

# insurance Worker



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SELLING THE FINEST  
PUBLIC FINANCIAL INSTITUTION  
TO PROPITIATE MARKET GODS  
THAT FAILED THE COUNTRY  
IN THE PANDEMIC DAYS

# NO TO LIC IPO



CONSOLIDATE  
PSGI INDUSTRY



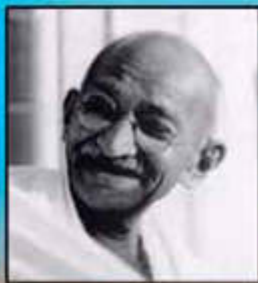
**RECLAIM  
THE REPUBLIC**  
Independence Day Pledge

का से कहूं

Tense Himalayas..

Do not derail ..





For me an India which does not guarantee freedom to the lowliest of those born, not merely within an artificial boundary but within its natural boundary, is not free India.

- Mahatma Gandhi



Freedom is not a mere matter of political decision or new constitutions..

it is of the minds and heart  
And if the mind narrows itself and befogged and the heart is full of bitterness and hatred, then freedom is absent.

- Jawaharlal Nehru



So long as you do not achieve social liberty, whatever freedom is provided by the law is of no avail to you.

- Dr B.R. Ambedkar

Let new India arise out of peasants' cottage, grasping the plough, out of huts, cobbler and sweeper.

- Swami Vivekananda



Forget not that the grossest crime is to compromise with injustice and wrong.

- Netaji Subhash Chandra Bose

Any man who stands for progress has to criticise, disbelieve and challenge every item of the old faith.

- Shaheed Bhagat Singh



## LIC IPO – STEP UP THE RESISTANCE

The Government of India has begun the process of divesting a portion of its holding in LIC, the biggest and finest public financial institution of the country. The process of inviting and selecting the transactional advisor has been set in motion. The Government intends to raise around Rs 1 lakh crore by selling between 5 to 10 percent of its stake. There are reports that the initial public offering is expected to hit the market in the last quarter of the current financial year.

The arguments advanced by the government that listing of LIC will make its working more transparent; policyholders and small investors would be benefitted are totally unconvincing. The AIEA in its letter to the Finance Minister has demolished all these arguments. It is the sheer desperation for resources that is driving the government to sell the LIC. The government which refuses to tax the rich and the corporate and has been rewarding them with concession after concession feel that the only way of raising resources is to sell the family silver. That's exactly what it is trying to do with LIC.

The LIC was established through an Act of Parliament. The Government nationalised the life insurance business to protect the policyholders from huge frauds perpetrated on them and to take control over the small savings for national development. In the last 64 years, LIC has justified the trust reposed in it by the Parliament and the people of this country. It not only gave total security to the policy monies and decent returns to the policyholders, it also emerged as the single biggest contributor to the national development. In a country where vast majority of the citizens struggle for daily existence, LIC has been successful in spreading the message of insurance to the remotest parts of the country. With an individual policyholder base of nearly 300 million and another 120 million through group schemes, the LIC today is the biggest life insurer in the world in terms of client base and the number of claims it settles. Today LIC is the most visible and valuable brand in the country and is acknowledged as an institution which has wiped the tears of millions of tragedy-stricken families.

Therefore, democratic principles demand that the government discuss the issue of LIC IPO which impacts a large section of our population in a thorough manner in the Parliament before initiating any move to change its character. But then the present regime's commitments to democratic values are suspect. The intention of the government to list LIC was made in the Budget rather than separately placing this issue for discussion and taking the opinion of the people. Given the government's record of bypassing the democratic processes and parliamentary procedures, we do not know if the government will first take the parliamentary approval to change the character of LIC before taking it to the markets

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for divestment. Whatever may be the thinking of government, we must force the parliament to debate the issue through mass mobilisation of public opinion.

The decision to partly privatise LIC is an integral part of neoliberal agenda. Ever since India embraced neo-liberalism in 1991, it has totally given up on the national ideals and goals set by the national liberation movement. The Indian Constitution is a social contract through which the people decided to construct a just, fair and equal society. The Indian Constitution is unique in the sense that it not only empowers the citizens with some political rights and gives them protection against excesses of bureaucracy but also lays down principles on the organisation of life and economy. The Directive Principles of the State Policy clearly prohibits the concentration of wealth and defines the role of State in improving the life standards of the people. Under neo-liberalism, these foundational principles of the constitution have been attacked and subverted as a result today India has the dubious record of the highest concentration of wealth in the world making it one

of the most unequal societies. The government is also abdicating its responsibilities as a provider of basic services to its citizens. The privatisation of the public sector and more so LIC which has been a prime source for national development, is in clear violation of the Constitution.

