attitude to the liberation struggle of the people of Palestine arises from the fact that the people of that country are Muslim. The BJP appreciates the policy of Israel since it is also anti-Muslim. Though the Vajpayee government claims that its attitude towards Palestine has not changed as a result of Sharon's visit, in practice the BJP's stance of being more friendly towards Israel is directly resulting in a change in its attitude towards the state of Palestine.

The defence deals signed

during the visit of Sharon are a clear indication the govt of India to keep a defence alliance with Israel.

The net result of this visit will be that India will be increasingly dependant on Israel for its defence equipment. The most aggressive nation in the Middle East will thus be a defence ally of India and its impact on the West Asian countries is bound to be extremely important since India is likely to be isolated from the countries which have become victims of Israeli aggression and occupation in total defiance of UN resolutions advocating withdrawal of the Israeli troops from the occupied territories.

AFFRONT TO GANDHIJI

The official visit of Sharon to Rajghat was an affront to Gandhiji who fervently upheld the cause of the people of Palestine since long. But the Government who respects Nathuram Godse, the killer of Mahatma Gandhi, this step is not causing any revulsion.

However, on his return to Israel, the Deputy Prime Minister in the Israeli Cabinet openly threatened to kill Yasser Arafat, leader of the Palestinian people. Sharon's terrorist character was clearly seen by this statement. How can a country like India talk of axis with such a government which earlier planned to kill Arafat. The details of these plans have now come to light. Hence NDA Government's pro-imperialist policies have been clearly brought to light by these developments in the recent past.

There was world wide protest

against the threat to kill Arafat by the most brutal and shameless government of Israel. Even the UN Security Council expressed concern at this Zionist threat and 10 out of 13 nations opposed the stand of the Sharon government. However, Bush Government used the veto power to stop the passing of the resolution by UN Security Council advocating protection to the life of Yasser Arafat. Thus US imperialists have clearly admitted that the threat to Yasser Arafat by Israel had their open support.

The road-map for peace in Palestine has now become blurred and US imperialists and Israel are clearly attempting to overthrow Arafat with a view to impose their solution on the people of Palestine. Talking of axis in these circumstances has given a signal that Vajpayee government is shamelessly joining hands with imperialist powers to oppose the liberation movement of the people of Palestine.

The democratic movement in India has to continue its struggle to oppose the policies of BJP-led govt which is openly aligning with imperialists powers to carry forward their reactionary objective in India.

The Indian people however, will continue their unstinted support to the liberation struggle of the heroic people of Palestine till they compel the Zionist forces to vacate all occupied lands in West Bank and Gaza Strip and establish the capital of Palestine in East Jerusalem.

TWO NATIONAL CONVENTIONS ON RIGHT TO STRIKE

On 25th and 26th September 2003, Delhi was the scene of working class action against the retrograde pronouncements of the Supreme Court, a headlong attack on the workers' right to strike. It witnessed articulated expressions of deep concern over the pronouncements by the Supreme Court on the Right to Strike in the recent judgement relating to Tamil Nadu Government employees. Though the judgement has referred to the right to strike of the Government employees, it has its wider implications for the general trade union movement of the country. The present stand of the Supreme Court on the question of the Right to Strike is a total departure from the earlier pronouncements of the apex court and too ominous.

Coming in the wake of unprecedented attacks on the working class, random lock outs, enormous loss of jobs, more of man-days lost due to arbitrary actions of the management rather than the workers going on strike, indiscriminate privatisation, violation of labour laws, gross underpayment, defalcation of provident fund deposits, this attack on the Right to Strike poses a grim challenge, which the trade unions have to take on firmly.

The two events set the pace for the working masses to move into action opposing the judgement.

GOVT EMPLOYEES

On the first day thousands of State Govt and Central Govt employees all over the country assembled in Mavlankar Hall, New Delhi in a National Convention against the Supreme Court's ban on Right to Strike. The All India State Govt Employees Federation and Confederation of Central Govt Employees and Workers have jointly called the convention.

The convention was participated by leaders of state and central govt employees from all over the country representing all segments of state and central administrations. Somnath Chatterjee, MP while addressing the Convention stated that the SC judgment on banning right to strike is an affront on the democracy and the employees have to

defend their right through united struggle only. The convention was also addressed by M K Pandhe, General Secretary, CITU, H Mahadevan, Dy. General Secretary, AITUC and the leaders of other Central Trade Unions as well who also extended solidarity and support to the forthcoming struggle of the Govt employees to defend the right to strike. In their deliberation, Sukomal Sen, General Secretary, All India State Govt Employees Federation and S K Vyas, Secretary-General, Confederation of Central Govt Employees and Workers has stressed upon the need for intensive countrywide agitation and campaign on the issue of right to strike followed by countrywide strike action to assert the right to strike more forcefully. They also appealed to all the Central Trade Unions to plan for concerted countrywide action along with the Govt employees in the days to come.

The Convention demanded immediate reinstatement of all dismissed State Govt employees in Tamilnadu, restoration of recognition to all Govt Employees' Unions and settlement of all their grievances through negotiation with the unions.

ALL TU CONVENTION

26th September 2003, the National Convention of Trade Union held at V P House Lawn, Rafi Marg, New Delhi denounced the Supreme Court Judgment banning the Right to Strike and called upon the working class to assert the Right through country wide united struggle.

The Convention was called by all the Central Trade Unions in the country viz., CITU, AITUC, INTUC, HMS, BMS, AICCTU, UTUC, UTUC-LS and IFTU. At the last moment BMS decided to not to take part in the convention. The Convention was participated by around 2500 delegates from all over the country.

The Convention was addressed by M K Pandhe, General Secretary CITU, Gurudas Dasgupta, General Secretary AITUC, Umraomal Purohit, General Secretary HMS, Swapan Mukherjee, General Secretary, AICCTU and also the leaders of UTUC-LS, UTUC, TUCC, IFTU and the major employees federations viz., AIBEA, AIEA, BEFI,

FMRAI, AIRF, AIDEF, AISGEF, Confederation of Central Govt Employees and Workers, Air Corporation Employees Union and others.

DECLARATIONS

The declarations adopted by the two conventions held on successive days manifested the resolve of the whole spectrum of trade union movement in the country to enter a phase of decisive action to defend the right to strike.

Both the Conventions hailed the spontaneous and widespread opposition to the judgement, as also the opinion expressed by the leading legal luminaries of the country, including the present Attorney General and called upon the entire people of the country to join the trade unions in opposing the judgement.

Both the Conventions also demanded the Tamil Nadu Government to reinstate all victimised employees forthwith, withdraw the order of derecognition of all unions of Government employees, rescind all repressive measures and initiate negotiations with them for amicable settlement of their just demands.

Both the Conventions demanded the Central Government to take appropriate steps to negate the pernicious impact of the judgement of the Supreme Court on the Right to Strike of the workers in the country. They declared that if the

Government of India remains insensitive to the demands of the entire trade union movement, there will be no other alternative for the trade unions but to intensify the movement. They called upon the working class to be in rapt preparedness accordingly.

CALLS FOR ACTION

The Convention of the state and central government employees resolved to observe series of agitation and campaign programme through state level conventions rally etc to be followed by countrywide strike action at the earliest the date of which to be decided by the Secretariat of the two organizations in consultation with the Central Trade Unions.

The national Convention called by the central trade unions and all India federations called upon the working class to launch countrywide intensive campaign through State level conventions and other programmes in defence of the right to strike to be followed by country wide National Protest Day in the beginning of the budget session of Parliament. The Form of programme of the National Protest Day, including countrywide one day General Strike, will collectively be decided by the Central Trade unions subsequently.

(Detailed reports will be carried in our next issue)

WITHOUT COMMENTS

In our own country, the picture is even bleaker. We have been carrying a heavy, crushing load of unemployment for many years. Every Five Year Plan has left us with a higher backlog of unemployment. Globalisation has distinctly added to our woes and problems in this field. Lakhs of small scale industrial units have been shut down because they could not withstand the competition of bigger units. Their workers have lost their jobs. There is no structure of social security to offer them relief or protection. Bigger industries are retrenching offloading workers from their payrolls. Bereft of employment and social security, the working class is on the threshold of a severe ordeal which may result in social and political upheavals of the kind that many countries in South America have witnessed. The forces that are precipitating the present situation are enormously powerful. In fact it is a combination of forces whose might is underwritten by international powers - transnational corporations, powerful foreign investors institutions like the IMF, the World Bank, the WTO and so on. Neither the government nor the powerful among indigenous business interests are able to protect Indian industry or the Indian working class. If the present trench persists, Indian industry may soon be reduced to the position of franchisee holders. Mergers and takeovers and the means employed to achieve them have made indigenous industry apprehensive and restive. The Indian working class can face the powerful challenges that have emerged only if it can marshal its strength. Everyone knows that the strength of the working class lies in its unity, organization and preparedness to struggle unitedly.

