

CENTRE OF INDIAN TRADE UNIONS

General Council Meeting

**July 23 - 26, 2005
Alappuzha, Kerala**

DOCUMENTS

- Presidential Address
- Report of the General Secretary
 - Information Document I
 - Information Document II
- Note for Special Discussion
 - Condolence Resolution
- Accounts for the year 2004 - 05

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AGENDA

1. Confirmation of the minutes of the last General Council meeting
2. Presidential Address
3. Report of the General Secretary
4. Special discussion on "Cadre Development in Trade Union Movement"
5. Accounts
6. Any other issue with the permission of Chair.

TIMETABLE

July 23, 2005

10.00 am to 11.30 am

OPEN SESSION

Flag hoisting & Homage to martyrs

Welcome address by Chairman of

Reception Committee

Presidential address

12.00 noon to 01.30 pm

Condolence Resolution

Introduction of the Report of the General Secretary

04.00 pm to 05.00 pm

Introduction of Treasurer's Report & Fraternal greetings

05.00 pm to 07.30 pm

Debate on General Secretary's Report

July 24, 2005

09.30 am to 01.30 pm &

04.00 pm to 07.30 pm

Debate on General Secretary's Report

July 25, 2005

09.30 am to 11.30 pm

Debate on General Secretary's Report

11.30 am to 01.30 pm &

04.00 pm to 07.00 pm

Special Discussion on Cadre Development
in Trade Union Movement

July 26, 2005

09.30 am to 12.30 pm

Report of the Credential Committee

Summing up of the debate on General

Secretary's Report

Adoption of Reports

Resolutions

Concluding remarks of the President

03.00 pm to 07.00 pm

MASS RALLY

(Tea breaks: 11.30 am - 12 noon & 05.30 pm - 06.00 pm)

Lunch break: 01.30 pm - 04.00 pm)

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Alappuzha, Kerala

PRESIDENTIAL ADDRESS

Dear Comrades,

1. Seven months have elapsed since we met last time in the Working Committee at Agartala (Tripura) on December 3-5, 2004. India and the world witnessed several important developments having long-term bearing on the working people and the trade union movement. We have to review them in this meeting so that we can evolve common understanding towards them and chalk out our programme of action to protect the interest of the working class and the people.

2. Whither Millennium Goals?

2.1 The United Nations has recently published 2500 pages "Millennium Ecosystem Assessment Synthesis Report" which has categorically warned that the eco-system in the world is severely threatened by human aggression. It points out that the loss of natural services has become a significant barrier for all national governments to meet the Millennium Development Goals by 2015.

2.2 According to the report, during 1990s 21 countries in the world experienced a decline in the Human Development Index ranking which measures economic well-being, health and education of the people. Out of these 14 were in Sub-Sahara Africa. It further notes that despite growth in per capita food production in the past four decades an estimated 852 million people were undernourished in 2000-2002. Half of the urban population in Asia, Africa and Latin America and the Caribbean suffers from one or more diseases associated with inadequate water and sanitation, worldwide approximately 1.7 million people die annually because of these ailments.

2.3 The report observes that a child born in Sub-Saharan Africa is 20 times more likely to die before the age of 5 than a child born in an industrial country and this disparity is higher than it was a decade ago. The report indicates that during the next 50 years the pressures on ecosystems are projected to continue to grow. Despite increasing food supply and more diversified diets, food security is not achieved under the Millennium Assessment scenarios by 2050 and child malnutrition is not likely to be eradicated while it is projected to increase in some regions. It has expressed grave concern at the atmospheric concentration of carbon dioxide due to reckless industrialisation, which is resulting in warming up of the globe. Since 1959 the growth in the above concentration is estimated to be 60 per cent and is increasing rapidly all over the world. It will seriously affect the health of the people.

3. Staggering Oil Prices & World Economy

3.1 The rise in oil prices has created several bottlenecks in the world economy. With prices rising \$60 per barrel in the US market the oil markets are adversely affecting the growth of economy of several countries. How the oil prices will be a drag on the US economy was clearly noted by well-known economist Joseph E Stiglitz when he wrote: "The biggest global economic uncertainty is the price of oil. Clearly oil producers failed to anticipate the growth of demand in China —so much for the wisdom and foresight of private markets. Supply side problems in the Middle East (and Nigeria, Russia

and Venezuela) are also playing a role, while George W Bush's misadventure in Iraq has brought further instability."

3.2 He further observes, "High oil prices are a drain on America, Europe, Japan and other oil importing countries. The effect is just like a huge tax that transfers wealth to the oil importing countries. America's oil import bill over the past year alone is estimated to have risen by around \$75 billion. If there were any assurance that prices would remain permanently above even \$40 a barrel alternative energy sources (including shale oil) would be developed. But we are now in the worst of all possible worlds – prices so high that they damage the global economy, but uncertainty so severe that the investments needed to bring prices down are not being made".

3.3 The developing countries are worst hit due to the oil crisis. Their resources being limited they have to divert their resources meant for development for purchase of oil thus adversely affecting their developmental activities. Moreover, the beneficiaries of the oil price hike are some of the US oil cartels who have control over oil in Middle East.

3.4 Deepak Mahurkar, senior consultant of PricewaterhouseCoopers, PwC, noted in a recent article, "The hike in future prices during the past several months implies that recent oil price rises can be sustained. If that is the case, the micro economic consequences for importing countries, like India, could be painful. Fiscal imbalances would worsen, pressure to raise interest rates would grow and the current revival in business and consumer confidence would be cut short, threatening the durability of the current economic upturn." (*Financial Express* 21 Just 2005).

3.5 The oil prices will hit the common people most all over the world since the burden of the price rise is ultimately likely to fall on them. It will further push up the prices of essential commodities due to higher transport cost and poor people will have to tighten their belts due to this rise. The prices of oil in India are higher than most of the Asian countries which expresses the plight of the people in India. Whatever official statisticians may say the oil prices will increase substantially in India and other oil importing countries.

4. Improvement in Indo-Pak Relations

4.1 The visit of Pakistan President Musharraf to India in April last and his talks with Prime Minister Dr Manmohan Singh resulted in a process to further strengthen the ties of friendship between two neighbouring countries. It also led to continuation of dialogue between the two countries to settle all the outstanding issues without any foreign intervention. Positive steps to develop more people to people contacts between India and Pakistan reflected the strong urge prevailing among the common people of both the countries. The commencement of bus service between Srinagar and Muzaffarabad, development of broad-gage rail link between Rajasthan and Sindh province of Pakistan, decision to start some more bus links between the two countries meet the longstanding desire of development of more social contacts among the people.

4.2. The dialogue further leads to making efforts to find a mutually acceptable solution to the present tension in Siachin Glacier and Sir Creek regions. Efforts to find solution to the dispute on Jammu and Kashmir were also initiated during the dialogue. The outcome of the meeting if carried forward with sincerity by both sides would certainly lead to development of friendly relations between the two countries.

4.3 Strengthening of the trade relations between the two countries will benefit the economy of both

the countries and develop better relations among the SAARC countries.

4.4 The visit of Left parties' delegation to Pakistan has considerably helped in creating better atmosphere for development of friendly relations between the two countries. The warm reception received by the delegation was a pointer to the need for development of more people to people contacts between the two countries.

4.5. Reactionary forces in both countries are bent upon sabotaging the peace process and creating on atmosphere of tension. Some of the terrorists groups have been trying to carry forward their activities with a view to stall the peace process and US imperialists are encouraging them with all forms of assistance.

4.6. People in Kashmir sincerely wish for peace in the region since their economy is completely shattered due to terrorist activities. Recent improvement in tourist traffic in Kashmir valley has given them ray of hope that their economy would revive again. Gradual isolation of terrorists due to their obstructionists tactics to the peace process is visible and government should utilise this opportunity to win over the sympathies of the common people in the state.

4.7 It is necessary that both India and Pakistan should take measures against those who are trying to create obstacles in the peace process so that peace in Indian sub-continent can be developed in the interest of people of both the countries.

5. Intensification of Iraqi Resistance

5.1 The US war in Iraq is facing increasing resistance by the people despite Bush administration pumping more and more war material. Several thousand Iraqi troops were killed in the war of resistance to US aggression while more than a lakh of Iraqi civilian people lost their life since the invasion of Iraq. However, US casualties also continue to increase every month. Over 1720 Americans have been killed till middle of June 2005, while the number of wounded reached about 13,000.

5.2. US atrocities in jail have shocked the world. In spite of symbolic punishment given to some perpetrators of the heinous crime, it has come to light that there were instructions from higher authorities to resort to torture. The sadistic behaviour of US officials in ill-treating naked Iraqi prisoners as shown in photographs had no parallel in the world history. Though worldwide condemnation of US atrocities against the innocent citizens was reflected through continued massive rallies the US administration is determined to continue its war of aggression to gain control over the precious oil in Iraq.

5.3 The shameless US behaviour in nominating acknowledged CIA agent as head of the state in Iraq was viewed with suspicion in the entire continent. The farcical elections held under the supervision of US troops led to the formation of Shia and Kurdish dominated government, which has no power to decide anything without the clearance of the US occupation forces. 82 members of the "elected" Parliament have demanded withdrawal of US troops from Iraq but US army is determined to remain there to keep effective control over the Iraqi territory and its oil resources.

5.4 Bush administration's support to independent Kurdish state with Kirkuk as the capital is opposed by Shia parties. Turkey is also not agreeing to this idea because it involves a part of Turkish territory. This development is bound to create some additional instability in the government, which is greatly dependent on the security cover provided by the US army. US has already done survey for pumping Iraqi oil from Kirkuk to Haifa in Israel which is not liked by the local population.

5.5 Guerrilla attacks against US troops and their Iraqi stooges are increasing with each passing day. The so called disturbed area in the Iraqi map is continuously growing in size and intensity making US troops reluctant to move in large part of the territory in Iraq. This growing resistance to US imperialist occupation is causing frustration in their ranks and many desire to get out of Iraq as early as possible.

5.6 The evil design of US imperialism towards Iraq was clearly brought to light by the release in April 2005 the secret report known as "Downing Street Memos" containing minutes of high-level meeting, which clearly exposed the pre-planned attack, by Bush administration even before the terrorist attack on World Trade Centre. US and British administrations purposefully ignored the concrete evidence, which showed that Iraq had destroyed its weapons of mass destruction. John Coryers Democratic Congressman who presented petition to the White House signed by 5 lakh US citizens said, "We got into a secret war we had'nt planned, and now we are in it we can't get off". Several Democratic and Republican Party congressmen have publicly demanded withdrawal of US occupation forces from Iraq. News of every soldier killed in the battle in Iraq causes waves of protest against US occupation of Iraq.

5.7 An opinion poll conducted in the middle of June indicated that 59 per cent of American citizens disapproved Bush's handling of war in Iraq. It further pointed out that 51 percent thought that Bush administration should not have invaded Iraq in 2003.

5.8 The developments in Iraq clearly point out that US imperialists design to control oil resources of Iraq will not succeed in the long run as the war of resistance by the people of Iraq is increasing in a concerted manner. The writing of the wall is clear that ultimately US imperialists will have to quit Iraq in the most inglorious manner.

5.9 The question of reduction and withdrawal of foreign military forces from Iraq is already being discussed secretly in imperialist circles. The British daily "The Mail" reported on July 10, 2005 that British Defence Secretary, John Reid drafted a secret paper for British Prime Minister outlining how most of the country's 8500 troops could be brought home for Iraq within 3 months with the rest by the end of the year. The document also said the US was looking to cut back its own troop level to 66,000 down from 1,35,000. These developments show the utter failure of the imperialists' machinations to forcibly occupy Iraq to control its rich oil resources.

6. Growing US threat to Iran

6.1 The thirst for oil of US imperialism does not stop at controlling oil reserves of Iraq, it wants to control rich oil resources of Iran too. Bush administration's machinations against Iran have been strengthened after the recent elections in Iran during which a conservative President, Mahmoud Ahmedinejad has been elected.

6.2 Raising a bogey about nuclear enrichment programme of Iraq US imperialists are preparing a background of military intervention in Iran. As Scott Ritter, former UN weapons inspector in Iraq during 1991-1998, has recently stated: "The violation of a sovereign nation's airspace is an act of war in and of itself."

6.3 The developments in Iran bring the war field nearer to Indian soil. US government is already pressurizing India and Pakistan to scrap the Iranian gas pipeline deal, which will pass through Pakistan. So far both the governments have not succumbed to the pressure. However, US blackmail will continue

to operate in various ways and people of India must be vigilant against these machinations.

7. Developments in Palestine

7.1 After passing away of Yassar Arafat, elections were held in Palestine. Chief of the Palestine Liberation Organisation, Mahmoud Abbas, won the presidential elections on January 9, 2005. The new government of Palestine expressed their readiness to arrive at a negotiated settlement for the establishment of a liberated Palestine state. After several rounds of talks between Israel and Palestine, Israeli Prime Minister Sharon and Palestine President, Abbas announced the end of 4 years of fighting between the two countries after a summit in Egypt on February 8, 2005. However, ceasefire agreement could not be signed due to some differences but oral declaration to cease hostilities was arrived at.

7.2 As per the oral understanding all Palestinian militant groups will stop attacking Israel with a particular focus on the Palestinian takeover of Gaza when Israel carries out its prearranged pullout of illegal settlers and military forces. The understanding visualized that withdrawal will start in summer. Abbas is reported to have informed US state secretary, Condoleezza Rice that he expected prompt Israeli action on a number of fronts in addition to the question of national security. He stressed the need for freezing of expansion of settlements and takeover of property in the vicinity of Jerusalem, which both Palestine and Israel claim as their capital.

7.3 However, some extremists groups in Palestine fire about a dozen mortar bombs and rockets at Jewish settlements and Israeli army posts immediately after the verbal settlement to sabotage the settlement. President Abbas had to take steps to set the matters right, while the extremists groups agreed not to obstruct the peace process. This led to Israeli cabinet agreeing to release 500 Palestinian prisoners. On February 20 the Israel cabinet approved withdrawal of Jewish settlers from Gaza Strip and a revamped route for the separation barrier in the West Bank. The Israeli government further announced that withdrawal of the Jewish settlers and the army would commence from July 20, 2005. It issued orders to halt demolition of homes of Palestinian militants.

7.4 One lakh strong demonstration of Jewish settlers and their supporters was held in front of Parliament in Jerusalem to protest against the planned withdrawal from Gaza Strip and parts of West Bank. Such steps indicate that the peace process is not going to be a smooth process.

7.5 The US Government has not yet agreed to the legitimate demand to make East Jerusalem as the capital of Palestine. The US imperialism is also trying to impose their solution to the problem of Palestine and fully backing Israel in the process. Despite financial assistance offered by Western Countries to Palestine, uncertainty still looms large about settling the Palestine problem at an early date.

8. Suppression of Democracy in Nepal

8.1 The usurpation of absolute power in Nepal by King Gyanendra on February 1, 2005 on the plea of failure of the Deuba government to suppress the Maoist rebellion was an act of murder of democracy in the landlocked Himalayan Kingdom. The Prime Minister and leaders of various political parties were summarily arrested and all democratic rights of the people undermined. Draconian censorship was imposed on newspapers and media by which all anti-government news was totally barred. Reckless use of Public Safety Act was resorted to imprison all opponents of the dictatorial regime. All processions and demonstrations were banned and trade union activity was made illegal.

8.2 A stooge government was installed by the king by nominating his handpicked persons to run the administration. 85,000 strong army was used to create a reign of terror among the ordinary people. Periodic helicopter attacks were resorted to against the people opposing autocratic rule in the name of suppressing Maoist guerrillas. According to some observers, after declaration of emergency by the king, on an average 8.41 were killed every day. Over 3000 persons were detained without even trial. Among the detained persons a large number was of journalists. In spite of all these repressive measures the king's writ failed to run in 70 per cent of Nepalese territory. In 18 hill districts the law of the land was not under operation.

8.3 The lifting of emergency on 27 April 2005 by the king and release of some political leaders basically did not alter the situation in Nepal. It was done due to adverse reaction of the autocratic rule of the king all over the world and Gyanendra wanted to create an impression that he was keen to restore democracy at an early date.

8.4 In the beginning the UPA government took a correct stand to oppose the assumption of arbitrary powers by the king Gyanendra and suspended all military aid to Nepal. Prime Minister Manmohan Singh even cancelled the SAAARC meeting at Dhaka since India refused to participate along with king Gyanendra in the meeting. Government of India demanded restoration of democracy in the Himalayan kingdom. These measures reflected the feelings of the people of India towards their brothers in Nepal fighting against the autocratic regime

8.5 However, in the Bandung meeting to celebrate 50th anniversary of the historic conference, which led the foundation of Non-Alignment Movement, the Prime Minister of India had a meeting with the king of Nepal who promised to restore democracy in a short time. There was no justification by the government of India to agree to the resumption of military aid to Nepal when the repressive measures were continuing unabated. The argument that the aid was already in the pipeline and previously committed by India carries no logic. During the Bandung conference a meeting was held in Delhi when speakers condemned the royal takeover in Nepal and demanded dismantling of monarchy itself. The prevarication by the Indian government was strongly criticized by the Left parties, which demanded putting an end to the military aid to Nepal King. The trade unions in India also opposed the suppression of democracy in Nepal and expressed solidarity with the people of Nepal in their hour of trial.

9. Strained Relations with Bangladesh

9.1 The reactionary regime in Bangladesh continues to carry forward anti-Indian activities on the soil of Bangladesh. Rebel Kamtapuri and boroland agitators and extremist groups in Tripura openly get refuge in Bangladesh. In spite of India giving reports about training camp for terrorists groups in Bangladesh, no steps have been taken by the Bangladesh government to stop these activities. The question of immigrants to India from Bangladesh is also being raised from time to time.

9.2 As reported by "Outlook" (May 16, 2005), "In an astonishing development, the 10 member Parliamentary Standing Committee on Foreign Ministry held Foreign Minister, Morshed Khan, responsible for downward slide in Indo-Bangla relations, even describing it as the worst-ever since the birth of the country in 1971." The committee members advised him to take up "confidence building measures as well as initiate dialogue" with India. How far this will be implemented in practice is yet to be seen. Need of improvement of ties between India and Bangladesh is of extreme importance in view of the on going negotiations between India and Myanmar about the gas pipeline to India via Bangladesh. The project will not even commence without normalisation of ties between India and Bangladesh.

10. European Union in Doldrums

10.1 The verdict given by the people of France in a referendum on the constitution of Europe in May set in motion a chain of events leading to a crisis in European Union. 55 percent of the people in France clearly said no to the European Constitution despite its advocacy by President Chirac. The people of Netherlands followed the French verdict and gave another jolt to European Union by opposing the constitution by 62 percent of the voters. The postponement of the referendum in Great Britain by Tony Blair Government has raised doubts of uncertainty about the future of Europe.

10.2. The Brussels meeting of the Heads of States in Europe ended in failure while acrimonious debate between UK and France on the question of subsidy to Agriculture has resulted in strained relations between the two major European countries.

10.3 Though countries participating European Union has increased substantially due to joining of the East European countries the contradictions are also increasing between the more developed countries and comparatively less developed ones. The 25 countries, which are now in European Union, are faced with the problem of uneven economic development and growing unemployment. The slow down of economic growth which now veering round 2 percent or even less had added to their contradictions. Many ruling parties have lost the elections held in some countries reflecting the growing discontent among the people about the policies pursued by these governments. Even in Germany the opinion polls indicate that the present ruling party is likely to loose in the forthcoming elections.

10.4 The social security benefits are being curtailed by most of the European countries against which workers struggles are on the rise. Curtailment of trade union rights by various governments in Europe though labour law enactments are also facing stiff resistance by the working class and the trade unions. As a result the euphoria created in the past that the European Union will benefit the people all over Europe is declining very fast and the opposition to the European constitution reflects the growing disenchantment of the people in the continent.

10.5 US imperialism will certainly try to take advantage of the fissures in Europe since US was considering the unification of Europe as a competitor to US in its design to control the world economy.

11. Strengthening of India-China Relations

11.1 The significant visit of Prime Minister of China, Wen Jiabao in March 2005 has resulted in improving the relations between the two Asian giants to the status of strategic and cooperative partnership. It also led to evolving broad parameters of overall settlement of vexed border dispute between the two countries. In all eleven important agreements were arrived at which will take relations between the two countries to a higher level. Such an understanding between the two countries having over 35 percent of the world population will have great impact on Asian and world affairs.

11.2 The formation of Joint Business Council between India and China will also be remarkable achievement. Already the trade between India and China has been of the order of \$12 billion, which is making China as the second largest trading partner of India next only to USA. It is now agreed to raise it \$20 billion by the end of 2008. Growing trade between two neighbouring countries will benefit both the countries and strengthen economic cooperation. Already steps taken to improve border trade through Nathu La pass is likely to strengthen economic ties between east India and Tibetan region of China.

11.3 Anti-China lobby in India with encouragement from Western capitalist countries is trying to scare Indian people that China would dump their products in India and weaken our industrial base. They ignore that today China is importing more from India than what it is exporting to India. The agreement arrived between the two countries has given a powerful rebuff to the anti-China lobby operating in India to serve the interest of their masters.

11.4 The foreign ministers of India, China and Russia met at Vladivostok (Russia) on June 2, 2005, which considered measures to develop trilateral cooperation including in strategic sectors. This is an extremely important step directed against the concept of unipolar world trotted out by US imperialism. Such meetings will certainly pave the way of a multi-polar world, which will save the world from hegemonistic approach of US imperialism.

11.5 The celebration of 60th anniversary victory over fascism on 9th May 2005 in Moscow in which several world leaders participated highlighted the glorious role played by the former Soviet Union and heroic Red Army. A recent opinion poll conducted in Russia showed that 60% of the people attributed the victory in the Second World War to Stalin's military genius. Russian President Putin had to admit that "Stalin and his epoch are an inalienable part" of Russian history. Earlier Putin had regretted the demise of Soviet Union calling it one of the biggest tragedies of 20th century.

11.6 About 40 top leaders of Afro-Asian countries assembled in Jakarta (Indonesia) on April 22 and 23, 2005 to observe 50th anniversary of historic Bandung conference held on 24th April 1955 advocated the revival of Bandung spirit in the world. It called for "a momentum in achieving peace, prosperity and progress" and "dynamic partnership" among the countries in the region to achieve these goals.

11.7 Fortieth Anniversary of the heroic people of Vietnam over US imperialism was also an important event, which brought to the notice of the world how a small freedom loving nation can defeat the most powerful imperialism in the world with innumerable sacrifices of the people. The remarkable leadership of Dr Ho Chi Minh in this historic struggle can never be forgotten.

12. Indo-US Defence agreement – a threat to India's sovereignty

12.1 Defence Minister, Pranab Mukherjee, during his US visit signed a framework agreement on India-US defence relationship. By this agreement India will be subservient to US strategic goal in Asia and India's sovereign status itself will be threatened. Pranab Mukherjee has agreed to participate in US led military operations. India will be drawn into US missile defence shield and she will be provided with Patriot missile system.

12.2. The assurance given by the US government for co-production of defence equipment will enable US imperialists to sell their defense equipment in India while US will not be bound to lift the curb on supply of high technology to India. There is still US embargo on supplying certain sophisticated technology to India.

12.3 The US imperialists are seeking to use India as a bulwark against China and the defence agreement is an attempt in that direction. India has to decide whether Indian soil will be allowed to be used by US imperialists against China. India must pursue independent foreign policy and should have no defence tie up with US imperialists. The NDA government took some servile measures in the past in dealing with USA. The defence agreement signed by Pranab Mukherjee reduces India to a collaborator with US designs in Asia. The agreement has to be opposed by the democratic movement in India. The Government of Canada has opposed it on the ground that its skies would not be allowed to be

controlled by any foreign power.

13. Pro-Rich Policies of UPA Government

13.1 The Central Government is unable to recover taxes from the private sector as estimated in the budget. Finance Minister P Chidambaram kept the personal income tax targets at Rs 50,929 crore for the year 2004-05 but in the revised estimates this target fell short by a whopping Rs 2608 crore with the actual collection expected to touch only Rs 48,221 crore! Similarly, during the same year mobilisation through corporate taxes was Rs 83,581 crore as against Rs 88,486 crore stated in the budget. Estimates indicate a shortfall of Rs 5,436 crore. The total shortfall thus estimates at over Rs 8000 crore

13.2 The CITU pointed out, during the pre-budget discussion, that the tax arrears with the corporate sectors as per mid-term appraisal of the 10th Plan stood at Rs 98,0000 crores. The government is not concerned about it and does not enforce these tax collections. The non-performing assets of the public sector banks has exceeded Rs 80,000 crores without interest and Rs 1,20,000 crores with interest, most of which is due to corporate sector. While Chidambaram's firmness to realise this is lacking, he is keen to raise revenue by disinvesting shares of profit making public sector undertakings to those private sector tycoons who don't pay direct taxes and bank loans! His anti-public sector attitude is clearly reflected in his policy framework. Trade union movement must oppose this and defend the public sector assets.

13.3 Again, Chidambaram's announced, after the settlement of dispute regarding division of assets of Ambani family, that he would not investigate into the allegations of Anil Ambani regarding lack of transparency about several transactions indulged in by Mukesh Ambani. Charges of lack of openness and fairness in company law matters, which damaged the interests of the shareholders, were also made. Anil raised issues of several questionable transactions by Mukesh and his cohorts in Reliance industries without even his knowledge even though he was managing director. He further exposed the clandestine links between Reliance and Pramod Mahajan, whose relative was given bonanza by Reliance in return for some concessions given to them when Mahajan was Communication Minister. Though the charges were of serious nature and involve issues relating to corporate governance the settlement of family dispute does not resolve issue by putting under the carpet. By deciding to drop the enquiry into the charges Chidambaram has only protected Ambanis in their clandestine deals.

13.4 In a similar manner Chidambaram is adopting dilatory tactics in inquiring the shady deals of Centaur Hotel in Mumbai Airport and Juhu and the role of Arun Shourie, the former Disinvestment Minister of NDA Government. The Finance Minister is allowing these transactions and not taking action to stop them. He admitted "grey areas" in these transactions while CAG report has come out strongly against the lack of firm action which is enabling the culprits to get away with all the ill-gotten wealth from public sector undertakings. The demand of the members of Parliament to inquire the shady deals in privatisation of other public sector undertakings is also being ignored by the Finance Minister. A proper and thorough probe into the matter would reveal how the privatization drive is a loot of the valuable assets of the public sector undertakings and how bureaucracy and Ministers have made money in these transactions.

13.5 The experience of workers in Balco, Modern Food and other public undertakings has clearly shown that all the previous agreements had been thrown overboard and workers' rights were trampled underfoot. Mafias, who were handed over mines by Coal India, have indulged in ruthless exploitation of workers and several malpractices of criminal nature. Trade union movement should take up these

issues more effectively so that real character of privatization, disinvestments, outsourcing, etc is properly exposed before the eyes of the people. This colossal loss to the national economy must be stopped if India has to advance in the direction of self-reliance.