The decision to divest LIC shares raises many legal and ethical questions. The Government investment in LIC was a meagre Rs 5 crore till 2011 when it was raised to Rs.100 crore to meet the regulatory norms. The government did not make any additional capital infusion to meet the cost of expansion nor did it infuse capital to meet the solvency requirement. The LIC grew into a gigantic financial institution through generation of internal resources and the solvency margins are also maintained through the policyholders' funds. Therefore in real sense LIC is a mutual benefit society with the government acting as a trustee at best with its stake limited to 5% of the surplus generated every year. The government as its share of surplus has already taken from LIC over Rs.26000 crore on its initial investment of Rs.5 crore. It is the policyholders who own the value

## एलआईसी आईपीओ-प्रतिरोध को आगे बढ़ाओ

भारत सरकार ने देश की सबसे बड़ी और बेहतरीन सार्वजनिक वित्तीय संस्था, एलआईसी में अपनी हिस्सेदारी के एक हिस्से का विनिवेश करने की प्रक्रिया शुरू कर दी है। लेन-देन सलाहकार को आमंत्रित करने और चुनने की प्रक्रिया को गतिप्रदान कर दी गई है। सरकार अपनी 5 से 10 प्रतिशत हिस्सेदारी बेचकर लगभग 1 लाख करोड़ रुपये जुटाने का इरादा रखती है। ऐसी खबरें हैं कि चालू वित्त वर्ष की अंतिम तिमाही में बाजारमें शुरुआती सार्वजनिक पेशकश की उम्मीद है।

सरकार द्वारा दी गई दलीलें कि एलआईसी की लिस्टिंग से उसके कामकाज को और अधिक पारदर्शी बनाया जा सकेगा; पॉलिसीधारक और छोटे निवेशक लाभान्वित होंगे, कैसे भी विश्वासयोग्य नहीं है। वित्तमंत्री को लिखे अपने पत्रमें एआईआईईए ने इन सभी तर्कों को ध्वस्त कर दिया है। संसाधनों को लेकर सरकार की यह हताशा ही है जो उसे एलआईसी बेचने के लिए आगे बढ़ा रही है। जो सरकार अमीरों और कॉर्पोरेट पर कर लगाने से इंकार करती है और रियायत दर रियायत से उन्हें पुरस्कृत करती रही है, उसे लगता है कि संसाधनों को बढ़ाने का एकमात्र तरीका परिवार की चांदी बेचना है। वास्तवमें ऐसा ही वो एलआईसी के साथ करने की कोशिश कर रही है।

एलआईसी की स्थापना संसद के एक अधिनियम के माध्यम से की गई थी। सरकारने पॉलिसीधारकों को उनपर होनेवाली भारी धोखाधड़ी से बचाने और राष्ट्रीय विकास के लिए छोटी बचतपर नियंत्रण करने के लिए जीवन बीमा व्यवसाय का राष्ट्रीयकरण किया था। पिछले 64 वर्षों में एलआईसी ने संसद और इस देश के लोगों द्वारा इसमें दिए गए भरोसे को सही

ठहराया है। इसने न केवल पॉलिसीधन को पूरी सुरक्षा दी और पॉलिसीधारकों को अच्छा रिटर्न दिया, बल्कि यह राष्ट्रीय विकास के लिए सबसे बड़ा योगदानकर्ता बन गया। एक ऐसे देशमें जहां अधिकांश नागरिक दैनिक अस्तित्व के लिए संघर्ष करते हैं, एलआईसी देशके दूरस्थ भागोंमें बीमा के संदेशको फैलानेमें सफल रहा है। तीस करोड़ व्यक्तिगत पॉलिसीधारक और समूह योजनाओंके माध्यमसे 12 करोड़ अन्य पॉलिसीधारकों के आधार के साथ, एलआईसी आज ग्राहक संख्या और दावा निस्तारण संख्या के मामले में दुनिया का सबसे बड़ा जीवन बीमाकर्ता है। आज एलआईसी देशमें सर्वाधिक व्यापक पहुंचवाला और मूल्यवान ब्रांड है और इसे एक ऐसी संस्था के रूपमें स्वीकार किया जाता है जिसने लाखों-करोड़ों त्रासदी झेल रहे परिवारोंके आँसू पोंछे हैं।

इसलिए, लोकतांत्रिक सिद्धांतों की मांग है कि सरकार एलआईसी आईपीओ के मुद्देपर जोकि आबादी के एक बड़े हिस्से को व्यापक रूपसे प्रभावित करता है, इसके स्वरूप को बदलने के लिए कोई भी कदम उठाने से पहले संसद में चर्चा करे। लेकिन ये भी है कि लोकतांत्रिक मूल्यों के लिए वर्तमान शासन की प्रतिबद्धता संदिग्ध है। संसदमें इस मुद्देको अलगसे रखने और लोगोंकी राय लेने के बजाय सरकारने एलआईसी को सूचीबद्ध करनेका इरादा बजट के माध्यमसे रखा। लोकतांत्रिक प्रक्रियाओं और संसदीय प्रक्रियाओं को दरकिनार करने के सरकार के रिकॉर्डको देखते हुए हम यह नहीं कह सकते कि विनिवेश के लिए बाजारमें ले जाने से पहले सरकार एलआईसी के स्वरूपको बदलने के लिए संसदीय मंजूरी लेगी ही। सरकार की जो भी सोच हो, हमें जन आंदोलन के माध्यम से जनता की राय पर संसद को इस मुद्देपर बहस करनेके

generated by LIC in the last 64 years. Therefore, the decision to sell LIC shares and appropriating it to meet the fiscal needs of the government is both ethically and legally wrong.

The LIC has been built on the sweat and toil of its workforce including its large agency force. It has emerged as the most trusted brand due to confidence reposed in it by the nation. It is unfortunate that the government did not think it proper to discuss this vital issue with the employees' organisations. The letter to the Finance Minister, leave alone evoking any response, remains un-acknowledged. This is no democracy. It is simple arrogance and a message that we will decide and people have no right to seek answers for what we do. This is simply unacceptable in a democracy where the government is accountable to the people.

