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A REPORT TO THE AITUC WORKING COMMITTEE

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(as finally adopted)

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General Secretary

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We are meeting after October 31, 1994. These six months have been packed with events, in the political, economic and industrial spheres, both internationally and nationally. The AITUC has tried to be in tune with these events, and to interact with them whenever necessary.

In a number of countries the forces of socialism have staged a come back, after renewing themselves and drawing lessons from the past, thus disproving the false prophets who had pronounced their doom. Faith in socialism, its ideology, and in the role of the working class and its democratic allies is growing after a period of set back.

The left forces have scored victories in elections in several countries, -the most spectacular being in our neighbouring country Nepal. Workers and toiling people are marching in the streets in increasing numbers against attacks on their living standards and social achievements, against all forms of exploitation and social injustice, against poverty, unemployment and social exclusion, against the attempts of the imperialists and the MNCs to impose their so-called New World Order.

Working people in India have also played their part in such struggles. They have yet many more bitter struggles to fight, as we shall presently see.

Despite all claims and forecasts by officials spokesmen, the Indian economy has not looked up after 4 years of the new economic policies. **We can note the following features :**

- i) Inflation is consistently double digit, and the claim that it will be brought down to between 6 and 7 per cent has not materialised. It cannot be attributed to over-investment, to a too rapidly growing economy-what is called 'over heated economy', as in China. The common man is suffering from price rise, especially in respect of essential commodities. During these 4 years, the CPI has gone up by as much as 50 per cent.

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- ii) The rate of growth has fluctuated between 2 and 3%. The expected 5.5. per cent growth this year is on a base that had earlier declined or stagnated. The overall growth rate is influenced by high rate in some sectors.
 - iii) The budget deficit has not been brought down as was contemplated, mainly because Government profligacy and nonplan expenditure remain unchecked. This year too, the deficit is well beyond the contemplated limit.
 - iv) Trade deficit continues to grow every quarter with more and more import liberalisation, and a comparatively slower rise in exports. While part of the growth in imports can be attributed to imports of necessary machinery and better technology, there is a good deal due to imports of non essential consumer items. Pointing the finger at our large foreign exchange reserves is misleading since much of it is due to borrowings, and "footloose hot money", rather than export earnings and remittances.
 - v) While custom duties are being reduced to open our markets to foreign firms, excise and levies on products of local manufacture continue, making the ground more uneven for 'competition'.
 - vi) Public sector investments are the lowest in all these years which is putting the lid on the development of the public sector, and reduces employment prospects. This reduction in public sector investment is not counterbalanced by any substantial growth in investments from the private sector whether local or foreign. Regional disparities are growing as a result of market-oriented policies and investment patterns. This is a dangerous strain on our national unity.
 - vii) The rate of domestic savings is low due to monetary factors and 'consumerism' preached by market philosophy. On the other hand there is a lot of money which flows into speculation on the stock exchange.

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- viii) Sickness in SSI or non-SSI sectors continues, leading to closures, retrenchments, and loss of employment in many cases under cover of V.R.S.
 - ix) Addition to the workforce is outstripping new employment and job placement. Unemployment is thus rising alarmingly. 'Jobless growth' in a country with a huge unemployed workforce, aggravates our social problems.
 - x) The so called NRF has been a non-starter in the matter of retraining and redeployment, despite its much vaunted aims and guidelines. Its only use has been for financing VRS. As to helping in modernisation of units so as to make them viable and competitive, this is not among its objectives.
 - xi) The drive for privatisation, despite disclaimers continues in several devious ways, through outright sale of public sector units (both central and state), allowing entry of private (including MNCs) into hitherto restricted sectors (like power, telecom, finance, electronic and even defence production), denying budgetary support, denying orders to PSEs and diverting them to the private sector, forbidding PSEs to bid along with private parties, disinvestment, allowing MNCs and other private parties to move over into positions of control and management, farming out regular and departmental work to contractors, and so forth. There is a conspiracy afoot to hand over entire lucrative state sector units, or for instance mines, oil fields, etc. explored and developed by the public sector at great costs, to private parties for their profits, even if this means crippling the public sector undertakings.
 - xii) Huge funds acquired from 'disinvestment' are being funneled to meet budgetary deficits, and nothing is set apart for modernisation and further development of the very same units. Public assets built through tremendous national efforts and sacrifices. are being liquida-

ted to meet current expenditure. As a part of the deceptive propaganda on this subject, employees are being encouraged and dragged into purchasing shares of the disinvested units.

xiii) Debt servicing charges are increasingly eating away a major part of our budgetary resources. The country is hovering perilously close to the brink of a debt trap. There is a net outflow from developing countries including India, to the developed capitalist countries despite vast doses of loan.

The Controller and Auditor General (CAG), expressing his concern on the mounting public debts, had noted that the Government was now in a situation, when it was required to borrow from the market and apply the bulk of internal borrowings towards debt service obligations. In its latest report, the CAG has exemplified its points by citing the case of 1992-93, when Rs. 93,754 crores were raised from internal borrowings, while Rs. 67,764 crores were spent on repayment of old loans and Rs. 13,542 crores were paid as interest. "In effect 86% of this internal borrowings were utilised to repay instalments and pay interest dues."

xiv) The GATT regime under the W.T.O. can have many other consequences both foreseen and unforeseen. Already our patent laws are being amended and questions are being raised about sky rocketing prices of drugs, putting a lid on our R & D, jeopardising our food security etc.