(Ravindra Verma, Chairman of the Second National Commission on Labour in a lecture delivered in Chennai)

THIS DERAILMENT IS NOT AN ACCIDENT, NO REGRETS

On September 10, opening day of the Fifth Ministerial of the World Trade Organisation, Lee Kyung Hae, a leader of the Korean Federation of Advanced Farmers Association, climbed the fence that separates the excluded from the included and took his life with a knife to the heart. Earlier this year, he staged a one-man hunger strike in front of WTO headquarters in Geneva, in protest of the draft proposals for the Cancun meeting. He was ignored. Seven months later, he joined the march of over 15,000 farmers, indigenous people, and youth in Cancun wearing a sandwich board that read "The WTO Kills Farmers" and holding a firm conviction in his still-beating heart. When the protesters reached the point where they could go no farther, he plunged a knife into his heart and was soon pronounced dead in a Cancun hospital just miles from where WTO Ministers deliberated on how to promote the same agricultural trade that drove Lee, and hundreds more farmers in Korea, India, and other developing countries, to such a drastic end.

This was stunning news at the start of the Cancun Ministerial Conference of the WTO.

The news that broke out on September 14, the closing day of the Cancun meeting was equally sensational and

stunning.

COLLAPSE ANNOUNCED

Anuradha Mittal, co-director of the California-based Institute for Food and Development Policy, also known as Food First, who was in Cancun, described this development as under:

"It's over. Talks have collapsed and there is no agreement," said George Ong'wen, Kenyan delegate at the World Trade Organization talks in Cancun, Mexico. His decision to stand up and walk away from the table on Sunday afternoon forced the chair of the talks, Mexico's Luis Ernesto Derbez, to declare that negotiations had broken down. Thus ended hopes on a global trade pact.

"But this was not necessarily bad news: As protesters in Cancun's streets learned the news, festivities started on the barricades. They rightly saw the breakdown as proof of a new resolve and tough-mindedness among developing countries.

"The talks failed — for the second time in four years — for a simple reason: irreconcilable differences between the rich, developed nations and the poorer and developing nations. The rich 20 per cent of WTO membership continues to ignore every promise made to the other 80 per cent. Once the rich countries' strong-arm tactics kept the poorer countries coming back to the table, ready for compromise. Those tactics

just won't work any more. And understanding why is our only hope for finding a way forward".

'A VICTORIOUS COLLAPSE'

Terming Cancun developments as 'A Victorious Collapse', Rene E. Ofreneo and Manuel Quiambao of Fair Trade Alliance stated: "The Fifth Ministerial Conference of the World Trade Organization (WTO) aimed at deepening the so-called Doha Development Round collapsed due to the intransigence and arrogance of the QUAD or developed countries. QUAD consists of the United States, European Union, Japan and Canada".

The Director-General of WTO, Supachai Panitchpakdi, conceded that there was no hiding the fact that the deadlock was "a setback" and that he was "disappointed but not downhearted".

AGENDA NEXT?

'The Hindu', the national daily, which recently celebrated its 125 years of publication, editorial by commented on the collapse of Cancun talks: "*A FIASCO IN 1999 at Seattle and now a collapse at Cancun in 2003 speak poorly of the World Trade Organisation. After two major failures at ministerial conferences in the past four years, the WTO now faces a crisis of legitimacy. This is a crisis that goes beyond how to give a new momentum to the Doha round of trade talks. The*

fifth WTO ministerial conference was unable to take decisions on the two major items on the Doha agenda - on agriculture and on the four new or Singapore issues of investment rules, competition policy, transparency in government procurement, and trade facilitation. But the failure at Cancun to break the deadlock in the Doha round is only symptomatic of basic problems with the agenda that the WTO has thrust on the member-countries and the structure of decision-making at the organisation".

Admittedly, such fundamental questions about the future of the WTO need to be addressed. But, the moot question is 'which way the WTO will go from Cancun?' Even during the Doha ministerial meeting, developing countries had called for transparency and accountability in the decision-making process in the WTO, to make it democratic, at the least. They had put forward proposals for making future talks more participatory and transparent. But, the US and the EU, which have been indulging in secret negotiations and the use of brute power to break the coming together of the developing and the least developed countries inside the WTO, had blocked these proposals.

But, the response of the US-EU spokespersons reveals that there is still no introspection on their part.

In a statement, the US Trade Representative, Robert B. Zoellick, said: "Whether developed or developing countries, there were 'can do'

and 'won't do' countries here. The rhetoric of the 'won't do' overwhelmed the concerted efforts of the 'can do'. 'Won't do' led to the impasse."

The European Union (EU) Trade Commissioner, Pascal Lamy, bluntly said that "Cancun has failed" and blamed the WTO for being "a medieval organisation". "There is no way to structure and steer discussions among 146 members in a manner conducive to consensus. The decision-making needs to be revamped."

INDIAN POSITION

The BJP is trying to make a hero out of Arun Jaitley, the Commerce Minister in the NDA government, who led the Indian delegation at Cancun. To the extent that India, unlike during the Doha meeting, did not yield to the pressures of the developed countries and high-pitched the issue of huge farm subsidies in the US and the EU, making a common cause with Brazil, China, South Africa and others of the G-22 countries, it is good and to be welcomed. But, one cannot ignore that even during his speech at Cancun, Jaitley, while laying out the Indian position on the other important issues on the agenda of the Doha round of trade talks, had signalled that India would favourably consider the existing WTO plan for a reduction of import duties though it had reservations on the proposal to abolish all tariffs on certain kinds of products. On the Singapore issues also, Jaitley reiterated India's well-known position that it was opposed to commencement of negotiations

on new treaties on foreign investment and competition policies. On the other two Singapore issues of transparency in government procurement and trade facilitation, he was less forceful in expressing his opposition". (*The Hindu*, Sep. 12) Noted columnist, C. Rammanohar Reddy, in his dispatch from Cancun, published in *'the Hindu'* dated 14 Sep. had pointed out that "India has, at Cancun, signalled that it could live with negotiations on two of the four Singapore issues".

How the behind the screen manipulations went on at Cancun was thus described by one reporter: "The US acted aggressively to try to break up the G22 throughout the Cancun negotiations. Pressure was put on all G22 member countries and Costa Rica, Colombia and Guatemala were specifically warned that their cohesion with this bloc threatened other agreements that these countries are developing individually with the US. Significant bribe money in the form of aid was offered to sympathetic African countries to distance themselves from the G22". As the officials have now got back to Geneva to carry on the unfinished work at Cancun, the need is to consolidate the unity of the G-22 countries and stand up to the pressures of the developed countries. The task is not to bask in the glory of Cancun derailment, but to postpone the deadline for conclusion of the Doha agenda and reverse the WTO processes to address real development issues.

IN THE RUN UP TO SEMI-FINAL IN ELECTROAL GAME

W.R. VARADA RAJAN

Come elections, the communal 'hindutva' forces and their political arm, the BJP, up the ante of 'Ayodhya issue' for narrow political gains. Having reaped rich political harvest on this plank, the BJP cannot but revert back to its vote bank politics using the 'Ram Mandir' card.

OMINOUS DESIGNS

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

End August, the ASI submitted its report to the court, which has only confirmed the worst fears manifested by secular forces at the time this flawed experiment was launched. The ASI report is patently concocted and fabricated. Archeologists and historians across the country have come out with concrete exposes, punching holes in the ASI report. The court is yet to

take a view on the report itself. But, the BJP and the VHP bandwagon will obviously not wait for the court to draw its inferences even. They have raised a loud orchestrated hue and cry for the disputed site to be handed over to the mandir protagonists for building the temple there, with their claim having been 'endorsed by the ASI findings.' The BJP establishment is gleefully exploiting this development as it will place them in 'advantage BJP' in the semi-finals of electoral politics during the incoming polls in five states, to be followed by the Lok Sabha polls in 2004. Otherwise, the BJP is destined to be trounced in these states, as even the anti-incumbency factor does not seem to work in their favour, as manifested by the utter failure of 'parivartan yatra' launched by Madan Lal Khurana in Delhi.

SETBACK TO BJP

But, the calculations of the saffron party had gone awry because of two subsequent developments. The first is the collapse of the Mayawati led government in UP, due to the unprincipled post-poll alliance between the BJP and BSP coming to a sordid unceremonious end. The second is the ordering of filing of charge-sheets against Murli Manohar Joshi, Uma Bharati and others by the Rae Bareilly special court handling the Babri Masjid demolition case, through

mysteriously discharging the Deputy Prime Minister, L K Advani. This again is a murky affair with the CBI, over-lorded by the self-same Deputy PM, having gone about its job with subjectivism and selectivity in gathering evidence and framing charges. Even in the UP developments, where the BJP came to the not-so-comfortable option of dislodging Mayawati government, the CBI is an active player.

These developments have also brought with them enough of melo-drama. The Human Resources Development Minister, Murli Manohar Joshi, announced his resignation. Even prior to the actual court ruling, he indicated he would do so. He was asked to reconsider his decision both by the PM (from his sojourn in the UN headquarters) and the BJP. The VHP on the other hand, would prefer him not to withdraw the resignation. The judicial process will also wind its way further with moves to re-examine the basis for discharge of L K Advani and to challenge framing of charges against Joshi and others. The BJP is, here again, excels in duplicity. It would use framing of charges against Uma Bharati, who is spearheading BJP's election campaign in Madhya Pradesh as Chief Ministerial candidate, to use it as her 'electoral capital'; it would also like Joshi to continue his innings as Minister, without any qualms.