The privatisation of LIC is more a political rather than an economic decision. There is no place for public sector in a neoliberal economy. Market is the new God under neo-liberalism. The Covid pandemic has conclusively proved how this God has failed with the private health

sector abdicating its responsibilities. India despite all tall claims still remains a low middle income country. Such a country needs resources for development to improve the life standards of its citizens. Privatising the finest public financial institution is a disaster for the national economy as the entire focus would change to maximise returns to shareholders rather than meet the social obligations. Therefore, we need to step up the resistance against the government drive towards privatisation of LIC. It requires enormous organisational effort. Public opinion must be mobilised; campaign of detractors of public sector must be squarely met and defeated; political class must be made to understand the damage this move would make to the cause of national development. These are challenging tasks. But then, we have no alternative other than to raise the organisational capabilities to meet these challenges. The two and half decade of successful resistance in halting the government efforts toward privatisation that began with Malhotra Committee recommendations gives us the necessary confidence to meet these gigantic challenges.

लिए मजबूर करना चाहिए।

एलआईसी का आंशिक रूपसे निजीकरण करने का निर्णय नवउदारवादी एजेंडे का एक अभिन्न अंग है। जबसे भारत ने 1991 में नव-उदारवाद को अपनाया, उसने राष्ट्रीय मुक्ति आंदोलन द्वारा निर्धारित राष्ट्रीय आदर्शों और लक्ष्यों को पूरी तरह से त्याग दिया है। भारतीय संविधान एक सामाजिक अनुबंध है जिसके माध्यम से लोगों ने न्यायपूर्ण, निष्पक्ष और समान समाज के निर्माण का निर्णय लिया। भारतीय संविधान इस मायनेमें अद्वितीय है कि यह न केवल नागरिकों को कुछ राजनीतिक अधिकारों के साथ सशक्त बनाता है और उन्हें नौकरशाही की ज्यादतियों से सुरक्षा प्रदान करता है बल्कि जीवन और अर्थव्यवस्था के गठन के सिद्धांत भी प्रदान करता है। राज्यनीति के निर्देशक सिद्धांत स्पष्ट रूपसे धन के केंद्रीयकरण को प्रतिबंधित करते हैं और लोगों के जीवनस्तर को सुधारनेमें राज्य की भूमिका को स्पष्टरूपसे परिभाषित करते हैं। नव-उदारवाद के तहत, संविधान के इन मूलभूतसिद्धांतों पर हमला किया गया है और इसके परिणामस्वरूप आज भारत के पास दुनिया में धन की उच्चतम एकाग्रता का संदिग्ध रिकॉर्ड है जो इसे सबसे असमान समाजों में से एक बनाता है। सरकार ने अपने नागरिकों को बुनियादी सेवाओं के प्रदाता के रूपमें भी अपनी जिम्मेदारियों को त्याग दिया है। सार्वजनिक क्षेत्र और खास तौर से एलआईसी का, जो राष्ट्रीय विकास के लिए एक प्रमुख स्रोत रहा है, निजीकरण संविधान का स्पष्ट उल्लंघन है।

एलआईसी के हिस्से का विनिवेश करने का निर्णय कई कानूनी और नैतिक सवाल उठाता है। एलआईसी में सरकार का निवेश 2011 तक 5 करोड़ रुपये था, जब नियामक मानदंडों को पूरा करने के लिए इसे 100 करोड़ रुपये तक बढ़ा दिया गया। सरकार ने विस्तार की लागत को पूरा करने के लिए कभी कोई अतिरिक्त पूंजी निवेश नहीं किया और न ही यह सॉल्वेंसी जरूरतों को पूरा करने के लिए किया

गया है। आंतरिक संसाधनों के माध्यम से एलआईसी एक विशाल वित्तीय संस्थानके रूपमें विकसित हुआ और सॉल्वेंसी मार्जिन भी पॉलिसीधारकों के फंड के माध्यम से बनाए रखा गया है। इसलिए वास्तविक अर्थों में एलआईसी एक पारस्परिक लाभकारी संस्था है, जिसमें सरकार ट्रस्टी के रूपमें काम करती है और हर साल उत्पन्न होनेवाले अधिशेषकी 5 प्रतिशत तक की हिस्सेदारी तक वो सीमित है। सरकार ने अधिशेषके अपने हिस्से के रूपमें पहले ही 5 करोड़ रुपये के शुरुआती निवेशपर 26,000 करोड़ रुपये से अधिक एलआईसी से लिया है। यह पॉलिसीधारक ही हैं जो पिछले 64 वर्षों में एलआईसी द्वारा उत्पन्न मुहूर्त के असली मालिक हैं। इसलिए, एलआईसी के शेयरों को बेचने और सरकार की वित्तीय जरूरतोंको पूरा करने के लिए इसे विनियोजित करने का निर्णय नैतिक और कानूनी रूप, दोनों से गलत है।

एलआईसी को इसमें काम करने वालों ने अपनी मेहनत और पसीने से बनाया है, जिसमें इसके बड़ी संख्या बलमें अभिकर्ता भी शामिल हैं। यह राष्ट्र द्वारा उसमें व्यक्त किये गए विश्वास के कारण सबसे भरोसेमंद ब्रांड बनकर उभरा है। यह दुर्भाग्यपूर्ण है कि सरकारने कर्मचारी संगठनों के साथ इस महत्वपूर्ण मुद्देपर चर्चा करना उचित नहीं समझा। वित्तमंत्री को लिखे पत्रका कोई जवाब देना तो बहुत दूर की बात है उन्होंने तो उसकी प्राप्ति भी स्वीकार नहीं की। यह कोई लोकतंत्र नहीं है। यह तो सीधे-सीधे उनकी हेकड़ी है और एक संदेश है कि हम सब कुछ तय करेंगे और हमारे निर्णय पर जवाब मांगने का भी किसी को कोई हक नहीं है। इस लोकतंत्र में जहां सरकार लोगों के प्रति जवाबदेह होती है—यह तो अस्वीकार्य है।