Who are the 'gainers' and who are the 'losers' :

According to *Economic Times* Research Bureau (*Economic Times*, 9th may 1994) "never before in the past have corporate results been so encouraging".

Operating results of the 110 private companies for the year 1993-94 show a rise of 41% in gross profits and 11% in net profits.

What is significant is that such high profits came from an increase of only 23.8% in sales!

The following is a sample of the high profit earnings, after liberalisation. (Source : *Economic Times*, Calcutta, 19th November, 1994).

Net Profits - 1993-94	% of growth	Rs. in crores
1. Tata Chemicals	27.6%	269.00
2. Telco	191.8%	239.00
3. Grasim	277.9%	65.00
4. Bajaj Auto	145.7%	183.00
5. Indian Rayon	97.9%	124.00
6. Reliance Industries	576.0%	79.00
7. L. & T.	195.6%	65.00
8. Eassar Gujrat	182.2%	77.00
9. Hindalco	157.9%	37.00
10 Kirloskar Oil Engines	10.2%	231.00

Dr. D.H. Panandiker, former Secretary, FICCI has observed "Profits earned by Corporate India in 1993-94, were higher than any other Asian country. The only other country which appears to be close to India is Taiwan."

But it is the working class which is the worst sufferer, whether by forced redundancy and forcible separation through VRS or otherwise; continuous reduction of their share in the value added or of increasing work loads under the new systems of production like TACT Time, BPR etc.

a) Unemployment is increasing by leaps and bounds. According to the assessment of the *National Institute of Public Finance and Policy Studies*, as per the 8th Five Year Plan, backlog of unemployment on 1st April 1992 was 23 million. By 1997 it is expected to go up by 35 million and 2002 by another 36 million. Thus by 2002, unemployment will be 94 million. Consequently, between 1992 and 2002 employment will have to be generated at the rate of 9.4 million each year.

b) As against this requirement, actual performance is highly disheartening.

- i) In 1991 while closure of sick, private sector companies was 25000 units, in December 1993 the number went up to 4,07,000. During the last 3 years, sick public sector units referred to BIFR were 106, of which it dealt with 12 and decided to liquidate 10 out of them.
- ii) According to a study by the Associated Chamber of Commerce and Industry, there must have been an additional unemployment of 1 to 3 million in Public Sector Units in 1992-93 and further 4.8 million during 1993-94.
- iii) The National Textile Corporation declared 80,000 workers surplus (*Economic Times*, 20.12.93).

c) In addition, work previously done in the bigger, organised factories over the years and which provided work for large numbers, is now being systematically "off loaded" to the unorganised sector, lacking both in adequate equipment and necessary expertise. This shift hurts the working class in two ways. Firstly, jobs which were worth high salaries, secured by the concerned workmen, through prolonged struggles over a number of years, are lost and along with that their employment. Secondly, the new workers, who are now called upon to do these jobs in the unorganised sector, are subject to rank exploitation, being forced to work on very low wages, total absence of proper working conditions and often for very long hours.

In many cases whole factories are being shifted out of their present locations, sometimes to other districts and even to other states (CIBA shifted to Goa) with consequent loss of jobs and useful employment for erstwhile employed workers. No doubt, they are sometimes offered employment at the new locations, but it is not always possible for the workers to shift to these new locations due to a number of factors.

The debate whether the policies and decisions are in exercise of the sovereign powers of the State, or at the dictates of the IMF and World Bank, diverts attention from the fact that all these are integral parts of the Structural Adjustment Models being imposed by the Bretton Woods institutions on most of the developing countries.

The common people in our country may not have grasped all aspects of this policy, but have not failed to understand that it is anti-poor and oriented towards the top layers of our society. They have expressed their resentment through 4 industrial strikes within 4 years, by organising several protest demonstrations and satyagrahas, resistance at local levels and so on.

They have used the poll opportunities to give their verdict on these policies, along with other failings of the govt. such as its ambivalence towards communal forces, corruption, criminalisation of politics and the politics of criminalisation. In some states well organised and aggressive communal parties like the BJP and the Shiv Sena have been able to exploit the popular discontent and resentment and gain spectacular successes where the Left is weak and the secular forces are divided and unable to put together an united act.

Stung by the poll debacle, the ruling Congress is now talking about giving its policies a 'pro-poor' image and a 'human face'. It has, as if, 'rediscovered the poor'. Glib talk about the 'market' solving everything is now substituted by guarded talk of a "market plus".

The latest budget in fact indulges in a lot of talk about the 'poor', and even outlines several schemes for the poor, though without corresponding budgetary allocations. But the basic policies continue unchanged. They are supposed to be "irreversible."