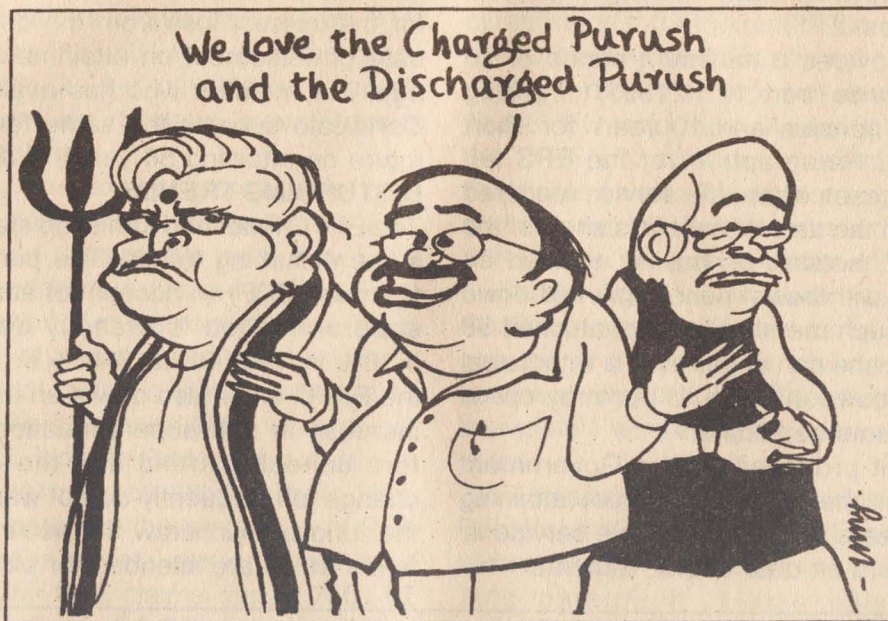
Two more significant outcomes in the judicial fora have also highlighted the nasty designs of the aggressive 'hindutva' communal elements. The Supreme Court in the Best Bakery case had come out with a very strong indictment of the Vajpayee's prescription of and Narendra Modi's practice of 'raj dharma'. In Orissa, in the criminal case relating to the horrendous murder of Graham Stains and his two minor sons,

OPPORTUNIST ALLIES

Despite all these happenings, the so-called secular allies of the BJP in the NDA are persisting with their rank opportunism just for the sake of enjoying the fruits of staying in power at the Centre. The Prime Minister added two more to his jumbo ministry, the largest ever in independent India, in what he terms as his last cabinet expansion in the present term of office. The Trinamool chief,

interrogation by the CBI, in the 'Bribe for Transfer' case involving his personal assistant. All the allies in the motley coalition cobbled up by the BJP have clearly been marginalised and the NDA caravan is moving on as an 'alliance without programme.' These parties will be held answerable to all the misdeeds, non-governance and disastrous policies of the BJP by the people.

The working class has to step



Courtesy: The Indian Express

the notorious Dara Singh had been sentenced to death and other accused awarded life sentences on the strength of convincing evidence establishing their criminal guilt. In these developments the ugly and horrifying tactics of the sangh parivar outfits stand thoroughly exposed before the people. They cannot deceive the people chanting 'jai sri ram' and parading as pious devotees keen to build 'the temple'.

Mamata Banerjee, who staged an exit from Vajpayee's cabinet at the time Tehelka expose of the Defence Minister, George Fernandes, is now back with the humiliating designation of 'Minister without Portfolio'. The 'efficient and talented' PM is unable to find an acceptable job for her. Another ex-Minister from the MDMK has also been re-inducted as an Minister of State. But the very next day of taking oath of office, he was to face

up its vigilance and take on the challenge posed by the aggressive communalism on the one hand, and the continuing attacks against the people, on the other. That the Vajpayee government is remaining totally unresponsive to the demand to undo the damaging impact of the Supreme Court pronouncements on the workers' right to strike is not without significance.

EMPLOYEES' PENSION SCHEME, 1995:

CITU OPPOSES PROPOSAL TO AMEND PARAGRAPH 14

Government of India has mooted a proposal to amend Para 14 of the Employees' Pension Scheme, 1995 (EPS '95) to restrict withdrawal benefit which a member exiting the Scheme before attaining the age of 58 years can avail. The Employees Provident Fund Organisation had written a letter dated the 29th August, 2003, seeking the views of all the recognised Central Trade Unions on this amendment proposal, for being placed before the next meeting of Central Board of Trustees, EPF.

The EPS '95 provides a minimum period of 20 years eligible service (from 16.11.1995) for getting superannuation pension and 10 years for short service pension. Paragraph 14 of the EPS '95 provides that in cases where the service rendered by a member, on the date of exit, falls short of the 'eligible service', he/she, on having attained 58 years, can avail withdrawal benefit (as laid down in Table 'D'); if such member has not attained 58 years of age, he/she can either avail a withdrawal benefit (as laid down in Table 'D') or may opt to receive the scheme certificate.

The amendment proposed by the Government now is that in all the exit cases before attaining the age of 58 years where the eligible service is less than 10 years on date of exit, Scheme

Certificates will be issued to such members, which will be valid till the age of 58 years. This proposal is accompanied by a suggestion to make some modification to compensate for the interest loss for the time gap for the period between 16-11-1995 and date of attainment of 58 years or exit date whichever is earlier. However, for the withdrawal benefit computed under EPS, 1995 as laid down in Table D for the pensionable service, identical provisions do not exist to compensate for the interest loss from the date of exit to the date of settlement on attainment of 58 years of age, if a member who has availed the Scheme Certificate submits the same for encashment in future on attaining 58 years of age.

DISTURBING TRENDS

The EPFO letter had furnished statistics, revealing some disturbing trends. The percentage of exits (from the EPF) on account of attaining the age of superannuation is steadily decreasing, from 4.36% in 1997-98 to 3.44% in 2001-2002. But, the EPFO letter also draws an inference that 'the increase in non superannuation exits brings to fore unhealthy trend that the employees who change job frequently do not want to accumulate the fund but withdraw the accumulation and the funds which are intended for old age are applied

CEASED MEMBERS

Year	Unexempted Establishments	Exempted Establishments	Total
1995-96	11,13,883	1,10,685	12,24,568
1996-97	11,79,311	2,97,002	14,76,313
1997-98	10,15,212	3,31,955	13,47,167
1998-99	15,16,037	5,20,517	20,36,554
1999-00	16,02,110	2,23,741	18,25,851
2000-01	14,26,663	2,20,645	16,47,308
2001-02	15,23,155	5,05,711	20,28,866
Total	93,76,371	22,10,256	1,15,86,627

(Though there was a slight decline during 1999-00, the figures have again increased to 1998-99 level during 2001-01)

to some other requirements pressing or otherwise'. The same trend is seen in respect of withdrawal cases under EPS'95. There is high incidence of availment of withdrawal benefit, as workers prefer settlement as withdrawal benefit rather than taking the Scheme Certificate.

Responding to this proposal, the CITU has drawn pointed attention to the fact that the number of members exiting from the EPF has been on the increase, as revealed by the figures of ceased members (See Box).

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

The reason for the steep increase in pre-superannuation claims for withdrawal from EPF and also in the non-pensionable exits from EPS, 95 is to be traced to this ground reality. This, definitely, is a matter of grave concern. But this is more due to involuntary non-employment of workers as a result of the methods adopted by the employers like retrenchment, outsourcing, downsizing, VRS, closure, etc. and not due to employees voluntarily changing their jobs frequently. For instance, the proportion of EPF claims on account of resignation and retrenchment to the total claims during 2001-02 has been a whopping 94.92 per cent. (The 'resignations' in the liberalised economic dispensation are also involuntary separation from service rather than voluntary mobility by employees).

The question also arises whether at any level it had been investigated as to how many of the employees exiting from the EPF scheme have been able to secure gainful employment in establishments covered under the EPF Act and still preferred not to carry forward the accumulation of the fund in previous employment to the new EPF account. In the absence of concrete findings of any such investigation or study, it will be too presumptuous to conclude that there is an unhealthy trend of employees indulging

in withdrawal of funds which are intended for old age and applying it to some other requirements.

UNJUST PROPOSITION

In view of the above, CITU had conveyed a strong view that it is not necessary to tamper with the existing provision as contained in Paragraph 14 of the Employee's Pension Scheme, 1995, which had been incorporated after lot of deliberations giving the employees the option of availing either withdrawal benefit or the scheme certificate. Taking away this option by introducing an amendment to this provision will make the scheme certificate compulsory, which the workers will have to carry up to his completing the age of 58, even if they are not employed in a coverable establishment for the rest of their career-life. This is a totally unjust proposition and the EPFO was urged to drop the proposal altogether.

The EPFO letter also argued that Para-12(8) of the EPS '95 provides for issuance of Scheme Certificate if a member ceases to be in employment and has not attained the prescribed age/eligible service for pension entitlement on retirement/superannuation. In such cases, Scheme Certificate shall be issued compulsorily if eligible service is 10 years or more whereas option between withdrawal benefit and scheme certificate is available where eligible service is less than 10 years.

