

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDING SECRETARIAT ROAD HYDERABAD

Cir. No. 8/2008

8th August 2008

To all the Zonal/Divisional/State/Regional Units:

Dear Comrades,

Government in a hurry to push through anti people reforms
Make 20th August strike a thumping success

Immediately after the government secured the trust vote it went double speed on the reforms as if they do not have much time. May be they are right. They may not have much time since they have to face the people once again very soon. So, they started immediately with a decision to hand over the management of Employees' Provident fund to private fund managers including a late pick up, the Reliance Capital AMC. In fact SBI was short-listed initially to manage these funds. Subsequently, HSBC AMC, ICICI Prudential AMC were added to the list. Reliance Capital AMC too was chosen in a last minute surprise decision as an asset manager. The effect of the decision of the government is that they would in effect place a sum of more than 2,40,000 crores in the hands of private financial companies to manage. The workers and employees are naturally worried over this development and are seriously concerned about the security of their hard earned savings in the hands of private fund managers.

The Government has also decided to push the PFRDA Bill in the next session of the Parliament. The privatization of pension funds is being opposed by the entire working class. But the Government which is sold over to the ideas of neo-liberalism wants to hand over the social security funds to the private business interests. The Finance Minister has also been talking of hiking the FDI limits in insurance to 49%. We have always held the view that this measure could place our domestic savings in the hands of the foreign capital. Interestingly, a committee appointed by World Bank headed by Nobel laureate Michael Spence to study the impact of neo-liberalism has also conceded that "foreign savings is an imperfect substitute for domestic saving, including public saving, to finance the investment a booming economy requires". Would the disciples of World Bank in India try to understand the primacy of the domestic savings?

The Government is also proceeding towards disinvestment of BSNL. Fortunately, the employees and Officers of BSNL are stiffly resisting this plan of the Government. It may be pertinent to note that the Government made a strategic sale of VSNL some time back. The strategic partners TATA who started with an initial stake of 26% today control the management and VSNL is referred to as "Tata Communications Ltd. (formerly VSNL)".

The Finance Minister backed by the demands of the industry to liberalize the labour laws, has been continuously pitching for changes in labour laws in favour of capital. Now, with the new found confidence, he has been calling for immediate change in labour laws in favour of the industrialists.

The BJP led NDA has come out with a statement that they would not be in a hurry to support the Bills pending in the Parliament relating to reforms, but would support them when the next government comes after the elections. BJP is very clear. They are not against reforms. But they would prefer to take the credit for it if they come back to power.

The government is not taking any steps to settle the wage revisions due in the central public sector undertakings. On the other hand, it is talking about the need to reduce the expenses. The VI Pay commission recommendations on outsourcing of Group C posts and the abolition of Group D posts are in tune with the neo-liberal policies of the government. The government has also advised the public sector general insurance companies to reduce cost, a euphemism for reducing the man-power.

Prices continue to rise in spite of downward trend in the international Oil rates. Government is happy that the 12% inflation figure is yet to be breached. RBI announced certain measures to meet the inflationary trends and in the process the middle class sections that go in for housing loans are forced to pay a higher EMI than was being paid earlier on their loans. People urge the government to control the prices, but the government announces measures to pinch their pockets more.

The UPA Government has lost its legitimacy. The entire nation knows how it cobbled up narrow support to remain in power. Let the UPA Government not forget that it has lost the support of the people. The working class will not watch silently the efforts of privatization and the attacks on the living standards. They shall resist it with all their power. The workers are also confident that their struggles in the streets will be backed in an able manner by the strong contingent of Left in the Parliament.

The One Day nation wide strike on 20th August should turn into a national movement to force the Indian ruling classes to give up the neo-liberal economic agenda and adopt an alternative people-friendly policies as projected by the Left which at this moment is not only acting as the protector of the working class interests but has also shown to be the conscience keeper of the nation.

Make the 20th August Strike action a thundering success.

Comradely yours,



General Secretary.