The crash in Mexico, which was held up as a model, a success story of structural adjustment carried through under

IMF/WB direction has caused some uneasiness here too, though government spokesmen are putting up a brave face and asserting that "India is not Mexico", and that Indian 'reformers' were cleverer than their Mexican counterparts. Undoubtedly, India is not Mexico but there is a lesson to be learnt and danger signals to be noted, which can be ignored only to our peril.

As a developing country we must certainly learn from the experience of many countries. But India is not Singapore, Taiwan or S. Korea. It is a big country, with a huge population and vast resources, with its special social and economic problems, its legacy of poverty, illiteracy and disease waiting to be eradicated, its own political complexion, and so on. It can well advance along the path of self-reliance, while developing links and integrating with the global economy.

What is our Stand?

Let us repeat without any possibility of misunderstanding, that we stand for allround development of our country in the industrial, agricultural, social and cultural fields. For this, in the first place, certain economic reforms are indeed necessary. The 'license permit raj' which after a certain point (of planning and allocation of resources) has only shackled development, led to political discrimination, bureaucratic interference and domination and resulting corruption, has to be dismantled. Bureaucratic controls have to be replaced by democratic initiative and decision making.

Secondly, for development, foreign investment and import and induction of technology is necessary in certain spheres. This is not the same thing as an 'open door' to MNCs, wooing them with all sorts of concessions, guarantees and counter-guarantees, and allowing them a free run in all spheres. It does not mean indiscriminate induction of technology even

where labour- intensive methods can do, with no greater economic disadvantage, but rather the contrary.

Thirdly, even MNCs have a role to play when they bring in resources and technology sorely lacked by us in certain spheres of basic industries and which can serve as jumping off ground for further development. But this should not compromise our general approach of selfreliant growth, or allow MNCs to acquire control over vital sectors of the economy. We should in no case slacken our struggle for a code of conduct which should apply to the MNCs, and for applicability of our laws on their operations, on the plea of not 'scaring them off'. In fact the present anomalous position is that we are prepared to subsidise the profits of the MNCs and big capital, while cutting subsidies for the poor.

Fourthly, we are for defending the public sector which has served as the bedrock of our selfreliance, and plays vital part in our economy. Even today, most of them are running well, making substantial contributions to our economy, to our budgetary revenues, and helping in the growth of the private sector. It is a slander to say they are a drain on our resources. Budgetary allocations for them flow from the fact that the state owns them, but much of their development is financed from their own internal resources. Anyway, the cure for many of the ills from which they suffer, lies within the framework of the public sector itself, and not in privatisation. What they call for is debureaucratisation, autonomy in their functions, professionalism in management, and democratic participation of workers and officers in their management and working.

Fifthly, when we say defend the public sector, we do not necessarily mean that each and every unit, nonviable, nonessential, and without any possibility of new life being breathed into the chronically sick ones, should be defended. That would be vulgarising a correct slogan, and weakening

our struggle in the case of the overwhelming majority of genuine and essential ones. But even in the non-viable cases, we have to see that the workers' interests are fully protected. A concrete example is the tripartite committee's recommendations on the NTC mills.

Sixthly, while defending the public sector, we are for development of the private, the joint, the cooperative, the self-employed, the individual peasant farming sector and so on, each contributing towards the growth of productive forces in our country and taking it forward.

But seventhly, we assert, that the state has to play a major role in investment for infrastructure development, both social (educational, health, jobs) and physical. To abdicate this role, or to withdraw from it, as is being propagated, is to leave the common man to his fate, and to rely on the market, which is no respecter of human needs and rights. While it is true that without growth there is no development, yet growth by itself is not development unless it has social dimension, which includes the right to education, right to work, right to housing, and so on.

Eighthly, stress has therefore to be laid on extending the PDS, and ensuring all essential commodities for the poor. Subsidies to the poor, to agricultural production (mainly of the poor peasants, in the matter of power, fertilizer etc.) must not be cut, when actually subsidies to the rich and the industrialists in the form of tax cuts are being given. Similarly, control on prices of drugs has to be enforced, so that they do not go outside the reach of the common people. Employment opportunities have to be expanded actively. Wages and Social Security for the unorganised mass of rural and urban workers have to be secured.

The AITUC has put forward the above views in the course of its written and oral presentations, in the Standing Labour

Advisory Committee of the Planning Commission, during the prebudgetary discussions between Central Trade Unions and the Finance Minister, before the Parliamentary Committee attached to the Industry Ministry on two occasions, and the Parliamentary Committee on Energy. These views have guided us while participating in discussions in the Special Tripartite Committee, the Standing Labour Committee and the Indian Labour Conference, as well as in various conventions, seminars and manifestations organised by trade unions and other organisations.

We have at some length restated our analysis and position about the government's new economic policy in the light of latest developments, and the ongoing debate on these policies at the international and national level.

The realisation is dawning that neoliberalism is an attempt by imperialism to strengthen and extend its grip over the markets of developing countries and to subjugate them to imperialism's policies.