CITU has taken exception to this interpretation of Paragraph 12(8) that issue of Scheme Certificates is compulsory if eligible service is 10 years or more. This paragraph relates only to cases of pensionable exit before attaining the age of 50 years and even there option is provided either to draw pension on attaining the age exceeding 50 years or availing the Scheme Certificate. It clearly spells out that the member alone can exercise the option for 'postponing the commencement of payment of pension'. Even here, there is need to consider whether provision should be made entitling the member availing the Scheme Certificate or to surrender the same anytime after attaining 50 years and before completion of 58 years of age and seek commencement of payment of pension, as also avail the benefits of commutation under Paragraph 12A and return of capital under Paragraph 13.

WITHOUT COMMENTS

YET SELL THEM OUT...

Public Sector Enterprises are in the lead among unlisted companies in both profit and sales. Among top 50 companies in terms of profit and sales, 32 are Government owned. While BSNL posted the highest profit in 2002, Food Corporation of India has emerged as topper in sales. When it comes to investment, PSUs are second to none.., In terms of Gross Fixed Assets (GFA), BSNL tops the list. In all industrial segments viz., communications,

electricity generation, banking and financial services, transport services, ferrous metals, coal and lignite etc, the public sector enterprises only emerged as toppers in terms of sales and other performance indicators.

(ET-CMIE Survey: Economic Times, 12-09-2003)

Yet the Vajpayee Govt considers PSUs inefficient and is out to sell them off in haste.

DOWNTURN IN INFRASTRUCTURE GROWTH...

The six infrastructure industries continued to register dismal performance in August registering a paltry growth rate of 3.7%, much below 7.4% in the corresponding month last year.

For the April-August (2003-04) period, growth is less at unimpressive 3.8%, as compared to a healthy 7.3% during first five months of 2002-03 according to an official release here on Monday....During April-August 2003-04, growth in petroleum refinery product was 5.2% compared to 6.2% in the corresponding period last year, in crude petroleum it was (-)1.9% compared to 6.3%, in coal it was 3.5% against 7.6% last year, in electricity it was 2.3% against 4.2% last year, in cement it was 4.7% against 11.6%, and in finished

steel, it was 8.1% compared to 11.2% last year.

(The Financial Express, 23-09-2003)

Core Sector growth dips to 3.7% in August

(Business Standard, 23-09-03)

"Despite all incentives, private sector participation in the infrastructure projects as well as the growth in the infrastructure sector remained grossly inadequate in 2002-03..... Infrastructure growth in the first quarter of 2003-04 still trails behind that in the first quarter of previous year (2002-03)."

(Annual Report, 2002-03, Reserve Bank of India)

Is any symptom of recovery sight as loudly claimed by the ministers and their hired economists ?

DEVELOPMENT BANKING ?

....banks are funding financial markets at interest rates that are at least four-five percentage points below the prime lending rate....On the other hand, the entire banking system (including the RBI) practice a ruinous financial apartheid forcing

farmers to bank on money lenders. Else, how does one explain the bank race to offer car loans at close to 6% while a farmer has to pay 9% for a Rs 50000 loan with farm recoveries placed at 70% by the RBI ?

(Editorial, Business Line, 23-09-03)

JOINT INITIATIVE BY FINANCIAL SECTOR UNIONS

A meeting of Unions and Associations in the Banking and Insurance sectors was held at Bangalore on the 4th August, 2003, which was attended by 20 organisations of officers and employees from banks, insurance, RBI, NABARD and SIDBI. The meeting was presided by S.D. Dhopeswarkar (AIBEA) and participated by C.H. Venkatachalam (AIBEA), Shantaraji (AIBOC), K. Venu Gopal (AIEEA), Y. Tarakanath (NCBE), M.S. Upadhyay (GIEAIA) and Samir Ghosh (AIRBEA). The meeting decided that a Forum in the name of All India Co-ordination Committee of Trade Unions in Financial Sector to be formed by December this year. Meanwhile, at all major centers Conventions/Seminars will be organised jointly by UFBU, and unions in Insurance Sector and RBI on the issue of privatisation, before December, 2003. A small committee comprising Shantaraju, AIBOC, C.H. Venkatachalam, AIBEA, Tarakanath, NCBE, K. Venu Gopal, AIEEA, M.S. Upadhyay, GIEAIEA and A.V. Nachne, AILICEF was formed to coordinate the activities till the formation of the All India Coordination Committee. The declaration adopted in the meeting is reproduced below:

"In pursuit of the policies of Globalisation, Liberalisation and Privatisation by the Central Government, the anti-people and anti-labour measures are becoming harsher and harsher and more and more. Common masses are getting marginalised and impoverished. The miseries of the people are mounting day by day and the situation has become unbearable. In terms of economic development, the growth has been dismal and nowhere near the projected targets. The growth in industrial and service sectors has slowed down and there is a virtual stagnation. The deceleration in the economy is visible. The situation has worsened due to the impact of the decline in value added to agriculture. These have adversely impacted the income, employment and quality of life of the people with unabated price rise and accentuated unemployment.

"Instead of reversing the anti-people economic

policies, the Government is speeding up the implementation process of their reform policies - obviously at the dictates of international monetary agencies. In this background, the financial sector reforms have become their prime agenda and all attempts are being made to privatise the financial sector institutions viz. banks, insurance and others. Public Sector Financial Institutions in our country represent the bulk of the national savings and assets of the overwhelming masses of the country and they are meant to be instruments of national economic development. But once these massive institutions are privatised, the wealth of the nation will be put into the hands of private vested interests to the total detriment of the common man. People's money should be utilised for people's welfare alone. Hence privatisation of the precious savings of the people cannot be and should not be accepted.

"The Co-ordination Committee decides to launch a national campaign against these retrograde policies with a view to force the Government to rescind their policies.

"Similarly the attacks on the employees and the trade unions in the financial sector are increasing day by day with a view to achieve a union-free environment. The attacks on the jobs and job security of the employees are so naked that they can be ignored only at our peril. De-unionisation of the employees is taking concrete shape and the committee declares its firm resolve to resist all such attempts.

"For all these, a united movement by all the employees and officers in the financial sector has to be built up in the first place and a stiff resistance has to be built up involving the people at large. For this purpose, the meeting decides to hold extensive meetings, seminars and conventions throughout the country under the auspices of the Co-ordination Committee culminating in the National Convention sometime during December, 2003 from where further action programmes will be chalked out".

JUDGEMENT RESERVED FOR TWENTYEIGHT MONTHS!

'END THIS ABERRATION IN APEX JUDICIARY'

CITU OPEN LETTER TO CHIEF JUSTICE OF INDIA

A Supreme Court Bench completed the hearing in a case relating to the Employees' Pension Scheme, a social security measure, which is of vital concern to trade unions and workers in the country on 1st May, 2001 and orders were reserved. Even after passage of twenty-eight months, the case remains shelved in the apex court as a 'judgement-reserved' case. The CITU has termed this as an aberration in the judicial system in the country and appealed to the Chief Justice of India to step in to correct this aberration. The text of an open letter dated 19 September, 2003 addressed to the CJI, with W.R.Varada Rajan, Secretary, CITU, as the signatory, is appended:

TEXT OF CITU LETTER OF DATE TO THE CHIEF JUSTICE OF INDIA

"Your Lordship!

We are addressing this open letter to you after deep thought and much hesitation.

We are encouraged to venture on this effort by the strong commitments expressed by Your Lordship on the occasion of swearing in as Chief Justice of India that Your Lordship would address 'the many areas including the grey areas' in the judicial system and ventilated a strong view that "judges who fell short of the expected qualities had no place in the judiciary". Your Lordship had also

asserted: "There are some aberrations which we will have to tackle to the logical conclusion". (The Hindu dated 20 Dec. 2002)

We have also noted certain pronouncements made in some recent cases dealt with by the members of the collegium of apex court judges, though with lot of anguish and pain over the context and content of such pronouncements.

A five-judge Constitution Bench, comprising the illustrious predecessor of Your Lordship, noted on December 17, 2002 that "It is the duty of all courts to go on with matters on their boards even in the absence of lawyers" due to their being on strike.

A two-judge Bench of the apex court had while dealing with the strike related issues of government employees in Tamil Nadu emphasised that "In the prevailing situation ... we have to be fully aware of our duties, responsibilities and effective methods of discharging them" and also exhorted the virtue of doing "some more work honestly, diligently and efficiently" to be "appreciated by ... people at large".

It is our belief and expectation that our judiciary may not intend these assertions to remain mere platitudes and virtues exalted from a high pedestal but may strongly commend them to be practiced.

Just with this belief, we wish to draw the benign attention of Your Lordship to a sordid fact, which we consider, to be part of the aberrations and grey areas prevalent in our judicial system. On July 9, 2002, representatives of six Central Trade Unions, submitted a request to the then Chief Justice of India seeking an appointment for a delegation on their behalf to make a representation on a matter concerning one of the important social security measures viz. the Employees Pension Scheme, 1995, a matter pending the judicial verdict of the Supreme Court of India. The undersigned was one among them.