13.6 As a result of fiscal policies adopted by several governments in the era of globalisation we see a strange phenomenon of substantial rise in the number of people below the poverty line and increase in number of unemployed people. On the other hand, a new strata of affluent persons is growing at breathtaking speed. According to World Wealth Report 2005, there are estimated 70,000 high net-worth individuals in India whose number increased by 14.6 percent since 2003. The net-worth of these people exceeds \$1 million (Rs 4.5 crores) excluding their primary residence. According to Shitin Desai, vice chairman of DSP Merrill Lynch, a financial consultancy firm, "Yet these are conservative estimates." He noted that there are a large number of people who lie "low," and "a large number of that is not yet recognized." This data does not include black money, which is rampant in the country (Business India June 20-July 3, 2005). Their financial wealth is estimated at \$30.8 trillion (Rs 1386 thousands crores) indicating concentration of wealth in the hands of few individuals and growing inequality in the country. The Finance Minister does not want to take a share of this ill-gotten wealth for overcoming sickness of industry, generating more jobs by starting new development projects and increasing investment in social sector of economy. His talk of lack of resources in the country and need for foreign investment is a myth and attempt to hoodwink the people of India.

14. Precarious Finances of the State Governments

14.1 Precarious financial position of the State governments in India is creating a serious situation. Their ability to mobilize tax resources is dwindling with major financial resources are garnered by the Central Govt. The indebtedness of the state governments has gone up by 800 percent during 1990-91 to 2004-05. According to recent Economic Survey of Government of India the cumulative debt of the state governments has gone up from Rs 1,10,289 crore to Rs 9,13,103 crore in 2004-05. The matter has become so complicated that this debt becomes a large proportion of gross state domestic product. As per Planning Commission statistics the ratio of debt of state governments to gross state domestic product is as follows:

14.2 J&K (53.08%), Punjab (48.51%), Uttaranchal (32.37%), Haryana (27.85%), UP (39.08%), Rajasthan (45.38%), MP (32.28%), Bihar (53.33%) Assam (33.91%) West Bengal (41.15%) Gujarat (33.93%) Maharashtra (21.56%) Orissa (62.93%), AP (28.85%) Karnataka (25.12%) Tamil Nadu (26.08%), Kerala (36.34%).

14.3 With such situation the central government has prevailed upon 8 state governments to accept the new pension scheme prepared by the NDA Government and accepted by the UPA Government. Many state governments have downsized manpower and attempted to curtail benefits to the employees. The burden of this wrong policy is ultimately falling on the employees of the state governments, who are now agitating to protect their living standards under the perusal of globalisation. This situation is also resulting in state governments adopting similar steps for the general working class.

15. NDA Opposition in Disarray

15.1 Negative role played by the BJP led opposition in Parliament after resounding defeat in the last parliamentary elections has only made them unpopular among the people. The stalling proceedings in Parliament and unjust attacks on Speaker of Lok Sabha undermined their lack of faith in parliamentary democracy.

15.2 The Hindutva plank revived by RSS as an instrument to regain their mass base only isolated them from their former allies. The Telugu Desam Party did not join the NDA in boycotting the Parliament proceedings and a section of Janata Dal (U) expressed its opposition to Hindutva ideology.

15.3. The corruption indulged in by George Fernandes as a Defence Minister, was highlighted by the CAG report. The underhand dealings between Fernandes and the Phukan Commission, which was inquiring into the defence deals, was exposed when it was revealed that Fernandes, as Defence Minister, provided defence helicopter to Justice Phukan for personal tour. Not surprisingly, Phukan Commission gave a clean chit to Fernandes from the defence deals.

15.4 The shady deals of disinvestments of profit making public sector undertakings were succinctly exposed by the CAG report. Huge spending of public funds in India shining campaign and military purchases during Kargil war was also brought to light. Former president's revelation about the role of Vajpayee government during communal carnage in Gujarat and the observations by Sundarlal Bhandari, a senior BJP leader and former Governor of Gujarat has further eroded the image of Gujarat government.

15.5 Increasing interference by RSS in BJP affairs leading to open criticism of Advani and Vajpai created confusion in the ranks of NDA. The visit of Advani to Pakistan and his statement that Jinnah was a secular leader also angered RSS bosses and demand for his removal as BJP president was openly voiced. VHP leaders' open attacks on BJP leadership had only complicated the matters for BJP leadership. Opportunistic exercise by George Fernandes to patch up the differences between RSS and BJP leadership could not help much. As these lines are being written, the crisis in BJP-RSS relationship was reaching zenith and brought to the forefront the fact that the NDA opposition was in disarray.

15.6 The resignation of Sanjay Nirupam from Shiv Sena and revolt of former Chief Minister of Maharashtra, Narain Rane has given a big jolt to the leadership of Balasaheb Thakare who was trying to convert Shiv Sena as a family property by boosting his son and nephew. Charges of corruption and encouragement to anti-social elements were openly raised by a section of Shiv Sena leaders. This will further erode the image of NDA alliance.

15.7 The all around defeat of Trinamool Congress in West Bengal in the Municipal and Panchayat elections and the split in the party had further eroded the strength of NDA alliance.

15.8 The public criticism of Jharkhand government by former External Affairs Minister Yeshwant Sinha and his removal as spokesman of the party and Sudheer Kulkarni episode which compelled him to resign as secretary of Advani have made the matters worse for the BJP.

15.9 The UPA Government could not use these developments to its advantage since it seeks help from NDA partners on reactionary bills when Left is opposing them. The Left movement however is effectively campaigning against the NDA's reactionary policies, which will lead to further isolation of NDA and strengthening of the left.

16. Forward to Nationwide Strike on 29 September

16.1 In the last meeting of the Working Committee we have seen how UPA Government has been adopting pro-rich and anti-poor policies. Manmohan Singh government has been implementing the

World Bank-IMF dictated policies of globalisation. Chidambaram's budget for the year 2005-06 reflected the same policy of the UPA Government.

16.2 The government decision to permit 76% FDI in telecom sector, proposal to handover the airports of Mumbai and Delhi to foreign private sector companies, steps towards privatization of major sea ports, measure to increase foreign equity in private sector airlines from 40 to 40% have been resolutely opposed by the trade union movement in India. UPA government's decision to increase foreign participation in private banks to the tune of 10 per cent every year and enhancing the foreign equity cap to 74% %, allowing foreign participation in public sector banks to the tune of 49% merger of public sector banks to form mega banks in the name of making them capable to compete in the financial market are being fraught by trade union movement.

16.3 The policy of disinvestments and privatization pursued by the UPA government resulted in undermining importance of public sector undertakings in the country. The strong opposition expressed by the left parties to 10 percent disinvestments of BHEL and steps to suspend participation in meetings of coordination committee of UPA and Left parties has exposed the dangerous character of disinvestments of navaratna companies.

16.4 The failure of the government to draft the Employment Guarantee Bill at variance with the commitment in the National Common Minimum Programme, circulating the bill for the unorganized workers which was identical to the one drafted by NDA government and rejected by all the trade unions, non-implementation of the assurance to strengthen public distributions system, changes in the labour laws without consulting trade unions, failure to hold Indian Labour Conference during 14 months of existence of UPA Govt failure to provide adequate assistance to revive sick public sector undertakings, refusal to provide financial assistance to pay 9.5 rate of interest to PF accounts despite Cabinet decision are some of the measures adding to the already accumulated discontent among the workers.

16.5 The Pension Regulatory Authority Bill was a direct attack on the right of pension of the central and the State Government employees. It made pension scheme contributory for the employees and privatise it, refusal to appoint 5th Pay Commission for the central government employees are measures which caused resentment among the government employees.

16.6 The Sponsoring Committee convention held on 9th July 2005 decided the organise a nationwide general strike on 29th September 2005 in protest against the anti-working class policies of the UPA Government. The CITU unions all over the country should take initiative in organising powerful campaign all over the country to make the general strike a resounding success. The General Council should chalk out programme of countrywide activities to prepare effectively for the general strike action. Let the world know that united working class of India and its people will not tolerate the dictates of the IMF and the World Bank!

Thank You!
M.K.Pandhe

CENTRE OF INDIAN TRADE UNIONS

General Council Meeting

July 23 - 26, 2005

Alappuzha, Kerala

REPORT OF THE GENERAL SECRETARY

Dear Comrades,

We are meeting in this General Council, after the Agartala meeting of the Working Committee in December, 2004. During the interregnum, several important developments had taken place both in the international and national arena. The developments on the international scene have been covered in the Presidential address. So, I shall confine in my report to mentioning a few important developments on the national political scene.

2. One of the worst ever natural disaster, called Tsunami (tidal waves) in the South Asian coastal region, due to quake beneath the Indian Ocean off the coast of Indonesia, had caused the most horrifying devastation of human lives and properties. In India, the States mainly affected, in the order of the extent of devastation, are Andaman and Nicobar Islands, Tamil Nadu, Pondicherry, Kerala and Andhra Pradesh. The CITU called upon the working people all over the country to express total solidarity with the Tsunami affected people and lend a helping hand in the rescue and relief operations. We note with a measure of satisfaction that the CITU State Committees in the affected areas had plunged into relief work and there had been a good response throughout the country by way of collection of funds and materials for relief. We thank the international fraternity also which came with generous help in our efforts.

3. It is an irony that even as the nation was aghast at the intensity of horror inflicted by the Tsunami, the government at the centre chose to promulgate an ordinance on the third amendment to the Patent Act, on the very night Tsunami struck. This was again followed by another ordinance on the Pension Fund Regulatory and development Authority during the same week. We shall deal with these aspects later in this report.

4. Now, with the intensification of the South West Monsoon, the States of Gujarat and Madhya Pradesh have witnessed vast destructions caused by floods. We need to make efforts to reach relief and succour to the people affected by this fury of nature, as well.

5. After the resounding defeat that the communal forces suffered during the general elections of 2004 and the subsequent elections to the Maharashtra State assembly, the elections in the three states of Bihar, Jharkhand and Haryana, held during this period, witnessed a different outcome. The failure of the secular political parties to put up a combined opposition to the communal forces resulted in a fractured verdict in Bihar and Jharkhand. The arbitrary moves by the Congress party in Jharkhand and Bihar had led to the return of the BJP led government in the former (after a flip flop swearing in of Shibhu Soren as Chief Minister) and culminated in promulgation of Presidential rule in the latter.

6. During this period, the Left Fronts in West Bengal and Tripura registered significant victories in the elections held to the Autonomous District Council, Local bodies etc. once again demonstrating the solid backing the governments in the two States have received from the masses because of their pro-people policies.

7. The genocide in Gujarat in the wake of the Godhra accident and the obnoxious role of the Modi government had been the subject of a nationwide debate in the wake of the enquiry report by the panel constituted by the Ministry of Railways and the findings of the POTA Review Committee. Yet, the Modi regime there persists with its deliberate shielding of the culprits of the heinous crimes committed and utter neglect of the victims.

8. The UPA government completed one year of its rule in May this year. While it was celebration-time for the ruling alliance, the BJP led combination, which had mounted an assault on Parliamentary democracy itself by its frequent stalling, boycott etc. on non-issues, came out with a negative report card on the UPA anniversary. On the other hand, the Left Parties, extending outside support to the UPA governance, have sent out a strong message by choosing not to be part of the celebrations bandwagon: "The UPA regime has to do more to address the expectations of the people". For the working people, however, the first year of the UPA governance has left hardly anything to cheer. Rather, the dogged pursuit of anti-worker policies of the ousted NDA regime is forcing the working masses of the country to embark on the path of struggle with renewed determination. We shall deal with these aspects separately in this report.

9. The recent terrorist attack in Ayodhya has heroically been foiled by the para military forces. But, the communal forces have been quick to seize it as an opportunity to up the antenna of majoritarian communal frenzy, calling for 'fitting response'. In this, the BJP leadership has found an opening to 'solve' the acrimony that has been blowing inside the 'sangh parivar'. This is a deliberate attempt to divert the attention of the people from the most pressing economic problems and bring non-issues to centre stage of the political discourse. We must assiduously work to preserve unity of the people and resist attempts to disrupt communal harmony.

ECONOMIC SITUATION

10. On the economic front, despite all euphoria about the recovery and buoyancy of the economy by the media and those in governance, no improvement is yet visible in the economic situation and its reflection in the life and livelihood of the common people.

11. The Planning Commission in its mid term appraisal of the economy has scaled down the targeted growth rate. Crisis in agricultural economy is manifest in the slowdown in the agricultural growth rate, which in turn is affecting the growth in GDP. The buoyancy in industrial economy is seen only in the rise in corporate profit, with little reflection in the employment scenario and the standard of living of the people dependant on the industrial economy. Though the service sector is apparently in a better position, the boom is only in a smaller segment of the entire service sector economy, mainly the ITES segment, which represents a miniscule percentage of total employment.

12. A close scrutiny of the revised estimate of national income and related indicators, released by Central Statistical Organisation (CSO) on 30th June 2005, exposes the dark reality. It noted a 10.7% growth in per capita income in 2004-05; but growth in the farm (agricultural) sector, which still accounts for the livelihood of more than 60% of the populace, is a very meagre 1.1%. Overwhelming majority of this 60% of the population has seen practically no increase in their income; they rather faced a decline, given the gross inequality dominating the rural society. It also means, whatever be the GDP growth, the rich and affluent corporate and landlord lobbies have largely cornered the fruits of it. Thus, even as the GDP grows, unemployment and poverty also increase.

13. This is the inevitable consequence of there being no directional change in the economic policy regime under the UPA governance, as compared to the previous NDA regime. Though the UPA government is, under pressure from the Left Parties, committing some more funds for the poverty alleviation programmes, its result is yet to be seen. The Budget 2005-06 reflected the pronouncement of such commitment but in real allocation there remains a big gap between the words and the deeds.

BUDGET 2005-06

14. The Budget 2005-06, presented by the Finance Minister of the UPA government, was high on its emphasis on assault on poverty and unemployment but inadequately low on allocation of resources in real term, needed to take on the immense challenges on these scores.

15. The budget promised, as a part of its Bharat Nirman package, to bring one crore hectares of land under irrigation, connect all villages by road, construct 60 lakh additional houses for the poor, provide drinking water to 74000 habitations, electrify 1,25,000 new villages and provide connection to 2.3 crore households, provide telephone connectivity to 66000 villages and provide jobs to more than one crore people in a span of four years.

16. The allocations and expenditure statements in the budget, which do actually matter, are in no way commensurate with these ambitious announcements. The total expenditure in the first year of the 'Bharat Nirman' is up by only around 1.7 per cent, from Rs. 505791 crore to Rs. 514344 crore (Rs. 8533 crore). If five per cent inflation is taken into account, this, in real terms, marks a decline by over 3 per cent.

17. The centre should have wholly financed the expenditure of 'Bharat Nirman' Projects announced in the Union budget. But, most interestingly, a substantial part of funding liability of the 'Rural Infrastructure Development Programme' called 'Bharat Nirman' is ultimately falling on the State governments. In case of roads, irrigation etc major part of the allocation is debt-based through 'Rural Infrastructure Development Fund (RIDF-Rs. 8000 crore) and AIBP (Rs. 4800 crore). The expenditure on both the projects will constitute loan to the States. As the State Governments are extremely hard-pressed for finances, execution of these projects in most of the areas might become a casualty.

18. The 'food for work' programme is slated to cover 250 districts. But, the allocation is grossly inadequate in terms of the depth of distress prevailing among the rural populace. On the other hand the allocations under 'Sampoorna Gramin Rojgar Yojana' (SGRY) and 'Swarn Jayanti Gram Swarajgar Yojana' (SJGSY) faced a cut from Rs. 5100 crore and Rs. 1000 crore to Rs. 3600 crore and Rs. 862 crore respectively.

19. This virtually is scaling down the ongoing rural employment programmes. The budget does not contain any worthwhile concern on urban unemployment as well. Rather, some of the steps taken in budget will affect the employment-generating sector of the economy in a big way. De-reservation of 105 more item reserved for the small-scale sector will lead to more closures in this sector adding to urban as well as rural unemployment further. The additional allocation for credit through banks for the self-employed groups is a mere Rs. 2.5 lakhs –a cruel joke indeed! Budget did not reflect any concern over the pitiable condition of the workers of lakhs of sick and closed units, both in private and public sector, which involve 25 lakh direct employment and indirect employment of more than that number. Rather, true to its neoliberal character, the Budget remained totally indifferent towards the labour intensive traditional sector industries like Jute, tea, handloom etc., which are in deep crisis. The concern expressed in Budget about textile sector centres round mainly the modern high-tech mills,

whereas the neglect of handloom sector, providing for much bigger employment, persists.

20. Added to this is sharp reduction in customs duty on a number items, including many in the capital goods sector, leaving the excise duty on the domestic produce in the same category unchanged. This is typically a colonial pattern of taxation! This will contribute to marginalisation of domestic industries in the concerned areas leading to further loss of employment. For example, in the case of steel, excise duty on the domestic produce has been increased by 4%, while sharply reducing the import duty by five per cent, thus making the Indian steel costlier by at least 9% in terms of the pre-budget price difference between domestic and imported steel.

21. The government cites 'Resource crunch' whenever it is confronted with the demand related to any pro-people measure. But the government has foregone revenue of at least Rs. 3000 crore by reducing the customs duty rate in favour of the MNCs. The corporates, which accounts for the bulk of tax arrears and bank loan defaults, are rewarded with reduction in the peak rate of corporate tax by 5%. Added to this is the huge concession by way of tax holiday for 15 years granted to the units set up under the Special Economic Zones Act, hastily pushed through without even the customary scrutiny by the Parliamentary Standing Committee.

22. Admittedly, the tax-GDP ratio in the country is too low and there is scope for raising of the same to improve our resource position. The tax-GDP ratio, instead of moving up, has come down by to 9.6 per cent from 11.6 per cent during 1989-90. The Parliamentary Standing Committee on Finance, in its 14th Report, recommended "the Government, while making efforts to widen the tax base, should put specific focus on the high-end tax payers so as to increase the tax revenue substantially". But, the Budget has not acted on this unanimous recommendation. The Non Performing Assets (NPA) with the banks (un-recovered loans from these affluent sections) has crossed one lakh crore of rupees. This is over and above Rs. 45000 crore bank loans taken by the corporate lobby, which has been written off as bad debts during last five years. The Budget did not mention anything as to how this huge NPAs will be recovered. The unpaid arrears of income tax, corporate tax, excise duty and customs duty, mostly due from these 'high end' sections, have been increasing continuously over the years from Rs 47000 crore in 1997-98 to about Rs. 1 lakh crore in 2003-04. No step is being conceived by the Government to recover all these arrears. The corporate tax collection during 2004-05 was revised to Rs 83000 crore from the budgetary estimate of Rs 88436 crore, conferring a further benefit of Rs 5436 crore on these high-end sections!

23. Though the budget was silent on 'disinvestments', the Economic Survey had clearly mentioned that an Investment Fund is constituted, which will come into operation from 1-4-2005. The Finance Minister, P Chidambaram, told the media that the fund is to park the proceeds of disinvestments of public sector! Similarly while the budget mooted the proposal to open the mining, retail and pension sectors to FDI, it was silent on FDI hike in Insurance. But, the Finance Minister in an interview to the Business Line dated 2nd March 2005, stated in no uncertain terms, "The proposal to hike FDI in Insurance has not been put off. We will have to introduce a Bill. Some other amendments are required in both the Insurance Act 1938 and IRDA Act 1999. All amendments will come together. It is not off the agenda."

24. The long-standing demand for comprehensive legislation including social security benefit for unorganised sector workers and allocation of funds required therefor did not figure in the budget. Though exemption limit for income tax was raised, it was almost neutralised by withdrawal of 'standard deduction' benefit and continuance of taxation on perquisites, fringe and welfare benefits. How much of the burden on account of 'Fringe Benefit Tax' of 30% will fall on the workers is yet to be known. The

administered rate of interest is continued at 8 per cent, offering no relief to the small saving public, government employees and other workers contributing to Provident Funds.

25. On the whole, the first full-fledged Budget of the UPA government is nowhere near in meeting the expectations of the people and workers. A directional shift towards pro-people policies still remains a far cry.

WORKING CLASS AND THE UPA GOVERNMENT

26. The Agartala Working Committee meeting of the CITU noted: "The UPA government also has been keen to adhere to the dictum of the Breton Wood institutions, which are to serve the interest of the imperialist force only, in the same line of the NDA government. ... As apprehended, egged on by the finance capital, within and outside the country, the UPA government appears to be keener on carrying out some of the unfinished economic agenda of the NDA, sometimes even going ahead of NDA".

27. The 14 months of UPA governance has witnessed pursuit of the neo-liberal policy framework as a continuity of the NDA Government's economic policies and demonstrated its failure to initiate pro-people measures as outlined in the National Common Minimum Programme (NCMP). As a matter of fact, in a few cases it has been a straightforward violation of NCMP.

28. Take the case of National Employment Guarantee Act. The NCMP stipulates: "A National Employment Guarantee Act would be enacted to provide at least hundred days of employment every year at minimum wages to at least one person in every urban and rural poor and lower middle class house hold." Because of the lack of initiative as well as political will, this bill could not be brought before Parliament till December 2004. The content of the Bill introduced in Parliament has been so diluted that it made a mockery of the NCMP commitments. The Bill excluded urban poor completely and restricted the coverage of rural poor also to only BPL families and that too in 150 selected rural districts. There is no time frame for extending coverage to even the entire rural India and the Bill is vague about ensuring statutory minimum wages. Virtually the Bill has turned out to be an exercise in futility.

29. The NCMP stipulated the following under the head "Labour": "Commitment to welfare and well-being of all workers, particularly those in the unorganised sector; Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and women, plantation labourer, beedi workers etc. to be expanded; No automatic hire and fire; dialogue to be pursued with industry and trade unions regarding changes in labour laws while fully protecting the interests of workers; No confrontation in labour-management relations but consultation, cooperation and consensus; Rights and benefits earned by workers including the right to strike according to law, will not be taken away or curtailed; Tripartite consultations with trade union and industry to be actively pursued".

30. Till now the government has not taken any step to bring the promised legislation for the unorganised sector workers, including a meaningful social security scheme for them, in spite of repeated demands from the trade unions. The government only re-circulated the earlier draft bill by NDA government, which was rejected by the trade unions, without taking into consideration the unanimous suggestions made by the trade unions.

31. Under the head "Agriculture", the NCMP committed a "pro-active legislation" on agricultural workers. This has not yet seen the light of the day.

32. Serious labour-management confrontation is occurring in many areas of the country, because of violation of existing labour laws by the employers in connivance with the law-enforcing authorities. Trade unions, especially CITU unions, are not being registered for years in states like Punjab, U.P., M.P., Haryana, Rajasthan, etc. The UPA government, instead of being proactive, is totally passive. PF and ESI laws are mostly violated in unorganised sector and government instead of monitoring the same is talking of ending "inspector raj", which only means, "free corporate and contractor raj". In this background, the Labour Ministry is understood to have been moving with the idea of amending the Industrial Disputes Act to increase the threshold limit of employment from existing 100 to 300 for the establishments, where 'hire & fire' regime will be allowed. On major issues like contemplated merger of banks, FDI in Banks, telecom, civil aviation, retail sector, etc. government is taking policy decisions without any discussion with trade unions, without any consensus despite their opposition.

33. Right to Strike is not being legislated thus giving a free hand to judiciary to curtail or even impose a ban on right to strike by the workers in different parts of the country. Sector wise tripartite industrial committees have not been formed so far, in spite of continuous pursuit by the trade unions.

34. On the whole, commitments in the NCMP regarding labour have merely remained on paper, because of indifference of the UPA government.

35. On Public Sector, the UPA Govt pledged: "Commitment to a strong and effective public sector, meeting social objectives by commercial functioning". "Full managerial and commercial autonomy to successful, profit-making public sector companies operating in competitive environment". "Generally, profit making companies not to be privatised". "Navaratna' companies to be retained in the public sector, while they can raise resources from the capital market". "While every effort will be made to revive sick units, chronically loss-making companies to be sold off or closed after all workers have got their legitimate dues and compensation". "Public sector companies and nationalised banks to be encouraged to enter the capital market to raise resources and offer new investment avenues".

36. The UPA government started its tenure on wrong footing on public sector. One of its first decisions was to privatise Delhi and Mumbai Airports of Airport Authority of India (AAI) through joint venture route, which violated the letter and spirit of NCMP assertion that "profit making companies would not be privatised". Employees of AAI have formed a joint forum to oppose this move and had submitted an alternative proposal to modernise Delhi and Mumbai airports, within the public sector, in August 2004. The same has not even been discussed so far and the move for privatisation is going on.

37. The major aberration comes in the case of disinvestments in profit making PSUs; the NCMP does not mention the word "disinvestments" to fill the government coffer at all. Finance Ministry, taking advantage of the clause "(PSUs) to be encouraged to enter the capital market to raise resources", goaded the NTPC to go for 5% IPO in the market and riding piggy back on the same, disinvested 5% govt shares. The government delinked disinvestments from the budget but has made a policy decision to disinvest 49% government equity in all profit making PSUs through executive decision, starting with the navaratnas. After NTPC, government has removed the smoke screen of IPO and already decided to disinvest 10% shares of BHEL, 10 to 20% shares in NALCO, Power Grid Corporation, Shipping Corporation, etc. These decisions are being taken up in spite of the reservation of concerned PSUs or their nodal ministries, as was evident in the case of NALCO. Such creeping privatisation allowing the competitors of the navratnas to have their foothold in the PSU is a serious violation of the NCMP and an act of sabotage of the national interests, which must be fought tooth and nail by the working class.

38. In totality, a disastrous exercise is going on in the name of disinvestments. Owing to dependence on Left support, the UPA government had to restrain itself from wholesale strategic sell-off of the profit-making PSUs. It appears that after passage of one-year, the privatisers and reformers in UPA reached the end of their patience. In a most unscrupulous manner, the government has been pushing ahead sale of shares of profitable PSUs in trenches crudely mocking at those who expressed loud satisfaction at the Union Budget (2005-06) keeping silence over disinvestments. The game plan is clear; the UPA government will make divestment in all the profit-making PSUs up to 49% and wait for the opportune moment to go in for the Arun Shouri way of full privatisation as soon as they get rid of the hazards of dependence on Left support. Hence, it is crucial that the trade union resistance against such unscrupulous disinvestments process is mounted with all seriousness rejecting the deceptive plea of the government that part of the proceeds of disinvestments will accrue in National Investment Fund to fund the revival of revivable sick PSUs. Viewed in this backdrop, the decision by the Left Parties to suspend the coordination meeting with the UPA government in protest against their retrograde move in the matter of economic policy issues, disinvestments in particular, is a welcome step.

39. The whole focus of the government seems to be only on raising the resources of capital market through disinvestments of strong PSUs. The committed task of revival of sick PSUs is being totally neglected. While the NCMP stipulates that every effort will be made to revive sick units, none of the major sick PSUs etc are being taken up seriously for revival. Time being the essence for revival, potentially viable units are becoming - rather being made - unviable because of such delay. Till now Board of Reconstruction for Public Sector Enterprises (BRPSE), formed for the purpose of revival, has dealt with the revival plan of only two PSUs.

40. Continuous interference from the Disinvestments Department of the Finance Ministry, which is just toeing the line of Disinvestments Ministry of NDA government, is eroding the managerial and commercial autonomy of PSUs. Instead of addressing the priority needs viz. up gradation of technology and access to government orders, of the navratna companies, the government is only treating them more as items for sell-off in phases as per dictates of the Finance Ministry. Employment generation is being redefined as reckless recourse to 'contracting', 'sub-contracting' and 'outsourcing' and merrily resorted to in PSUs also. Revival of sick PSUs are being neglected just to create grounds for their wholesale sell-off. The record, therefore, of the government is utterly dismal and unless the government is given a jolt, it will continue to refuse to have a re-look on their approach to public sector.