The West Bengal Industrial Policy :

In this context, question has naturally been raised about the West Bengal industrial policy, precisely because it is a Left Front govt. and not just any other government. It has undeniably caused some confusion. The question is asked : How can we oppose the centre's new economic policy, and support the Left Front government's industrial policy in the same breath? The question arises from the perception that the two are identical, or at any rate, similar. **But are they?**

Initially, the policy was announced without any prior consultation with other L.F. parties, and without a thorough discussion even within the major constituent party. As to the trade unions, they had not been consulted at all. This gave further ground for many misunderstandings and misgivings, — more so because, the initial announcement had a number

of loopholes and shortcomings. We took this position from the beginning that without such consultations neither can misgivings be removed, nor can the shortcomings be corrected.

Subsequently, we learn that some such consultations have taken place. Of course, a number of reservations remain even now. It is not necessary that there should be complete agreement on all points, or that, what the L.F. does or says in West Bengal should decide our approach on national issues, though it is natural to expect that there should not be an outright conflict between the two positions. Apart from anything else, political enemies can exploit such conflict and contradiction, and further disorient the ranks.

Firstly, we must remember that industrial development is a must, both for the whole of India, and also for West Bengal. West Bengal was among the few top industrial states in India. Due to several reasons, there has been a process of 'deindustrialisation' in the state over the last few decades. This process has to be reversed. The alternative is not merely small industries and agro-industries, in which it has made some progress, but also building large industries, for which all the objective conditions exist.

Secondly, the economic policies, — which we have noted before, are determined by the Centre, and not by the State of West Bengal. It is within the economic parameters set by the Centre, that the State has to undertake its industrial development, and find the necessary resources and technology etc. It cannot lay down new parameters, though it can try and manouvre for space within them.

The easing of the licensing system and freight equalisation have given an opportunity, which was denied to it by the Centre by its earlier discriminatory and obstructionist policy. It is trying to attract some investment from the private sector

and foreign sources, which otherwise would go to the other states. Today, a very small percentage comes to the eastern and north eastern regions. The Left Front continues to oppose privatisation of basic PSEs, strives for orders to the public sector units and for budgetary support where necessary, so that they are not deliberately made 'sick'. It is insisting that in the case of new investments, equipment be ordered from indigenous sources whenever available, and so on.

Traditional industries like jute, tea etc. have to be revived, —a thing which was not emphasis in the earlier announcements.

Of course, in implementation there are and may possibly be, many wrong actions. There may be several errors in approach, which have to be combated. Therefore it is not a question of accepting or agreeing with everything. We have to remember that at all times, trade unions have to stand up for workers' interests, and integrate it with the interests of the country, of the particular state, and of the people in general. There should not be economic or moral conflict among these interests.

THE AITUC-ILO WORKSHOP :

In view of the complexities of the problem and the new facts and moves that come up, it is always necessary to update our understanding and clarify our thinking on the economic policies and the situation arising therefrom. That is why we organised a three-day Workshop on "*Economic Policies, Development and Social Justice*" (March 22-24, 1995). We sought the collaboration of the ILO in this effort. We were able to secure the presence of eminent people like Sarvashri Ramakrishna (Planning Commission Member), Hanumantha Rao (Former Member, Planning Commission), S.P. Shukla (Former Finance Secretary), Somnath Chatterjee, Prabhat Patnaik, Kamal Kabra, Ashok Rao and others. Among those

who acted as moderators were Coms. Indrajit Gupta, Gurudas Das Gupta, Kamal Chinoy, Yellamanda Reddy, Parduman Singh, besides the secretaries of the AITUC. Leading industrialists and economic journalists were also invited to present their views.

The Workshop has helped to enrich our understanding about certain aspects and fall-outs of the economic policies.

Conclusions are to be drawn and to be presented after thorough discussion. We intend to publish the contributions made at the Workshop in the form of an AITUC publication. Let me bring to your notice that a few comrades who had been invited to attend, did not do so. Perhaps, they did not appreciate the importance of doing so.

Struggle Against Privatisation :

In this period, we have been engaged in the struggle jointly with other CTUOs to revive some of the sick PSUs which were under threat of privatisation and awaiting their fate in the BIFR. These included, the NTC and Jute Mills, the IISCO, the Scooter India, Braithwaite and other wagon-making units, etc. Apart from taking positions within the Tripartite and the BIFR, there were mass demonstrations such as of textile workers on December 15, 1994, and of jute workers on March 27, 1995.

We have to intensify our struggle against privatisation of cement units, — of the 11 CCI factories, the Dalla units (which had in an earlier fight against privatisation sacrificed 9 workers' lives), the Tamilnadu units etc. A joint convention under the auspices of the AITUC, CITU and HMS was organised on March 21, 1995. It has called for observing a week from May 15 to 20, 1995. However, our effort to revive and reorganise our All India Cement Workers Federation has not succeeded. We have to make another effort sometime in July-August 1995.

The struggle against privatisation in other vital sectors like power, financial, telecom, oil, transport (including ports) has to be intensified.

The banks and insurance unions are very active in the matter.

'Enron' has become a symbol of all non-transparent and questionable deals, which are harmful to the country's and consumer's interests, and associated with bringing in MNCs into vital sectors of the economy. It is today in the limelight. But this is not the only one. There are a number of so-called similar fast-track projects, and several M.O.U.s signed with private parties in the sphere of generation and distribution of power.