We are not sure whether the request was brought to the notice of the Chief Justice of India. But, the office of the Chief Justice of India did make some enquiries. In response thereto, a brief note was submitted on August 12, 2002 to the office of the Chief Justice of India.

The matter, which the petitioners desired to represent to the Chief Justice of India, related to a Special Leave Petition (No. 22316/97) challenging the Employees' Pension Scheme, 1995, which has been pending the judicial verdict of the Supreme Court of India, (for over fifteen months then and twenty-eight months now), after the process of hearing in the case was concluded by 4th May,

2001.

The Employees Pension Scheme, 1995, introduced by the Government of India, was challenged in different High Courts by several trade unions. While some High Courts had granted interim stay, the Madras High Court had delivered a final judgement upholding the Scheme. The Supreme Court, while taking up the SLP for hearing, ordered transfer of all related cases in different High Courts and clubbed them all together for a composite hearing and disposal. The Supreme Court Bench comprising Justice Rajendra Babu and Justice Balakrishnan heard the case. The final hearing was concluded on May 1, 2001. All the parties were advised to make written submissions by May 4, 2001. And the case stands reserved for judgement till now.

As the Government of India, which formulated the Scheme, is a party to the case, an organisation of the retired employees in one establishment, approached the Government for intervention in the matter. They have been replied to by the Employees

Provident Fund Organisation, which is the implementing agency of the Scheme that they had "already requested the Central Agency Section in the Supreme Court for getting the judgement pronounced expeditiously". Attorney General of India, when approached similarly, had advised that any of the advocates on record for the parties can approach the apex court.

We are addressing this open letter in the hope that Your Lordship will view such incidence of judgement-reserved cases, lingering on indefinitely without pronouncement of verdict in the apex court, cry for some way towards 'logical conclusion'. We are confident that Your Lordship will ensure that the judicial system in the country also finds effective methods of discharging the duties and responsibilities bestowed on it. We request you to kindly appreciate that It is the duty of all courts not only to go on with matters on their boards but also with matters 'on the shelf with the orders reserved'. As 'justice delayed is justice denied' we trust Your Lordship will view that timely pronouncement of the

orders in heard cases is among the qualities expected of judges who have their place in the judiciary. Lastly, we are sure that Your Lordship will steer the apex judiciary to perform the functions expected of it honestly, diligently and efficiently, in manner to be appreciated by people at large.

We are also given to understand that in the event of any one of the judges on the Bench that heard the case ceasing to hold office in the apex court, the case will have to go through a fresh hearing, ab initio, by a reconstituted Bench. If such eventuality occurs, unfortunately, it will result in huge cost and further delay for the parties before the apex court.

We are conscious that on matters, which are sub judice, the Chief Justice of India is not expected to entertain any delegation to make a representation, in keeping with the propriety of the high office the Chief Justice of India holds. We are addressing this open letter not to represent on the merits of the case but appeal to Your Lordship highlighting the need to render justice and that

The Convention resolves unanimously, that since the working class world over established their trade union rights by ceaseless struggles and sacrifices, the most anti-worker ruling of the Division Bench of the Supreme Court should be opposed by a united nationwide strike.....The Convention strongly appealsand urges upon other trade unions also to join so that the nationwide strike becomes a totally united working class action.

(from the Declaration adopted in the National Convention of Govt employees on Right to Strike held on 25th September 2003 at Mavlankar Hall, New Delhi)

Supreme Court on privatization of HPCL and BPCL

Swadesh Dev Roye

Disposing off the petitions praying that, "the decision of the Government to sell majority of shares in Hindustan Petroleum Corporation Limited (HPCL) and Bharat Petroleum Corporation Limited (BPCL) to private parties without Parliamentary approval or sanction as being contrary to and violative of the provisions of the ESSO (Acquisition of Undertaking in India) Act, 1974, the Burma Shell (Acquisition of Undertaking in India) Act, 1976 and Caltex (Acquisition of Shares of Caltex Oil Refining India Limited and all the Undertaking in India for Caltex India Limited)) Act 1977" Supreme Court of the country has delivered land mark judgment that, "we allow these petitions restraining the Central Government from proceeding with disinvestment resulting in HPCL and BPCL ceasing to be Government companies without appropriately amending the statutes concerned suitably."

Supreme Court judgment against the move of the BJP-led NDA Government to privatise the blue chip, profit making, strategically important oil PSUs - HPCL and BPCL bypassing the Parliament has vindicated the stand of the trade union movement.

Our Stand Vindicated

Ever since the BJP-led NDA Government initiated steps to privatise these oil PSUs, the trade union movement, has been resolutely demonstrating their total opposition to privatization of the PSUs. It has been maintaining that without taking prior approval of Parliament, privatization of HPCL and BPCL shall constitute an abject violation of Parliamentary statute, because HPCL and BPCL were created by the two separate Acts of Parliament. In this connection it will be worthwhile to recall the speech of the then Minister of Petroleum & Chemicals while introducing the Bill - The ESSO (Acquisition of Undertakings in India) Bill, 1974 in Parliament. The Minister said, "It is our declared policy that the oil industry must be brought under Government's effective control. The oil industry is far too important for the economic development of the country and for national security to be left in the hands of foreign

companies. We, therefore, feel that it will be politically wrong and economically incorrect to leave its control in the hands of private companies, much less in the hands of foreign companies ..."

Minute scrutiny of the counter-affidavit submitted by the Government defending their decision to privatise these oil PSUs without prior approval of Parliament and for that matter the whole policy of privatisation of public sector undertakings is shocking. Indiscriminate privatization has been advocated by the Government including the oil sector PSUs in the counter-affidavit in that, "oil is an important sector of the economy and can grow only with increasing efficiency and that the key to efficiency is competition and disinvestments is an important instrument to achieve competition."

The aforementioned position taken by the Government in the counter-affidavit is obsessive, derogatory and misleading. Given the excellent record of technical and financial performance of the oil PSUs, advocacy of privatisation in the name of attaining efficiency is utter nonsense. From the foregoing it is clear that the statement of the Government that ONGC, IOC GAIL shall not be privatized cannot be relied upon at all. The danger of privatization of the entire oil sector - both in up stream and down stream must be understood in the light of the naked pro-private stance of the Government.

Intensify the Struggles

The trade union movement and the political forces which are seriously opposed to the policy of the loot of the national assets in the name of privatization should take notice of the observation of the Supreme Court in the instant judgment on the whole question of privatization. The judgment noted, "It is no doubt true that the two companies are Government companies and being instrumentalities of the State, they can enter into contracts among other things, but question is whether this power is circumscribed by any statute either expressly or by necessary implication."

Quoting two long paragraphs from a book entitled 'The Privatisation Challenges' published by the

World Bank, the Hon'ble judges have observed, "if legislation is to be brought for privatization, the same should reflect the broad political lines of the privatization strategy and programme and that it should also endow the Government or privatization agency with the required implementation powers, and it should avoid restrictions that may unduly tie the hands of the executing agencies and slow down the process." In this connection we may recall that in the judgment in the case of BALCO the Supreme Court said, "... it is not for the courts to consider the relative merits of different economic policies and

consider whether a wiser or better one can be evolved."

Media reports suggest that the Disinvestment Ministry has already started working on various alternative steps to maneuver the implication of the judgment which include petition for appeal or review of the judgment and also the question of legislation for privatization.

The judgment definitely provides little bit of breathing space. But without being complacent, the on going united struggles on all the three fronts - people's front, parliamentary front and legal front - must be continuously intensified.

7th CONFERENCE OF AICCWW (CITU)

The seventh Conference of the All India Coordination Committee of Working Women (CITU) will be held on 11-12 October 2003 in Susheela Gopalan Nagar (Adarsha Vidyalaya, Chembur), Mumbai. More than 300 working women from around 21 States in the country are expected to participate in the Conference. Women working in various industries like Construction, Brick Kiln, Beedi, Coal, Steel, Cashew, Coir, Handloom, Matches and Fireworks, Fisheries, Plantation etc as well as those working in Insurance, Banks, State and Central Government undertakings, ICDS, etc will participate in this Conference. A Reception Committee with Suman Sazgiri as its Chairperson has been formed and is making all arrangements to make the Conference a success.

Several States like Tamil Nadu have already held their State and district Conventions prior to the All India Conference. The Conference of the Maharashtra State CCWW will be held on the 10th of October.

The CITU has been holding the Conference of the Coordination Committees of Working Women as part of its Conferences regularly since its fourth Conference at Chennai in 1979. Earlier, the workign women's conference was held one day prior to the CITU Conference. But to facilitate detailed discussion on various issues confronting working women and work out strategies to address them, on the participation of women in the activities of CITU, their role in the leading bodies of CITU and its affiliated unions, it was decided to hold two day Conferences of the AICCWW. It was also decided to have the Conference separately so that the issues of working women will get enough focus. The documents adopted by the AICCWW Conference are placed in the CITU Conference for adoption and they become part of the CITU documents. The 11th Conference of CITU to be held in Chennai on 9- 13 December 2003, will discuss the issues of working women in a special half day session.

The Mumbai Conference of AICCWW will hold special discussion on Home Based Workers and work out strategies to organise the home based workers in different industries.