41. In the infrastructure sector, the NCMP mandated the government to review Electricity Act, 2003. It took about a year for the government to start such a review through a structural mechanism, after the employees threatened a strike from 31st May 2005. Though the government assured that there would no unbundling of Electricity Boards and cross subsidy would be maintained, based on which the strike was withdrawn, the government went back on its word as the Prime Minister expressed contrary views on the issue in the conference of State Power Secretaries. Such flip-flop approach will force the electricity workers to go for united action again so that government adheres to the commitment in the NCMP to review the Electricity Act, 2003 for amending the same in the national interest.

42. The budget session has witnessed the hell bent effort of the UPA government to get the disastrous Patent Amendment Bill, which has been a carbon copy of the NDA's proposed legislation, passed as it is. The determined resistance by the Left MPs in Parliament ultimately compelled the UPA government to incorporate most of the amendments proposed by the Left, which have moderated, at least to some extent, the pernicious impact of the original bill. Nevertheless, the country had to adopt the product-patent regime much to the detriment of the national interest and our struggle must continue against

the imperialist machinations taking advantage of the product-patent regime.

43. Similarly, strong intervention by the Left MPs, in the case of the Special Economic Zones Bill, compelled the government to drop the retrograde provisions enabling grant of exemptions, both by the State and Central Governments, to the SEZ establishments from the obligations under labour laws.

44. The government resorted to an ordinance to legislate setting up a Pension Fund Regulatory and Development Authority to establish, regulate and develop pension funds under the New Pension System, which is outright privatising of pension funds and diverting the contributions to the speculative stock markets. Furthermore, the UPA Finance Minister has announced in the budget 2005-06 opening of the 'pension sector' for FDI, along with retail trade and mining sectors!

45. The government proceeded to reduce the interest rate on Employees Provident Fund by resorting to decision by majority in the Central Board of Trustees. Though the Prime Minister subsequently intervened to restore the rate to 9.5 per cent, that assurance is also given a short shrift by dipping into the Special Reserve Fund earmarked for settlement of Provident Fund dues of defaulting employers of closed establishments. The Finance Minister stubbornly refused to enhance the administered rate of interest, which stands reduced to 8 per cent since April 2002. In the process, the government is perpetuating the interest rate reduction down to 8 per cent by the previous NDA regime on GPF, PPF, CMPF, Small Savings etc. Moreover, the danger of the government going in for further reduction in the present rate (9.5 per cent) for the year 2005 – 06 itself looms large.

46. The Employees' Pension Scheme, 1995 is the only defined benefit pension scheme for non-governmental employees and workers. The provision there under for annual actuarial valuation was expected to confer improved benefits to the pensioners/workers. While the first four annual valuations resulted in grant of 4 per cent adhoc relief to the pensioners, the subsequent three valuations had denied even that paltry relief. The Ministry of Labour has initiated moves aimed at effecting adverse changes in the benefit package under the Scheme and curbing withdrawal benefit to the workers, who involuntarily exit the Scheme before getting eligible for sanction of benefit. The Ministry of Labour convened meetings of the central trade unions on three occasions during the past two months, to push these measures through. But, the trade unions have stoutly opposed the proposed changes.

47. The Labour Bureau of Shimla, which is entrusted the task of compiling and publishing the Consumer Price Index for industrial workers, has now embarked on launching a new series of price index with the base year 2001=100. Presently the Index is published with the base year 1982=100. There have been occasions in the past, where several deficiencies in the process of compilation of consumer price indices had been pointed out by several quarters, particularly the trade unions. The Central Trade Union Organisations had jointly represented to the Union Minister of Labour & Employment, immediately after the present UPA government assumed office at the centre, requesting inter-alia, appointment of a review committee to go into the question of compilation of consumer price index. Stating that the new series is ready for launch, a tripartite index users' meeting was held in May this year at the Labour Bureau, Shimla. Taking exception to the convening the tripartite meeting at the culminating point of release of the new Consumer Price Index, making it a fait accompli, all the central trade unions expressed their opposition to the release of the new series of Consumer Price Index for Industrial Workers (2001+100). The danger of the Government of India unilaterally deciding to launch the 2001 series of Consumer Price Index is very much a possibility, despite the unanimous opposition from the trade unions. This must be resisted.

48. The CITU should launch an intensive campaign on these issues of immediate concern to the working class. With this in view we have dealt with these issues in detail in the **Information Document I**, which will be useful for campaign among all sections of workers.

49. The UPA government is pursuing yet another disastrous agenda in the name of financial sector reforms. Following up the budget announcement by the Finance Minister, the Reserve Bank of India unveiled a roadmap of banking sector reforms. The government has introduced two subsequent legislative measures introduced in the form of Banking Regulation (Amendment) Bill and Reserve Bank of India (Amendment) Bill. This entire drive is aimed at complete deregulation of financial sector, to the detriment of national interests. Earlier, the Reserve Bank Governor pointed to the need for putting a check on the speculative financial flows through Foreign Institutional Investors. The Finance Minister disagreed and made the RBI Governor to eat back his words, just to please the World Bank and IMF under the camouflage of retaining foreign investors' confidence. The government has hiked the FDI limit in private sector banks in India to 74%. The amendment proposed to the Banking Regulation Act is for lifting the present 10% cap and allow full voting rights to the foreign shareholders, in proportion to their share holdings, in Indian private banks. This will lead to take over of the Indian private banks by the foreign banks, leading to cornering a substantial part of the domestic savings by the international finance capital. Side by side, attempts are on to weaken the public sector banks through disinvestment and take the focus away from developmental objectives and priority sector lending, to the detriment of a sound financial system to serve the economic priorities of the country.

ISSUES AND MOVEMENTS

50. The CITU Working Committee meeting at Agartala enjoined the task of launching countrywide independent campaign on the issues faced by the working class, demanding implementation of the pro-people commitments in the CMP and resisting the various offensives of the employers and the government. The meeting also listed out the priority issues and areas to which the CITU should pay attention at all levels.

51. We have given a detailed account of how far we have been able to carry out the outlined tasks in the Report on Activities, which is given separately.

52. It is, however, necessary to deal with some of the issues faced during this period and how we responded to them.

UNORGANISED SECTOR

53. The Working Committee directed us to pay more attention on the unorganised sector workers and form sub-committees and co-ordination committees at the state and district levels.

54. We have been emphasising repeatedly that our state committees need to pay more attention to organise the unorganised sector workers both in the informal economy as well as those engaged in informal work relations within the organised sector, including the public sector. The meeting of the Unorganised Sector Coordination Committee, held in November reiterated the following tasks:

* Form subcommittees on unorganised sector workers within the state committees of CITU, to look after the work among the unorganised sector workers. These sub committees should help in identifying the priority sectors in the state, preferably in the manufacturing sector and in industries which have a state wide influence; in monitoring work including allotment of cadres and their training etc and in

reviewing the work periodically by the concerned state committee

- * State level coordination committees of unorganised sector workers' unions to be formed to coordinate the movement and develop state level campaigns on their common demands

- * Make efforts to organise separate trade/ occupation/ industry wise unions instead of forming omnibus unions of unorganised sector workers

- * Develop sectoral struggles on the specific demands of the concerned workers, and

- * Pay more attention to organise the contractor workers, whose number is fast expanding, including in the public sector. It was also decided that our unions in the organised industry should shoulder the responsibility to organise the contractor workers engaged in their own units.

55. There is some progress in implementing these tasks as per the reports of members in the meeting of the All India Unorganised Sector Coordination Committee held on 7- 8 June 2005 in Delhi. But still much needs to be done, in view of the vastness of the unorganised sector and the huge number of workers engaged in it.

56. While reports indicate that our work among the unorganised sector in most of the states is increasing, we are yet to work in a planned way. Several state committees have reported to have identified the priorities in their respective states. These include beedi, construction, brick kilns, anganwadi etc. If the state committees prepare a proper plan, identify the concrete demands of the workers in these sectors, allot cadres and make serious efforts to develop state wide movement on these demands, we can definitely strengthen our movement and also increase the membership of CITU.

57. In this connection we have to keep in mind that in many states, even in the industries where we are the leading or the only force among the unorganised sector workers in a particular industry, our membership, compared to the total number of workers in the state is very small. There is a tendency for some of our comrades to become complacent after making some progress and gaining some recognition. We should overcome this weakness, examine our strength objectively in relation to the vastness of the job at hand and plan our activities.

58. The attacks on the working class in general and the unorganised sector workers in particular have been increasing by the day. In many states, unions are not being registered and efforts are being made to deregister the existing unions also. Today the workers in the unorganised sector are forced to launch prolonged struggles, not to achieve any new benefits but to retain the existing working and living conditions and for the implementation of the legal provisions like minimum wages, appointment letters, identity cards, eight hour work etc.

59. These attacks are bound to grow in the coming days. The government is trying to counter pose the workers in the organised sector against the workers in the unorganised sector. While the hard won benefits at present being enjoyed by the workers in the organised sector are sought to be curtailed in the name of providing social security and other benefits to the unorganised sector workers, the government is making no serious efforts to bring the bill for the unorganised sector workers incorporating the suggestions made by the Central Trade Union Organisations. No major changes have been made in the bill that was drafted by the erstwhile NDA government. The Unorganised Sector workers and their employers, who are in most of the cases not identifiable, are required to

make most of the contributions while that of the government of India remain nominal. The Bill in its present form will not be able to provide any relief to the workers nor has it any teeth to ensure compliance by the employers.

60. The number of days of work for the unorganised sector workers is coming down sharply. Workers in the beedi, construction etc industries do not get work for even 2- 3 days in a week. Work availability for the brick kiln workers has also become irregular. With the integration with international markets, availability of work is determined by the fluctuations in the international markets. The UPA government has committed for an Employment Guarantee Act in its National Common Minimum Programme to provide at least 100 days' of gainful employment. But the bill that was introduced in the Parliament is a highly diluted version of the commitment, limiting the benefit to only one person per family among the poor families in the rural areas only in selected districts to start with. There is no defined time frame to expand it throughout the country. The government of India seeks to shift a large part of the financial commitment to the state governments, making it difficult for the state governments most of which face severe financial difficulties, to accept it in its present form.

61. The Central Trade Unions have demanded to delink the agricultural workers, whose working conditions are entirely different from those of industrial workers, from the purview of the Unorganised Sector Bill. Instead, they have demanded the government to bring a separate Comprehensive legislation for the agricultural workers. But the government made no such change and agricultural workers continue to be included in the Unorganised Sector Workers bill.

62. The CITU should take initiative to organise a nationwide movement, along with the other mass organisations and trade unions, to bring pressure on the government to immediately bring a useful Unorganised Sector Workers' Act, a Comprehensive Legislation for Agricultural Workers and the Employment Guarantee Act as committed in the NCMP. We must make serious efforts to build a nation wide joint movement on these issues along with the other trade unions and mass organisations close to us.

63. The All India Coordination Committee of Unorganised Sector Workers met at Delhi on 7- 8 June 2005. 19 comrades including members from 11 states and CITU Centre participated in the meeting. Bihar, Jharkhand and Maharashtra did not give the names for the All India Coordination Committee in spite of repeated reminders.

64. The meeting decided to revise the Charter of demands and conduct an all India campaign on these demands during July to September 2005. It was also decided to observe one all India Demands Day in September 2005. In this meeting of the CITU General Council, we have to decide the date for the all India Demands Day. Besides, the State Committees of CITU and the State Coordination Committees of Unorganised Sector Workers should plan statewide campaigns on the charter of demands.

65. We have decided to hold the Second all India Convention of Unorganised Sector Workers on October 3 – 4, 2005 at Ferozabad in Uttar Pradesh. The total number of delegates would be around 500. As women constitute a large chunk of unorganised sector workers, it was decided that at least 20% of the delegates to this convention should be women. All the state committees of CITU should send delegates as per their quota. State conventions should be held and coordination committees reorganised wherever necessary, before the all India Convention.

66. The CITU should also hold a national convention of contractor workers separately to focus on

their problems, which can be followed by such state and local level conventions. The national convention can be preceded by study of the conditions of contract workers in the states and in different industries. This would help in the formulation and adoption of concrete demands in the convention for the development of an all India movement on the issues of contractor workers.

SOCIAL ISSUES

67. Around sixty years after independence, several evil social practices like untouchability, oppression of Dalits, particularly Dalit women, dowry, sati and child marriages etc are not only widely prevalent in our country, but many of them have increased in the era of globalisation. Poor women, often Dalit widows, are accused and attacked in the name of witches. A large number of workers, particularly in the unorganised sector, are also victims of such superstitions and evil practices. At the same time, a large number of workers in the unorganised sector belong to the socially oppressed sections of society and women workers, who constitute a large part of the unorganised sector workers, are doubly oppressed and exploited. This is a delicate issue but we cannot continue to remain oblivious to these tendencies as such retrograde social practices also act as hurdles in raising the consciousness of the working class. We have to patiently work to develop scientific thinking among our members and wean them away from retrograde social practices and superstitions.

68. The recent case of Imrana in Uttar Pradesh is particularly shocking. Instead of standing by Imrana, the Muslim clerics issued a fatwa that Imrana could no longer continue to live with her husband as man and wife, as the relationship changed after she was raped by her father in law. Several cases of caste panchayats dictating the personal lives and relationships of women have also been reported in Haryana and other states in the country. The issue of girls who were forced into child marriages seeking divorce after they have grown up has also come to the fore in Andhra Pradesh. Many of these are from working class families and such social evils severely impact the lives of not only the concerned families but also the society in general. Though the women's organisations have been taking up these issues to some extent, it is also necessary that CITU should address these issues and intervene.

69. Besides being victims of such divisive ideology, attacks are also being carried out on activists who question and try to correct these social customs and practices. Workers and employees who have to work on such issues as a part of their day-to-day activities are becoming targets of these attacks. Recent attacks on Shakuntala Varma, an ICDS supervisor in Madhya Pradesh and on several anganwadi workers, when they were trying to prevent child marriages in their areas, as per the direction of the state government are indicative of the deep rooted nature of these practices. Anganwadi workers are subjected to such attacks, particularly in the Hindi speaking states when they approach the beneficiaries for taking weight of children, during the Pulse Polio Programme and while creating awareness on HIV/AIDS etc.

70. As a revolutionary trade union, CITU has to address not only the economic and work place issues but also on the social issues both at the work place and in their residential areas. While this requires patient work, this would definitely have a very positive impact on the vast sections of the socially oppressed sections among the working class. At the same time we cannot allow the government to impose this task on and make the lower level employees like the anganwadi workers and supervisors responsible for preventing these deep rooted social evils like child marriages, as has been done by the Madhya Pradesh government. Our unions and state committees should immediately intervene in such issues to protect the interests of the concerned workers/ employees.

RIGHT TO WORK

71. As decided at the Agartala meeting, we have held a massive national convention on 'Right to Work' at Kolkata on March 12 – 13, 2005.

72. This was the second such convention organised by CITU to focus attention on the problem of unemployment, rampant and ever growing in dimension, in the country. The first convention was held during 1990 in Durgapur.

73. We have brought out, in Hindi and English, a publication comprising the documents of the National Convention, which will serve as a guide for further campaign and action.

74. We trust the State Committees of CITU will take speedy steps to reach this publication to the rank and file of all our affiliates and fraternal unions, besides chalking out action plans to achieve the objectives outlined herein.

UNITED STRUGGLE

75. The CITU Working Committee decided that we should make serious efforts to activate the Sponsoring Committee of Trade Unions and the NPMO to organise massive mobilisations throughout the country.

76. A meeting of the central trade union organisations held in New Delhi on February 3, 2005 decided to call for a nationwide protest demonstrations on February 26, 2005 followed by the observance of a protest week from 6th to 12th March 2005.

77. After much effort, a largely attended meeting of the Sponsoring Committee of Trade Unions, held in New Delhi on June 10, 2005, decided to organise a national convention of trade unions on July 9, 2005. The meeting also finalised a 16-point charter of demands.

77. The national convention held at the Mavlankar Auditorium on July 10, 2005 had unanimously adopted a declaration and called for a countrywide action programme as under:

- 20th July to 20th August 2005: State level and district level and sectoral conventions
- 27th August to 7th September 2005: Demonstrations/rallies and dharnas in all workplaces/ industrial centres, culminating in State/District level rallies
- 15th September 2005: Observance of National Mobilisation Day and serving of Strike notice
- 29th September 2005: Countrywide General Strike

79. We have reproduced the declaration as **Information Document II**, which may be utilised for widest possible campaign among all sections of the working people.

80. We have to plan to carry out the action programme in all the States and different sectors, enlarging participation by more and more trade unions.

81. We must frankly admit here that it has not been possible for us to reactivate the National Platform of Mass Organisations, in view of the reluctance of some central trade unions. We must constantly strive to remove the misgivings, if any, in this regard and take expeditious steps to launch mobilisations from the NPMO.

82. We have during this period launched several independent campaigns, movements and struggles as well. Our State Committees and Industrial Federations have also been continuously on the move, taking up immediate issues of concern to the workers. The report on activities, separately given, has dealt with these in detail. Yet, there might be several other activities that have taken place but could not be incorporated therein in the absence of reports from concerned quarters. We trust that our committees and federations will be more prompt in future in sending reports to the CITU Centre.

ON MEMBERSHIP

83. The state wise membership of CITU given in **Annexure I** (on page 52) reveals that almost 50% of the returns for 2003 covering a membership of above 17 lakhs are yet to be submitted. As per the CITU constitution, the returns and money for 2004 should have been deposited within June 30, 2005. The State Committees have not even initiated action in this regard, excepting AP, Karnataka & Tripura. This is a disquieting feature. The CITU Centre had been kept starving for funds - this being the only source of income. Besides, the CITU centre is unable to make either a proper analysis based on the annual returns or assess the reasons for and address the problems of failure to make progress to achieve the targeted growth in membership. We have told in the last report that we have to remember that the situation offers much larger opportunities for expansion and demands strenuous efforts by us. We are unable to say whether our State Committees have made efforts to reach out to new areas for enrolling new members.

84. In the above background, it is really sad that more or less all the State Committees, excepting may be Tripura and all the other smaller States, like Andaman, Goa, Gujarat, HP, J&K, Chhattisgarh and Uttaranchal, have failed to fulfill their responsibility. Shocking is the functioning of Bihar & Jharkhand State Committees. It appears that they are not concerned at all. Keeping in mind the important struggles ahead, it is high time that our State Committees act seriously in this regard and submit the returns along with money for the years 2003 & 2004 immediately.

ON VERIFICATION

85. The current verification process, it appears, has been halted by certain court cases. SEWA International, whose claims for recognition as a Central TU, was discarded by the Standing Committee on the grounds of non-fulfilment of criteria, had filed a case for recognition and obtained a court order to that effect. The committee has kept the verification process in abeyance. Again, the Indian Confederation of Labour filed a writ petition at Kolkata and obtained an order to maintain "Status Quo". The CLC also had requested the Delhi High Court for extension of time to make it 5 years for completion of verification work. All the above, have, for the time being halted the verification work. Nonetheless, the 3rd phase of verification of records and spot verification is due and our unions must remain ready with all records.

ON FUNDS

86. BTR FUND: Annually, the B.T. Ranadive Memorial Trust has to meet from its funds the expenditure on land rent, property tax etc., besides other expenses, Collections for this fund has stopped long since but a regular inflow is very much necessary for the above purpose apart from maintenance expenditure. Yet another drive to collect some more funds should be initiated, to meet the regular expenses of the Trust.

87. P. RAMAMURTHY FUND: In the meantime, the 11th Conference call for contribution of Re. 1/- per member for establishing an Institute of Trade Union Education and Training, named after Com. P. Ramamurthy, has so far been responded to, yielding a little over Rs.20 lakhs until now, including donation of Rs. 7 lakh from Oil & Gas TU. Since substantial payments towards affiliation fees for 2003 are still due, it is expected that we shall be able to collect above 30 lakhs against this fund. We hope to take up this project during this year.

88. TSUNAMI RELIEF FUND Until now, we have collected a little over Rs.47.75 lakhs towards Tsunami Victims Relief Fund. This money will be utilised for building a school and a community centre in the venue to be decided soon. We express our sincere thanks and gratitude to the All China federation of Trade Unions, which alone has contributed Rs.32.7 lakhs. It may be remembered that our West Bengal and Kerala State Committees had directly sent relief materials, contributions etc. to the affected areas.

FIGHT THE IDEOLOGICAL OFFENSIVES

89. Working class is fighting today against economic restructuring policies to protect the interests of the national wealth (industry, agriculture etc.), of domestic industries - both in the public and private sector, of the working class, peasants and the working people as a whole. The workers in the organised sector are playing a key role in these struggles as they have much more striking power.

90. To weaken the developing struggles of the working class and the working people, the exploiting class is intensifying ideological campaign against the working people in general and the working class in the organised sector in particular. The objective of the exploiting class is to misinform the working people about the moves and struggles of the working class, so that they oppose these moves and struggles. They also are trying to create division in between the organised and unorganised working class.

91. Their main argument is that to look after the welfare of the weaker sections, including the unorganised sector workers, resources are needed. Without the sacrifice of the salaried sections these much-needed resources cannot be mobilised. The same argument they are raising to justify their acts of disinvestment of public sector, inviting the FDIs in the vital sectors, which are important to protect our economic self-reliance and national sovereignty. But these are arguments to cover up those sections, from which the government can mobilise huge amount of resources required for the development of our country and welfare of the people. The government is not serious at all to collect the tax arrears, NPA etc. that are lying in the hands of the affluent sections, which are hostile to the working class.

92. Today, when the working class is in the battlefield, they need to mobilise the entire section of the toiling masses with them, in order to gather the required strength to ensure the success of their struggles. Unless we conduct a serious campaign against those who mount alien ideological offensives and expose their real face before people, the task of successfully conducting the struggles might prove to be difficult for us.

TASKS

93. The socio-political atmosphere in the country is still marked by the aggressive onslaughts by the communal forces, which have still not reconciled to they being ousted from power at the centre in the elections 2004. Despite apparent internal disarray in the 'sangh parivar', they constantly try to exploit

every conceivable opportunity to spread the communal venom and incite orgy and violence targeting the unity of the people. Hence, we should not lose sight of the immense potential of the hindutva forces to revive their agenda and damage the secular fabric of the Indian society. We have to continue our vigilance over the overt and covert moves of the communal forces; we must constantly struggle to isolate these forces and preserve people's unity; we must checkmate the attempts of the rabid communal forces to stage an early come back to power.

94. As noted earlier, the UPA government has been exhibiting a lukewarm attitude on implementation of the pro-people measures contained in the NCMP and also seeks to pursue the disastrous policies of economic reforms, which had during the earlier NDA regime derailed the entire economy. This situation calls for building up a powerful popular resistance to reverse the anti-people economic policies and force a directional change.

95. In carrying forward these twin tasks, we have to increase manifold our independent initiatives, along with steps to be taken to implement the joint action programme chalked out by the Sponsoring Committee of Trade Unions. In this connection, we have to take all efforts to develop joint movements with all other trade unions. We have to launch extensive campaign based on the 16-point demands, jointly and independently, carrying it on in a sustained manner up to September 2005 and ensure successful implementation of the countrywide strike on September 29!

96. Besides this, we have to plan for observance of the 60th anniversary, of bombing of Hiroshima-Nagasaki, on August 6 and August 9 respectively, with a view to creating awareness on the dangers of nuclear war, as part of our movement against nuclear weapons

97. Simultaneously, we must pay serious attention to the task of strengthening the CITU organisation. For this:

- ◆ Identify our weak but prospective areas, conduct independent campaign and struggles up to the grass root level and unite those with other sections of the toiling masses.
- ◆ Membership drive to achieve the target of 40 lakh by 2005.
- ◆ Drive for collection of affiliation fees from the unions by the State Committees regularly and sending the same to the CITU Centre without delay.

98. We should also take up systematic conduct of the ideological struggles against the slanderous campaigns and offensives of the exploiting classes!

GREETINGS TO ALL OF YOU!

CHITTABRATA MAJUMDAR
GENERAL SECRETARY

CENTRE OF INDIAN TRADE UNIONS

General Council Meeting

July 23 - 26, 2005

Alappuzha, Kerala

REPORT ON ACTIVITIES

The CITU Secretariat had submitted a separate work report in the Agartala Working Committee meeting held on 3-5 December 2004.

The purpose of giving a separate report was to go into a bit of greater details about the programmes taken, issues raised and mobilizations organized at all levels right from the center to state and federations, after we had laid out certain tasks before ourselves in the earlier General Council meeting at Nasik (17-20 July, 2004).

Nasik GC had outlined a 7-point task before us with a general emphasis on organising independent movement/mobilisations highlighting the issues in the CITU's memorandum to the PM and FM last year, and the pro-people steps promised in the NCMP. Simultaneously, we took upon ourselves the task of activating the NPMO and sponsoring committee to lead campaign against the anti-people economic policies of the Govt of India.

To organise a massive all India convention on 'Right to work' was our major immediate task. Organising trade union schools in states to cover upto at least the working committee members of our affiliated unions was specifically outlined in Nasik General Council meeting. The important task of fighting communalism was reminded once again as it was apprehended that defeat of NDA may shift this aspect from the focus of our activities.

Agartala Working Committee meeting, held just about 6 months after Nasik GC meeting had reiterated the same task and programmes with added emphasis on taking up the cause of working women, workers in unorganized and agricultural sector. National Employment Guarantee Scheme was one of the areas for which continuous campaign was sought to be organised.

The above was broadly our task after the new political situation came into existence and our activities were set to undergo some quantitative and qualitative changes. The underlining features of our tasks were that it had to be both pro-active and re-active in nature when the political perspective has put forth before us both the paramount tasks of fighting for translation of the pro-people commitments and opposing the anti-people moves as well as isolating the communal and divisive forces. The situation demands that we pro-actively take up the issues of the working class, agricultural labourers, working women, the white collar employees, teacher et al and obviously the case of the unemployed and build powerful movement so that it adds to the strength of the pro-people political forces in this given situation.

Simultaneously, we are required to act fast and fearlessly to thwart all the anti-people, anti-national steps of the government and earn peoples confidence and trust, as the genuine opposition, inside and outside the legislative bodies.

It is a huge responsibility on us. But before going for an analysis of our success and failure, let us have a brief account of our activities in the past six months, since Agartala working committee meeting.

ALL INDIA MOVEMENTS

Right to Work: The National Convention on Right to Work was held on 12-13 March 2005 at Yuba Bharati (Salt lake) Stadium, Kolkata in a befitting manner.

In Nasik General Council emphasis was given on the deep and critical problem of unemployment and the urgency to take a lead by CITU to fight for right to work as a fundamental right. Agartala WC meeting also reiterated the same task before us. It was also decided that the movement for 'Right to work' would not be left out from our regular agenda after holding the convention as had happened after the Durgapur convention in 1990. Unemployment problem has become more grave and new features are coming to surface such as sharp rise in adult unemployment while underemployment and poor quality of jobs and poor working conditions have become common phenomena.