एलआईसी का निजीकरण एक आर्थिक निर्णय के बजाय राजनीतिक अधिक है। एक नवउदारवादी

Please see next page ⇨

# Consolidate PSGI Industry

The Union cabinet has decided to cease the merger of three public sector general insurance companies. The Cabinet has decided to infuse additional capital in these companies to meet the regulatory requirements and to concentrate on their profitability. The overall value of the additional capital infusion is Rs.12450 crore including Rs.2500 crore infused in the financial year 2019-20. As an immediate measure the government will augment the capital base of Oriental Insurance Company, National Insurance Company and United India Insurance Company by Rs.3475 crore while the balance of Rs.6475 crore would be made available at a later date. We welcome the infusion of additional capital though we hold the opinion that it is only to meet the regulatory norms rather than the actual need for expansion. However, we are disappointed with the decision to cease the activities relating to merger of these companies.

The government's reasoning that the present scenario is not conducive for merger is totally

unconvincing. We are aware that the Indian economy is going through its worst period of crisis due to Covid 19 pandemic and the pursuance of faulty policies. Such a situation demand strengthening of the public sector to meet the social goals of the State and merger of the three companies would have met the requirements of the times. We fail to understand as to how the situation is not good for merger when the government went ahead with the consolidation of the banking sector during the same period.

It is reported that the government has directed the three companies to work for increasing profitability by concentrating on lines of businesses that are profitable. It has advised the companies to exercise care while underwriting third party motor insurance business and group medical insurance schemes. It is agreed that the third party motor insurance is unprofitable but the blame lies with the government itself. It is the government which for political reasons does not allow the necessary hike in premium for third

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अर्थव्यवस्था में सार्वजनिक क्षेत्र के लिए कोई जगह नहीं है। नव-उदारवाद के तहत बाजार नया भगवान है। कोविड महामारी ने निर्णायक रूपसे साबित कर दिया है कि कैसे यह भगवान निजी स्वास्थ्य क्षेत्रके साथ अपनी जिम्मेदारियों के निर्वहन में पूरी तरह से विफल रहा है। सभी लंबे चौड़े दावों के बावजूद भारत अभी भी निम्नमध्यम आयवाला देश बना हुआ है। ऐसे देशको अपने नागरिकों के जीवन स्तरमें सुधार हेतु विकास के लिए संसाधनों की आवश्यकता होती है। बेहतरीन सार्वजनिक वित्तीय संस्थान का निजीकरण राष्ट्रीय अर्थव्यवस्था के लिए एक आपदा है क्योंकि पूरा ध्यान सामाजिक दायित्वों को पूरा करने के बजाय शेयर धारकों को अधिकतम रिटर्न देने के लिए बदल जाएगा। इसलिए, हमें एलआईसी के निजीकरण की दिशा में सरकारी अभियान के खिलाफ प्रतिरोध को बढ़ाने की जरूरत है। इसके लिए व्यापक संगठनात्मक प्रयास की आवश्यकता है। जनमत को लामबंद करना होगा; सार्वजनिक क्षेत्र के विरोधियों के अभियान का पुरजोर तरीके से जवाब देते हुए परास्त करना होगा; राजनीतिक लोगों को हरसंभव तरीके से समझाना होगा कि यह कदम राष्ट्र के विकास के रास्ते को कितना नुकसान पहुंचाएगा। ये चुनौतीपूर्ण कार्य है। लेकिन फिर, हमारे पास इन चुनौतियों का सामना करने के लिए संगठनात्मक क्षमताओं को बढ़ाने के अलावा और कोई विकल्प भी तो नहीं है। मल्होत्रा समिति की सिफारिशों के साथ शुरू हुए निजीकरण की दिशा में सरकारी प्रयासों को रोकनेमें सफल प्रतिरोध का ढाई दशक हमें इन विशाल चुनौतियों का सामना करने के लिए जरूरी आत्मविश्वास देता है।

केंद्रीय कैबिनेट ने सार्वजनिक क्षेत्र की तीन सामान्य बीमा कंपनियों के विलय को रोकने का फैसला किया है। मंत्रिमंडल ने नियामक आवश्यकताओं को पूरा करने और उनकी लाभप्रदता पर ध्यान केंद्रित करने के लिए इन कंपनियोंमें अपना पूंजीआधार और बढ़ाने का निर्णय लिया है। बढ़ाई गई अतिरिक्त पूंजीका समग्र मूल्य 12450 करोड़ रुपये है, जिसमें वित्तीय वर्ष 2019-20 में लगाए गए 2500 करोड़ रुपये शामिल हैं। एक तात्कालिक उपाय के रूपमें सरकार ओरिएंटल इंडियोरेंस कंपनी, नेशनल इंडियोरेंस कंपनी और यूनाइटेड इंडिया इंडियोरेंस कंपनी के पूंजीआधारको 3475 करोड़ रुपये से बढ़ाएगी, जबकि शेष 6475 करोड़ रुपये भविष्य में उपलब्ध करा दिया जाएगा। हम इस अतिरिक्त पूंजी निवेशका स्वागत करते हैं, हालांकि हम आज भी यह मानते हैं कि यह विस्तार की वास्तविक जरूरत के लिए नहीं बल्कि नियामक मानदंडों को पूरा करने के लिए हो रहा है। हालांकि, हम इन कंपनियों के विलय से संबंधित गतिविधियों को रोकने के निर्णयसे निराश हैं।