The Conference will felicitate the legendary freedom fighter Lakshmi Sehgal and the veteran leader of the trade union and women's movement in the country Ahilya Ranganeekar. The General Secretary of CITU MK Pandhe will inaugurate the Conference.

NEW PENSION SCHEME: A NEW ATTACK

The Government of India has decided to introduce a new contributory pension scheme for its employees, shelving its responsibility for paying pension as a social security measure to the workers during their old age. This is nothing but the beginning of a fresh onslaught on the working class. It is announced that the new scheme would be applicable to the employees, who joined the central government service from October 2002, other than those joining the armed forces. The State Governments too can introduce the scheme for their employees as and when they decide so. Naturally the state government employees will also be forced to pay huge amounts every month to the proposed pension fund. Then the scheme will be extended to cover public sector workers denying them too the pension as a welfare measure. It is argued that the scheme is being introduced to reduce the expenditure of governments.

The Government says that the proposed scheme of pension fund shall confine to new entrants in government services. At any point of time the scheme can be extended to others once it is implemented. PSU employees like BSNL workers can be covered by the scheme.

Existing employees who will be retiring from any cut-off-date (for example: 31-12-2004 or so) can be brought under the scheme by another order from the government.

Existing pensioners also can be covered by such schemes in future as is being done in Latin America now. Hence, the danger is for all. We can not ignore it.

For the last twenty years or more, practically no recruitment to the central government service has taken place. Number of employees recruited to the service since October 2002 is very negligible. All the government employees, who joined the service prior to October 2002, are covered by the old pension scheme. Then how the expenditure on payment of pension can be reduced?

The new entrants will be retiring from service after 30-35 years. It is, therefore, very clear that the expenditure on pension cannot be reduced for the next 30 years or more by the proposed

scheme. Hence, it is clear that the purpose of introducing such a Pension scheme is something else than what is pronounced. A negligible section is selected for attack in the first phase. Existing employees will be targeted in the next stage. The existing pensioners and those who receive family pension consequent upon demise of the pensioners will also not be spared in future.

Government employees were receiving pension even under British rule. The scheme was continued by the government because as per the conduct rules, the government employees have no right to do any other work or engage in a trade and receive profit. Pension was treated as a social security scheme for such employees, who render long service in the government. In the past, efforts were made on many occasions by the authorities to snatch away the above right. Not only that, employees organisations foiled such attempts, new sections of middle class employees secured pension through heroic struggles. The struggles conducted by school teachers and college teachers in Kerala, central public sector workers, bank employees, government and semi-government employees of various state governments are worth mentioning.

The Government of India had approached the fifth Central Pay Commission with a request for reduction of pensionary benefits on the plea that the expenditure on this account was increasing every year. The Pay Commission entrusted TATA Economy Consultant Services with the task of studying various pensionary benefits and propose changes thereon. So far, the report of the above Agency has not seen the light of the day. However, the Fifth Central Pay Commission pointed out in their report:

"The senior citizens deserve a treatment with dignity and courtesy depending upon their age ... Pension is their statutory, unalienated, legally enforceable right ... Therefore, it is has to be fixed, reviewed and modified along with wage revision of serving employees ..." (Para 127.6)

When the Gujral Government accepted the recommendations of Fifth Pay Commission, the above controversy over pension scheme raised

by vested interests subsided, at least temporarily. The same argument came up again when the BJP government came to power. The interested groups argued that such social security schemes are not available to the government employees in United States etc. Federation of Indian Chamber Commerce and Industries, Asian Development Bank and others organised a number of seminars and dialogues on the subject and submitted their views to the government. IMF, and later on the WTO, suggested to the Government of India that all such social security schemes should be withdrawn. Considering all such suggestions, the government constituted a committee in 1999 headed by C. M. Vasudev to look into the entire pension schemes and propose necessary changes in them. The report submitted by the Committee has been under consideration of the government for some time past. Though some brief mention was made about Pension Funds by the Finance Minister in his last budget speech, no concrete decisions were taken or announced. The new scheme prescribes that the government employee must pay ten percent of their basic pay and dearness allowance every month to the proposed Pension Fund. The Government will deposit an equal amount to the Fund. When the

government servant retires from service at the age of 60 or thereafter, he will be compelled to redeposit 40 percent of the consolidated amount in any insurance scheme and spend his days with remaining amount. The Scheme permits Fund Managers to deposit a portion of the amount accumulated in the Pension Fund in share markets and securities. We have not yet forgotten the sad experience of UTI misusing the funds of small scale investors. There is no guarantee that the pension fund also will not be similarly misused. Therefore, no government servant is enthusiastic about the proposed scheme.

A Joint Consultative Machinery (JCM) is available for discussing service conditions and wages of central government employees and find amicable solutions for the problems arising thereon. The Central Cabinet, before announcing the new scheme, should have convened a meeting of JCM and placed the matter before it for discussion. The above decision of Central Cabinet was announced soon after the Supreme declared that the government employees have no fundamental, legal or moral right to strike work even for justifiable cause.

(Excerpts from an article by P.S.Raman Kutty)

CITU CONDEMNS ATROCIOUS CHANGES IN PENSION SCHEME FOR GOVT EMPLOYEES

In a statement released to press on August 23, 2003, CITU denounced the arbitrary changes in the pension scheme for Govt employees announced by the Govt of India. The changes cleared by the Union Cabinet are designed to deprive the new entrants from the existing benefits of the Govt pension schemes, introduce the contributory pension scheme for them and the pension fund so generated through contribution of the employees would be thrown open for speculative investment in the stock market. The changes being made by the Govt in scheme marks a clear shift from the benefit defined scheme to contribution defined scheme which tantamount to an atrocious attack on the hard earned right of the Govt employees.

The CITU statement pointed out that "such changes has far reaching implications.. This is a practically wage cut, apart from denial of pensionary benefits. This attack on the pensionary benefits of the central govt employees shall be extended to state govt employees too, because the centre shall compel the states to follow suit. At the same time, it will be naïve to believe that the existing employees shall ultimately be spared from this onslaught."

CITU called upon the working class to protest against this attack and prepare for united struggle.

REPORTS & EVENTS

West Bengal

ANTI-WTO DEMONSTRATION THROUGHOUT THE STATE

The entire state of West Bengal witnessed massive demonstration on 9th September 2003 on the eve of the WTO Ministerial meet at Cancun (Mexico).

The Sponsoring Committee of Trade Unions comprising CITU, AITUC, HMS, UTUC, UTUC-LS, TUCC, AICCTU and various employees federations in the state Govt and Central Govt sector including banks and insurance sectors has given a call for countrywide demonstration on that day. Massive joint demonstrations was reported in almost all the districts. The demonstrations in Asansol, Burdwan, Howrah,

Hooghly, East Midnapur, Nadia and West Midnapur were also joined by thousands of peasants and agricultural workers.

In Kolkata, a huge procession joined by industrial workers and employees of state Govt, central Govt offices, banks, insurance and various other establishments both in public and private sector in several thousands started from Saheed Minar Maidan and converged in College Square after covering a long route. Notable is that the procession was also joined by the leadership of various student, youth and women's organizations. The procession raised voice of protest against the

evil design of the Govts of the rich nations to subjugate the developing countries' interest in the trade related talks in WTO forum.

The rally held at Saheed Minar Maidan before commencement of the procession was addressed by Chittabrata Majumdar, General Secretary, West Bengal State CITU, besides leaders of other central trade unions and employees organisations. The speakers urged upon the Govt of India not to surrender to the pressure of the imperialist countries in the WTO meeting and demanded to take firm stand of resistance along with other developing nations.

ANTI-WTO DEMONSTRATION IN ASSAM

9th September, 2003, thousands of workers drawn from various constituents of the Sponsoring Committee of Trade Unions staged a massive demonstration in front of GPO at Guwahati to protest against the WTO, which undermines against the interest of

the developing countries. The rally denounced the evil designs of the imperialist powers to pressurize the developing countries to open their markets and concede various concessions to MNCs. The rally was addressed by Deben Bhattacharya(CITU), Upen

Talukdar(AITUC), Rakhal Dasgupta(HMS), Bimal Nandy(UTUC-LS), Ratneswar Gogoi(UTUC) Ajanta Bordoloi(APBEA), Sanjib Das(GDIEA), Sarbananda Das(CGECC) and Bhupen Kalita(SBIEA).

Himachal Pradesh

AGAINST CORRUPTION AND MALFUNCTIONING OF ESI

A massive demonstration was held on 15th September 2003 at Simla before the office of the Director of Health, Govt of HP at

the initiative of Himachal Hotel Mazdoor Laljhanda Union (CITU). The workers in thousands mobilized to

demonstrate against non-payment of medical bills of the workers under the ESI scheme which has fallen arrears since last four years

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and the accumulation of dues has already crossed Rs 3.5 crore for the entire state.

The rally was addressed by the leaders of the Himachal Hotel Mazdoor Laljhanda Union and Himachal State CITU. It was pointed out that every month, the workers in Himachal Pradesh contribute to the tune of

Rs 62,30, 400 to ESI fund but the Services rendered to workers under ESI Scheme are extremely bad owing to malfunctioning and corruption in the concerned department run by the state Govt. It is notable that despite funds released by the Central authority of ESI to the State Govt amounting Rs 2.25 crore towards the medical bills of 2003, no payment has yet

been made to the concerned workers. it appears that the concerned authority in the state wants to usurp the funds allotted for the workers.