In this background the Kolkata convention was successful and well attended. 735 delegates comprising of CITU leadership from all over the country, also from major independent unions in the bank, insurance industries and state and central government employees' federations. There were delegates from defence industries and establishments as well as from telecom, pharmaceutical and other sectors. Leadership of peasants, agricultural workers, students, youth and women's organizations participated in the convention.

This is a landmark event and it enjoins upon us a task to campaign hard beginning from 100-days employment guarantee for both rural and urban poor and progressively going towards our objective of attaining full employment.

The 'Declaration' calls for phased programme of joint movement at state, district, industrial center level culminating in march to Parliament with our goal of unleashing a powerful nationwide mass movement.

Following the call of the convention, at the initiative of CITU and involving other mass organizations 28th March 2005 was observed throughout the country with a varied kind of programmes as the 'Anti-unemployment Day'. Some of the reports, as received by the CITU Centre are given below:

Andhra Pradesh: Unemployment Day was observed on March 28, in the districts. Protests were held in different forms. Boot polishing, sweeping of roads, Rasta Rokos, Dharnas and human chain programmes were organised.

Punjab: Rallies, processions were organized in Amritsar, Sangrur, Ludhiana, Patiala, Bhatinda, Chandigarh, Batala, Hoshiarpur, Derabasi and other places. Workers enthusiastically joined from cycle, transport, brick kiln, and other industries.

Rajasthan: A big demonstration of workers and youth was held at Sikar before the district collector demanding "Right to Work" and change in the Rural Employment Guarantee Bill.

Tripura: Demonstrations and rallies were held at 41 places in 15 sub-divisions. At Agartala processions from different areas converged to a ten thousand strong rally which was addressed by leaders of CITU, UTUC, TUCC, DYFI, BEFI, AIDWA and others.

West Bengal: Trade unions along with organizations of peasants, youth, women took the lead in the

movement of Employment for all". On 28th March conventions, demonstrations, rallies, processions were organized in Kolkata and in the district headquarters as well as major industrial centres and important towns all over the state.

Himachal Pradesh: District level mobilisations were held. In Simla, joint rally of trade unions and other mass organisations was organised.

Subsequently, reports have also been received from Assam on district level conventions being organised on right to work. In Haryana, the State level convention has been decided to be held on 31st July 2005.

Meantime, Hindi and English version of the documents of the National Convention comprising the proceedings, background paper, the Declaration and a note on the National Rural Employment Guarantee Bill 2004 have been published. All the State Committees and affiliated units are requested to circulate the same in widest possible manner while carrying on countrywide campaign on the issue.

PATENTS ORDINANCE

We have witnessed a good response in terms of involvement and protest actions against the Patents Ordinance promulgated in December 2004. As per our report trade unions, particularly CITU, took the lead and different mass organizations, experts' body, professionals were brought into the fold of resistance movement. It is difficult for common workers to understand the subjects. It is noted that CITU center, state committees and unions have acted satisfactorily to lead the campaign and educate the people which created an impact among the people and on the government. Finally while passing the Patents Amendment Bill, the Govt had to agree to many of the amendments put forth by the Left Parties, which could some extent, moderate, the pernicious impact of the product-patent regime. A report on the programmes is given below:

Assam: On 26th February 2005, a big rally was organized by trade unions and employees federation in Guwahati against the ordinance. Earlier on 20th January 2005 a joint convention was organized at Guwahati which was attended by hundreds of representatives from trade unions, independent federations from bank, insurance, medical representatives from FMRAI.

Chhattisgarh: A big convention was held at Raipur on 27th Feb 2005 at the call of CITU, and other mass organizations addressed by senior leaders and central leaders of FMRAI who explained the issues in detail. Later, district wise conventions were held on 7th March 2005.

Delhi: On Feb 11, a convention against the Patents Amendment ordinance was organized which was attended by 300 delegates including senior leaders of CITU, AICCTU, TUCC and UTUC and federations as well as intellectuals, professionals. It was decided to hold demonstration before Parliament on 26th February. On 26th Feb more than 10,000 workers, employees, kisans, youth, students, intellectuals, professionals staged a demonstration at Patel Chowk, Parliament Street. A memorandum was handed over to the Speaker of Lok Sabha.

Gujarat: On 11th February 2005 a joint convention of trade unions and mass organisation was held at Bhavnagar. A seminar was held at Rajkot. Leaders and activists, along with common workers demonstrated and courted arrest on 26th February 2005 at Bhavnagar, Rajkot, Ahmedabad, Surat, Baroda and other places.

Himachal: A people's platform against the patents ordinance was formed at the initiative of CITU. On 5th February a mass convention was held at Shimla where representatives of trade unions, federations of bank, insurance, medical sales, central and state govt employees as well as SFI, DYFI, Kisan Sabha, JMS and other organizations attended the convention. Senior leaders explained the issue and it was decided to hold mass demonstrations at Shimla and the districts HQs on 26th February. This programme was a good success.

On 26th Feb protest demonstrations were organized in Shimla, Mandi, Chamba, Solan, Kangra, Hamirpur, Sirmour, Sunder Nagar, Bhawa Nagar, etc.

Kerala: Dharnas were organized at all district headquarters jointly with other mass organizations like Karshaka Sangham, DYFI, AIDWA, SFI, etc.

Madhya Pradesh: At the initiative of CITU there was a well attended convention against the Patent ordinance. Thereafter local conventions were organized in 8 districts.

Punjab: On 1st February 2005, 5000 workers and employees demonstrated at Matka Chowk, Chandigarh against patents ordinance, which was addressed by Basudeb Acharya and senior CITU leaders. On 6th Feb 2005, workers and people from other mass organizations assembled in Chandigarh in a convention, where the different aspects of patents ordinance was explained and it was decided to send 3000 workers to attend Delhi rally against the patents ordinance.

UP: Thousands of workers from different industrial centres of the state assembled and demonstrated before the State Assembly demanding that the 3rd amendment ordinance on Indian Patents Act be scrapped.

West Bengal: On 1st Feb 2005 a joint convention was organized in Netaji Subhash Institute Hall to denounce the Patents Amendment Ordinance and to call upon workers to fight against the evil designs of MNCs and imperialist forces and the surrender by the government. It was attended by CITU, AITUC, AICCTU, UTUC, UTUC(LS), TUCC, 12 July Committee and Mercantile Federation.

ALL INDIA MOVEMENTS: OTHERS

Cement: The national level wage settlement was arrived at before Chief Labour Commissioner at New Delhi on 26th April 2005 between the employers and 5 central TUs, CITU, AITUC, BMS, HMS and INTUC. A net benefit of Rs 1335 and the interim settlement amount of Rs 215 will be available to the workmen who were covered by the 2nd Arbitration Award. The Agreement could be arrived at in the background of initiative of joint industrywide struggles taken jointly by all the trade union centres.

BHEL: The UPA Government's decision to divest 10% of BHEL shares invited spontaneous workers protests in all the BHEL units on 27th May 2005 mainly at the initiative of CITU. Earlier on 24th January the Central Minister of Heavy Industries faced a big demonstration at Hardwar by BHEL workers. CITU's initiative has ultimately led to united demonstrations by all the unions including those affiliated to INTUC in almost all the units of BHEL throughout the country during the subsequent period till 27th June 2005. In some places the officers also joined the protest or had organized separate demonstrations.

Coal: It was expected that 7th National Coal Workers Wage Agreement (NCWA-VII) would be signed in the meeting of Joint Bipartite Committee for Coal Industry (JBCCI) on 29th & 30th May, 2005. Major

differences were sorted out at the level of Coal Minister in presence of Secretary, Coal and Chairman, CIL, on 3rd May 2005.

But Joint Committee meeting of 29th-30th May failed. The differences remained in respect of Minimum Guaranteed Benefit, implementation of clauses on employment in NCWA-VI, coverage of workers in private mines, and end of contractorisation, outsourcing, stipendiary employment and casual employment against regular jobs. All the 5 federations have jointly served notice on 31.5.2005 to observe 7-days strike all over the coal industry from 18th July 2005. Full preparations are going on for the success of the strike.

Meanwhile, Colliery Mazdoor Sabha of India (CMSI) have organized a huge demonstration at ECL headquarters and served strike notice for token strike on 23rd June 2005, on a 12-point charter of demands. The charter include national demands, local demands, matters of employment, against corruption, mismanagement of PF money and theft and malpractices, as well as issues of safety, drinking water and other amenities. The Strike was near total.

Brick kiln: Thousands of brick kiln workers from Punjab, Haryana, Rajasthan and UP led by CITU demonstrated before Parliament on 13th Dec 2004 at the Patel Chowk raising 3 major demands, which were (1) immediate withdrawal of notification on usage of fly ash in brick kilns, (2) enforcement of labour laws and 3) relief to workers in closed brick kilns. They submitted a memorandum to the environment minister.

CITU's leadership and action has raised hope among lakhs of brick kiln workers who lost their jobs because of the closure of thousands of brick kilns following the notification to compulsory use of fly ash in brick making.

Electricity: Just after the Agartala Working Committee meeting there was a massive central united demonstration in Delhi on 10th December 2004 by Electricity Workers from all over the country. The call was given by National Coordination Committee of Electricity Employees and Engineers comprising trade unions, engineers' organizations of all affiliations demanding immediate review of the Electricity Act, 2003 and stopping of all steps to unbundle the electricity boards. The rally reminded the UPA Government about the commitment made in the NCMP regarding review of the Electricity Act, 2003 and threatened to go for a united strike should the government fail to honour the commitment.

CITU took a leading role in organising 2-day strike in electricity industry on 31st May and 1st June 2005. 6 all India federations of workers, engineers had served the notice demanding review of the Electricity Act 2003 and the electricity policy as a whole particularly the case of subsidizing rural electrification.

The Central govt had to relent for the time being, call the trade union leadership for talks and had to put off application of the Act by 6 months from 9th June 2005.

On 9th March, Kerala State Electricity Board (KSEB) employees under CITU & AITUC and Officers Association organized a mass dharna before the Govt Secretariat protesting against privatization and unbundling of the KSEB. The workers threatened to go on strike from 2nd June. The govt retracted from their decision after the threat for strike.

Govt Employees: A 50,000 strong militant rally took to Delhi roads from Ramlila Ground to Patel Chowk near the Parliament House organized by the All India State Govt Employees Federation and

the confederation of Central Govt Employees and workers. They demanded their right to strike through legislation in the aftermath of the Supreme Court judgement on 6th August, 2003. The employees threatened to go on strike to achieve their right to strike.

Telecom: On 8th Feb 2005 all the employees and officers of BSNL and MTNL organized massive demonstration all over the country against the govt decision to raise the upper limit of Foreign Direct Investment (FDI) in Telecom sector to 74%. Participation of employees and officers was total all over the country even in the remotest corners. It was a joint call by all the unions. In Delhi there were huge processions before the BSNL & MTNL Headquarters.

Bank: Banking sector in India is the prime target of international financial capital and under their pressure govt of India is taking every step to bring down govt holding to 51% now with a motive to privatize those later on and raise FDI cap to 74% in private national banks. UFBU comprising Bank Employees' Unions and Officers Associations have decided to fight every move of the government. On 24th January there was total strike in Dena Bank and on 7th March there was complete strike in PNB. The movement was carried forward with city based demonstrations on 10th March, state capital demonstrations on 16th March and Parliament abhiyan on 18th March 2005. There was total strike in banking sector all over the country on 22nd March giving a fitting reply to the govt policies.

70,000 employees of 196 Regional Rural Banks (RRB) having 14500 branches all over the country had observed complete strike on 22nd March, 2005 demanding (1) amalgamation of all RRBs with state level rural banks and (2) parity of superannuation benefits with that of PSU banks. They protested against the move to reducing the number of branches and leave the rural credit market to the private banks. In Mumbai, the striking employees were lathi-charged, 250 of them arrested including the General Secretary of NABARD. There were police actions in Thiruvananthapuram and other places also.

Plantation: Plantation industry is showing a notable upswing from the beginning of this year both in terms of production and profit. There has been a sharp price rise for tea, rubber, coffee, cardamom in international and domestic market. The owners, on the plea of ongoing crisis in the preceding years have extracted big concessions from the govt by way of loan waiver, subsidy, relief package of crores of rupees and export promotion benefits. Some of the financial incentives will continue till 2007.

In contrast, the workers wages, service conditions and living conditions are worsening. Non-payment of wages, non deposit of PF, no proper housing, no medical or educational facilities, even there is no drinking water nearby in most of the plantations. Lack of alternative employment is leading to starvation and death to many workers or members of their families.

In these circumstances, the workers are preparing for greater struggles. On 18th May 2005 there was total strike in 850 tea gardens in Assam, demanding better wages and implementation of Plantation Labour Act. In Bengal workers are planning one-day token strike in June and continuous strike from July. In Kerala, continuous strike is being planned from 15th June in tea coffee, rubber and cardamom plantations. In Tamilnadu negotiations are going on for tea and notifications are already there for rubber tappers. In Karnataka all other unions have signed an agreement without CITU at Rs 78/- per day. Workers are agitating against this deal. CITU is gaining strength in all the sectors of plantation workers.

Almost 3 lakh plantation workers in Kerala have gone for a continuous strike from 15th June 2005 demanding revision of wages and other facilities as well as improvement of working condition which

were due from 1st April 2002. The employers refused to negotiate and settle for the new agreement from 1.4.02 and, on the contrary, curtailed the variable DA payment by withholding a part of it.

All efforts to settle the matter in Plantation Labour Committee, in the office of Labour Minister and also the last effort by the unions to clinch the issue in the meeting with the Chief Minister failed on 14th June 2005. CITU, INTUC, AITUC and BMS unions are jointly leading the strike. The strike is total.

ACTIVITY REPORTS FROM STATES

Andhra Pradesh: At the call of All India Centre 'Protest week' was observed from March 6-12, on the policies of UPA govt. 3,86,000 pamphlets were distributed on the occasion. 17 district committees have conducted dharnas, badge wearing, conventions, processions.

SOME IMPORTANT STRUGGLES

Anganwadi: Our union is fighting for additional payment of wages, for the additional work extracted by the state govt. The Congress Govt after coming to power dodged the issue for long. And workers encountered difficulties in getting regular wages, as they were under budget control. For months together wages were not paid.

CITU union launched bitter struggles in the districts wherever and whenever the wages were in arrears. Two state-wide programmes were conducted to bring pressure on the govt. On Dec 13, collectorates were stormed by 35 thousand workers. In the month of March 2005, during the assembly session, 15 thousand have marched in Hyderabad. Finally, the govt enhanced the wages of teachers by 200 and of workers by 100. But, along with that working hours were also enhanced by 2. Our union gave call to refuse additional working hours. Due to the agitation, the govt removed wages from the budget control. Now, the wages are being paid regularly.

Village servants: Village servants are on agitation demanding increase in their wages. (paid in the name of honorarium) They were made to work through out the day with a meagre amount of Rs 900.00 +some DA, Coming to a total of Rs.1200/-. On Dec 10, 16 thousand village servants marched in Hyderabad, during the assembly session. Due to mounting of the pressure, govt gave assurance that it would raise wages by Rs 300. But, when the promise has not translated in writing, workers have resorted to relay hunger strike in Hyderabad, in the month of February. Finally govt. has issued an order enhancing the wages by Rs.300.

Contract employees: Around 10 thousand Para medical employees are working in Medical & Health department on contract basis though recruited against permanent vacancies. These contract employees were on agitation demanding regularisation of their services. An assurance was given that they would be regularised after the employees staged a protest March in Hyderabad. This assurance was not implemented, employees went on relay hunger strikes and there after indefinite hunger strike in the month of March. Hundreds of contract employees picketed the directorate office in Hyderabad, in this month. Most of them, including ladies courted arrest.

In the power sector, for contract employees protracted agitations were conducted for implementation of minimum wages. After succeeding in the city of Hyderabad, continuous agitations are conducted in the districts. Several statewide programmes were conducted to bring pressure on the govt. Due to prolonged agitations, their wages got substantially enhanced in several districts.

Around 6000 multi purpose extension officers (agriculture dept) appointed on contract basis were

terminated by the state govt. They have conducted several struggles with the support of CITU. They were lathicharged by the police, when they tried to march towards the assembly. After their agitations the Govt agreed to give weightage marks for them while filling up of some agricultural officers posts.

Agriculture Accredited Societies employees are continuing their agitation under our banner, opposing removal of employees and closing down of societies.

They have conducted statewide struggles in the form of Dharnas, picketings and strikes. Due to these agitations govt was unable to continue removal of employees. Though it has announced in the month of March, that it will restructure societies and remove 8000 employees from the start of April, it could not do so till today.

In State Road Transport Organisation protest demonstrations were held in the district centres against ban on purchase of new buses and recruitment. Mid term report of the high power committee suggested closure of the organisation. Lukewarm response has come from the other unions on our proposal for joint action in the beginning. Now employees, workers and officers have realised the danger and employees' union and Mazdoor union, (the majority unions) themselves have proposed for joint action and give strike notice. Joint Action Committee was formed which decided to give strike notice on 27th May.

In the Visakhapatnam district, coffee plantation workers struck work for 12 days. 5000 permanent and seasonal workers have joined the strike. Daily wage was enhanced from Rs.68 to Rs 73. Fruit collection charges were enhanced from Rs.1.47 to Rs 1.60. This has created good impact in the tribal areas.

Kakinada anchorage port workers (cargo boat workers) were on agitation opposing diversion of ships (import & export) to Kakinada deep-water port (MNC port) and removal of workers. District CITU led the agitation, even though, those 2000 workers were under the banner of HMS. Godowns were picketed for 31 hours. 250 workers were arrested. We are continuing to guide the workers, in safeguarding their job security.

In a jute mill in Guntur district management signed an anti-worker agreement with 11 unions which CITU refused to sign. Workers refused to accept it and militant agitations led to a lock-out. After our intervention the agreement was modified by the other unions and the lockout was lifted and dismissed workers were taken back. The bonus agreement was also modified for payment without ceiling.

In Guntur, a cooperative sugar factory was sold to a private party by the earlier TDP govt. 500 workers were removed and only 74 were retained. The union (not affiliated to us) with some workers went to court and the judgement came against the govt. Under our guidance workers continuously agitated and the mill came back to the coop sector and the workers were reinstated basing on the favourable court judgement. Penalty was imposed on four IAS officials and the management, for not implementing the judgement, in time.

Elections: In the month of May 2004, elections were held in BEL for works committee and EC members. CITU won all the 7 works committee posts and 4 out of 5 EC members. In Ferro alloys election of Vizianagaram district, we have lost the election by 8 votes. In Mahindra & Mahindra, we have lost the election by just 15 votes. P.Janardan reddy of INTUC (ex labour Minister) won the election. N.Narasimha reddy of HMS was relegated to the 3rd position.

Tsunami: An amount of Rs.1,37,000- was collected as fund for Tsunami victims. Material purchased

with the amount was distributed in Krishna and Prakasam Districts.

Solidarity Programmes: The District committees have extended solidarity to the striking bank, LIC, GIC and Nabard employees. Supportive pamphlets were distributed. CITU leadership and cadre participated in their processions and meetings.

Assam: CITU took a leading role in organising a 24-hour bandh in the whole of Assam on 21st April, 2005 against the move to handing over of newly discovered Amguri-Sib Sagar oilfields to foreign companies. All industrial workers, road transport workers abstained from work unitedly to make the bandh a success. Earlier in January 2005 a big demonstration was organized before the Assam Assembly.

On 19th March, 2005 about 5000 Anganwadi workers and Helpers held a massive rally in Guwahati who came from 17 districts of the state from far flung areas. They demanded that Rs 500/- more to workers and Rs 300/- to helpers be paid for the extra works they have to undertake now. CITU played an active role in organising the rally. They have decided to intensify their struggle by September 2005.

On 22nd February motor workers all over the state observed one day strike at the call of their joint platform and organized a big demonstration before the Assembly. On 10th March 3000 muster roll workers from various departments of Assam Govt organized a big demonstration before the Assembly demanding regularization of their service. The state govt have conceded their demand to be implemented in this year.

Demonstrations were there by Nurses and ward girls of Private Nursing Homes on 22nd March demanding better pay and statutory benefits. Railway Hawkers demonstrated before the Rly HQ and other places on 8th April demanding their rights and against harassment.

The Kothari Workers Struggle: Kothari Products Ltd the makers of Pan Masala at Jorhat and the Govt of Assam together have stopped the formation of union by the workers. Even after complying with all the formalities the union leaders were refused a registration certificate by the Labour Commissioner. The company, terminated summarily the service of the general secretary and some other active members. Others were implicated in false police cases and the workers are being threatened by goondas.

CITU is leading their struggle against such arbitrary and vindictive actions of the employer and the government. Demonstrations, rallies, conventions, are being organized, telegrams are being sent to Chief Minister, Labour Commissioner, by all units.

Chhattisgarh: On 22nd Dec 2004 statewide rallies were organized on 31 point demands. At the preparatory stage dharnas, demonstrations were organised locally in a phased manner.

State CITU took part in the protest demonstrations against the hike in FDI in telecom sectors. Demonstrations were organized in the districts against privatization of maintenance jobs in State Electricity Boards. Mandi workers union and Kisan Sabha jointly organized jeep-jatha on 17-19 and 25-26 April, 2005 against amendment of the Mandi Act which will take away jobs and rights of Mandi workers and also the kisans would suffer as they will be left to the mercy of the hoarders.

Accidents in Balco under Sterlite are increasing. Recently two contractors workers died and many

more were injured. The company refused to pay compensation. After the intervention by CITU their families were paid compensation and employment was given to one dependent of each deceased worker. Sterlite management attacked the CITU leaders by suspending the President of CITU union and charge-sheeting the Treasurer. They had to withdraw both the orders after the workers went on a total strike on 18th and 19th April 2005.

300 women held a rally in Dhamtari on 8th May on the International Women's Day.

Delhi: On 10th November 2004, hundreds of contract workers demonstrated before the HQ of Airport Authority of India demanding abolition of contract system in cargo handling and payment of wages to contract workers equal to regular ones.

Gujarat: The salt workers went on a hunger strike against non payment of wages in Port Navlakhi area of Rajkot district. Now they are being paid in a group. Similarly port workers and fisheries workers in that area are in the path of struggle in good numbers.

In Bhavnagar hundreds of poor workers went in hunger strike and got their BPL cards, in all 34000 of them. They got the cards and fixed date for ration distribution.

Struggle is going on as 80,000 unorganised sector workers are demanding regularization of their hutment holdings. Thousands of urban poor unorganized sector workers have succeeded in getting land and promise to get water from housing board. This has caused great enthusiasm and more and more workers are joining CITU.

Such movements are spreading in other districts like Junagadh Bharuch, Banaskantha.

Himachal: All 1500 contractors workers in two hydel projects on the river Sutlej formed a union under the CITU leadership in December 2004 and went for movement to ensure implementation of labour laws in the matters of wage, safety, medical care, social security, etc. Immediately the management and NTPC, the principal employer swung into action and threatened the workers not to join CITU and stop the rally on 3rd February 2005. There was lathi charge and firing by the police. The workers braved all the attacks and intimidations and finally the management had to sit for negotiation and withdraw the pay cut and actions against the leaders.

Gruesome methods employed by hotel owners in Himachal came to surface in the case of Tushali Resort about 15 kms from Shimla. In September 2004 the owners summarily discharged 32 workers and handed over main jobs to contractors. Despite the workers protests the owners with the help of the administration brought workers from outside and kept them in confinement. On 25th March 2005 one of such workers was found dead and the body was deliberately kept hidden.

In protest there was half day strike in all the hotels of Shimla and again a full day strike on 9th April and dharna before the district collector. Then only a judicial probe has been ordered and the union has been involved in the probe.

CITU also, in this period, organized workers in four mini hydro-electric projects namely Kholi, Andhra-II, Ghanwi-II and Shovan. After several strikes and struggles CITU's position in Koldam, Parwati and Uhal power projects has strengthened.

CITU has been organising movements and gone for legal action to stop retrenchment of 1638 PWD

workers in Mandi.

J&K: During the period under review, the workers of Sewa Hydel project went on strike under the leadership of CITU braving brutal atrocities by police and gangsters engaged by the employer. Ultimately, the employer had to come to term with the union and enter into agreement. In the railway construction project in the Udhampur barmullah range, the construction workers have been on struggle since August 2004. One worker was killed in police firing and another worker also died of hunger and cold during the struggle. The demands of the workers were implementation of labour laws. The Contractor, M/s Hindustan Construction Company(HCC) in connivance with the State Govt and labour department official(central) refused to implement even the agreement arrived at before the Labour deptt official, Tehshilder and local administration. Most of the workers have been thrown out of employment. Under the leadership of State CITU, the workers have been still carrying on struggle. Intervention was made from the CITU centre and number of MPs have visited the place and took up the issues with Railway Minister and also with the Chief Minister of the State. But the alliance of the contractor and State Govt and Labour administration is so strong that still the HCC could continue to indulge in its unlawful dismissal and other activities. The struggle of the workers is going on.

Karnataka: On 28th March 2005 in Bangalore more than 5000 construction workers demonstrated before the 'Vidhana Soudha' demanding implementation of labour laws, enforcement of statutory minimum wages in all sectors nad laws pertaining to accident benefits and social security benefits.

Kerala: In Thiruvananthapuram and Kollam districts Coir workers went on a continuous strike from 1st Feb 2005 demanding higher wage. It was successful and an agreement was signed. 40,000 coir factory workers in Ambalappuzha and Cherthala taluks went on an indefinite strike from 3rd May, 2005. Along with CITU, AITUC and INTUC also joined the struggle. It resulted in a settlement that ensured higher wages for workers and better price for coir products by small scale producers.

On 10th March 2005 processions were organized under the auspices of trade union Sponsoring Committee in Thiruvananthapuram and other district headquarters on the occasion of Protest Day against FDI hike, New Pension Scheme and other anti-labour policies. On 29th March, 05, a massive protest demonstration was organized by public sector employees against dismantling of public sector undertakings. Karshaka Sangham Agricultural Workers unions organized a 72 hour dharna on 8-9-10th May 2005 before the Govt Secretariat demanding separate package for the protection of foreign exchange earning cash crops.

On 10th May, before the govt Secretariat 25000 headload workers organized a siege demanding withdrawal of retrograde Kerala Loading and Unloading Prohibition of Unlawful Practices and Regulation of Wages Act. It was led by CITU, AITUC, BMS. On 11th May handloom workers picketed before Central and State Govt offices demanding protection of handloom industry. Workers of CITU, AITUC, UTUC, and HMS joined the picketing.

CITU is leading the struggle of 2.5 lakh cashew workers for wage revision, for regular remittance of PF money by employers and job security. They have been denied even the notified minimum wage when export earnings have increased and crossed Rs 2700 crores. On 31st May thousands of cashew workers organized seize of collectorate of Kollam and other taluk offices and also village offices.

On 31st May private motor workers under the leadership of CITU, AITUC, INTUC, BMS and STU organized march to the secretariat and collectorates demanding a new transport policy, welfare schemes and legalized minimum wage and job security. On 11th March Anganwadi workers and helpers organized a massive dharna before the govt secretarial demanding pension and other benefits.

On 25th April construction workers under the banner of CITU organized a march demanding regular supply of construction materials and end stoppage of work because of shortage.

State Transport workers are on a continuous agitation against new employees selected through PSC but being deprived of regular pay scales and benefits. All Unions including INTUC organized a human chain on 20th May protesting against privatizing rural water supply beginning with the NGO route.