सरकार का यह तर्क पूरी तरह अमान्य है कि वर्तमान परिदृश्य विलयके लिए अनुकूल नहीं है। हम जानते हैं कि भारतीय अर्थव्यवस्था कोविड-19 की महामारी और लागू कीजा रही दोषपूर्ण नीतियों के कारण संकट के सबसे बुरे दौरसे गुजर रही है। ऐसी स्थितिमें राज्यके सामाजिक लक्ष्यों को पूरा करने के लिए सार्वजनिक क्षेत्रको मजबूत बनाकार और तीन कंपनियों के विलय द्वारा समय की इन आवश्यकताओं को पूरा किया जासकता था। हम यहनहींसमझ पा रहे कि विलय के लिए स्थिति किस तरह से अच्छी नहीं है जबकि सरकार इसी अवधि के दौरान बैंकिंग क्षेत्रमें

party motor insurance business leading to losses for the companies. It must also be noted that the private sector avoids this business and it falls on the public sector to underwrite this mandatory insurance business.

The AIIEA has been demanding for consolidation of public sector general insurance industry ever since the sector was opened for private participation. The AIIEA argued that the merger of the four companies and creating a monolithic corporation on the lines of LIC will be a prudent step. This will reduce unnecessary competition among these companies and the resultant wasting of resources. It will enable harnessing of the talent not only to meet challenges of a competitive environment but to also serve the requirements of national economy. The consolidation will enhance the underwriting capacity and increase the profitability while at the same time it will help the merged entity to undertake greater social responsibilities. We welcomed the decision of the government to merge the three companies and suggested that the objectives of merger would be better achieved if New India Assurance Company also

is included in the proposed process.

Therefore, the decision to cease the merger is disappointing and bereft of any logic. There is no clarity as to why the government has ceased the merger. The government has not explained as to why the present situation is not conducive for merger. Has the government kept the plans for merger in abeyance or has it altogether given up on the idea? This gives rise to the feeling that the government feels it would be much easier to sell the individual companies when it desires compared to a strong merged entity. Whatever may be the thinking of the government, it lacks rationality.

Today we see a lot of activities in the private sector relating to mergers and acquisitions. The private sector is consolidating itself to dominate the general insurance market. In such a situation the government decision to cease merger is a great set-back. Therefore, the struggle for demanding the merger of all the four companies must begin again. This campaign demands urgency and all organisational steps must be taken to heighten the struggle in support of merger.

## सार्वजनिक क्षेत्र के आम बीमा उद्योगको सुदृढ़ करो

लगातार विलयसे समेकन करती जा रही है।

ऐसा बताया जा रहा है कि सरकारने इन तीन कंपनियों को अधिक मुनाफेवाले व्यवसायों की तरफ ध्यान केंद्रित करके लाभप्रदता बढ़ाने के लिए काम करने का निर्देश दिया है। इसने कंपनियों को तीसरे पक्षके मोटर बीमा व्यवसाय और समूह चिकित्सा बीमा योजनाओंके मामले में ध्यानसे काम करने की सलाह दी है। यह माना जाता है कि थर्ड पार्टी मोटर बीमा लाभहीन है, लेकिन इसमें दोष तो सरकार के ऊपर ही जाता है। यह सरकार ही है जो राजनीतिक कारणों से तीसरे पक्ष के मोटर बीमा व्यवसाय के लिए प्रीमियम में आवश्यक बढ़ोतरी की अनुमति नहीं देती है जिससे इन कंपनियों को नुकसान होता है। यह भी ध्यान दिया जाना चाहिए कि निजी क्षेत्र इस व्यवसाय से बचता है और इस अनिवार्य बीमा व्यवसाय को करने का भार सार्वजनिक क्षेत्र पर पड़ता है।

निजी भागीदारी के लिए खोले जाने के समय से ही एआईआईईए सार्वजनिक क्षेत्र के सामान्य बीमा उद्योग के एकीकरण की मांगकर रहा है। एआईआईईए का तर्क है कि एलआईसी की तर्जपर चार कंपनियों का विलय कर एक अखंड निगम बनाना विवेकपूर्ण कदम होगा। इससे इन कंपनियों के बीच अनावश्यक प्रतिस्पर्धा और संसाधनों की बर्बादी कम होगी। यहनकेवल प्रतिस्पर्धी माहौलकी चुनौतियों का सामना करने के लिए बल्कि राष्ट्रीय अर्थव्यवस्था की आवश्यकताओं को पूरा करने के लिए भी प्रतिभा का दोहन करने में सक्षम होगा। एकीकरण बीमांकन क्षमता को बढ़ाएगा और लाभप्रदता में वृद्धि करेगा साथ ही साथ उसी समय यह एकीकृत

इकाईको अधिक सामाजिक दायित्व निभाने के लिए सक्षम बनाने में मदद करेगा। हमने तीनों कंपनियों के विलय के सरकार के फैसले का स्वागत किया और सुझाव दिया कि विलय के उद्देश्यों को बेहतर तरीके से प्राप्त किया जा सकता है यदि न्यूइंडिया एश्योरेंस कंपनी को भी प्रस्तावित प्रक्रिया में शामिल किया जाय।