In Maharashtra the '*Enron Virodhi Sangharsh Samiti*' is conducting a satyagraha and campaign, for seeing that the new government does not square up the deal with a few cosmetic changes, but scraps it. Any things else will be another deal struck with Enron. There can be an Indian project which operates for meeting peak load if not as a base load operating station.

In Andhra, a huge joint demonstration took place against NTR's policy of privatising power, under the banner of the '*JAC against Privatisation.*'

In Tamilnadu, a big Convention took place on this issue. In Karnataka and Orissa however, where such MNC projects are coming up, no movement has yet been launched.

The role of the state sector in road transport is being systematically diminished. Profit-making routes are being farmed out to private operators.

We must take up the struggle against privatisation both state-wise and sector-wise, so as to defeat the moves of government.

For instance the move to privatise some ports or sections within the ports should be opposed by a joint move of the port and dock unions.

Productivity and Service :

The issue of productivity of labour in our condition, has been a controversial one. This is natural, since increased productivity is linked with growing intensity of labour and is associated with greater exploitation in the existing capitalist system. Trade unions have therefore shirked this issue, and pointed to its negative side.

Generally, all workers are proud of their skill and their labour, and have no respect for those who are idlers. They struggle for better conditions of work and life, and not for shirking work. When they collectively refuse work or abstain from work, — i.e. resort to strike action, it is as a weapon of struggle specifically to obtain better conditions and to assert the dignity of labour.

Today, when our indigenous industries are threatened with extinction by the onslaught of the MNCs and dumping from the developed capitalist countries, when our public sector is threatened with privatisation, when competitiveness has been thrust upon us, we have to ensure that our industries are 'competitive' in all respects, including quality.

Defence of the public sector also means that it should be run efficiently and competitively. This means higher productivity and better service. One can see the big scope when one recalls that the Scooters India Ltd. which manufactured only 1800 three-wheelers with 3000 employees on the rolls, has been able to step up production to 7200 vehicles with only 2000 workers, and is poised to raise it even further. In the case of ECIL Hyderabad also, we have seen a spurt in productivity with better management and motivation.

We have seen this in several other cases. But why should this happen only when the enterprises are threatened with closure or privatisation?

In the case of service industries, better service is an obligation that we owe to our own people. We cannot expect people's support in defence of the public sector, (and this is a must if we are to succeed), unless they feel that the public sector renders better and cheaper service than the private whose sole motivation is to earn profits, and yet more profits!

Of course, higher productivity and better service should also lead to better earnings for the workers through suitable production incentives. Higher productivity depends on several other factors like efficient management ('management culture'), availability of capital, regular supply of inputs, steady market for the finished products, uninterrupted power, good industrial climate etc. and not just on labour productivity. Since most of these factors are not under the workers' control, the trade unions have generally not favoured the idea of productivity linked wages though piece-rates are a form of such wages.

Wage Negotiations :

Wage negotiations have been on the agenda in most of the industries during these months.

Successful negotiations have led to good wage agreements in Port & Dock, H.A.L., B.E.L., NTPC, BEML and Oil. In Coal and Steel negotiations are in the final stage.

In banks, a good agreement has been signed. Question is being raised however, about 'relativity' of wages with officers who are also getting a wage revision. The issue of 'relativity' has other aspects, such as the flight of talent to private sector and MNCs, and the extraordinary salaries and perks that the private sector is willing to pay for specialised personnel.

Negotiations in insurance are being delayed by government, in their preoccupation with the move to privatise the industry. This has resulted in an all-India strike on March 31, 1995.

Negotiations in electricity boards are going on.

Generally, the increases in emoluments range from as much as 10.5 percent to 19 percent.

Successful agreements have also been signed in Tomco, Maruti, Greaves Cotton, Mahindra & Mahindra, and several other private sector units, which have substantially raised wages and allowances.

In Sugar Industry, there have been state-level agreements in some states. But the effort is to have a national settlement. The National Coordination Committee which unites sugar workers' unions of the AITUC, INTUC, CITU, BMS, HMS, UTUC, HMKP and Independents, has been activated. It has submitted a charter, and demanded the setting up of a Tripartite Committee on Sugar. The Labour Minister has accepted this demand, but it remains to be implemented.

We have launched a move to reorganise our state sugar workers' federations in U.P. Bihar and Tamilnadu, and to then hold an All India Sugar Workers' Conference sometime in September 1995.

The issue of bonus and D.A., as also pension, are still hanging fire. The CPSTU is organising action on the first two issues, which has already become a sore point with all public sector employees, and caused great embarrassment to the INTUC and the Labour Minister himself.

As to the long-pending pension issue, it is being discussed jointly with other central trade unions so that a common move can emerge, and the scheme can be implemented soon.

International Standards and the Social Clause :

Our movement on economic policies of government, brought us up against the pressures being exercised against the developing countries by the IMF/WB and now the W.T.O. In brief, the developed capitalist countries preach the glories of the 'Open Market' so that they can find access to the vast markets of the developing countries. On the other hand, they do not wish to open their markets to our goods or their borders to our labour. Access to their markets is sought to be denied on the grounds of our low labour and environment standards. The issue of child labour has gained prominence in this context. This is what is known as the '*Social Clause*'. This is camouflaged by a show of humanitarian concern, which was not noticed so far.