State level Sponsoring Committee of Trade Unions in Kerala have unitedly called for a statewide general strike on 5th July with 3 demands viz (1) stop privatization of State PSUs, (2) protect traditional industries and (3) settle all other issues raised by TUs in various industries.

Madhya Pradesh: In Rewa, a massive demonstration was organized before the office of the Deputy Labour Commissioner in October 2004 as per a belated report. Hundreds of workers from Anganwadi, head load, construction, beedi, PWD, etc assembled there demanding implementation of labour laws, social security benefits, proper rule for regularization of contract workers.

In spite of our weak presence we have taken initiative to organize Road Transport Corporation workers and fresh efforts are being made to launch a statewide movement. Booklets, posters, leaflets have been printed as campaign materials for this purpose.

Against BHEL disinvestment protest demonstrations, seminars have been organized. Thousands of post cards to Prime Minister is being sent against this move. Anti-unemployment Day was observed in 10-12 centres in spite of Holi festival. Campaign was led against child marriage and against the attack on anganwadi supervisor.

In Nagda, the workers movements could achieve them a new wage agreement in Grasim industries.

Contractors workers in National Fertiliser went on a strike and successfully signed an agreement. Similarly in the power plant of MPEBK also contractor workers went on a strike and realized their demands. Two major demonstrations and another one day long satyagraha was organized in the Mandidip industrial area against the serious repression against the workers going on over the years. Programmes of campaign and organizational meetings are going on in coalfield areas as preparation for the all India coal workers strike in July 2005. Emphasis has been given on publication of campaign materials on all major issues or problems touching common people's lives. To supplement our activities, several booklets, pamphlets have been published for educating our cadres, workers and masses.

Maharashtra: CITU has played a leading role in mobilizing the unorganized sector workers on issues facing them. In July and August 2004 the state government has issued gazette notifications announcing the formation of Unorganised Sector Workers Authorities at the state and district levels. But the implementation of this notification is lagging. State CITU has been carrying on agitation statewide ON THE demands of the unorganised sector workers including social security.

Major gain has been among domestic workers due to the joint efforts of CITU and AIDWA. Unions of domestic workers have been registered in many districts and membership of 30,000 has been enrolled in the state from this sector. Work among construction and manual workers, auto rickshaw drivers, sugar cane cutting workers, hawkers is also growing. Many district level struggles in these sections were held during the last year.

In the organized sector workers, there was an 12 day strike of 1700 workers at the CEAT Nasik factory led by CITU. The strike culminated in a settlement of the charter of demands, though that was not the immediate issue for the strike.

A state level convention of workers of closed factories is going to be held on July 5th at Mumbai demanding legislation on the pattern of the West Bengal government for subsistence allowance of Rs 1000/- per month to be paid to eligible workers. The protection of dues of the workers in the new situation arising out of the Securitisation Act is also an important issue.

CITU's participation in a mass rally in March 2005 on the second anniversary of the occupation of Iraq by American imperialists was good. Demonstrations against the Patents Act were also held in various districts in response to the national call. Our members have participated actively in demonstrations to protest the demolition of slums in Mumbai.

The Special Leave Petition filed by CITU on the Dabhol project which is pending in the Supreme Court has reached an important crossroad, with notices being issued to all the respondents including Enron to show cause as to why the original scope of the SLP should not be restored.

Orissa: On 27th January 2005, thousands of beedi workers under the leadership of All Orissa Beedi Workers Federation demonstrated before the Cess Commissioner, Bhubaneswar to highlight their 10-point charter of demands. Most of them were women who came from several districts near and far, and also demanded CITU representatives to be included in district, regional and state level coordination committees. Senior leaders met the authorities and submitted memorandums.

On 7th January 2005 in a demonstration in Bhubaneswar 2000 workers protested before the office of Labour Commissioner and in front of the State Bank State HQ against the attack on workers of Oswal industries, JK Paper Mills Raygada and temporary workers of State Bank of India. The demonstration also demanded welfare schemes for beedi, construction, anganwadi, forest and other sections of unorganized sector workers.

On 10th January, 05 Orissa Sales Representatives Union workers organized a colourful and militant demonstration in Bhubaneswar and submitted Memorandums to the Labour Minister and the Health Minister, Orissa on their demands.

Programmes have been taken to highlight the loot of natural resources of Orissa by indigenous and foreign MNCs without paying proper price to the state or proper wage to the workers and polluting the entire environment in a reckless manner.

On 24th May there was a big demonstration before the Regional Director of ESIC demanding coverage of ESI and benefits to the workers.

Punjab: Large number of brick kiln workers led by State CITU, joined central demonstration on 13th December 2004 at New Delhi against mandatory use of fly ash in brick making. On 29th Dec 2004 a dharna and rally was organized in Chandigarh against Patent Ordinance. PCMSRU workers took out a torch light procession in the evening and held rally at sector-17. On 6th Feb 2005 there was another convention at Chandigarh.

Forest workers organized state level rally on 21st Dec before the Principal Chief Conservator demanding regularisation of their jobs, payment of wages before 7th of every month and supply of

proper tools.

In Ludhiana, Sangrur, Hoshiarpur, Bhatinda and other districts thousands of workers held solidarity demonstration in support of the strike by PSEB employees on Dec 16, 2004..

FCI workers organized a joint dharna before the headquarters at New Delhi on 20th December. Majority of the workers joining dharna were from CITU. Again on 29th January a dharna was organized before the office of the Deputy Commissioner by 2000 workers of the FCI. 5000 workers and employees of Chandigarh Union Territory and Municipal Corporation organized a rally on 1st Feb 2005 at the call of coordination committee.

On 14th April and again on 24th April 2005 workers from cycle industry demonstrated in thousands before the gates of the cycle factories against the repression by the factory owners and victimization. Govt of Punjab was criticized for openly siding with the employers and obstructing even formation and registration of trade unions.

On 12th May 2005 a dharna was organized before the office of the Registrar of Trade Unions on the same issues. 3000 workers from all over the state took part in the dharna.

Joint Front formed: In a significant development, a Joint Front of struggle has been formed by federation of Punjab govt employees, teachers unions, para medical employees, PWD, Public Health Workers, etc. PSEB employees also have formed a joint front. State, district, local level conventions have been attended by about 50,000 employees. At the initiative of CITU, NPMO meeting was held at Chandigarh on 27th May 2005. NPMO has drawn up a programme of continuous campaign, rallies, dharnas to highlight people's demands and issues of national importance.

More than 8000 workers in Punjab State Electricity Board went on 2 days strike on 19-20 April 2005 against corporatisation and privatization of PSEB. As reported earlier, State CITU had given all support to this strike with solidarity actions all over.

Rajasthan: CITU took a leading role in the peasants struggle for water for irrigation in all the districts like Rawalgarh, Anupagarh, Gharsana, etc in October, 2004. The State CITU organized solidarity actions as well as actively organized the bandh after firing by police on 27.10.2004.

Workers in three agricultural farms at Sardargarh, Jaitsar and Suratgarh under the State Farms Corporation of India, a central public sector undertaking went on a continuous strike from 11th April, 2005. Their demands were regularisation of daily paid workers working continuously for 20 years or more, employment of dependants of deceased employees and withdrawal of victimization of workers and TU activists.

The State BJP government led a severe attack against the workers, their families, the women were not spared. Undaunted the workers did not surrender to terror tactics and the govt was forced to sign an agreement on 25th April 2005 and the strike was withdrawn.

Tamil Nadu: CITU organized jathas comprising of 90 squads formed by 1800 men, women, workers and other sections of toiling people which visited 4000 villages and covered a distance of 5000 kilometers to converge at Venmani, a tiny village at Nagapattinam district to commemorate the brutal burning of 44 dalit women by the landlords in 1968. This year this special programme was organised on the occasion of BTR centenary. The jathas raised slogans on the demands of the common people

and were greeted by villagers on their way.

On 8th March hundreds of working women demonstrated in Chennai and districts highlighting a 13-point list of demands. A delegation met the Governor and handed over a memo with 50,000 signatures supporting the demands.

On May 17, 2005 there were historic demonstration in 150 centres more than 70,000 unorganized workers all over Tamil Nadu. Thousands of women workers made a notable presence in the demonstrations. Workers from construction, Beedi, handloom, powerloom, tailoring, fishing industries, as well as auto rickshaw drivers, headload workers joined the programme in large numbers. Workers from organized sector also came in good numbers. Their demands were against winding up of the welfare boards for unorganized sector workers, for proper and just method of fixing minimum wage and its implementation. They also demanded an end of contract and casual system of employment in regular jobs. After a prolonged struggle the Tamilnadu govt has declared a pension of Rs 200/- per month to construction workers but not to the workers of other industries. The workers demanded that the Welfare Boards be reconstituted with greater representation from CITU and pension scheme be started in other industries.

On March 18, 2005 a state level coordination committee for workers in the Tailoring Industry was formed in Nagercoil, where tailors from 13 districts assembled and decided to have a programme of movements.

During the intervening period the sugar industry workers went for a continuous strike jointly organized by trade unions which ended after signing of a satisfactory agreement.

Tannery workers went on a 4-day long state wide strike. Handloom workers organized statewide demonstrations on 2nd April demanding insurance scheme coverage. On 17th March there was a massive dharna in Chennai by cooperative employees demanding job security.

West Bengal: On 30th Jan 2005 officers and workers of Indian Iron & Steel Company, IISCO, Burnpur assembled in Bharati Bhavan under the leadership of 'Save IISCO Committee' and Officers Association and decided to intensify their struggle for merger of IISCO with SAIL and modernization and expansion of the plant. M K Pandhe addressed the gathering. The continuing struggle by the IISCO workers has ultimately culminated in Govt's decision to merge IISCO with SAIL.

On 17th April 2005 a massive rally was organized in Kolkata at the initiative of NPMO where CITU took a leading role. The rally highlighted a 10-point charter of demands that included employment guarantee, public distribution system, equal rights, for women revival of sick units, right to strike and laws for unorganized sector and agricultural sector workers.

CITU took up an elaborate programme of mass movement on 22 point demands covering all sections of the people. The campaign was launched under the banner of NPMO. The programmes were:

- 1) Mass demonstration all over the state on 28th January
- 2) International Women's Day was observed on 8th March jointly with all those mass organizations.
- 3) Anti-Unemployment Day was observed on 28th March in a big way.

The programme culminated in a central mammoth mass rally at Kolkata on 17th April. More rallies were organized in the districts.

Foundation Day of CITU on 30th May was observed in a different manner this year. Blood donation, health check-up, post-mortem organ donation pledge, etc were observed with great enthusiasm.

Workers in the newly set up industries in and around Durgapur suffer from blatant violation of all labour laws and Factories Act by employers. After a massive campaign for about a month they were to go for strike in all the 20 industrial units. Facing the prospect of a total strike the employers were forced to sign an agreement.

Jute workers have been in continuous action and mobilization against the employers who are flouting the tripartite agreement.

Railway Hawkers: Mass mobilization of thousands of railway hawkers against harassment and for valid licence is continuing. They met the Railway Minister along with some MPs. Till now there is no change despite assurances. In Beedi and Tea industry preparations are going on for one day strike in major centres for higher wages, and statutory benefits.

Tens of thousands of Beedi workers went on a continuous strike for their 10-point list of demands including Rs 50/- as remuneration for 1000 beedis, DA, equal wage for men and women, identity card etc and withdrawal of tax concession on mini-cigarette. The impact of strike spilled over to adjoining districts of Jharkhand who also joined in the strike action.

Uttar Pradesh: Ten lakh workers in unorganized sector industries and 30,000 medical representatives went on a statewide strike on 15th February 2005. They demanded implementation of Rs 3500/- per month as minimum wage as recommended by the Advisory Committee. The strike was led by a Joint Struggle Committee comprising CITU, AITUC, HMS, BMS, INTUC, HMKP and AICCTU and FMRAI. Workers from Bangle, Leather, Steel, Carpet, Rubber, Biscuit, Plastics, Chemical Engineering and others joined the strike despite threats from owners and the administration.

The workers of JK Jute Mills have demonstrated in a massive way on 29th January under the leadership of JK Jute Mill Mazdoor Panchayat (CITU) against the illegal closure of the mill since June 2003. A memorandum was submitted to Additional Labour Commissioner, Kanpur. On 7th February a 24-hours dharna was organized before the General Manager of the company. The workers have decided to go for more intensified movement if the mill is not opened soon.

Thousands of glass bangle workers of Ferozabad have been fighting a heroic battle for more than a year facing police repression, arrests, physical attack on them and the family members. Kanch Udyog Krantikari Mazdoor Sangh (CITU) is leading the struggle and they organized a big rally on 30th Dec 2004 demanding release of the arrested workers and implementation of labour laws braving prohibitory orders. The glass bangle workers movement is an encouraging breakthrough in organising the unorganized workers in UP.

MAY DAY CELEBRATIONS

As per the received reports this year May Day was observed with better participation and in all the state capitals, important industrial centres, districts and at most of the factory gates. Rallies, processions were the usual forms of observing of May Day and in addition to such programmes in some centres, conventions, mass meeting were also organised. The slogans raised were mainly implementation of labour laws, right to work against labour law reforms and against globalization

along with other slogans. In some states or some particular centres, the observation was jointly organized together with other central trade unions or other mass organizations.

TSUNAMI RELIEF & FUND

The devastating nature of the Tsunami natural calamity has prompted CITU as an organization from centre to a unit, if not to an individual worker, to promptly go into action for the relief of the victims in whatever manner possible at that given point of time. CITU activists were among the first to organize relief work, reach the affected sites, stand by the survivors and help them as best as possible in states like Tamilnadu, Kerala, Andhra Pradesh, etc. Andaman problems were far more difficult and logistically insurmountable. Fund collection drive was initiated at all levels, directly or through employers, or along with other organizations or through special relief committees, etc. Some money came from international fraternal organizations also. As far as the reports are available, the role of CITU activists have been recognised by the people and authorities.

CITU centre had given a call for special Tsunami Relief Fund which has received good response. Besides a huge fund collected by the CITU unions all over the country and sent directly to the affected states for direct relief work, till date Rs 49,33,418 have been received in CITU's central relief fund for the Tsunami victims from various units/states. We have to plan properly the reconstruction work at our initiative in the affected areas for effective utilization of the collected fund.

FEDERATIONS

ALL INDIA FEDERATION OF ANGANWADI WORKERS AND HELPERS

After the last working committee of CITU, the working committee of AIFAWH met on 8-9 January 2005 at Delhi. The WC reviewed the ongoing campaign of popularising the demand of regularisation of ICDS. It was decided to intensify the campaign through conventions involving the beneficiaries and also the signature campaign among the beneficiaries and common people. We expected to collect at least 1 crore signatures. Signatures were collected from beneficiaries in around 20 states. Several state committees particularly West Bengal and Assam made commendable efforts to collect signatures. But it is unfortunate that some state committees did not give due importance to this task. Though Kerala has reported to have collected lakhs of signatures, only a few thousand reached the all India Centre. Altogether around 70 lakhs signatures reached the all India Centre. But the office of the Women and Child Development Department refused to receive the signatures on the pretext of lack of space. The Federation lodged its complaint with the HRD Minister. All the state and project committees were asked to send telegrams. The project committees were asked to send protest telegrams by the Self Help Groups, Mothers' Committees also. AIDWA has also asked its committees to help the anganwadi unions wherever possible, in making the SHGs send telegrams.

A mass convention on Regularisation of ICDS was held in New Delhi on 26 April 2005. More than five thousand Anganwadi Women participated in the convention. Syeda Hameed, member, Planning Commission, Jayati Ghosh, eminent economist participated in the convention along with the leaders of AIDWA, AIAWU, AIKS and SFI. The convention enthused our cadres and activists. A memorandum was submitted to the HRD Minister the next day.

In 2004, the membership of the Federation is expected to cross 2 lakhs. The working committee has taken a membership quota of 3, 11,350 for the year 2005. The 5th All India Conference of the AIFAWH will be held from 8-11 November 2005 in Bangalore, on the basis of 2004 membership. Around 500

delegates are expected to participate in the conference. It has been decided to hold sector, project, district and state level conferences on the basis of enrolled members, prior to the all India Conference. A reception committee has been formed in Bangalore on the 13th June 2005.

WORKING WOMEN

The AICCWW meeting held in November, prior to the Agartala Working Committee of CITU decided that signatures should be collected on the 13 point charter of demands and submitted to the state Governors on the occasion of International Women's Day on March 8. It was also decided to conduct studies of home based workers in the prioritised industries/ sectors and hold press meets to focus on their problems. Though several state CCWWs and CITU affiliated unions held varied forms of activities like meetings, round table meetings, dharnas, demonstrations etc and submitted memoranda to the state Governors on IWD, not much has been done on the question of home based workers. This indicates that the CITU state committees as well as the state CCWWs have not yet given due seriousness to the task of organising the home based workers, in spite of our decision to pay serious attention to it.

A meeting was held at CITU Centre on the occasion of IWD. In Chennai in Tamil Nadu, a meeting was held near Raj Bhawan in which around one thousand working women from different industries participated. Later a memorandum with thousands of signatures was submitted to the Governor. In Chattisgarh, around 300 working women from beedi and mandis participated in a dharna held in Dhamtari. In West Bengal more than 200 women from unions and associations in the electricity industry participated in a seminar organised on the occasion. In Bihar, hundreds of working women participated in a dharna organised by the state CCWW along with AIDWA, in Cargil Chowk in Patna. A memorandum with hundreds of signatures was submitted to the Governor. Our unions like transport workers' union and state and district CCWWs in Andhra Pradesh, Karnataka, and Maharashtra etc also observed IWD.

The subject for this years' Vimal Ranadive Memorial Lecture was decided as 'Unemployment and Women in the Era of Globalisation'. Noted economist Utsa Patnaik delivered the lecture on 'Women, Unemployment and Poverty in the Era of Globalisation' in the meeting organised by the CITU Centre. No reports have been received on this from the states.

The circulation of The Voice of the Working Woman, which remained stagnant at around 3, 500 for a long time, has started showing a fall, mostly due to non-renewals. Comrades who enroll subscriptions should take more initiative to renew the subscriptions. The state CCWWs, which consist in many states of middle class office employees, should take more initiative to increase the subscriptions.

The price of a single copy of 'The Voice of the Working Woman' is Rs. 5/- and the annual subscription is Rs. 40/-. It is proposed to increase the annual subscription to Rs. 50/- and restore the number of pages, which were reduced from 28 to 24 when it was made a monthly, again to 28. The price of single copy will remain the same.

The circulation of Patrika, the Hindi quarterly for working women is around 2,000. It is mostly circulated among the anganwadi employees. The state committees of CITU and state CCWW in the Hindi speaking states should make efforts to increase the circulation among other sections of working women also.

CEMENT INDUSTRY: SETTLEMENT ON COMMON CHARTER OF DEMANDS

In the cement industry, national level wage settlements have been arrived at in the years 1992, 1996 and 2004 and the last settlement had expired on 31st March, 2004. AITUC, BMS, CITU, HMS and INTUC have been together in these negotiations and settlements.

The AITUC, BMS, CITU, HMS and INTUC had presented a common charter of demands dated March 1, 2004 for a yet another national level wage settlement.

In ACC, there has been a practice of arriving at a separate unit wise settlement. On the last occasion in 2004, the industry level settlement was for a period of four years, while the ACC settlement was for five years. The Cement Manufacturers' Association (CMA) proposed extension of the earlier settlement by one year, bringing the industry settlement in line with the one in ACC. The five central trade unions had rejected the proposal and demanded early negotiations as well as interim relief.

An all India Convention of Cement Workers was held on September 19, 2004 at New Delhi, where a decision was taken to issue notice for strike. The CLC intervened and advised the parties to hold bilateral negotiations. During the bilateral negotiations held on November/December 2004, an understanding was reached to the effect that the settlement on the common charter of demands would be effective from 1.4.2005 and a lump sum of Rs. 2580 would be paid, linked to attendance, for the period between 1.4.2004 and 31.3.2005. After several rounds of subsequent negotiations, an industry level settlement was reached before the C.L.C. on April 28, 2005. The total benefit under the settlement was Rs. 1550 per month, of which Rs. 400 was included in basic wages. The settlement would be in operation till 31.3.2010.

This is a joint exercise that the CITU has been involved since 1992 along with the INTUC, AITUC, BMS and HMS. There are obviously certain inherent constraints in such a joint effort. In such a situation, we can achieve not a most acceptable settlement but only a least unacceptable one. The CITU Secretariat, while noting the specific situation obtaining in the cement industry, had felt that it would be in the interest of the overwhelming majority of the cement workers in the country to keep the process of national level settlement on. Otherwise, the situation could have resulted in the CMA calling off national level settlement process itself, leading to unit level settlements. In the process, this settlement has succeeded in bringing, within its ambit the ACC, which had stayed away from the national level settlements since 1992.

In the cement industry, despite national level wage determination, there is a large work force, which is not benefited by the settlement. Only the permanent workers are entitled to the benefits under the settlement. In some units, the non-permanent workers are paid pro-rated daily wages. In most units, the bulk of the work is carried on by employing contract workers, who are paid wages much lower than the wages payable under the settlement.

Our presence in the various units of the cement industry is not considerable except in a few pockets. It is necessary, therefore, that the leverage we have been able to achieve due to participation at industry level negotiations should properly be utilised to consolidate our strength and membership in this sector, for which it is necessary that our State Committees as well as the CITU should chalk out appropriate plans.

ALL INDIA F.C.I. MAZDOOR FEDERATION

The All India F.C.I. Mazdoor Federation had not been functioning for quite some time. The CITU Centre initiated some steps to revive our work and activities among the workers of the Food Corporation

of India (FCI). A meeting of some of the leading comrades working in the unions in FCI was also held. As a first step, a meeting of the working committee of the Federation was held at the CITU Central Office February 15, 2005, which was attended by the President and the General Secretary of the CITU.

In the meeting it was decided to hold an All India Conference of the FCI Unions and workers at Chandigarh on May 29 – 30, 2005. As the General Secretary of the Federation, Bijoy Bhattacharjee had not been keeping well for long, Ashim Bala of West Bengal, was authorised to take steps for holding the conference. In view of certain difficulties expressed by the Punjab State Committee, the Conference date was postponed.

The CITU Centre had requested all State Committees of CITU to take appropriate initiative in this regard and also send detailed information about the situation obtaining in the FCI and our contacts among the unions/workers in each State. But, the response from the CITU State Committees had not been satisfactory.

The second conference of the All India FCI Mazdoor Federation was held at Chandigarh on July 10 – 11, 2005. Chittabrata Majumdar, General Secretary and W.R. Varada Rajan, Secretary participated from the CITU Centre. The conference has adopted the constitution of the Federation and elected a working committee, with H.P. Singh of INTUC as President, Raghunath Singh as Working President and Asim Bala as General Secretary. Despite rains, an impressive rally was held before the Regional Office of the FCI at Chandigarh. The Conference has called for holding of a massive dharna before Parliament in New Delhi on August 17, 2005.

In view of the government attempt to close a number of FCI depots and resort to downsizing of work force, as per prescriptions of the McKenzie report and the crying need in the country to strengthen the PDS and extend it to the whole country, we need to pay much attention to increase manifold the activities of this Federation in the FCI.

WAGE SETTLEMENT IN COAL INDUSTRY

The stalemate in the negotiations in the Joint Bipartite Committee for Coal Industry (JBCCI), which led to the Five Federations of Coal Unions belonging to INTUC, AITUC, HMS, BMS and CITU calling for a week long strike 18th July 2005, finally been resolved after prolonged negotiation on July 9/10, 2005.

A settlement has since been reached resulting in a minimum guaranteed benefit of 15% interim relief plus Rs.300/- or Rs.1185/-, whichever is higher, for the workers in coal industry. On payment of arrears it was agreed that all workers would get the benefits of the agreement. The modalities of the payment would be chalked out jointly, keeping in mind the revival package of BCCL and ECL.

The CITU congratulates the coal workers of the country for the splendid display of unity and determination for struggle, which has culminated in this successful conclusion of the wage settlement.

The CITU leadership in the coal industry had been playing a crucial role in charting the struggle and negotiations. However, the task of organisational consolidation, to convert the growing influence of CITU among the vast sections of coal workers, needs to be urgently addressed.

INTERNATIONAL

Tapan Sen, Secretary, CITU participated in the ILO Conference in Geneva in June 2005. He also participated in the Core Group meeting of the Oil International Initiative in Paris.

A 12 member delegation led by Chittabrata Majumdar participated in the 7th Congress of SIGTUR (Southern Initiative on Globalisation and for Trade Union Rights) held in Bangkok on 26 June - 1st July. The Congress decided to observe a Day on Labour Rights on October 14 this year at the time of the Regional Conference of ILO at Pusan in South Korea; to participate in the protest demonstrations during the WTO ministerial meeting at Hong Kong in December 2005. A half day session was held on the issue of Gender and Trade Unions and the Congress has called upon all its participating unions to mobilise workers on an International Day of Action for women workers, focussing specifically on March 8.

Hemalata, Secretary, CITU represented the trade unions from India in the Regional Tripartite Workshop on Child Labour was held by the ILO on 11- 13 July 2005 at Phuket in Thailand. The workshop was mainly intended to discuss the necessary steps to ensure better involvement of the workers and employers in preparing the list of hazardous work for child labour as required under the ILO Convention no 182, and to build networks to exchange experiences.

R Singaravelu, President and T K Achuthan, Vice President of the Construction Workers' Federation of India participated in the 9th Congress of Cuban Construction Workers' Union held in Havana on 19- 20 May 2005.