इसलिए, विलय को रोकने का निर्णय निराशाजनक और किसी भी तर्क से परे है। सरकार ने विलय को क्यों रोक दिया, इसकी कोई स्पष्टता नहीं है। सरकार ने यह नहीं बताया है कि वर्तमान स्थिति विलय के लिए अनुकूल क्यों नहीं है। क्या सरकार ने विलयकी योजनाको ठंडे बस्ते में डाल दिया हैया इस विचार को ही पूरी तरह से त्याग दिया है? इससे इस भावना के पैदा होने को बल मिलता है कि सरकार को लगता है कि मजबूत एकीकृत इकाई की तुलना में कंपनियों को एक-एक कर बेचना बहुत आसान होगा। सरकार की सोच जो भी हो, उसमें तर्कसंगतता का अभाव है।

आजकल निजी क्षेत्रमें विलय और अधिग्रहण से संबंधित बहुत सारी गतिविधियाँ देखने का मिल रही हैं। निजी क्षेत्र सामान्य बीमा बाजार पर हावी होनेके लिए खुद को मजबूत कर रहा है। ऐसी स्थितिमें विलय को रोकने का सरकार का निर्णय एक बड़ा झटका है। इसलिए, सभी चार कंपनियों के विलय की मांगके लिए संघर्ष फिर से शुरू होना चाहिए। यह अभियान तात्कालिकता की मांग करता है और विलय के समर्थन में संघर्ष को बढ़ाने के लिए सभी संगठनात्मक कदम उठाए जाने चाहिए।

# Joint Front seeks support from Political Parties against LIC IPO

The Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India and All India Insurance Employees' Association have jointly written a letter dated 14.7.2020 explaining our opposition to the government's decision on LIC IPO and has sought their support. The Letter is sent to all National and major Regional Political Parties. The letter is reproduced hereunder:

'We the Officers and employees of India are deeply upset with the reports that the government has initiated the process of selling parts of its stake in the Life Insurance Corporation of India. The Department of Investment & Public Asset Management (DIPAM) under the Finance Ministry has issued a Request for Proposal (RFP) regarding engagement of Pre-transaction Advisors for assisting DIPAM in the processes related to the IPO of LIC. Thus the government has set in motion a process to sell a portion of its stake in the most prestigious public financial institution of the country.

The LIC is created through an Act of Parliament and it is unfortunate that a move which will have a wide ranging impact on the policyholders and the national economy, the government is proceeding ahead without a thorough discussion in the Parliament. You are aware of the important role LIC has played in industrialization of the country since its inception in 1956 and continue to play in the nation building activities. We would also like to mention that the growth of LIC, its expansion and emergence as the largest insurer in the world in terms of number of policyholders and claim settlement has been done entirely through resources generated internally. The government did not make any additional contribution to the initial capital of Rs. 5 crore in 1956 which was enhanced to Rs.100 crore in 2011 due to Regulatory issues. On this meagre capital base, LIC today is managing its assets in excess of Rs.32 lakh crore. Since this expansion has taken place through funds collected from the policyholders, LIC has functioned more like a Mutual Benefit Society. This is an important fact that has been overlooked while deciding to sell a portion of stake in LIC.

The objectives of nationalization of life insurance business by taking over 245 private insurers were to mobilize small savings and convert them into capital for long term investment in infrastructure while at the same time giving total security to the

policyholders and ensuring decent returns. The LIC has admirably lived to these objectives. The equity sale by the government which may ultimately lead to privatization kills these very objectives. This move will make the concept of 'People' Money for People's Welfare' give way to profit maximization for the shareholders. This is neither in the interests of LIC's 40 crore policyholders nor the national economy. It is widely acknowledged by the eminent economists that domestic savings play a very important role in the national economies and hold the foreign capital is a poor substitute for domestic savings. The situation where the country needs huge resources for development it is necessary that the government should exercise its control over the domestic and more importantly the household savings.

The work force of LIC has made enormous contribution to create this finest financial institution have been opposing the proposed sale of a portion of government holding for valid and justifiable reasons. The LIC must remain 100% under the control of the government. It has been historically proved that only where the state controls the peoples' savings, they can be channelized to national development. The control of private sector on domestic household savings will be for private profit maximization. Considering the fact that our country is still a low income country, it is important for the insurance sector to remain a monopoly of the government for cross subsidization and meeting of the poorer and vulnerable sections of the populations. Our arguments against the equity sale are not any partisan interests but based on the interests of the national economy.

We would like to stress again that equity of LC will severely impact the economy and vulnerable sections of the Indian people. The social objective of providing insurance to the weaker section will receive a severe setback. The aim to expand insurance in the unprofitable rural areas too will suffer. Hence, disturbing the character of the LIC will harm the interests of the national economy and the poorer sections of the Indian society.

In the above circumstances we request you to give your Party's support to our struggle against dilution of government equity in LIC and impress upon the government to retain LIC as 100% government owned."



# AIIEA urges Finance Minister to continue the process of merger 3 PSGIs

The Standing Committee (GI) of AIIEA has written a letter dated July 11, 2020 to the Finance Minister urging that the process of merger of the three public sector general insurance companies must be taken forward to meet the requirements of the times. The letter is as under.