All CTUOs have taken up the united position that while we are fighting and will intensify our fight, for the eradication of child and bonded labour, and for protection and upgradation of the environment, we oppose linking it with trade. This latter is a calculated move for 'Protectionism', for raising non-tariff barriers to trade. It is aimed against all developing countries.

We took this stand at the Standing Labour committee (November, 1994) where we gave a detailed note. A joint memorandum by the CTUOS setting forth this stand was presented at the conference of labour ministers from the Non-aligned and Developing Countries (19 to 23 January, 1995). The issue however remains as a hanging sword. It is to be noted that while the WFTU has taken a clear stand on this issue, the ICFTU has only voiced the view of the developed capitalist countries.

This situation underlines the urgency of AITUC's work among women and child labour, unorganised and heavily exploited workers, as also on issues of environment, health and safety.

Women and Child Labour :

The AITUC has decided to step up our agitational and organisational work among these sections and on those issues. One Secretary has been assigned this task as her major responsibility.

A preparatory committee has been set up in Delhi for holding a working women's zonal convention here by June '95. Drawn into this effort are nurses, bank and office employees, teachers, mill workers, etc.

This initiative of drawing in women workers into more active T.U. work was taken up by the AIBEA also, which held a successful All India convention of women bank employees in Bombay in February '95. Some state conventions are also planned.

The central 3-day school of women T.U. activists was however not very successful mainly because some states showed indifference about sending women cadres to the school.

A joint Anganwadi demonstration before Parliament is scheduled for May 5. But our work among them has stagnated during the last year or two. State TUCs are not giving this job the necessary importance. There is no initiative displayed by the STUCs to bring forward women T.U. activists, and to organise women workers.

The AITUC has brought out a booklet entitled "**Trail Blazing Women T.U. Leaders**" in order to hold up their examples before women workers.

The issue of child labour is very much on the agenda these days at both international and national levels. And rightly so! NGOs have been more active on this issue than the trade unions. The lag is to be made up now.

The first step is to bring about a keen awareness about the existence and exploitation of child labour and the need to eradicate it. Arguments which directly justify it or connive at its existence have to be rejected. It is simply a matter of

inhuman exploitation and one of taking advantage of extreme poverty, and has to be vigorously fought. Children have to be in school and their labour has to be replaced by adult workers on the job.

The AITUC Centre organised an exhibition on Child Labour in January '95. It now plans to put it up in regional languages for exhibiting in different states.

A project on child labour has been prepared and is being submitted to the ILO-IPEC for their sanction. We have identified a number of State TUCs for carrying out this project. We will welcome the help of youth and student comrades in implementing it.

Industrial 'SICKNESS' :

On the insistence of the CTUOs, the question of industrial sickness in general, and of sickness in private sector was put on the agenda of the Special Tripartite convened on April 10, 1995.

The number of sick units and of the total bank credit locked up in them, is as follows :

Category	No. of Units (Sept. 1992)	Outstanding Bank Credit (Sept. 1992) (in Crores)
SSI Sick Units	233,441	3346
Non SSI Sick Units	1599	6805
Non SSI weak Units	828	2436
Total	235,868	12587

The banks' outstanding credit to the SSI Sick, non SSI sick and weak units is 17.6% of the total bank advance to industry.

Industrial sickness is most widespread in the traditional sectors like textiles, jute and engineering.

The viability position is as follows :

Of the 233441 sick SSI units, 17450, i.e. 7.5% are viable; about 1% (i.e. 2383) is not yet decided, and 13141 (5.6%) are

put under nursing programme.

Labour, or strikes as reasons in industrial sickness is minimal (not more than 8% in all, of which strikes account for only 1.5%).

Cases referred to the BIFR under the 'Sick Industrial Companies Act' (SICA), are in all 2310 as on 31.1.95. Of these, public sector accounts for 164 (Central -67 and State -97).

The number of workers who are affected, in respect of cases registered by BIFR, (excluding cases dismissed as non-maintainable), are 989208 (covering 1292 cases) as on December, 1994.

Industrial sickness is thus a major problem, affecting nearly a million workers. Unions have to take up the problem, see how many can be revived, and how workers' interests can be protected. The Special Tripartite is to discuss the matter concretely and comprehensively, sometime in July '95.

The AITUC has submitted a critical note on the functioning of the BIFR. It has also demanded that joint revival schemes submitted by workers and officers or managements must be taken as basis and generally accepted. Government departments must not remain indifferent or ambivalent. Where financial support is called for and suggested in BIFR proceedings, government should agree to it and guarantee bank advance, etc.

Employment :

This brings us to the question of employment, job security of those who are in jobs, retraining and redeployment of those who are likely to become redundant and of struggle for the creation of new job opportunities.