Year No. of	Membership
1981	1000
1982	1000
1983	1000
1984	1000
1985	1000
1986	1000
1987	1000
1988	1000
1989	1000
1990	1000
1991	1000
1992	1000
1993	1000
1994	1000
1995	1000
1996	1000
1997	1000
1998	1000
1999	1000
2000	1000
2001	1000
2002	1000
2003	1000
2004	1000
2005	1000

STATEMENT SHOWING STATEWISE MEMBERSHIP AS PER ANNUAL RETURNS RECEIVED TILL-15/07/05

Name of the State	Unions Submitting Returns			Position of membership according to Annual Returns		
	2002	2003	2004	2002	2003	2004
Andaman & Nicobar	9	7	7	2417(-)	2044(-)	2009(-)
Andra Pradesh	763	490	219	243779(40911)	145113(12287)	56280(4907)
Assam	81	81	62	58726(26083)	56218(25636)	51457(25724)
Bihar	20	2	1	23717(5061)	3806(21)	38(7)
Delhi	73	45	18	28308(1135)	14507(666)	2864(59)
Goa	7	7		1147(162)	1174(116)	
Gujrat	18	18		7599(1046)	8557(1033)	
Haryana	28	17		25321(9476)	8836(5538)	
Himachal Pradesh	27	26		13242(6735)	12175(6468)	
Jammu & Kashmir	2	2	1	910(-)	6352(24)	204(19)
Karnataka	116	83	39	99090(52414)	86878(37242)	32124(13664)
Kerala	907	590		1021998(296599)	637209(182997)	
Madhya Pradesh	71	38	3	25220(3907)	10730(726)	730(3)
Maharashtra	70	50	14	63422(19390)	55066(5166)	7321(3514)
Orissa	69	35		31749(6010)	23632(4078)	
Punjab	81	70	1	32915(1255)	59893(2606)	124(9)
Rajasthan	73	47	6	31840(2453)	20631(2244)	2192(69)
Tamilnadu	486	410		283056(34407)	225628(34453)	
Tripura	36	31	20	80363(16249)	98697(21824)	80900(23569)
Uttar Pradesh	107	58	28	24433(358)	11486(274)	6347(169)
West Bengal	998	700	4	1283870(142935)	557688(33765)	810(80)
Uttaranchal	41	37		11704(516)	10648(2381)	
Chhatisgarh	18	16	2	17968(1618)	15428(1151)	8791(770)
Jharkhand	17	2		38181(3789)	10183(290)	
Total	4118	2862	425	3450975(672509)	2082579(380986)	252191(72563)

Year	No. of Unions	Membership
1983	1854	1890993
1984	2005	1575655
1985	1717	1716457(132536)
1986	2412	1844273(209348)
1987	2350	1680884(206482)
1988	2618	1919280(264507)
1989	3114	2425000(247388)
1990	2934	2095550(245060)
1991	2783	2088218(291228)
1992	3343	2381012(321620)
1993	3156	2371405(306344)
1994	3198	2470131(261980)
1995	3523	2784050(358188)
1996	3645	2805127(435285)
1997	3804	2917200(506097)
1998	3502	2881478(483373)
1999	3929	3296808(550583)
2000	3754	3124996(646618)
2001	3777	3148920(600703)

CENTRE OF INDIAN TRADE UNIONS

General Council Meeting

July 23 - 26, 2005

Alappuzha, Kerala

INFORMATION DOCUMENT I

1) PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (PFRDA) BILL

The Government of India issued an ordinance paving the way for setting up of the Pension Fund Regulatory and Development Authority on December 30, 2004. The Pension Fund Regulatory and Development Authority Bill was introduced in Lok Sabha on March 21, 2005, amidst a protest and walk out by the Left parties. The Bill was subsequently referred to the Parliamentary Standing Committee on Finance.

This Bill is part of 'Pension Sector Reforms', initiated at the dictates of the World Bank as part of the policies of liberalisation and globalisation. This is aimed at privatisation of social security and diverting the contributions of workers to stock market.

'NEW PENSION SYSTEM'

The NDA government notified the 'New Pension System' (NPS) on December 22, 2003 and effective from January 1, 2004, applicable to the new recruits in central government service from that day, except those in armed services. It had also set up an interim Pension Fund Regulatory Authority as well.

The Pension Fund Regulatory And Development Authority (PFRDA) Bill, introduced by the UPA government now, defines the "New Pension System" as 'the contributory pension system referred to in Section 20 whereby contributions from a subscriber are collected in an individual pension account ... and a central record keeping agency and accumulated by pension funds for pay offs as specified by regulations'.

Section 20, inter-alia, provides: **'there shall not be any implicit or explicit assurance of benefits except market based guarantee mechanism to be purchased by the subscriber' and 'a subscriber shall not exit from the New Pension System except as specified by the Central Government by notification'**. The latter implies that even upon exit from government service, the subscriber will not be allowed to exit from the New Pension System before attaining the age of 60 years.

Again, the statement of objects and reasons appended to the Bill states, "The NPS is mandatory for new recruits to the Central Government services (except to the armed forces in the first stage)".

The following are the parameters of the New Pension System, as notified by the previous NDA government, which remains intact under the present UPA dispensation as well:

■ Defined contribution based mandatory tier I scheme where the new entrant to the central government will make a monthly contribution of 10 per cent of the salary and dearness allowance (DA), which will be matched by the central government.

■ An optional tier II withdrawable account in the absence of the facility of General Provident Fund (GPF). Government to make no contribution to this account. (No details of how and where the contributions to this account will be invested have been spelt out.)

■ The new system to have a central record keeping and accounting infrastructure and several fund managers to offer three options. Under option 'A', investment will be predominantly in fixed income instruments and some investment in equity. Under option 'B', there will be greater investment in equity. Option 'C' implies equal investment in fixed income* and equity instruments (shares).

■ At the time of exit, it is mandatory for the employees to invest 40 per cent of 'pension wealth' to purchase an annuity to provide for lifetime pension for the employee and his dependant parents and spouse. Remaining 60 per cent of 'pension wealth' to be paid in lump sum at the time of exit.

■ The Pension Fund Regulatory and Development Authority will regulate and develop the pension fund market.

(*fixed income also will dwindle in the era of 'soft' interest regime, as already being witnessed)

This is also coupled with a change in the tax treatment for contributions to the pension scheme, shifting from the **EEE (Exempt, Exempt, Exempt)** formula to the **EET (Exempt, Exempt, Taxable)** formula.

Under the EEE formula, the social security funds are exempt from taxation at all three stages of (i) contribution (ii) accrual (by way of interest) and (iii) withdrawal (of terminal benefits).

Under the EET formula, proposed by the UPA government now, the social security funds will be exempt from taxation only at the time of (i) contribution and (ii) accrual (by way of interest) and terminal benefits, at the time of withdrawal, will be taxed at the applicable rates in the year of receipt. (The budget 2004 – 05 carried this announcement.)

All these are adverse changes in the present conditions of service enjoyed by the government employees.

THE BACKDROP

The 'New Pension System' is the direct result of the government deciding to follow the prescriptions of the World Bank report titled "Averting the Old Age Crisis", which advocated 'pension sector reforms.' The thrust of the World Bank report was not to tackle the crisis faced by the elderly in their old age but to resolve the 'crisis' of the pension pay out burden of the governments world over, which have been operating pension schemes of different types. Almost all such schemes were 'defined benefit' schemes, operated on a 'Pay As You Go (PAYG)' basis.

The NDA regime had also commissioned the following three reports to 'dole' out 'pension sector reforms' prescriptions: 1) Project OASIS (expert committee) Report (December, 1999); 2) Insurance Regulatory and Development Authority (IRDA) Report on 'pensions reforms in the unorganised sector' (October 2001) and 3) Government of India High Level Group on New Pensions System (Bhattacharya) Report (February 2002).

The 'Project OASIS' report of the Dave committee, set up by the Ministry of Social Justice and Empowerment, mooted this proposal for a separate pension authority for the first time. The tripartite

Central Board of Trustees of the Employees Provident Fund had, in a special meeting held on 8.2.2000 under the chairmanship of the then Labour Minister, unanimously held: 'the (said) report is investment centric and not social security or social insurance centric and contains a number of recommendations and suggestions, which are inconsistent with the ground reality or practical considerations'. The CBT was 'unanimously of the opinion that the proposals in the report ... would seriously jeopardise the safety and future savings of the workers as well as the whole concept of social security and social insurance.'

In October 2001, the Insurance Regulatory and Development Authority (IRDA), set up in the wake of opening of the insurance sector to private and foreign players, came out with yet another report titled Pension Sector Reforms for Unorganised Sector. This report, inter alia, mooted proposals for a new pension fund regime accompanied by a self-serving recommendation to nominate the IRDA as pension regulator.

It is important to note that both the above reports espousing the need for a pension regulatory authority had framed their proposals on a 'voluntary' tier comprising individual retirement accounts.

Later, however, the NDA regime decided to discontinue the defined benefit (DB) pension scheme applicable to the government employees and constituted a High Level Group on New Pensions System (headed by Shri Bhattacharya) to recommend a new 'contribution defined' pension scheme. The report of this group recommended a new pension scheme with contributions from the employees and the government for the new recruits in government service.

Even the Bhattacharya Committee, it is to be noted, did not recommend only a 'defined contribution (DC)' scheme, which is the case with the New Pension System. It recommended a hybrid DB/DC or mixed scheme. It recommended a mandatory first tier with contributions from the employee and matching contribution from the government at 10 per cent of pay and DA. It also prescribed a voluntary second tier with a minimum contribution of 2 per cent but without any upper limit. Here again, the government was required to match the contribution by the individual employee up to a 5 per cent limit. The report also provided: "The first tier Pension will be a defined benefit at 50 per cent of the average emoluments over the last 36 months of the working career of the employee. The minimum number of years of qualifying service for eligibility to pension would be 20 years and pension will be paid on superannuation at the age of 60 years. Full pension shall be payable for a qualifying service of 33 years for a person superannuating at the age of 60 years."

This is the backdrop against which the 'New Pension System' has been introduced, based fully on Defined Contribution (DC) concept.

DEFINED BENEFIT Vs. DEFINED CONTRIBUTION

A pension scheme under the "Defined Benefits (DB)" concept will invariably have clear-cut pensionary benefits that will be devolving on the employee on retirement. The existing pension scheme for the government employees comprises basic pension, dearness relief, family pension on the death of the employee/pensioner. A defined benefit scheme may also involve 'cross subsidy', i.e. benefits may not in all cases be proportionate to the contribution. An example of this is the Employees Pension Scheme, 1995 under the EPF Organisation.

On the contrary a "defined contribution (DC)" scheme is based on individual retirement account and each one will get benefit purely in terms of his contribution and the interest etc. returns thereon.

"Defined Contributions" concept denotes that the Pension Scheme will only prescribe the amount to be contributed by the employee and matching contribution of the employer viz. the government in the case of the New Pension System for the new recruit government employees. There will be no mention of any minimum pensionary benefit even. The benefit will be dependent on how the pension fund (mutual funds tapping pension contributions) has performed at the time of exit of the employee on retirement. If the fund has done well, the employee can hope to have some 'pension wealth' accumulated in his account from out of which he can buy pension annuities (monthly payment arrangement) from an insurance company. On the other hand, if the performance of the fund ends up as a disaster, (which is the stark reality in view of falling interest rates and diversion of fund to stock market), the employee can end up losing his lifetime contributions, together with that of the matching contribution by the employer.

TRADE UNIONS NOT CONSULTED

The UPA Government had, in its National Common Minimum Programme, committed firmly 'that labour-management relations in our country must be marked by consultations, cooperation and consensus, not confrontation' and to actively pursue 'tripartite consultations with trade unions and industry on all proposals concerning them'. The present ordinance on PFRDA – and the subsequent Bill – has been resorted to without any consultations with the trade unions, in a blatant violation of this commitment.

It is reportedly argued that the New Pension System concerns only the government employees and therefore there is no need to involve the central trade unions. It is also being stated that the New Pension System had been discussed in the Joint Consultative Machinery (JCM) for the Central Government Employees.

Both these contentions are questionable. All the three reports (cited above) on Pension Sector Reforms have in different ways advocated the switch over to "Individual Retirement Account" system of social security for all segments of the working force in India. So, the threat perceptions emanating from the move towards a PFRDA looms large before all sections of workers in the country and the central trade unions have a vital stake in this regard.

Even in the JCM for the Central Government Employees, the report of the Bhattacharya Committee was never placed for discussion. It is understood that the report itself had not been made public. In the meeting of the Standing Committee of the JCM held on January 30, 2004 itself the staff side raised this issue stating that the provisions of the new contributory pension scheme was a matter of concern to the central government employees.

Another important point to be noted here is that the vast sections of the employees of the State governments, who also are likely to be impacted by the New Pension System, were at no stage involved in any consultation process.

OMINOUS PORTENTS

The move towards setting up of a Pension Fund regulatory Authority has ominous portents. It is intended to flag off pension sector reforms, which has three main thrust areas viz. i) Switching over to the "Defined Contributions" concept from that of "Defined Benefits" concept; ii) Shifting to personal and social insurance schemes from social assistance schemes* and iii) Diverting the social security funds from the debt (Government and other securities) market to equity (share) market.

(*Personal and social insurance schemes denote that the pension scheme will be operated through insurance companies (private or nationalised) unlike the social assistance schemes, which are operated by the government.)

These recipes are also brandied as moves aimed at "identifying the appropriate mix of public sector-private sector participation in social security." This is a totally erroneous and dangerous move, as the private sector seeks to participate in social security only eyeing the huge corpus of private pension funds that could be generated, which could be diverted to the equity market in the country.

This is also accompanied by yet another disastrous move of opening up the pension sector for Foreign Direct Investments (FDI), which means a green signal for foreign corporates to garner the huge pension funds for their speculative hunt for profits. The Budget 2005 –06 has envisioned this.

DANGERS AHEAD

Presently, the central government has proposed to apply the New Pension System only to around 40000 new recruits, who have joined service since 1.1.2004.

But, the government has stated: "The NPS will be available, on a voluntary basis, to all persons including self employed professionals and other in the unorganised sector" (The Economic Survey – 2004-05).

At the same time, the Economic Survey states: "... mandatory programmes under the Employees' Provident Fund Organisation (EPFO) and other special provident funds continue to operate as per existing system under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and other special Acts governing these Funds, such as Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, the Assam Tea Plantations Provident Fund and Pensions Fund Scheme Act, 1955, the Jammu and Kashmir Employees' Provident Funds Act, 1961 and Seamen's Provident Fund Act, 1966."

It may be recalled that the terms of reference to the Bhattacharya Committee (which recommended the basic design of the New Pension System) to 'explore the option of moving existing employees to a contributory system'. As the decision not to make it mandatory to the new recruits to the armed forces is also a limited period option confined to the first stage, the danger of the existing employees also being forced to migrate to the New Pension System very much loom large.

Besides, during the budget speech 2005, the Finance Minister, while dealing with this issue, made an open appeal: "I appeal to workers all over the country to join the new pension system." That signifies the intention to extend this New Pension System to all workers in the country.

Moreover, the Dave Committee and the IRDA reports had already mooted proposals for migration of the Public Provident Fund (PPF) subscribers, employees of the Exempted Establishments under the EPF Act etc. to the Individual Retirement Account concept. The Dave Committee, IRDA and Bhattacharya Committee reports have also extensively commented on carrying out reforms in the Employees Provident Fund Organisation as well, which all are pointers to a total transition, albeit in phases, to a defined contribution individual retirement account plan of social security for all workers across the board.

The PFRDA Bill in its statement of objects and reasons mentions: "Seven State Governments –

Andhra Pradesh, Chhattisgarh, Himachal Pradesh, Jharkhand, Manipur, Rajasthan and Tamil Nadu – have already notified and introduced defined contribution schemes and intend to join the NPS. Some of the other State Governments have also evinced interest in joining the NPS ...”.

The ultimate aim of the government would be to make the New Pension System as the only social security pension scheme for all classes of workers and employees.

INTERNATIONAL EXPERIENCE

The international experience in this regard also presents a worrisome picture. A rather voluminous literature is already available throwing light on several aspects of grave concern.

The experience with privatisation of social security in other countries had been bad and disastrous. The New Pension System had been modelled after the one experimented in Chile, which privatised its pension system in the 1980s.

In a paper presented by Hector Inductivo, Director, International social Security Association, Regional Office for Asia and the Pacific, Manila entitled “Privately managed old-age pension schemes: Theory and reality” he had drawn the following conclusions:

“Many of the assumptions made in the Chilean model about the benefits of private management proved to be misplaced. The assumption that competition among fund managers would produce better results for the members or extend the scheme to uncovered sections were entirely misplaced. In Chile, in practice what happened and is happening is that all the 12 or 13 fund managers have focused their competitive spirit to wean away existing clients from their rivals in the market. Almost 50% of the entire membership are induced to change fund managers every year. None of the managers have made any headway to find new members from amongst informal sector workers who in Chile are only 1.5 million.

The commissions charged and the cost involved in the private sector system add up to 20 – 25% of the contribution of the member and the myth that private management reduces cost is entirely baseless. On the contrary the cost of the privately managed system is higher than the publicly managed system on account of the very large advertising and marketing costs as well as commissions. Another unfair feature is that the cost of the fund manager are front loaded and are a charge on the contributions and not on profits.”

We must also note here that in the entire Europe and the USA, there are strong resistance movements on the issue of social security pensions and against attempts to undermine the existing schemes in the name of ‘Pension Sector Reforms’.

WHAT IS THE ALTERNATIVE?

A question is being posed: “If the PFRDA Bill is not enacted, what is to be done with the contributions of 40000 or so new recruits (after 1.1.2002), which had already been collected?” Here, the question of ‘alternative’ is also raised.

This is just confusing the issue. If the PFRDA Bill is not enacted, the New Pension System will stand withdrawn and these employees will also stand covered by the same earlier pension scheme applicable to existing employees (as on 31. 12. 2003). It is important to keep in mind that the new recruits to the armed forces even after 1.1.2004, even according to the proposed legislation, will also be covered

under the same earlier pension scheme. The contributions collected from these 40000 employees may be credited to their General Provident Fund Accounts and the government may take the matching contribution back. Even otherwise, the moneys collected are now only lying with the government in its public account and continue to remain credited in the same account, while attempts can be made to resolve all related issues by engaging the central trade unions and associations of central and state government employees and workers in an in-depth dialogue process.

Alternatively, the government may choose to start building up a separate fund for meeting the contingent pension liability. After all, the basis of the present debate on 'pension sector reforms' is the present fiscal related problem cited by the government for the unsustainability of the present Pay As You Go (PAYG) pension scheme. This is of the government's own making. The government, over the past years, merrily used up the funds, which were due on the erstwhile contributory provident fund scheme and failed to make any provision for an appropriate funding arrangement in place for meeting the pension liability towards its employees. It will be a worthwhile attempt for the government to embark upon an exercise to put in place a funding arrangement for meeting the pension liability.

It is also worth noting that several autonomous institutions under various ministries of the central government have extended to their employees the pay scales and other service conditions, including the pension scheme, on par with those applicable to central government employees. Such institutions have also built up separate funding mechanism to meet the pension liability. The Employees' Provident Fund Organisation itself is an example of this case.

Again, it needs to be emphasised that the present pension scheme was introduced in the past as a substitute to the then existing Contributory Provident Fund Scheme, to which the central government had been making a matching contribution. The central government replaced the Contributory Provident Fund Scheme with the General Provident Fund with only the contribution by the employees. The government introduced the earlier pension scheme (applicable to pre 1.1.2004 employees) only in lieu of its matching contribution under the erstwhile Contributory Provident Fund Scheme. Even the Fifth Central Pay Commission had recommended retention of the present pension scheme.

The Employees' Pension Scheme (EPS) introduced in 1995, by the Government of India under the EPF Act was in response to the demand from the workers and trade unions for a pension scheme, citing the one available to government employees. (It is a fact that the EPS is itself an unsatisfactory scheme and does not meet the genuine aspirations of the workers. The dangers awaiting even this EPS is detailed in a subsequent part of this Information Document.) Even after the introduction of the EPS in 1995, the government employees continued to get the benefits of a much superior pension scheme. The introduction of a defined contribution scheme (New Pension System) for the new recruit government employees, while the EPS, 1995 will be continued as a 'defined benefit' scheme will result in an anomalous situation. (This 'anomaly' itself might become a plea for tinkering with the schemes under the EPF Act and other special legislations also and switch them all over to a defined contribution plan or the New Pension System!)

ALLROUND OPPOSITION

The CITU presented elaborate memoranda to the Standing Committee on Finance and also tendered oral evidence. We have demanded withdrawal of the Pension Fund Regulatory And Development Authority (PFRDA) Bill in totality and to undertake a thorough going review of all the measures sought to be initiated in the name of 'pension sector reforms', in consultation with the trade unions, in line with the commitment in the NCMP.

In particular, we have urged the UPA government to address the basic and more fundamental issues related to social security or the widely talked about 'social safety net'. These must include drawing up of a comprehensive social security policy and setting up of a National Social Security Authority.

All the central trade union organisations as well as the Federations of the central and state government employees have also opposed the New Pension System and the PFRDA Bill.

At the present juncture, reports appearing in the media suggest that the Standing Committee is likely to present its report to the Parliament with its recommendation favouring legislating the Bill, with some of its members dissenting.

This is one of the issues contained in the 16-point demand adopted by the national convention of trade unions, which has called for an action programme including a countrywide strike on September 29, 2005.

The entire trade union movement must vehemently protest if the UPA government moves to have the Bill passed in the monsoon session of the Parliament.

There is a deliberate attempt to create confusion among the public by campaigning that the New Pension System is intended to take care of unorganised sector workers as well. This is totally fallacious, as the government prescription for this most destitute sections of the workers also is 'buy your own social security'. We must expose this dubious campaign as well and demand fully government funded social security for unorganised sector workers.

2) INTEREST RATE ON PROVIDENT FUND

There are different schemes of Provident Funds presently in force for different sections of workers and employees.

The General Provident Fund (GPF) is applicable to the employees of the central and state governments. In this only the employees' contributions are credited and there is no matching contribution by the governments. There are other Provident Fund schemes in vogue for coal mines, seamen, banks, insurance etc., in which contributions from both sides (employees and employers are credited. There is a Public Provident Fund (PPF) Scheme for the general public, who can make their contributions. The Employees' Provident Fund (EPF) Scheme E.P.F. Act covers workers in different industries, for whom the Employees' Provident Fund (Miscellaneous Provisions) Act, 1952 applies. Under all these schemes, the accumulated contributions, together with the interest accrued, will be payable to the concerned employee/worker on retirement or on leaving service otherwise.

Of these, the respective governments hold the GPF amounts as part of their finances and settle the claims of employees on retirement etc. The PPF is operated through the State Bank of India or Post Offices and treated on par with the other small savings instruments.

The other Provident Funds including the EPF are required to invest their funds as per guidelines issued by the government.

The Government of India introduced the Special Deposits Scheme (SDS) on 30th June, 1975 for non-Government provident, superannuation and gratuity funds. The Scheme was intended to enable the

subscribers to these funds to get the benefit of higher interest rates on their subscription to these funds.

The Government of India notifies annually, an administered rate of interest, which is the rate applicable to the small savings instruments, GPF, PPF, Coal Mine Provident Fund, SDS etc.

The NDA regime had lowered administered rate of interest, which had remained at 12 per cent from 1st April 1989 to 30th June 2000, in successive phases as under:

2000 – 01	:	11 per cent (from July 2000)
2001 – 02	:	9.5 per cent
2002 – 03	:	8 per cent

(The same rate of 8 per cent is continued till date)

The Finance Minister of the NDA regime had accepted the recommendations of an Expert Committee headed by the then Deputy Governor of the Reserve Bank to benchmark the administered interest rate (on small savings, GPF, PPF, Special Deposit Schemes (SDS) etc) to the average yields of government securities of equivalent maturities in the secondary market. Announcing this in the budget speech for 2002-03, he reduced the administered rate of interest from 12 to 8 per cent. With this the interest rate on GPF, PPF etc stood reduced to 8 per cent since April 1, 2002.

The procedure for deciding the interest rate on EPF is contained in the EPF Scheme, 1952, according to which interest rate is to be determined by the Central Government in consultation with the Central Board of Trustees of the Employees Provident Fund.

The Labour Minister of the NDA government had lowered interest rates on the Employees Provident Fund (EPF), which had remained at 12 per cent from 1st April 1989 to 30th June 2000, in successive phases as under:

2000 – 01	:	11 per cent (from July 2000)
2001 – 02	:	9.5 per cent
2002 – 03	:	9.5 per cent
2003 – 04	:	9 per cent plus golden jubilee bonus of 0.5 per cent

But, the Finance Ministry of the NDA government did not concur with the proposals of the Labour Ministry for the years 2002 – 03 & 2003 – 04. Thus, even though, the Labour Ministry had announced an interest rate of 9.5 per cent for these two years, the relevant government notification on that had not been issued. and put on hold the required notification.

The entire trade union movement had opposed the interest rate reduction as above during the NDA regime and demanded restoration of interest rate to 12 per cent.

Nearly 80 per cent of the entire corpus of the three schemes under the EPF Act is deposited in this SDS and lowering of interest rate on this had been the basic cause of lowering the interest on EPF during successive years of the NDA regime. (The Finance Minister of the NDA regime also decided to scrap the Special Deposit Scheme (SDS), which was started in 1975 for parking non-Government provident, superannuation and gratuity funds. While this is not yet implemented, the Government of India has closed the SDS account stopped for any further investment. The interest on SDS, which used to be credited in SDS account itself, is now being remitted to the EPF Organisation.)

The CMP had stated: "Interest rates will provide incentive both to investors and savers, particularly pensioners and senior citizens. The UPA Government will never take decisions on the Employees' Provident Fund (EPF) without consultations and approval of the EPF board". This commitment has to be matched by the financial and budgetary policies of the UPA Government.

But, the Labour Minister of the UPA government announced, at the meeting of the EPF Board on August 9, 2004, a majority decision to recommend an interim rate of 8.5 per cent. This was a deviation from the longstanding tradition of the EPF Board to take decisions only by way of consensus. This was opposed by the trade union representatives in the EPF Board, except those from INTUC. This has resulted in a further reduction of one per cent from the 9.5 per cent that was in force for the last two years.

This has caused a severe heartburn among all sections of employees and workers. This reduction in the interest rate is likely to give a political mileage to the NDA forces to exploit the resentment among the workers.

The Employees Provident Fund is a social security scheme. The accumulations in the EPF are not comparable with any of the other deposits or investments, either in the banking system or even the saving schemes operated by the Government. While the latter have a pre-determined periodicity and a definite date of maturity, the EPF accumulations are almost life time deposits. The Government holds these accumulations for decades together and in the case of Special Deposit Scheme, there has been no outflow, since 1975. Hence, the interest payable on EPF bears no comparison with the other time liabilities of either the banking system or the Government.

Therefore, it is necessary that the social security funds should be accorded a differential treatment in the sphere of interest rate and not forced to mechanically toe the banking system.

Apart from the above, this decision is a great blow to the workers as inflation, even in terms of wholesale price index, has already crossed 7.5 per cent (nearing 8 per cent). The inflation, if measured in terms of consumer price index will be much higher. The 8.5 per cent rate of interest will not compensate the workers against the runaway inflation and result in their getting a negative real rate of return. Surely, this is not the way to provide a safety net for the workers in their old age.

Further, the present pattern of investment of the corpus of the EPF Schemes and Government guidelines in respect thereof is such that unless the Government revises upwards the administered rate of interest (on Special Deposit Schemes), the injustice meted out to the workers cannot be undone.

Even with the resources available with the EPF Organisation (EPFO), it is possible to allow a higher interest rate. The EPFO had been left with a surplus in the interest earned during the past years, after meeting the interest liability for the corresponding years. This surplus is not correctly reflected in the accounts of the EPFO, as the interest credit and debit are routed through an omnibus Interest Suspense Account. Even the CAG report for successive years has pointed out this discrepancy and held the reply by the EPFO to be untenable. While this area can be scrutinised to provide some extra relief for the current year, the basic issue remains as one of providing a safe investment avenue for social security funds and ensuring a real rate of interest, over inflation, on such funds.

This issue can, therefore, be addressed only by reversing the past decisions of the NDA regime of (i) dismantling the Special Deposit Scheme and (ii) lowering the interest rate on SDS from 12 to 8 per cent.

The matter was raised by the Left parties in their talks with the UPA government. At one stage the Prime Minister assured to intervene. On February 2, 2005, the Finance Minister announced, after a meeting with the PM, that the government had decided to hike the interest rate on EPF from 8.5 to 9.5 per cent. At the same time, the Finance Ministry was reluctant to hike the administered rate of interest from 8 per cent to even 9.5 per cent and stated that there was no question of the government extending any 'subsidy' to sustain the 9.5 per cent interest.