“We have come to know from a Press Information Bureau communiqué of July 08, 2020 that the cabinet has approved infusion of additional capital to the tune of Rs. 12450/- crore ( including Rs. 2500cr. already released in March, 2020) in National Insurance, United India insurance and Oriental Insurance to achieve the requirements set by the regulator. At the same time, AIIEA is of strong opinion that the process of merger of these companies, which was announced through the General Budget of 2018 should be continued and completed in a timely manner.

Since the announcement of merger of three PSGICs two years back, all preliminary steps such as appointment of consultants and formation of various working groups to oversee the integration of several key areas like IT, Accounts etc. have been completed. The consultants as well as the working groups have submitted their preliminary reports also, as per the information available to us. The Boards of these companies have recommended for merger convening their extraordinary board meetings at a very short notice in the month of January, 2020. Moreover, there is a widespread consensus among the workforce of these companies in favour of merger.

In this background, it is quite reasonable that the process of merger should be accelerated in place of getting ceased.

Further, profitable growth and improved solvency ratio, the declared objectives post capital infusion, can be achieved more comfortably if the companies are merged and a single entity is formed; this will save substantial quantity of resources through reducing the unnecessary competition presently going on among these three PSGI Companies, thus paving the way for growth with profit. The merged entity will have a greater underwriting capacity. Moreover, the cost of merger and formation of a financially robust entity will not be a financial burden on these companies and will be sustainable by them .

Keeping the aforementioned points in view, we request you to kindly consider to revisit the decision of putting the merger process on hold and take all steps for early merger . We are of the firm opinion that the present economic situation in no way leads to keeping the decision of merger in abeyance. On the contrary, the situation requires immediate consolidation of the public sector general insurance industry through merger.

In addition, we reiterate our earlier demand of bringing The New India Assurance, another PSGI Company into the plan of merger so that a single public sector entity in the general insurance sector comes into being in order to meet optimally the needs of the economy as well as the common people.”

## Performance of the GI Industry upto June 2020

25 General Insurance Companies (Excluding 7 Stand-alone Health Insurance Cos & 2 Specialised Insurance Cos) operating in India have ended up with a negative growth of 6% upto the month of June 2020. The total GDP generated by 25 GI Co's stood at Rs.35,667.89 cr as against Rs.37,934.68 cr.

The four Public Sector General Insurance Companies (National, New India, Oriental & United India) could minimize their negative growth to 1.41% even amidst this Lockdown period. Market Share of the four PSGI Co's is 47.93%. The four PSGI Co's have generated a premium income of Rs.17,094.26 Cr upto the month of June 2020 as compared to Rs.17,338.39 Cr.

Except Fire, Health & Liability segments all the other segments have registered a negative growth.

## Business performance of LIC

The First Year Premium underwritten by LIC upto 30<sup>th</sup> June 2020 in the financial year 2020-21 amounted to Rs.36530 crore. This translates into a market share of 74.04%. The life insurance industry as a whole secured a FYP of Rs.49335.43 during the same period, a negative growth of 18 percent.

Though LIC has registered negative growth both in premium income and number of policies, it is confident of an improved performance and is hoping to close the first half year with positive growth.

## Begin Wage Negotiations without further delay

The Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India and All India Insurance Employees' Association have jointly written a letter to LIC Chairman on 21/7/2020 urging upon him to immediately recommence wage negotiations. The contents of the letter is hereunder.

"We met you in a joint delegation on 13<sup>th</sup> of March 2020 just before our planned One Hour Walk Out Strike on 17<sup>th</sup> of March. You would please recall that we deferred our planned agitation in view of your assurances that discussions on Wage Revision would be convened in the month of April 2020. Our meeting with you was preceded by a written assurance from the Executive Director (Personnel) that the efforts of the Corporation would be focussed towards the welfare, satisfaction and expectations of the employees.

The stalled wage negotiations have not resumed till now, even though more than three and a half months have already passed since the month of April. We do appreciate that the onset of the COVID 19 pandemic threw a spanner in the works. But it is to be appreciated that even in the midst of the pandemic as well, LIC has thrown up yet another brilliant performance in the just concluded Financial Year. The fact that LIC could register positive growth on both the counts of Premium Income and Number of Policies under very trying situations is really something astounding. Were it not for the disruptions caused by the

pandemic in the last fortnight of the Financial Year, LIC would certainly have recorded a spectacular performance. This creditable performance was possible because of the unwavering commitment of the workforce to our institution even in the face of serious challenges. We are confident that our institution will overcome the blips in our business procurement in the medium and long term as the pandemic itself will reinforce the need for life insurance among the people.

The wage revision is now due for three years now. This is a pretty long time to settle the genuine demands of the employees. Moreover many of the issues not linked to the wage revision also remain unsettled. The Board recommendation for improvement in family pension and few other issues related to pension remain unimplemented. Our representation on treating leave of absence during lockdown period and reduction in rate of interest on housing loan also remain unattended. This situation is creating restlessness in the industry.

We would therefore request you to resume the process of negotiations with improved offers with an aim to conclude the wage settlement at an early date so that we shall be able to give our undivided attention to other challenges confronting our institution and the industry. We also urge upon you to take immediate steps to implement the Board recommended improvements in the pension scheme."

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## Modi govt drops plan to merge 3 state-owned General Insurance companies

REMYA NAIR (Courtesy: The Print 8 July, 2020)

New Delhi: The Narendra Modi government has dropped its plan to merge three state-run general insurance companies - a precursor to their eventual listing in the stock markets.