The magnitude of the problem can be seen from the following data compiled by a **Working Group of the Planning Commission in May 1990.**

Backlog and the Employment Need

(In million persons)

	Beginning of 1990-91 1990-91 1994-95	to to 1999-2000	1990-91 to 1999-2000
Estimated employment	300	—	—
Growth in labour force (per cent per annum)	2.2	2.2	2.2
Backlog of unemployment	28	—	—
Increase in labour force	7	37	78
Total number of persons Employment at the end of the period	35	65	106
Implied growth rate of employment if the goal of full employment is to be attained by 2000 AD	—	3.0 per cent per annum	3.0 per cent per annum

If the present employment growth rate of 1.55 per cent continued, the of employment absorption during the period.

4.7	23.5	47.0
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Estimated backlog of employment, if the present trend exists.

30.3	41.5	59.0
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Thus, unless the growth rate of employment is substantially higher than the growth rate in the labour force, the backlog of employment will continue to rise every year. As we see, the growth rate is only half of what it should be if the goal of full employment is to be reached.

We have proposed in the meeting of the Sponsoring Committee of Trade Unions that a Convention on the issue be

held in which trade unions and youth student organisations should work out a programme of employment backed by mass action.

In this context, we have severely criticised the working of the NRF, whose funds have been almost entirely used for helping V.R.S. in PSEs. More than 75,000 have been sent out. What about their retraining? About 550 have been retrained, - no one knows for what trade and in what skill! As to redeployment nothing much is known. The scheme of retraining has been given to organisations like the CII, Assocham, Gandhi Labour Institute.

The point about using the fund for modernisation and revival of some viable units is not among the guidelines. Is it not better to try and keep as many workers as possible on the job, than talk of redeploying them after making them redundant?

We have therefore demanded a complete restructuring of the NRF Scheme.

The Drive to Organise the Unorganised Sections :

We have mentioned about the slow progress in this task. In our meeting at the state levels, we have identified some sections. But cadres and resources have to be deployed. It requires an "organising drive and will". It is not a casual task, or one of getting a few thousand more workers on our membership registers. But one of organising and consolidating the workers as a class. It is a class duty. The T.U. clout in society cannot grow without it.

It is necessary, first of all, to set up unions among those large sections even among organised industries who are not in the fold of the unions. In the case of small scale industries and industrial estates which are proliferating, it may be advisable to launch area-wise unions.

On an all-India scale, we are proposing to target construction workers, rural workers and fishermen.

We plan to hold the Conference of the A.I. Building & Construction Workers' Federation at Palghat in June, and to revitalise it. All states have a role to play in this. The central issue is the comprehensive legislation for regulating employment, health, safety and social security for nearly one crore of construction workers.

Regarding rural workers, we propose to discuss this jointly with the fraternal BKMU. Here again, in addition to land struggle and land reform, there is the question of comprehensive legislation for agricultural workers, regarding wages, social security etc. The struggle for this in effect means intensifying the class struggle in the countryside, It is not just another movement.

We have contacted the National Fish Workers' Forum, And Action Committee and propose trade union involvement in their struggle against the mechanised trawlers and MNCs prowling in our territorial waters and economic zone, and threatening the livelihood of lakhs of traditional fishermen. We have a few unions, which have to be activised and expanded. The coastal states have to pay attention to this task. A national convention has been proposed at Cochin sometime in September.

We have already mentioned the need to take up the task of organising the rural workers and anganwadi employees. Attention be also given to setting up panchayat employees unions, and forest workers' unions. They will take the trade union movement to the wide countryside.

The AITUC Centre has to act as a clearing house for information and guidance in the minimum wage sector, which is so vast.

Trade Union Unity :

The tasks in the trade union field are so vast and complex today that no single centre in the present condition of division, can tackle them. In fact, it is this objective condition that is driving all towards more and more joint work. Traditional bitterness, rivalry and one-upmanship should not deflect us from this path, unless one wishes to be content with running one's own show whatever happens. Finding fault with the 'other fellow' is an exercise that does nobody any good.

Today, there are rumblings within the INTUC also due to government's anti-people policies, which is pushing the INTUC too towards joint work on issues.

This broadens the prospect for joint stand on policies. On some issues and in some places even united actions depending on our relation with their union and the INTUC leadership, are possible. Already, there have been such joint actions on NTC, NMDC, IISCO etc. We have to take a flexible stand, so as to be able to accommodate them and draw them in whenever possible.

We are taking steps to revive the Sponsoring Committee (which met on April 14), and the National Platform of Mass organisations (scheduled on April 26).

The CPSTU has set up a skeleton structure, and is proposing to bring out a regular bulletin jointly edited by representatives of different centres.

The question is coming up of closer organisational cohesion of the Left-led CTUOs and industrial federations alongside the development of broad-based joint actions and movements. The UTUC and TUCC are willing to join in any organisational framework agreed upon by the AITUC and CITU. To discuss this urgent but complicated problem further, we propose a joint meeting of the AITUC + CITU + HMS.

The question of industrial federations will also be discussed there. We approach the problem without any preconceived notion, except to advance towards unity.

Secret Ballot :

The Supreme Court Judgement re : FCI, which upholds "secret ballot" as the only way to determine a union's representative character has to be popularised, and utilised for asserting our leading position in certain industries and establishments.

Next Six months of the Jubilee Year :

We are now in the middle of the Jubilee Year. Some tasks indicated at the Bombay G.C. meeting have been carried out, but many remain to be tackled. We are drawing your attention once again to the Programme of Action adopted there.