After keeping the matter lingering for long, a sub committee was constituted under the chairmanship of the Additional Secretary (Labour) to suggest the way out. The sub-committee proposed two alternatives viz. either to provide a one-time budgetary support or enhance the interest rate on Special Deposit Scheme, which the Finance Ministry refused to accept. Faced with this, the sub-committee forced the EPFO to dip into the Special Reserve Fund for bridging the gap between the interest earnings on EPF investment and a pay out of interest at 9.5 per cent rate.

This is a dubious route to 'honour' Prime Minister's commitment not to reduce the interest rate on EPF and has ominous portents for the future. The Special Reserve Fund had been constituted in the past from out of the forfeiture of employers' contributions in respect of workers exiting the EPF before completion of five years of service. This forfeiture clause in the EPF Scheme had been deleted during 1990 and there is no further inflow into the SRF, except for interest accruals. This SRF is utilised to help outgoing members or their nominees/heirs, where an employer had defaulted in payment of the provident fund contributions collected from workers. The move to draw around Rs. 716 crore will almost empty the corpus in SRF built over four decades and the workers of defaulting establishments will be denied of any relief in the future.

The workers' side in the CBT (excepting the INTUC) had opposed this proposal to divert funds from the SRF and wanted the Labour Ministry to once again approach the Finance Ministry for enhancement of the rate of interest on Special Deposit Scheme (SDS) at least to the extent of honouring the Prime Minister's commitment (of 9.5 per cent).

Once again, the Chairman of the CBT had taken recourse to announcing a decision by majority. This decision is short sighted. When the Finance Minister has admittedly expressed concern over the rising inflation and the upswing in the interest rates in the banking system, this refusal to enhance the administered interest rate defies logic.

The CITU has clearly established that the 'soft' interest rate regime had not benefited the economy; it has only helped the government to reduce its interest burden, besides benefitin mainly the creamy layer of borrowers in the banking system. We had demanded that social security funds also should not be made subservient to this 'soft interest regime'.

By seeking a higher rate of interest on EPF, the trade unions are not asking for any undue reward or favour; they only seek from the government an adequate real rate of return (over inflation) to the members of the salaried class for the compulsory impounding of their hard-earned savings.

The interest rate on EPF for the current year (2005 - 06) is yet to be decided. As the EPFO will be left

with no other surplus funds to draw from, the yield on EPF investments cannot meet even a 9.5 per cent interest rate, unless the government accedes to the request for enhancing the interest rate on SDS. This alone will result in other categories of employees covered by GPF and the small savings community to derive the benefit of higher interest.

This will be yet another issue on which the working class and the trade unions will have to intensify their struggle.

3. EMPLOYEES PENSION SCHEME, 1995 – ADVERSE CHANGES MOOTED

The Government of India launched the Employees' Pension Scheme, 1995 (EPS '95), by diverting 8.33 per cent of the employers' contribution to the Provident Fund account. The CITU had consistently been demanding Pension as a third retirement benefit; but the government was stubbornly resisting the demand. When the EPS '95 was under formulation, the CITU demanded that the benefits under the EPS '95 should be on par with the pension scheme for government employees, including the provision for indexed linked dearness relief. The government only made certain cosmetic changes in the scheme proposed by them and introduced it by way of an ordinance. It inserted the Para 32 in the EPS '95, providing for annual actuarial valuation of the Pension Fund, promising that the benefit package under the EPS '95 would be improved during such annual valuations.

Unfortunately, there was no unanimity amongst the central trade unions over the EPS '95. While the CITU and several other unions opposed the Scheme and challenged it in judicial forums, a few other unions fully backed the government move at that time.

The first four annual Actuarial Valuation Reports of Employees' Pension Fund revealed a projected valuation surplus and recommended adhoc payment of relief as under:

Valuation	Rate of Relief	Granted w.e.f.
I	4%	16.11.1995
II	5.5%	01.04.1998
III	4%	01.04.1999
IV	4%	01.04.2000

However, in all these valuation reports the amount of surplus kept on decreasing year after year.

Only other change effected in the EPS '95 was to increase the wage ceiling from Rs. 5000 to Rs. 6500 per month from June 2001.

The 5th, 6th and 7th annual actuarial valuation reports as on March 31 of 2001, 02 and 03 respectively projected valuation deficits running up to Rs. 19291 crore! The reasons cited by the Actuary were softening of the interest rate (deliberate lowering of the administered rate of interest by the government of India from 12 to 8 per cent) and increase in wage ceiling from Rs. 5000 to Rs. 6500 resulting in a heavy impact on the pension liabilities. These valuation reports on the one hand ruled out grant of any further relief (not even the adhoc 4 per cent relief) but on the other doled out prescriptions to effect several adverse changes in the EPS '95.

The EPF Organisation, after examining these valuation reports with the inputs provided by the Consultant Actuary, placed the following proposals to Central Board of Trustees:

- i) To control withdrawal under the scheme, to increase contribution rate suitably or the benefit under the scheme reduced suitably. *(An amendment to para 14 of EPS '95 was suggested.)*
- ii) To revise table B and D, for lowering the benefits
- iii) Increase in reduction rate from 3% to 5 % in early pension cases
- iv) While determining pensionable salary linking corresponding service period to the corresponding wage/wage ceiling for all periods in-between various wage ceilings.
- v) To increase the superannuation age from 58 to 60 years
- vi) Need to take up requisite measures in case of future increase in wage ceiling.

The above proposals were termed as very important to ensure sufficiency of Employees' Pension Fund and sustainability of Employees' Pension Scheme, 95 in the long run.

The CBT noted that the changes proposed were of far reaching consequences, adverse to the interests of the workers and recommended that the Ministry of Labour convene a meeting of the central trade unions for a comprehensive review of the EPS '95 itself.

The Secretary, Ministry of Labour, convened two meetings on April; 21 and June 21, 2005 for the purpose.

But, the first meeting was confined to the issue of amendment to Para 14 of the EPS '95. The amendment envisaged 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 would be issued to such members, which will be valid till the age of 58 years.

The fact is that non-pensionable exits (from the coverage of EPF Act) are eight times more than those of pensionable exits. The reason for the steep increase in the non-pensionable exits from EPS, 95 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.

Paragraph 14 of the Employee's Pension Scheme, 1995 gives the employees, (leaving the EPS '95 before the stipulated minimum period of 10 years) the option of availing either withdrawal benefit or the scheme certificate. Taking away this option 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 all the central trade unions urged the Ministry of Labour/EPFO to drop the proposal altogether.

At the second meeting held on June 21, 2005, the EPFO placed the other proposals, which are intended to slash down even the limited benefits now available in the EPS '95. But, there was no review of the operation of the EPS '95 as suggested by the trade unions at the first meeting. The EPFO did not place a status paper even on the EPS '95 at the meeting.

The CITU representatives pointed out that the Supreme Court of India had validated the EPS '95 only on the basis of the benefit package as contained in the Scheme. Any move to tinker with the benefit package to the detriment of workers' interests would tantamount to a violation of the apex court judgement itself. There was a general consensus against any hasty move to change the EPS '95 and that all the required data should be placed for an in depth consideration. The Secretary, Ministry of Labour, has convened yet another meeting on July 18, 2005, the outcome of which is uncertain.

Thus, the threat to undermine the Employees' Pension Scheme very much looms large. It must be clearly understood that the moves to undermine even the limited social security schemes is the direct result of subordinating 'people's welfare' to the 'market economy'. The working class must remain vigilant and act unitedly to protect and further improve the EPS '95.

4. UNILATERAL MOVE TO LAUNCH NEW SERIES OF CONSUMER PRICE INDEX WITH 2001 AS BASE YEAR

The Labour Bureau of Shimla is entrusted the task of compiling and publishing the Consumer Price Index for industrial workers. Presently the Index is published with the base year 1982=100. The Regional Computer Centre (RCC) of Labour Bureau, based at Chandigarh, carries out the work of tabulation of the prices for compiling the index. This index is being used mostly for calculation of the dearness allowance for the workers in the organised sector, where the payment is linked to cost of living index. The 1982 series has also a linking factor to the 1960 series. With this linking factor the 1982 index figures can be converted to the 1960 index figures and used for calculation of dearness allowance, where such payment is based on 1960 series.

The Labour Bureau has now embarked on launching a new series of price index with the base year 2001=100. The new series is ready for launch. The Minister of Labour decided that before the launch of the new series, a tripartite index users' meeting be convened. Accordingly a tripartite meeting was held in May this year at Shimla.

A note on the methodology for compilation of price index on base 2001=100 was placed for discussion at the tripartite meeting. The Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC) has, reportedly, approved this discussion note.

ARBITRARY MOVES

This exercise for updating the base year was actually initiated during 1987, with the aim of launching a new series with 1991-92 as base year. The International Labour Organisation has recommended updating the base year for price index compilation every five years. In any case, the Family Income and Expenditure Surveys need be conducted at intervals of not more than 10 years. The TAC remitted the scheme proposed by the Labour Bureau in 1987 for updating the series to be examined by a Working Group constituted for the purpose. This resulted in an inordinate administrative delay, because of which the actual work could be started only in 1997. Based on the recommendations of the Working Group, issues like coverage of workers, selection of centres, reference period, fixation of sample size etc. were decided by the TAC. The TAC entrusted the fieldwork for conducting the income and expenditure survey to the National Sample Survey Organisation (NSSO). The survey was conducted in 78 centres between September 1999 and August 2000. TAC considered the data collected by the NSSO and tabulated by the RCC in August 2001. The Labour Bureau since then started compiling the new series of index using the prices pertaining to the calendar year 2001. Labour Bureau claims that with this entire backdrop, the index with new base (2001=100) is ready for release.

Labour Bureau is the only institution under the Ministry of Labour, which has consistently been kept outside the ambit of any tripartite consultation and dialogue process. The TAC has been exercising arbitrary powers in deciding all matters connected with the methodology and compilation of consumer price index.

The updating of the series of consumer price index is supposed to be based on latest consumption pattern of working class population. There are, no doubt, changes in the consumption pattern of working class families. But, the family income and expenditure survey, which is expected to mirror the change in consumption pattern, has been conducted in an arbitrary manner. After this survey, the Labour Bureau decides on a 'fixed basket' (of consumption) and collects price data only in respect of articles/items of consumption contained in the 'fixed basket'. These items of consumption are divided into six consumption groups like food, fuel, housing, clothing, etc. and further sub-divided into sub-groups. Each group/sub-group is accorded a weightage in deciding the 'fixed (consumption) basket'. The price data is collected in different centres spread all over the country. Each centre is accorded specified weightage, related to the size of working population, for the purpose of arriving at an all India average. The Labour Bureau and the TAC claim that the new series has addressed all the deficiencies noted in connection with the present 1982 series.

The working people and the trade union movement have been expressing apprehensions over the procedure followed by Labour Bureau in compilation of price index. The common perception is that the index figures released by the Labour Bureau fail to correctly reflect the inflation or price rise at the ground level.

In 1977, the Government of India constituted an Index Review Committee, known as Rath committee. It considered the Labour Bureau proposal for launch of a new series with 1971 as base year. Rath Committee report recommended, inter alia, constitution of a tripartite standing advisory committee at the all India level, as also at the state level.

The Government of India chose not to implement the recommendations of the Rath Committee. It also abandoned the then move to release a new series with base year 1971. Later, the government went in for the 1982 series and appointed yet another committee (Seal Committee) and got the 1982 series cleared for release. While the Rath Committee had representation from the trade unions, the Seal Committee comprised merely experts and officials. The government, however, accepted the Seal Committee report, though several of its recommendations remained unimplemented.

UNANIMOUS OPPOSITON

When the Labour Bureau took up the exercise of conducting a family income and expenditure survey in 1998-99, with a view to launch the new series, the central trade unions protested against lack of prior consultations. The AITUC, BMS, CITU, HMS, and INTUC jointly addressed a letter to the then Labour Minister (M P Veerendra Kumar) urging: "There is a need to review several maladies which have occurred in the collection of price data and compilation of index without properly correcting the 1981-82 series, the introduction of the new series is likely to depress the index. It will also affect the conversion factor of the new series with the old series."

The Government of India paid no heed to the plea of the major central trade unions and proceeded with its unilateral move.

It is in this backdrop that all the representatives of the central trade unions, during the tripartite meeting in May 2005, opposed the release of the 2001 series of price index.

In a joint letter handed over to the secretary, Labour & Employment, at the meeting they said:

"We are in agreement with the objective, outlined by the Labour Bureau, of updating the existing series of the Consumer Price Index (1982=100) and to bring out a new series with a more recent base year.

"We, however, wish to point out that such a tripartite exercise involving representatives of employees, employers and State/Central Governments ought to have taken place at the starting point itself. In fact, the Central Trade Union organisations had, during 1998-99, urged successive Labour Ministers to hold discussions on the entire question of conducting the Family Income and Expenditure Survey to avoid any unilateral steps by the Labour Bureau. Unfortunately, there was no response. Naturally, we feel that the present tripartite meeting convened at the culminating point of release of the new Consumer Price Index, making it a fait accompli, is not in keeping with the ethos of tripartism.

"Moreover, the Central Trade Union Organisations have jointly represented to the Union Minister of Labour & Employment, immediately after the present UPA government assumed office at the center, requesting inter-alia, appointment of a review committee to go into the question of compilation of consumer price index.

"In this connection, we recall the recommendation of the committee on Consumer Price Index Numbers (Rath Committee) in its report of 1978 that at all India level a 'Standing Committee consisting of representatives of trade unions and organizations of employers, the chairman of TAC and the Director, Labour Bureau should be constituted in the Ministry of Labour.' This was envisaged as a continuing forum for consultations on matters relating to the index. There was also a similar recommendation for constitution of state level tripartite standing committees for periodical scrutiny of the price data and examine other related issues.

"Besides, there have been occasions in the past, where certain deficiencies in the process of compilation of consumer price indices had been pointed out by several quarters.

"We are, therefore, of the firm view that all substantive issues connected with the updating of the consumer price index, such as selection of the base year, conduct of family income and expenditure surveys, methodology of index compilation, selection of centres, methods of sampling, agencies for carrying out the necessary surveys, process of price collection and compilation et al, should thoroughly be deliberated in a tripartite forum de novo.

"We urge the Ministry of Labour to initiate early tripartite consultations to address the concerns raised herein above for taking positive steps in this regard.

"In view of the above, we express our opposition to the release of the new series of Consumer Price Index for Industrial Workers (2001+100) as presented in this tripartite meeting".

INADEQUACIES GALORE

During the meeting, the trade unions pointed out some of the glaring inadequacies and deficiencies noticed in the compilation of the proposed 2001. They are:

■ The new series covers only following six sectors: Factories, Mines, Plantations, Port & Dock, Public Motor Undertakings, Electricity Generation and distribution and Railways. Several sources analyzing the economic growth in the present times in our country point out that the share of services sector in the GEDP has gone up significantly while the share of mining and manufacture had declined.

In this context, limiting the present exercise to only these six sectors needs to be closely examined. (There may be an argument that as a separate series of price index is published for the Urban Non-Manual Employees (popularly known as middle class index), the question of factoring in the services sector is not advisable. But, the fact remains that in several service sector wage agreements, like banks, insurance, etc, the union have chosen to follow only the working class index).

■ The list of selected centres for conducting the survey, as also for compiling price-data, include 9 new centres and drop 6 centres under the 1982 series. This has been done without any consultations with either workers' side or employees' side.

■ The data presented reveal an increase of 11 per cent in the workforce in the 78 centres covered. The weightage assigned to each center in compilation of all India average is also based on the data collected of the working population at these centres. These data have been collected from the returns filed by establishments of the six selected sectors, under the various legislations applicable to them. This data requires careful scrutiny, as it is widely reported that there is huge default by establishments in filing of returns and incidence of faulty returns is also widespread.

■ There are wide variations in the centre weightages for arriving at the all India average between the 2001 series and 1982 series. The weightage has declined in respect of 42 centres and increased only in the case of 22 centres. The decline, for example, for Kolkata, is from 4.24 (1982) to 1.51 (2001) and for Bangalore from 3.27 to 1.95, while the increase for Mumbai is from 7.87 to 9.57. These variations need to be scrutinised carefully. These are only illustrative and not exhaustive.

■ The work relating to consumer price index has three stages: (1) the preliminary stage of evolving the methodology, conducting of family income-expenditure-survey, deciding the fixed basket (consumption), assigning weightage, selection of centres, etc. (2) the second stage of collection of price-data at selected centres, the status of price collection machinery and (3) the final stage of actual compilation and release of index by the Labour Bureau at Shimla and the Regional Computer Centre at Chandigarh. The existing processes at all these three stages require complete overhaul and drastic improvements. The whole process requires transparency, tripartite consultations and constant monitoring.

■ The trade unions must be allowed representation in the Technical Advisory Committee, which is vested with all decision-making.

These are only a few of the faults pointed out by the trade unions.

DANGER AHEAD

At the Shimla meeting, the employers' and some government representatives also raised several objections. But, at the end all of them, however, agreed for the launch of the new series.

The Labour Secretary had to accept that it was a lapse that no tripartite meeting at the central level was convened at the initial stage of the work relating to compilation of the new series. He also assured to take up the issue of making the functioning of the Labour Bureau transparent and participatory. He also agreed to take up for consideration of according representation to both the employees and employers in the Technical Advisory Committee. But, he tried to go ahead with the launch of the new series under the plea that there was no compulsion for the employees and employers' organisation to use the new series only for Dearness Allowance purposes and they can continue to use the 1982 or

1960 series. The workers' side pointed out that once the 2001 series was launched, the 1982 series would be discontinued as was the case during the past and the linking factor alone would be used to convert the index figures into 1982 or 1960 series. If the index itself was defective, linking factor also would be defective and the workers would stand to lose. Hence, all the trade unions reiterated their opposition. The Labour Secretary concluded the meeting stating that tripartism is a three-legged race and if one leg is not willing to go along with the rest, there cannot be any movement.

It was evident during the meeting that the Finance Ministry was pushing for a go ahead for the launch of the new series. Dr. Tarun Das, Advisor, Finance Ministry, who was leading his team, also conveyed that a committee had been set up for working out the modalities of publishing a Producers' Price Index in lieu of the present Wholesale Price Index.

The Labour Secretary rounded off the meeting conveying that he would brief the Labour Minister of the proceeding of the tripartite meeting.

Despite the unanimous opposition from the trade unions, the danger of the Government of India unilaterally deciding to launch the 2001 series of Consumer Price Index is very much a possibility. This must be resisted.

CENTRE OF INDIAN TRADE UNIONS

General Council Meeting

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Alappuzha, Kerala

INFORMATION DOCUMENT II

DECLARATION ADOPTED BY THE NATIONAL CONVENTION OF TRADE UNIONS

This National Convention of Trade Unions held in New Delhi on July 9, 2005, massively participated by the representatives of the constituents of the Sponsoring Committee of Trade Unions, while taking stock of the present challenges that confront the working people of India, adopts this DECLARATION.

The working people of India had welcomed the outcome of the general elections 2004, which resulted in the ouster of the National Democratic Alliance government, whose track record in office had been disastrous for all sections of the Indian society including the working people, except the vastly affluent few.

The United Progressive Alliance government assumed office at the centre in May 2004, in the backdrop of the utter failure of the BJP led NDA Government to tackle the basic problems of the country during its nearly six years rule; its total inability to contain recession, push up rate of investment, promote employment, ensure poverty alleviation, step up higher growth and economic development benefiting the common people; its inability even to provide food security to the hungry millions. It had instead given the multinationals substantial access to domestic savings, bringing about massive casualisation of work force and weakened the ability of the state to effectively intervene in the economy in favour of the vast majority of people who are close to destitution.

The trade union movement in the country denounced the Supreme Court pronouncement against the right to strike and demanded that the central government take appropriate steps to negate the pernicious impact of the said judgement of the Supreme Court.

During the past several years, the central trade unions and independent unions and federations in the country, had unitedly been on the move, launching campaigns and sustained struggles throughout the country and in different sectors, against these policies.

In this backdrop, the working people expected the UPA government to set out to act without any delay and carry out the tasks of giving immediate relief to the distressed working masses of the country. They also looked forward to the UPA government embarking on an exercise to bring about a pro-people shift in the economic policies.

The UPA government adopted a National Common Minimum Programme, which despite its manifest pro-reform stance did contain commitments to implement certain pro-people measures. But, the track record of the UPA government, in the last fourteen months in office, has rather been disappointing.

Though the UPA Government had, committed firmly 'that labour-management relations in our country must be marked by consultations, cooperation and consensus, not confrontation' and to actively pursue 'tripartite consultations with trade unions and industry on all proposals concerning them',

several unilateral and arbitrary moves, which are of serious concern to the working people, had been initiated without any consultation whatsoever with the trade unions.

The apex tripartite forum in the country viz. the India Labour Conference had not been convened ever since the UPA government assumed office.

The promise that the UPA administration will enact a comprehensive legislation to guarantee minimum wage and to extend social protection to the vast multitude of agricultural labourers, had remained a dead letter.

Though the government had been indulging in patronising phrase mongering on ensuring the welfare and well being of workers in the unorganised sector, it has failed to respond to the unanimous demand of all the Central Trade Unions to legislate the Unorganised Sector Workers Bill, duly incorporating the suggested improvements.

The government had been harping on reversing the phenomenon of jobless growth and that the proposed Employment Guarantee legislation would be the "vehicle for providing income security to the poorest sections of society". But the fact remains that the Bill introduced and pending with the Standing Committee of Parliament is a much diluted version of the draft of the National Advisory Council and just a mockery of the NCMP commitment even.

Despite the professed commitment to 'a strong and effective public sector' and that 'the profit-making companies will not be privatised', the government has already started the process of privatisation of profit-making PSUs through disinvestment moves. It has virtually redefined the very concept of public sector from 'wholly owned' to '51 per cent holding' by the government. The attempt by the Finance Minister to justify such moves as necessary for mobilising resources for social sector expenditure and for rehabilitation of sick PSUs is reprehensible. It indicates a mindset to abdicate the government responsibility for raising resources, through budgetary and taxation measures, to finance schemes aimed at welfare of the people.

Ever since the UPA government assumed office, it has imposed burdens on the common people by increasing the prices of petroleum products on four occasions. Repeated pleas to reduce the excise duty on oil, drop the additional road cess of 50 paise and take similar other measures in order to avert the increased burden on the people went unheeded.

Recently, the Labour Ministry in a press release indicated "readiness to raise exemption limit for establishments seeking government permission for retrenchment/lay off from employing 100 employees to 300 employees under the ID Act". Such a move will bring more than 90 per cent of the establishments under the 'hire and fire regime'. This is resurrecting the much-resented recommendation from the discredited report of the Second National Commission on Labour! Here again, the NCMP commitment to 'reject automatic hire and fire regime' and to exclude "the Industrial Dispute Act from the labour laws that will be re-examined and procedures harmonised and streamlined" is merrily reneged!

In the name of dismantling 'Inspector Raj', the government has virtually abandoned its responsibility to enforce various labour legislations and the employers have been allowed to trample every rule and law severely hurting the interests of the workers. Proliferation of contracting, sub contracting and outsourcing has reached such dimensions that the threat of totally obliterating permanency and security of jobs looms large before the working people. The ban on recruitment in government jobs continues for years with no end and downsizing of work force has become the 'mantra' of the 21st

century India! All these are leading to deterioration in the quality of employment.

There has been an alarming increase in the atrocities against women throughout the country. The Supreme Court had, as far back as August 1997, made recommendations and issued guidelines for a legislation to protect women workers from sexual harassment at work places. This is yet to receive the attention of the government.

The government is yet to initiate any tangible move to ensure the right to strike undoing the Supreme Court verdict.

Even long after expiry of the period of operation of the Fifth Pay Commission, the government is stubbornly refusing to constitute the Sixth Pay Commission, overturning the specific recommendation of the Fifth Pay Commission.

The present provisions in the Bonus Act, with the income ceilings for eligibility and calculation of Bonus, have virtually turned out an overwhelming majority of workers, almost the entire organised sector, outside the purview of the Bonus Act. Yet, the government is in no mood to amend the legislation.

The government resorted to an ordinance to legislate setting up a Pension Fund Regulatory and Development Authority to establish regulate and develop pension funds under the New Pension System, which is outright privatising of pension funds and diverting the contributions to the speculative stock markets. Furthermore, the UPA Finance Minister has announced in the budget 2005-06 opening of the 'pension sector' for FDI, along with retail trade and mining sectors!

The government proceeded to reduce the interest rate on Employees Provident Fund by resorting to decision by majority in the Central Board of Trustees. Though the Prime Minister subsequently intervened to restore the rate to 9.5. per cent, that assurance is also given a short shrift by dipping into the Special Reserve Fund earmarked for settlement of Provident Fund dues of defaulting employers of closed establishments. The government is perpetuating the interest rate reduction down to 8 per cent on Special Deposit Scheme (SDS), GPF, CMPF, PPF, Small Savings etc.

The Employees' Pension Scheme, 1995 is the only defined benefit pension scheme for non-governmental employees and workers. The Ministry of Labour has initiated moves aimed at reducing the benefit package under the Scheme, against the aspirations of the workers for improved benefits.

The government is wide opening the doors of for the aggressive influx of foreign investors, who are keen on taking over all sectors of the economy. Civil aviation, telecommunication, insurance, banking et al have been the targeted. The united voice of opposition to the arbitrary pronouncements on mega merger of public sector banks by the entire work force in the industry is sought to be brushed aside. Even the production units in defence sector are slated for privatisation through the corporatisation route. The glib talk of making every effort to modernise and restructure sick public sector companies and revive sick industry has remained an empty word.

The government has no hesitation in handing over the public utilities and services, including drinking water, to private and foreign hands for the plunder of profit. The Public Distribution System in the country today leaves much to be desired. But, the government in the name of 'targeting subsidies' is further weakening this only measure aimed to reach some succour to the impoverished and destitute families in both the urban and rural areas.

The review of the Electricity Act, 2003 is an unkept promise and the government has arbitrarily announced a National Electricity Policy in February 2005. The prescriptions for 'unbundling' of the State Electricity Boards, eliminate subsidies - including cross subsidy - and leading to deprivation of energy to rural areas remain intact with just a revised deadline.

Rural India, with intensification of poverty, misery, debt burden, starvation deaths and suicides is a picture of total distress, crying for justice. The urgent need to implement meaningful land reform measures is not on the agenda of government. On the contrary, contract farming and corporatisation of agriculture are being pursued vigorously. The promised public investment for agriculture and irrigation are yet to materialise and institutional credit is unavailable to the vast majority of poor and middle peasants.

While the government is ever ready to counter every genuine demand of the working people and other masses with a spurious plea of lack of resources, there is no political will to crack the whip on tax defaults, black money, corporate debt default to banks and other financial institutions. There is a shocking revelation that a sum of Rs. 45000 crore of Non Performing Assets (read loan defaults) had been written off by the banking sector in recent years!

The working people and toiling masses of the country cannot countenance this all-round drift towards disaster.