The Union also pointed out to the rampant corruption in the health directorate which is affecting the workers in a big way. Procurement of medicines is affected by such corrupt practices. On the one hand the workers are not being supplied proper medicines and on the other crores are being shown to have been spent on procurement. It was also pointed out that in 1996 the total expenditure towards medical services under ESI Scheme in Himachal was Rs 52,92,744 while in 2001 the expenditure got more

than doubled to Rs 1,12, 05, 842 although the number of workers availing the services has come down sharply to 37,677. This exposed the loot that is going on in Himachal Pradesh on ESI funds of the workers.

The rally urged upon the authorities to arrange for immediate payment of workers arrears as otherwise the workers will have to escalate their agitation. A delegation also met the Director of Health to submit the ultimatum of the workers. The Director had to assure the delegation that payment of arrears will be expedited and at least Rs 50 lakhs will be disbursed at the earliest.

(Report from Jagat Ram, General Secretary, HHMLU)

AIRPORT EMPLOYEES AGAINST PRIVATISATION

Against the retrograde and anti-national decision of Govt of India to hand over the control of Delhi and Mumbai Airports to private hands with the ultimate objective to privatize all the Airports in the country, the Airport employees embarked on the path of countrywide struggle. The Airport Authorities Employees Union representing the Airport Employees throughout the country decided in the initial phase to stage week-long relay hunger strike from 18th to 25th September 2003 and observe countrywide mass casual leave on 26th September 2003.

The union demanded that the

decision of the Govt to privatise airports was tantamount to handing over vital infrastructure to the absolute control of private hands which will be detrimental to country's interest. Further it will be injurious to national security as well. The Union decided to resist unitedly this disastrous move of privatisation. After the mass casual leave of 26th September 2003, the union would chalk out higher phase of action programme if the Govt does not relent from their anti-national move.

As per report received, on 18th September onwards, relay hunger strike by the Airport employees started in all the 125 Airports in

the country with massive demonstrations in all the places. Till going to press report has also been received about simultaneous preparation going on throughout the country to make the programme of mass casual leave on 26th September a total success. CITU Secretariat in a statement released on 18th September extended full support to the struggle of Airport Employees and called upon the working class to come forward in solidarity with their struggle against privatization.

On 23rd the Minister of Civil Aviation called a meeting with the union and the officers association. In the meeting the Minister agreed

to defer the privatisation move for the time being and agreed to constitute a committee to look into the aspect of modernization of Airports and submit a report to Govt. The Employees Union and

the Officers' Association will also be represented in the committee. In view of the new development the relay hunger strike and mass casual leave on 26th has been kept in abeyance. The M K Ghosal,

General Secretary of the Airport Authority Employees Union, however, called upon the employees not to be complacent and remain prepared for united action, if the situation requires.

COAL WORKERS RESOLVE TO INTENSIFY STRUGGLE

Over 600 delegates from all Coal companies in the country, who assembled at the All India Coal Workers' Convention in Asansol on 14th September 2003 strongly opposed the steps towards privatisation through the back door and expressed their determination to organise countrywide struggles to defeat the policies of the Government of India.

A presidium comprising Rajendra Prasad Singh (INTUC), M.K. Pandhe (CITU), J.N. Singh (BMS), Ramendra Kumar (AITUC) and P.L. Sen (HMS) conducted the deliberations of the convention.

The convention unanimously decided to conduct a nationwide action programme to press the following legitimate demands:

1. Withdraw the Coal Mines Nationalisation (Amendment) Bill 2000.
2. Restore the custom duty on

imported Coal to pre-1991 level.

3. Stop outsourcing of coal mines to private parties and handing over 31 coal blocks to state government for outsourcing them to contractors.

4. Prepare joint revival packages for ECL, BCCL, NECL, CMPDI and Dankani by granting one time financial assistance from the central government.

5. Coal India should be a unitary coal company for faster development of coal industry in India.

6. Ensure proper safety and welfare measures for Coal Workers.

7. Full implementation of agreement dated 1.8.2002 before the CLC.

8. NCWA-VII should be the national wage for the entire coal industry, including for those working under contractors.

9. Strong action against corruption,

theft and malpractices and illegal mining in coal industry.

10. No closure of mines having minable reserves of coal.

11. Stop reckless VRS and arbitrary reduction of man-power in coal Industry.

The convention decided to hold company level conventions by 31st October 2003 and company level demonstrations by 15th November 2003 for implementation of the demands raised by the convention. If, however, the Govt. of India continue its policy of privatisation the TUs working in coal industry will hold the demonstration in front of Coal India head quarters in Kolkata on 17th December, 2003, where further programme of action, including long drawn strike action, will be announced to pressurise the Govt. to give up the retrograde policy of liquidating the public sector coal industry through various subterfuges.

NAVA SHEVA MATHADI WORKERS JOIN CITU

An overwhelming majority of the Mathadi Workers employed in various operations in the Jawaharlal Nehru Port Trust

in Raigad district in Maharashtra have joined CITU led Nava Sheva Bunder Kamgar Sanghatana. The Mathadi Workers of this new port

were members of HMS affiliated Dock and Port Workers Union. But when these mathadi workers were being thrown out of employment

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due to massive mechanisation of the various job operations in the port, the recognised union, simply kept quite. They neither protested against mass stoppage of workers nor protested against the action of the management hired contractors. When questioned about their silence, the reply from the leadership was that reduction in employment was due to the globalisation policies being implemented in the ports and therefore they are helpless in stopping the mathadi workers

getting surplus to the requirements. The workers, therefore, decided to join the CITU affiliated Nava Sheva Bunder Kamgar Sanghatana in Raigad District.

It was in this background that a largely attended meeting of the mathadi workers was held in the JNPT Township on 19th August. The meeting was inaugurated by Maharashtra State General Nava Secretary K.L. Bajaj and presided over by Ganesh Gharat, President

Sheva Bunder Kamgar Sanghatana. Others who addressed the meeting were P.R. Krishnan, Secretary of Maharashtra State CITU and Bhooshan Patil, General Secretary of Nava Sheva Bunder Kamgar Sanghatana. Raigad Dist. CITU leaders Madhu Sudan Mhatre, Ramesh Thakur, Sandeep patil, Bharat Bhurangale Adv. Vijay Patil, Ganesh Gharat, Narsu Patil, Suresh Mehta, Prashant Bhagat and D.S. Mhatre also spoke in the meeting. *(Report from P.R. Krishnan)*

CALL FOR A NUCLEAR - FREE WORLD

To express solidarity with the Japanese movement for a nuke-free world, a delegation of three comrades from CITU went to Japan to participate in the 2003 World Conference Against A&H Bombs. The conference began in Hiroshima on August 2 and concluded in Nagasaki on August 9, 2003. Large number of anti-nuke activists all over the world participated in the conference held every year since 1955. For the past several years CITU has been attending the conference.

This year's conference was attended by B.S. Meel, General Secretary, Electricity Employees Federation of India, R. Sudha Bhaskar, Secretary, AP State Committee, CITU and Maha Singh, Secretary, Works Committee, Air Corporation Employees Corporation. 68 delegates from 20 countries

including India, China, USA, Russia, France, UK, New Zealand, Australia, S. Korea, Sweden, Vietnam, Sri Lanka, Bangladesh, Nepal and Norway attended the conference and participated in the peace march organised on the occasion.

During the conference 3 workshops were held in Hiroshima and 12 workshops in Nagasaki, which were attended by trade unionists, peace activists, NGOs and intellectuals.

On August 6, the Mayor of Hiroshima Tadatoshi Akiba made a passionate appeal to the audience to rewrite history by defeating the powerful US military-industrial-complex which is trying to spread its tentacles all over the world.

Around 35,000 people assembled at the Hiroshima Peace Memorial Park. The Japanese PM and some

of his cabinet colleagues also participated in the function. The meeting urged upon both India and Pakistan not to resort to nuclear warfare.

A colourful Floating Boat Festival with hundreds of lanterns was organised to commemorate the memory of those killed in the A-bomb attacks 58 years ago.

The CITU delegates also took part in the peace march which had started 90 days before the conference all over Japan. Slogans were raised by the marchers against imperialist war mongers, stationing of US troops in Japan and proliferation of nuclear weapons.

A declaration was adopted at the international meeting which called upon the people of the world to take joint action to eliminate the danger of nuclear war.

CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS ON BASE 1982=100

State	Sr. Centre No.	Month		State	Sr. Centre No.	Month				
		June.' 03	July.' 03			June.' 03	July.' 03			
Andhra Pradesh	1	Gudur	469	470	Maharastra	38	Mumbai	586	589	
	2	Guntur	514	512		39	Nagpur	504	510	
	3	Hyderabad	505	506		40	Nasik	534	537	
	4	Visakhapatnam	491	491		41	Pune	560	563	
	5	Warangal	538	533		42	Solapur	498	505	
Assam	6	D.D.Tinsukia	411	420	Orissa	43	Barbil	440	439	
	7	Guwahati	493	494		44	Rourkela	433	438	
	8	Labac-Silchar	378	380		Punjab	45	Amritsar	428	434
	9	Mariani-Jorhat	428	435			46	Ludhiana	437	439
	10	Rangapara-Tezpur	412	433	Rajasthan	47	Ajmer	487	493	
Bihar	11	Monghyr	450	456		48	Jaipur	450	455	
Chhattisgarh	12	Bhillai	440	445	Tamil Nadu	49	Chennai	540	538	
Gujarat	13	Ahmedabad	496	501		50	Coimbatore	503	497	
	14	Bhavnagar	504	513		51	Coonoor	506	508	
	15	Rajkot	471	476		52	Madurai	484	485	
	16	Surat	492	495		53	Salem	489	490	
	17	Vadodra	474	476	54	Tiruchirapally	572	577		
Haryana	18	Faridabad	497	505	Uttar Pradesh	55	Agra	449	457	
	19	Yamunanagar	458	468		56	Ghaziabad	493	500	
J & K	20	Srinagar	569	582		57	Kanpur	465	473	
Jharkhand	21	Jamshedpur	455	459		58	Saharanpur	448	460	
	22	Jharia	396	401		59	Varanasi	503	509	
	23	Kodarma	403	409	West Bengal	60	Asansol	474	476	
	24	Noamundi	434	434		61	Darjeeling	427	424	
		25	Ranchi-Hatia	436	439	62	Durgapur	559	562	
Karnataka	26	Bangalore	477	481		63	Haldia	588	592	
	27	Belgaum	533	544		64	Howrah	557	557	
	28	Hubli-Dharwar	496	498		65	Jalpaiguri	418	427	
	29	Mercara	474	484		66	Kolkata	541	545	
Kerala	30	Alwaye	491	490		67	Raniganj	421	433	
	31	Mundakayam	496	496	Chandigarh	68	Chandigarh	519	529	
	32	Quilon	512	534		Delhi	69	Delhi	569	577
	33	Thiruvananthapuram	569	577	Pondicherry	70	Pondicherry	547	546	
Madhya Pradesh	34	Balaghat	441	449						
	35	Bhopal	525	534						
	36	Indore	518	526						
	37	Jabalpur	482	502						
						ALL-INDIA		497	501	

Additional Series of Labour Bureau

State	Centre	June 2003	July 2003
Andhra Pradesh	1 Kethgudem	517	519
Himachal Pradesh	2 Himachal Pradesh	462	469
Rajasthan	3 Bhilwara	488	491
Madhya Pradesh	4 Chhindwara	449	453
Tripura	5 Tripura	441	440
Goa	6 Goa	592	603

DON'T TRUST TECHNOCRATS

Joseph Stiglitz

Developing countries are often advised (or instructed) to undertake reforms recommended by "experts" who are called "technocrats" and are often backed by the IMF. Opposition to the reforms is usually dismissed as "populist". Countries that fail to undertake these reforms are dismissed as lacking political will, and soon suffer the consequences: higher interest rates when borrowing abroad.

But many of these "technocratic proposals" are more often based on ideology than economic science. Technocrats can, of course, make an electricity plant work better - to produce electricity at as low a price as possible. This is mostly a matter of engineering, not politics. Economic policies are usually not technocratic in this sense. They involve trade-offs: some may lead to higher inflation but lower unemployment; some help investors, others workers.

Look at the litany of technocratically inspired examples of privatisation and deregulation in the 1990s. Banking "reform", for example, frequently required government bailouts, leaving a few people much richer, but the country much poorer. These failures suggest we should have less confidence in the supposed skills of technocrats - or at least less confidence than they have in themselves.

But there is also a more fundamental point. Democratic processes are likely to be more sensitive to the real consequences of policies, to the real trade-offs involved.

Of course, some criticisms of technocratic remedies may be populist posturing, but sometimes they contain insights that ivory-towered (and usually US-trained) technocrats miss. Consider the case of Mexico, where a proposal to raise revenue by taxing food and medicines consumed by the poor was, unsurprisingly, rejected by a democratic legislature.

Rejecting this proposal was a matter of unbridled populism. The problem was with the proposal. Its

advocates argued that efficiency required adopting a value added tax. Advanced industrial countries in Europe use such a tax. Developing countries, the technocrats said, should do likewise.

But there is a fundamental difference between developed European countries and emerging markets: the size of the informal sector, from which VAT is not collected. The vast "black economy" makes VAT inefficient in most developing countries. Indeed, because VAT is a tax on the formal sector whose incomes and expenditures can easily be traced (as distinct from those of the cash-based street vendors, village enterprises and poor farmers) - VAT impedes development.

Developing countries that impose VAT perversely encourage production to remain in the informal sector. But it is the formal sector that produces higher value-added manufactured goods that compete with developed countries.

There are other sources of tax revenue in many developing countries that are both more equitable and distort economic incentives far less than VAT. Many developing countries lack corporate income tax. It may also be possible to impose taxes on luxury goods (many of which are imported), thereby promoting equity without stifling growth.

Economic theory supports VAT only if one does not care about distribution and if one can impose a tax on all commodities. You don't need an economics PhD to recognise that, in developing countries, you can't impose a tax on all commodities. Moreover, you should care about equity.

So the next time you hear rumblings in the legislature of an emerging democratic country against this or that "technocratic" proposal, think twice before dismissing the deputies' doubts as populist rants. Perhaps the populists are popular because they know something that the technocrats don't.

(Joseph Stiglitz, professor of economics at Columbia University, is a Nobel Prize winner and author of Globalisation and its Discontents - Courtesy: The Guardian)

AITUC UNION OPPOSES SECRET BALLOT

The AITUC union in the Bhilai Steel Plant in Chattisgarh, had opposed holding of secret ballot for verification of membership.

The following is an extract of a report published in a local newspaper of Raipur:

"The Regional Labour Commissioner (Central), Jabalpur, has postponed the verification of membership of trade unions operating in the mines of Bhilai Steel Plant (BSP) for an indefinite period. The verification was to be done by secret ballot on August 22.

"In a circular issued to all the trade unions concerned, Deputy General Manager of BSP, Labour commissioners of Delhi, Ahmedabad, Nagpur and Mumbai, the Regional Labour Commissioner (RLC), Jabalpur, informed that the decision had been taken on the advice of Union Government's standing counsel that the pending writ petition, filed by Sanyukta Khadan Mazdoor Sabha (SKMS), could be taken up for hearing during August 18-22.

"In an earlier hearing in the matter, the single bench of Justice LC Bhadoo had granted a stay in favour of SKMS and directed the Chief Labour Commissioner (CLC), Delhi and RLC, Jabalpur, to maintain a status quo. According to sources, the CLC and RLC had earlier called a meeting for allotting symbols to various registered labour unions of Dalli Rajhara mines area for the purpose of verifying their strength through secret ballot. The SKMS had filed a petition in Chhattisgarh High Court challenging such an action of the labour commissioners. The SKMS is the only recognised labour union of the Dalli Rajhara mines area. It was recognised by its employer, the Bhilai Steel Plant (BSP), and the Labour Commissioner, on the basis of the "code of discipline" which was formulated after a tripartite agreement between various labour unions of the country, the employers and the Government of India and is binding on all the three parties.

"In its petition, the SKMS stated that calling for secret ballot for the purpose of recognition of a labour union is unconstitutional and violative of the "code of discipline". Also, the labour

commissioners are acting under pressure of the BJP which is at the helm of affairs, it claimed. Since the SKMS is affiliated to the Communist Party, the BJP is planning to de-recognise it by adopting illegal means, it said.

"Arguing in favour of the petitioner, Adv Kanak Tiwari cited a SC decision of Rourkela Shramik Sangh vs. Rourkela Mazdoor Sabha in which it was observed that the procedure for verification of membership of the labour unions for the purpose of recognition was laid down in the "code of discipline" which has statutory effect in the matter.

"In another case between Association of Engineering Workers vs. Dockyard Labour Union 9SC 1992, the apex court said "even if the method of secret ballot is resorted to with the consent of parties, such consent can not cure the illegality of substitution of a procedure not prescribed by the Act. In other words the secret ballot was a procedure not recognized by law. It was in fact alien to the act and therefore that method could not be accepted as valid for the purpose of recognition."

Forwarding a copy of this report, M.K. Pandhe, General Secretary, CITU, wrote a letter on 26th August, 2003 to Gurudas Das Gupta, General Secretary, AITUC, drawing his attention to it. The letter, inter alia, stated: "I wonder why AITUC union has taken such a stand when in many other industries AITUC is contesting such elections and also attaining recognised status in this process such as in Vizag Steel Plant in earlier election".

Pandhe added: "The above stand not only creates confusion but also negates all our efforts to force the govt. to accept secret ballot for recognition. It is strange that the basis laid down in the 'Code of Discipline' has been praised by the union, when we have fought all our life against such process of recognition. We all know how the employers have misused the code of conduct to prop up their puppet unions. The steps taken by RLC following this court case will take us back to the anarchic days. I hope that the position of AITUC should be clarified early."

Till the time of going to the press, CITU has not received any response from AITUC leadership.