Some unions have popularised the Jubilee year in their functions, and also widely. Every union should do so during the next 6 months.

Meetings of state councils and state conferences have been held in Kerala, Tamilnadu, Karnataka, Andhra, Rajasthan, Gujarat and Punjab. Bihar, W. Bengal, Orissa, M.P. and Haryana are to have them in May. Other states must decide by June. These meetings have helped to infuse some vigour in the organisation. But this is just a beginning. Regular functioning has to become the norm and practice.

Steps to revive a few industrial federations are being taken. But we should see that all industrial federations that have not held their conferences, do so within the year. Democratic functioning must be stressed.

We are giving each state the names of all affiliated unions that are on our register. Let the dead ones be removed. Those that can be revived should be identified. We are indicating the arrears of affiliation fees and Special Fund that is due in each case. They have to be paid up within the month.

Annual returns for 1994 (and that means also returns pending for 1993), must be submitted within a month, and registers, records etc. set right.

District councils have to be formed and functioned, as required.

Without all this, the aim of substantially adding to the AITUC membership and streamlining its organisation cannot be achieved.

We have to decide and plan the Jubilee Celebration on October 31, 1995, in a befitting manner.

Responsibilities for the 4 Seminars in Madras, Chandigarh, Calcutta (Durgapur), and Lucknow have to be assigned.

The Short History of the AITUC has to be published by August 15.

The short education course has to be ready by October 31, 1995.

Finances :

Expenses of the AITUC have gone up substantially. This is inevitable if we are to sustain the increasing level of activities. But to sustain this level of expense, we must have corresponding income. For this -

- a) All unions have to regularly pay their annual affiliation fees. This should become the practice.
- b) Special Fund call, and then the Jubilee Fund call must be carried out.
- c) Following agreements on wages, when a drive for contribution is launched by a union, AITUC should get a share. We have the inspiring example of Com Rama Rao-led Greaves' Cotton union, which has contributed more than a lakh and a half ruppees to the AITUC.

The Treasurer will submit a Note on the AITUC's budget for 1995-96, and statement of accounts for the year 1994-95.

Trade Union Record

We have tried to improve the TUR, and as promised we have started publishing the Hindi TUR. But the number of subscribers is too little yet. We have to enrol an additional 1500 new subscribers (E), and 1000 new subscribers (H), by October 31, 1995.

For this, we must aim (i) to enrol as subscriber each union with a membership of more than 100; (ii) enrol each branch in the case of state-wise unions; (iii) enrol all state committee members in addition to G.C. members; (iv) and enrol leading cadres of ours and friendly non-affiliated unions, etc. Let a subscription drive be launched in right earnest.

A separate report on TUR will be presented in this meeting.

We should also regularly undertake sale of AITUC publications.

International Tasks :

During the last 6 months we undertook several international tasks:

The General Secretary attended the "World Solidarity Conference With Cuba", at Havana from November 21st 1994. The campaign for solidarity with Cuba's struggle against the U.S.-imposed blockade, has to be carried on.

A delegation of 16, along with 4 observers attended the WFTU Congress in Damascus from Nov. 22 to 26, 1994. The attempts to weaken the WFTU were rebuffed, and the need to strengthen it as a militant organisation of the international working class, was reiterated. (You will hear a brief report on this).

The AITUC played an important role in the effort to keep the WFTU going. We shall continue to stand with the WFTU. Indian affiliates and associates have also shown willingness to locate and manage the Public Services and Teachers' TUI from India.

We attended an international T.U. Seminar at Kathmandu in December '94. Its importance lies in developing our relations with the emerging trade union centre in Nepal - the GEFONT.

A SAARC Transport Seminar was held in Delhi, which was jointly organised by the CITU and AITUC. INTUC also

collaborated. Its declaration that the existing public sector transport should not be undermined, and an integrated transport policy for the region should be worked out, is important. The follow-up committee has to be functioned.

Though the government churlishly refused to include T.U. leaders in the Indian Delegation to the World Summit at Copenhagen (March 6 to 12, 1995), the general secretaries of the AITUC and CITU attended the NGO summit and the World Summit as observers. The gist of this important Summit has been brought out as an AITUC publication. The movement has to be carried forward.

A 2 member AITUC delegation visited Tashkent, and attended the Uzbekistan T.U. Conference.

A one-member delegation is in China to participate in the Jubilee Celebration of the All China Federation of Trade Unions.

We are pursuing the aim of strengthening our fraternal links with the trade unions of other countries, and concentrating on S. Asia, and on the Asia-Pacific Region. Contacts and exchange of correspondence with them are growing.

We are participating actively in the Indo-Pak People to People Dialogue.

We have to remember that this year is the **50th Anniversary of the victory over Fascism, and dropping of the Atom Bomb on Hiroshima and Nagasaki.** The AITUC (also CITU) have undertaken collection of mass signatures on the Hiroshima Appeal. Every union should take up this task.

From this Working Committee we should go back with a concrete programme of action for the next 6 months, till our Jubilee Celebration. Our style of work has to improve. There must be more professionalism in our activity.