We demand of the Government of India to immediately effect a directional change in its economic policies and take actions on the following urgent demands:

1. Enact comprehensive legislation on service conditions and social security for unorganised sector workers and agricultural workers with adequate government funding and effective monitoring system.
2. Suitably amend/change the National Rural Employment Guarantee Bill to ensure employment guarantee for the rural and urban unemployed within a time frame in line with commitment made in NCMP.
3. Halt moves towards downsizing of work force and lift ban on recruitment; stop contractisation.
4. Strengthen inspection and enforcement machinery to ensure strict implementation of all labour laws including statutory minimum wages in all sectors including SEZs and EPZs; no pro-employer changes in labour laws in the name of flexibility.
5. Enact legislation to prevent sexual harassment of women at work place and ensure full protection to women against atrocities.
6. Stop privatisation and disinvestment of profit making and strategic sector PSUs including nationalised banks, telecom, airports, port & dock, public transport etc; no privatisation of public services and utilities; stop merger of banks; no corporatisation of defence production units.
7. Take urgent measures for revival of sick/loss making but potentially viable PSUs.
8. Rescind measures raising FDI cap in telecom sector and permitting FDI in defence sector; drop proposed raising of cap on FDI in banking and insurance sectors; halt step to allow FDI in coal, retail and pension sectors; withdraw amendment bills on Banking Regulation and Reserve Bank of India Acts.
9. Review Electricity Act, 2003 and the National Electricity Policy (announced on February 3, 2005); repeal provisions against cross-subsidisation and on unbundling and privatisation of SEBs; eliminate rural-urban divide; ensure supply to rural areas, agricultural sector and urban weaker sections.
10. Undertake immediate legislative measures to ensure right to strike for all workers and employees including in government services. Ensure unfettered right to organise and collective bargaining.
11. Constitute Sixth Pay Commission for the government employees.

12. Remove ceilings on eligibility and calculation in Payment of Bonus Act.
13. Raise interest rates on EPF, GPF, CMPF, PPF and small savings instruments by raising the administered rate of interest; scrap New Pension System and the PFRDA Bill; restore the pre-2004 pension scheme for the new entrants in government services.
14. Carry out land reforms and step up public investment for irrigation facilities.
15. Strengthen public distribution system.
16. Take stringent measures for recovering NPAs and unpaid tax arrears from the defaulters in the corporate and big business lobby.

To press for immediate realisation of these demands, this all India Convention of central trade unions and independent federations/unions, calls upon the workers, irrespective of affiliations, to unitedly carry out the countrywide action programme as under:

Action Programme

20th July to 20th August 2005:	State level and district level and sectoral conventions
27th August to 7th September 2005:	Demonstrations/rallies and dharnas in all workplaces, industrial centres culminating in State/District level rallies
15th September 2005:	Observance of NATIONAL MOBILISATION DAY and serving of Strike notice
29th September 2005:	Countrywide General Strike

Sponsoring Committee of Trade Unions

(Central Trade Union Organisations viz. AITUC, AICCTU, CITU, HMS, TUCC, UTUC and UTUC-LS and all India Federations/Associations of employees and workers in Bank, Insurance, Railways, Central and State Govt. offices/departments, Telecom, Postal, Defence, Petroleum, Civil Aviation and other sectors)

CENTRE OF INDIAN TRADE UNIONS

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SPECIAL DISCUSSION ON CADRE DEVELOPMENT IN TRADE UNION MOVEMENT

The constitution of the CITU envisions a clear perspective of "holding fast the ideal of socialism, the CITU stands for the complete emancipation of the society from all exploitation."

This enjoins upon the CITU several basic tasks of which the first and foremost is that of uniting the entire working class in the struggle against all attacks by the ruling classes and for improvement in economic and other conditions of life. Other major tasks are to unite the working class with other toiling masses and to create awareness among the workers about the perspective.

Since its very inception, the CITU has been pursuing the line of unity and struggle. It has been seriously striving to unite the entire working class. The CITU can modestly claim to have played a prominent role in the coming together, at the present juncture, of a number of important trade unions on one platform for struggle against the new economic policy. Similar is the case with the coming into existence of a platform of mass organisations, under the aegis of which several common struggles have been conducted.

However, recent experience tells us that unless the CITU itself is substantially strengthened, the ongoing united struggle of the working class will be unable to make further advance, adequate enough to meet the challenge of the growing onslaught of the ruling classes and the imperialist forces. A stronger CITU is also the pre-requisite for the active functioning of the united platforms of the trade unions and mass organisations.

The CITU document on "United Struggle and organisational consolidation of the Trade Union movement" (2002) underlined the importance of initiation of grass-root level independent campaign by CITU for creating the ground for tangible unity among the trade unions and united countrywide movement.

All these require an effective cadre-base at all the workplaces, regional, district and state levels. The development of these cadres as a well equipped force to address the task of uniting the class right from the grass root level.

Since early 90s we have been carrying on serious exercise on the problems of strengthening the CITU organisation. In 1993, we adopted the Bhubaneshwar document. From time to time we have been reviewing the progress of implementation of this document. Though there has been improvement in some respects, the progress is far from satisfactory. In the light of the document, we decided to increase our membership from 24 lakhs to 40 lakhs in a couple of years or so. But today, we have not crossed the 34 lakhs mark even. Besides, we have not been able to spread substantially to new areas. What is the reason for this failure? We may refer to the Bhubaneshwar document itself for an answer.

The document reads: "one of the major causes of our organisational stagnation is the neglect of the urgent task of cadre development. Without sustained availability of growing contingent of cadres

discharging multifarious responsibilities facing the organisation, the required all round development of organisation cannot take place". Further, "In several meetings.... comrades have mentioned the question of paucity of cadres as a bottleneck they face in advancing in existing centres and expanding in newer centres."

Our experience of the past years fully confirms these statements. Therefore, at a time when we are in dire need of enhancing the strength of CITU organisation so that we can carry forward the ongoing struggle of the working class further, we cannot but give utmost priority to the task of cadre development. We also need to realise that our struggle has become infinitely complex and difficult today. Only well trained and properly equipped cadres can effectively lead these struggles.

II

There is candid admission in the Bhubaneswar document that "the task of cadre development in all its aspects never found its due place in our collective consciousness". Further, "it is not that we are not doing anything in this regard. Individually comrades at different levels may be doing (something).... in some respect. However, planned and conscious efforts are lacking on our part". (Emphasis added). It must be realised that cadre development is a task that can be carried out only through "planned and conscious effort".

Cadre development is a process, which proceeds stage by stage. The following passage, again from the Bhubaneswar document, gives an idea of the process, though putting it in a negative form: "During innumerable struggles conducted by us we have come across a large number of workers who show interest in our organisation. It is our failure that we have not been able to involve them in day to day union activity, give them suitable responsibility after making objective assessment about their capability, extending regular guidance to them with a view to help them in discharging their work effectively appreciating their capabilities when they perform well and helping them to learn from their mistakes and promoting them to higher responsibility when they exhibit necessary capabilities to do so."

The above passage makes the process of cadre development abundantly clear. In addition, we have to impart thorough theoretical education to the workers chosen for development as cadres. There is a misunderstanding prevalent among us, just equating cadre development with organising classes. Cadre development means developing effective trade union activists. While educating the cadres is absolutely necessary, it alone does not create in the cadre the required capabilities. Capabilities develop in the course of practical work provided necessary efforts are made in a conscious and planned manner.

Adherence to the norms and principles of democratic functioning is of vital importance for unleashing initiatives at all levels of organisation, which is also relevant for cadre development. Consciously involvement of the cadre, from top to grass root level, in the decision-making and implementation process, can be instrumental in unleashing and exploring potential capabilities of the cadres. The prime responsibility for effectively ensuring democratic functioning, as also developing and expanding the cadre-base, lies squarely on the leadership.

Thus, it is the collective responsibility of the leadership at all levels to consciously plan for development of cadre and seriously pursue it. Here again, the responsibility is greater on the part of the leadership at the union and district levels, which is in direct link with the workers. The central and state level leadership should play a guiding and monitoring role.

The CITU is in urgent need of much larger numerical strength and much wider territorial and industrial coverage. For this we need a very large contingent of effective cadre, which at the moment is not at a satisfactory level. We certainly have cadres but they are not adequate. We are, therefore, to give utmost priority to the task of developing cadres. We need to recruit a large number of cadres and develop them as active and effective force. At the same time, we also have to retrain and re-educate the existing cadre in the same planned manner.

III

CADRE RECRUITMENT

In the matter of recruitment we have to take care of several important aspects. First, importance must be given to recruitment of actual workers. Second, we must remember that the unorganized sector is rapidly widening and we need large number of cadres for and from this sector. Third, due attention should be paid for recruitment of cadres from among workers belonging to scheduled caste and scheduled tribes, minority communities and working women.

CADRE EDUCATION

Purpose of trade union education for cadres should be making them better workers, conscious of where they stand and what they are doing. Ideological education is of crucial importance, which demarcates CITU from other trade unions. Particularly in the face of aggressive ideological offensives by the capitalist and imperialist lobby in the post soviet era embracing the economic, social and cultural fields. Ideological struggle, both against the adversaries and against the spurious trends within the working class and progressive movement itself has assumed paramount importance to keep the movement and organisation in track. Ideological education has to be seen and perceived as an ongoing process, not just a classroom session in an education programme but as an effective means of sharpening the understanding on everything around us, making an objective assessment of what is going on and making appropriate decision both on tactics and strategies. The trade union education on ideological issues should be reoriented to equip our cadres with these capabilities.

Present day capitalism and globalisation, their impact on India, response of different classes in India - all these will of course be a part of the syllabus. Character of trade unions in general, character of CITU in particular, character of other trade unions, communalism and casteism will also form a part of the syllabus. Labour laws, rights and benefits won through a century of struggle, current attacks on them - all these should be discussed. This is the minimum to start with.

Further, the task of imparting basic trade union skills is often neglected in our education programmes. Our cadres must attain the capacity to lead organisations and movement, effectively comprehend and represent on various issues, address organisational and movemental problems both at the unit level and regional level. Towards this end, the education and training initiative must cover subjects like the current status and condition of the industry, legal matters, communication and documentation skills (both oral and writing), negotiating skills, proper record keeping and skills on carrying on agitation and propaganda. We must note, mere understanding of the issues is not enough for a cadre; attaining the required skill to put into practice the correct understanding in day-to-day trade union work is important. Self-study must be encouraged. Cadres must be given all help to carry on self-study.

Interactive classes are likely to be helpful, if the participants take part with proper attitude. The participants' role will be to explain the experience in implementing the principles explained in the

presentation. Only then the interactive discussion can be really fruitful.

WORKSHOPS/CAMPS

Organisation of workshops/camp may be very useful in developing cadres. In workshops/camps, experience of the cadres themselves in running the trade unions, launching and leading movements, building organisation etc. can be exchanged. The cadres may explain problems faced by them. Problem-solving exercises may be taken up in the workshops to focus on the skills required in comprehending and evaluating a problem and finding a solution or the appropriate course of action. The workshop is also the most appropriate means of imparting basic trade union skills like communication, negotiation, record keeping, documentation, agit-prop campaign etc, which are quite vital for effectively running a trade union. The elder and experienced comrades attending and guiding the proceedings of the workshops/camps may help the comrades in finding solution to the problems. Therefore, organisation of workshops/camps should be considered as very important measures in the process of cadre development.

WHOLE-TIME AND PART-TIME CADRES

We need - more whole time workers for manning the existing organisation and for its expansion. The Bhubaneswar document has discussed the question of whole-timers. There is no need to repeat it here. We only reiterate that developing and maintaining an effective team of whole-time cadres and exploiting full potential of their capabilities in various tiers of the organisation is of crucial importance. Our cadre policy should appropriately be in tune with this objective. Developing and maintaining an effective team of whole timers, constantly updating and sharpening their level of understanding, commitment and skills and taking appropriate care of their basic needs are of crucial importance.

But, we must not under-estimate the importance of part-time workers. We need a large number of part time cadres. They are the living link between ordinary workers and the organisation. Developing part-time cadres, i.e., more number of skilled and trained activists from among the employed workers, will ensure more effective presence of the union in the workplaces. They being in constant touch with the mass of the workers will be of considerable help to consolidate and strengthen the union. This may also help in releasing whole time cadres for deployment in other areas yet to be accessed. Towards this end, the union leadership has to consciously plan their activities in such a manner as to encourage more initiative among the ranks of the workers, identify the potential activists in the union and try to activate them in day-to-day work. Hence, developing part-time cadres must be at the centre of our cadre development perspective.

When we discuss the issue of cadre development, it needs emphasis that active and frontline involvement in class struggle is by itself playing a role in developing the cadres. Hence, proper evaluation as well as enhancement of the capabilities of the cadres also needs to be done during the course of struggles.

What was admitted on the Bhubaneswar document 12 years back is generally true even today: We have so far made no consciously planned effort at cadre development. Only a few of our State Committees have made some attempts. Therefore, we are not in possession of much experience of this job. Cadre development work in trade unions is not exactly similar to the same work at political level. We have to start the work with whatever understanding we have and occasionally review our work. In the process, we shall accumulate experience, which will deepen our understanding and we shall be able to improve in our work gradually.

CENTRE OF INDIAN TRADE UNIONS

We must understand that cadre development is a wholesome process, much wider and deeper in scope. Cadre development is a very elaborate job; it is a part of the day-to-day work. In starting the work, we need to adopt a time bound programme and it brooks no delay. We have to set a target of three months, say by end of October, to discuss the matter at all levels and prepare necessary plan to start the work. The state committees must closely monitor progress of the work. We shall try to review our experience at the all India level after an year.

If we succeed in this endeavour - and succeed we must - the CITU will be more effective in fulfilling its historic mission.

The passing away of Com. Nripen Chakraborty, a veteran freedom fighter and a legendary figure in the communist movement in India. His role to build up party as well as to forge tribal and non-tribal people's unity is the greatest achievement for the democratic people of Tripura. As a Chief Minister his contribution to the strife-ridden state is exemplary. Com. Nripen Chakraborty will always be remembered with reverence as a dedicated communist, a great organiser and an eminent administrator. We pay its respectful homage to the departed leader.

This meeting also mourns the death of Com. Anil Ghosh Dasgupta, the veteran CITU leader of Assam. Ananda, as he was popularly known, built CITU in Assam almost single handedly braving all odds. He was subsequently elevated to the post of Vice President of All India CITU. This meeting pays its respectful homage to Com. Anil Ghosh Dasgupta.

This General Council meeting condoles the death of Com. Kanak Mukherjee, veteran freedom fighter and one of the stalwarts of communist and women's movement.

Com. S. Sudevan, General Council member from Chhattisgarh for several years and the President of State Committee of CITU.

Com. C. Sadas, a frontline leader of CITU in Andaman & Nicobar Islands.

Com. R.R. Tandon, an outstanding leader of peasant movement and former Joint Secretary of the All India Kisan Sabha.

Com. M.V. Rameshbabu Reddy, one of the prominent heroes of Teluguna armed struggle.

Com. D. Sarala, a prominent leader of TU and Women's movement in Visakhapatnam.

Com. G.C. Gahraam, Vice President of All India Lawyers Union.

Com. T.K. Balan, an important leader of the NGO union.

Com. K.R. Sundaram, leader of bead and local body workers union in Tamil Nadu.

This General Council meeting pays respectful homage to these departed leaders.

The meeting expresses its deep sorrow at the passing away of Com. Sunil Sangratta, the General Secretary of UTUC. He played an important role in building of united TU movement. This meeting pays respectful homage to the departed leader.

This meeting records with deep grief the passing away of Com. P. Vasudevan Nair, a veteran leader of the communist and democratic movement in the country, a former Chief Minister of Kerala, leader of the Parliamentary Group of the Communist Party of India and a champion of the interests of the working people. This meeting pays its respectful homage to Com. PCV, as he was popularly known.

THE SECRETARY TO THE CITU

This meeting of the General Council of CITU held at Alappuzha (Kerala) on July 23-26, 2005 respectfully condoles the death of these stalwarts of those leaders, cadres and activists of the trade unions.

CENTRE OF INDIAN TRADE UNIONS

General Council Meeting

July 23 - 26, 2005

Alappuzha, Kerala

CONDOLENCE RESOLUTION

This meeting of the General Council of CITU held at Alappuzha (Kerala) on July 23-26, 2005 records with deep grief the passing away of Com. Nripen Chakraborty, a veteran freedom fighter and a legendary figure in the communist movement in India. His role to build up party as also to forge tribal and non-tribal people's unity is the greatest achievement for the democratic people of Tripura. As a Chief Minister his contribution to the strife-ridden state is exemplary. Com. Nripen Chakraborty will always be remembered with reverence as a dedicated communist, a great organiser and an eminent administrator. We pay its respectful homage to the departed leader.

This meeting also mourns the death of Com. Amal Ghosh Dastidar, the veteran CITU leader of Assam. Amalda, as he was popularly known, built CITU in Assam almost single handedly braving all odds. He was subsequently elevated to the post of Vice President of All India CITU. This meeting pays its respectful homage to Com. Amal Ghosh Dastidar.

This General Council meeting condoles the death of:

Com. Kanak Mukherjee, veteran freedom fighter and one of the stalwarts of communist and women's movement

Com. S. Sudevan, General Council member from Chhattisgarh for several years and the President of State Committee of CITU

Com.C. Babu, a frontline leader of CITU in Andaman & Nicobar Islands

Com. P.K. Tandon, an outstanding leader of peasant movement and former Joint Secretary of the All India Kisan Sabha

Com. M.V. Narasimha Reddy, one of the prominent heroes of Telungana armed struggle

Com. D. Sarda, a prominent leader of TU and Women's movement in Visakhapatnam

Com. G.C. Gahrama, Vice President of All India Lawyers Union

Com. T.K. Balan, an important leader of the NGO union

Com. K.R. Sundaram, leader of beedi and local body workers union in Tamil Nadu

This General Council meeting pays respectful homage to these departed leaders.

The meeting expresses its deep sorrow at the passing away of Com. Sunil Sengupta, the General Secretary of UTUC. He played an important role in building of united TU movement. This meeting pays respectful homage to the departed leader.

This meeting records with deep grief the passing away of Com. P. Vasudevan Nair, a veteran leader of the communist and democratic movement in the country, a former Chief Minister of Kerala, leader of the Parliamentary Group of the Communist Party of India and a champion of the interests of the working people. This meeting pays its respectful homage to Com. PCV, as he was popularly known.

ON HOMAGE TO MARTYRS

This meeting of the General Council of CITU held at Alappuzha (Kerala) on July 23-26, 2005 respectfully remembers the courageous sacrifices of those leaders, cadres and activists of the trade unions,

peasants, agricultural labour, youth, student and women's organisations who have left permanent impression on the democratic movement as a whole and continue to be a constant source of inspiration to the working class in their struggle against exploitation and for the cause of the people and integrity of the nation.

This meeting recalls the unwavering determination with which our innumerable comrades have embraced martyrdom confronting the heinous and ghastly attacks of the political gangsters, the police and the employers' henchmen.

This meeting of the General Council of CITU held at Alappuzha (Kerala) on July 23-26, 2005 records with deep grief the passing away of Com. Nipen Chakraborty, a veteran freedom fighter and a legendary figure in the communist movement in India. His role to build up party as also to forge tribal and non-tribal people's unity is the greatest achievement for the democratic people of Tripura. As a Chief Minister his contribution to the strife-ridden state is exemplary. Com. Nipen Chakraborty will always be remembered with reverence as a dedicated communist, a great organiser and an eminent administrator. We pay its respectful homage to the departed leader.

This meeting also mourns the death of Com. Amal Ghosh Dasgupta, the veteran CITU leader of Assam. Amal, as he was popularly known, built CITU in Assam almost single handedly braving all odds. He was subsequently elevated to the post of Vice President of All India CITU. This meeting pays its respectful homage to Com. Amal Ghosh Dasgupta.

This General Council meeting condoles the death of Com. Kanak Mukherjee, veteran freedom fighter and one of the stalwarts of communist and women's movement.

Com. S. Subbayan, General Council member from Chittagong for several years and the President of State Committee of CITU.

Com. C. Babu, a frontline leader of CITU in Andaman & Nicobar Islands.

Com. P.K. Jandori, an outstanding leader of peasant movement and former Joint Secretary of the All India Kisan Sabha.

Com. M.V. Narasimha Reddy, one of the prominent heroes of Telugana armed struggle.

Com. D. Sarba, a prominent leader of TU and Women's movement in Visakhapatnam.

Com. G.C. Gaharna, Vice President of All India Lawyers Union.

Com. T.K. Balan, an important leader of the NGO union.

Com. K.R. Sundaram, leader of beach and local body workers union in Tamil Nadu.

This General Council meeting pays respectful homage to these departed leaders.

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This meeting records with deep grief the passing away of Com. P. Vasudevan Nair, a veteran leader of the communist and democratic movement in the country, a former Chief Minister of Kerala, leader of the Parliamentary Group of the Communist Party of India and a champion of the interests of the working people. This meeting pays its respectful homage to Com. PCV, as he was popularly known.

ON HOMAGE TO MARTYRS

This meeting of the General Council of CITU held at Alappuzha (Kerala) on July 23-26, 2005 respectfully remembers the courageous sacrifices of those leaders, cadres and activists of the trade unions.

ACCOUNTS FOR THE YEAR 31st MARCH 2005
AUDITORS' REPORT

We have examined the Balance Sheet of Centre of Indian Trade Unions as at 31 st March, 2005 and the Income & Expenditure account and Receipt and Payment account for the year ended on that date which are in agreement with the books of account maintained by the said institution.

We have obtained all the information and explanations and in our opinion, proper books of account have been maintained by the above named institution so far as appears from our examination of the books subject to the notes on accounts.

In our opinion and to the best of our knowledge, and according to information given to us, the said accounts read with the Notes on Accounts give a true and fair view:-

1. In the case of the Balance Sheet, of the state of affairs of the above named institution as at 31.03.2005 and
2. In the case of the income over expenditure for the year ending 31-03-2005

CENTRE OF INDIAN TRADE UNIONS
BALANCE SHEET AS AT 31st MARCH, 2005

LIABILITIES	RUPEES	RUPEES	ASSETS	RUPEES	RUPEES
<u>GENERAL FUND ACCOUNT</u>			<u>FIXED ASSETS</u>		
Opening Balance	12,550,210.00		(As per Schedule attached)		1,082,922.00
ADD: Surplus from income & Expenditure Account	637,236.00				
		13,187,446.00	<u>INVESTMENTS</u>		
<u>CURRENT LIABILITIES & PROVISIONS</u>			Fixed Deposits with Banks	9,370,734.00	
a) Current Liabilities			Interest Accrued on F.D.R.	910,983.00	10,281,717.00
T.N.State Committee	2,073.00		<u>CURRENT ASSETS AND</u>		
Advance From Affi	1,283.00		<u>LOANS & ADVANCES</u>		
Tsunami Victims Relief Fund	4,496,870.00		A) Current Assets		
Com. P.Rammurthy Fund	989,552.00		Balance with Banks	6,324,036.00	
Transport Seminar Fund	30,000.00		Cash in hand	109,825.00	
U.P. State Committee	683.00		b) Loans & Advances	965,717.00	7,399,578.00
Staff Contributory Fund	40,000.00		(Advances recoverable in case or kind for which value to be received)		
Audit Fee Payable	16,310.00	5,576,771.00			
TOTAL Rs.		18,764,217.00	TOTAL Rs.		18,764,217.00

Sd/-
1.General Secretary

Sd/-
2.Treasurer

AUDITORS' REPORT

As per our report of even date attached
for B.M. Sharma & Associates,
Chartered Accountants,

Place: New Delhi
Dated: 11-07-2005

Sd/-
(B.M.Sharma)
Partner

CENTRE OF INDIAN TRADE UNIONS

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2005

EXPENDITURE	RUPEES	RUPEES	INCOME	RUPEES	RUPEES
Magazine Exp.		505,707.00	Sale of Magazines		619,390.00
Meeting, Rally & Seminar Exp.		316,452.00	Publication		1,592.00
Legal Exp.		300.00	Affiliation Fee		1,650,412.00
Travelling & Conveyance Exp.		122,291.00	Bank Interest		23,165.00
Vechile Exp.		164,217.00	Donation		442,972.00
Bank Charges		4,408.00	Interest on F.D.R.		639,919.00
Building Maintenance Exp.		61,268.00	Miscellaneous Income		420
Electricity & Water Exp.		32,002.00	Interest on Income Tax Refund		1,567.00
Medicall Exp.		116,323.00			
Miscellaneous Exp.		70,839.00			
Communication Expenses		185,589.00			
Publication Exp.		9,611.00			
Rent & taxes		26,918.00			
Repair & Maintenance		121,744.00			
Printing & Stationery		102,098.00			
Tea & Tiffin Exp.		40,261.00			
Staff Welfare		40,000.00			
NPMO Rally Exp.		7,972.00			
News Papers & Periodicals		22,379.00			
Wages		581,800.00			
Audit Fee		5,510.00			
Depreciation		204,512.00			
Excess of Income Over Expenditure		637,236.00			
Transferred to Balance Sheet					
Total Rs.		3,379,437.00	Total Rs.		3,379,437.00

Sd/-
1.General Secretary

Sd/-
2.Treasurer

Place: New Delhi
Dated: 11-07-2005

AUDITORS' REPORT

As per our report of even date attached
for B.M. Sharma & Associates,
Chartered Accountants,

Sd/-
(B.M.Sharma)
Partner

CENTRE OF INDIAN TRADE UNIONS

RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2005

RECEIPTS	RUPEES	RUPEES	PAYMENTS	RUPEES	RUPEES
<u>OPENING BALANCE</u>					
Cash-in-hand	115,615.00		Magazine Expenses		505,707.00
Cash at Banks	<u>897,397.00</u>	<u>1,013,012.00</u>	Meeting, Rally & Seminar Exp.		316,452.00
			Legal Exp.		300.00
Sale of Magazines		619,390.00	Travelling & Conveyance		122,291.00
Publication A/c		1,592.00	Vehicle Expenses		164,217.00
Affiliation Fee		1,650,412.00	Bank Charges		4,408.00
Bank Interest		23,165.00	Building Maintenance Exp.		61,268.00
Donation		442,972.00	Electricity & Water Exp.		32,002.00
Interest on F.D.R.		639,919.00	Medicall Exp.		116,323.00
Miscellaneous Income		420.00	Miscellaneous Exp.		70,839.00
Interest on Income Tax Refund		1,567.00	Communication Exp.		185,589.00
Com. P.Rammurthy Fund		989,552.00	Publication Exp.		9,611.00
Tsunami Victim Relief Fund		4,496,870.00	Rent & Taxes		26,918.00
Staff Contributory Fund		40,000.00	Repair & Maintenance		121,744.00
			Printing & Stationery		102,098.00
			Tea & Tiffin Exp.		40,261.00
			Staff Welfare		40,000.00
			NPMO rally Exp.		7,972.00
			News Papers & Periodicals		22,379.00
			Wages		581,800.00
			Addition to Fixed Assets		34,350.00
			Addition to Loans & Advances		160,878.00
			Interest Accrued on FDR		619,652.00
			BTR Trust		137,951.00
			<u>CLOSING BALANCE</u>		
			Cash-in-hand	109,825.00	
			Cash at Bank	<u>6,324,036.00</u>	<u>6,433,861.00</u>
TOTAL Rs.		9,918,871.00	TOTAL Rs.		9,918,871.00

Sd/-
1.General Secretary

Sd/-
2.Treasurer

AUDITORS' REPORT
As per our report of even date attached
for B.M. Sharma & Associates,
Chartered Accountants,

Place: New Delhi
Dated: 11-07-2005

Sd/-
(B.M.Sharma) Partner