

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

LIC BUILDING SECRETARIAT ROAD HYDERABAD

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

Dear Comrades,

MAY DAY 2009

AIEA conveys its greetings to all the insurance employees and the workers across the country on the occasion of May Day 2009.

This May Day is being observed by the working class all over the world at a time when neo-liberal economic ideology under imperialist globalisation collapsed under its own weight. The world is in the grip of a worst ever capitalist economic crisis since the great depression of 1930s. In a report released on 21st April 2009, IMF put the losses of the banks and financial institutions at \$4.1 trillion. The crisis destroyed the credibility of the model of neo liberal ideology and market economy.

An ILO report released on 28th January 2009 said that up to 51 million jobs worldwide could disappear by the end of this year as a result of the economic slowdown that has turned into a global employment crisis. The continuing global economic crisis is likely to see more women than men lose their jobs in the year ahead, the International Labour Organization warned. In its annual report *Global Employment Trends for Women*, the Geneva-based employment equity organization said up to 22 million women could join the ranks of the unemployed in 2009.

The ILO said that government works and projects could help create and sustain jobs until the private sector starts to rebound. Construction and rehabilitation of public infrastructure such as roads, bridges, schools, hospitals and public buildings could be especially helpful in poorer countries with high levels of joblessness, the report found.

A recent discussion based on a study by the ILO's International Institute for Labour Studies entitled *The Financial and Economic Crisis: A Decent Work Response*, said that demographic projections suggest that nearly 90 million net new jobs would be needed during 2009-10 to absorb new entrants in the labour market and avoid a prolonged jobs gap.

But except for the countries like China and Argentina, the stimulus packages consisted of concessions to the capitalist classes through repeated reduction in capital cost, interest-rate, tax cuts etc. Of the \$1.19 trillion spent on stimulus packages a meager 9.2% was spent on relief to suffering people. CEOs continue to get their bonuses as per the contracts. AIG had paid out \$165 million in retention bonuses to executives and the government there could not stop the payments though AIG received a huge federal bail-out of \$183 billion.

A sample survey of the Labour ministry, Government of India, found that during the four month period of September 2008 to December 2008 alone 5 lakh people lost jobs on account of economic slowdown in sectors including textiles, automobile and information technology (report dated 20th February 2009) but the two stimulus packages announced by the government address only the concessions to the industrialists. In India – the impact is on the workers and not the billionaires. Luxury cars get sold, and not motor cycles and cycles. Designer houses are still built, but apartments remain unoccupied and unsold. The impact is seen in the industrial deceleration. From software professionals to masons – people are waiting for a job and living. Where do they go? The government is not bothered except giving lectures on the social responsibility of the industry. Some times they suggest reduction of wages in the name of retaining the jobs. Of course, they do not call for a moratorium on payment of dividends.

Economic Times Dt.10.10.2008 quoting Swiss Banking Association Report 2006 said that the money in the Swiss Banks from Indians is around \$ 1.45 trillion which is around 70 lakhs crores of rupees. The money should be brought back and help the economy of this country from where the money was clandestinely taken away and stored.

Workers across the world are facing the most severe attacks on their jobs and working conditions. When Job cuts are merciless and pension funds evaporate in the markets, where do the workers go? WFTU rightly gave the slogan "Capitalists should pay for the financial crisis and not the workers - Stop dismissals and Stop exploitation". How is it possible to make it happen? Workers have to unite and fight the impact.

The countries in European Union witnessed a series of protests. On 29th January 2009 and on 19th March 2009 thousands of French workers marched through the cities including Paris. On May Day 2009 rallies across France are planned with more than one million workers. On February 13th, 7 lakh workers marched in Rome. More than a lakh of workers joined the demonstrations in London on 2nd April 2009 where the G20 summit was being held. In India, Workers' March to Parliament on 18th February, 2009 organized by the Sponsoring Committee of Trade Unions consisting of the central trade unions and all India Federations of insurance, banks, central and state government employees, railways, defence and telecommunications and other sectors witnessed more than a lakh of employees and workers actively participating in the rally. The demands of the workers across the world are similar - say no to retrenchments, create employment.

Due to the 12 nation wide strikes, the public sector units including those in the insurance and banking in our country could be protected. Public sector workers and employees are a little better placed, but how many permanent employees are there in Public Sector? India is the youngest nation with 60% of its population below 35 years and capable of working. The eulogy stops here. When there are no proper jobs and fair wages, 456 million people in the country still earn less than \$1.25 (around Rs. 60) a day. The situation cannot continue forever. It has to change.

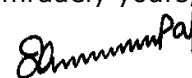
For this there needs to be a change in the political arena. The politics of neoliberal, pro imperialist policies should be stopped.

But we know that these things do not happen automatically. Merely because there was a crisis, capitalism will not change its ways. Workers across the world are uniting with the spirit of May Day - the day of international solidarity of the workers and planning for an offensive on the policies of neo liberalism.

Now is the time for workers in India too, to act. They have an opportunity to choose a government.

On May 1st when the workers in India resolve to fight for their rights, they should also seize the opportunity to elect a government that would stop following the economic policies which created the economic crisis and adopt new policies addressing the sufferings of people affected by the crisis. Protection of jobs, generation of employment, stimulating the domestic market by empowering the people economically are the steps that the government should take up. Left and democratic parties which stood by the workers in protecting the public sector units, the banks and insurance sector should be strengthened. The left and democratic parties should be strengthened in the parliament so that the workers will have their friends who will stand by them in their struggle against the policies of job cuts and lay offs. The working class must come together to elect a government which would protect their rights and their lives.

Comradely yours,



General Secretary.