Then Finance Minister Arun Jaitley had announced the government's intention in the 2018 budget to merge these firms - National Insurance Co Ltd, United India Insurance Co Ltd, and Oriental Insurance Co Ltd - into a single entity and then list the combined entity in the stock exchanges.

But the weak financial position of these insurance companies along with the challenges of merging these firms, like the different technology platforms, seems to have forced a rethink. In addition, the fact that a merged large entity with weak financials will not fetch an attractive valuation for listing has also been taken into

account.

A government official who did not wish to be identified said the timing of the merger was not right given the Covid-19 pandemic and the fallout on the insurance business.

"It was felt for now the companies should focus on providing insurance rather than the merger," the official told ThePrint.

"...given the current scenario, the process of merger has been ceased so far and/instead focus shall be on their solvency and profitable growth, post capital infusion," said a press statement after the meeting of the union cabinet Wednesday that approved a capital infusion into these companies.

The insurance companies have been recording losses for the last few quarters,

necessitating a capital infusion by the central government to replace the eroded capital.

Govt will look to ensure optimum utilisation of infused capital.

The cabinet approved a capital infusion of Rs 12,450 crore into the three general insurance companies.

Of this, while Rs 2,500 crore has already been infused in 2019-20, Rs 3,475 crore will be infused in the current fiscal. The remaining amount will be infused in tranches, the government said adding that the infusion will help the three insurance companies in improving their financial and solvency position.

The government will look to ensure optimum

utilisation of the capital being infused and monitor key performance indicators to ensure business efficiency and profitable growth.

State owned insurance firms reported a huge jump in their underwriting losses — or the losses incurred when the claims payout has been higher than the premiums received. This was mainly on account of the state-owned firms aggressively quoting low premiums to capture group insurance businesses, according to insurance brokers.

The government's decision comes even as the merger plan was in advanced stages of discussion with the three insurance companies appointing EY as a consultant.

## Govt plans to reduce number of PSU banks to just five: Report

Aftab Ahmed , Nupur Anand(Courtesy: Livemint 20/7/2020)

The first part of the plan would be to sell majority stakes in Bank of India, Central Bank of India, Indian Overseas Bank, UCO Bank, Bank of Maharashtra and Punjab & Sind Bank, leading to an effective privatisation of these state-owned lenders, the report said

NEW DELHI/MUMBAI : India is looking to privatise more than half of its state-owned banks to reduce the number of government-owned lenders to just five as part of an overhaul of the banking industry, government and banking sources said.

The first part of the plan would be to sell majority stakes in Bank of India, Central Bank of India, Indian Overseas Bank, UCO Bank, Bank of Maharashtra and Punjab & Sind Bank, leading to an effective privatisation of these state-owned lenders, a government official said.

"The idea is to have 4-5 government owned banks," said one senior government official. At present, India has 12 state-owned banks.

The government official said that such a plan would be laid out in a new privatisation proposal the government is currently formulating, and this would be put before the cabinet for approval.

India's Finance ministry declined to comment on the matter.

The government is working on a privatisation plan to help to raise money by selling assets in non-core companies and sectors when the country is strapped for funds due to lack of economic growth caused by the coronavirus pandemic.

Several government committees and the Reserve Bank of India have recommended that India should have not more than five state-

owned banks.

"The government has already said that there will be no more mergers (between state-owned banks) so the only option for them is to divest stakes," a senior official at a state-owned bank said.

Last year, the government had merged ten state-owned banks into four, creating a handful of larger banks in the process.

"Now we are thinking of selling the unmerged banks to private players," the government official said.

But the government's privatisation plan is being worked out when the banks may face rising bad loans later this financial year because of the fallout from the coronavirus crisis.

The divestment plans may not happen in this financial year due to unfavourable market conditions, the sources said.

India expects bad loans at its banks could double after the crisis brought the economy to a standstill. Indian banks already had <sup>1</sup> 9.35 trillion (\$124.38 billion) of soured loans, equivalent to about 9.1% of their total assets at the end of September 2019.

As a result, the government may need to pump in nearly \$20 billion into its state-owned banks.



## THREE DAY STRIKE BY COAL WORKERS A RESOUNDING SUCCESS

The AIEA congratulates 5.3 lakh coal workers for the successful three day strike from 2-4 July 2020 against the government's moves to privatise the coal sector through unregulated commercial mining and trading by private sector including foreign entities with permission of 100 percent FDI through automatic route in coal mining.

The strike call was given by all the federations and unions of coal workers including the BMS, trade union owing allegiance to the BJP. Strike was almost total in all the three days and coal production and dispatch came to a grinding halt despite hell bent effort by the Govt and ministry to break the strike. The contract workers also joined the strike along with regular workers and the workers of the outsourced mines also joined the strike in a big way. And this strike has also shown that despite the hindrance of mobility throughout the country, how the pit-level workers and activists took the initiative in making the strike almost total in all the three days.

The Coal workers' three days strike marks the pioneering assertion of the working class movement in the country in the midst of Covid-19 Pandemic against the brutal onslaught on the lives and livelihood of the working people and desperate wholesale privatization bid of the Govt taking advantage of the lockdown restrictions. This brave intervention by the coal workers must spread to all other sectors in order to resist decisively the disastrous move to put the country's assets and resources on sale and at the same time impose conditions of slavery on the working people through drastic pro-employer changes and unilateral suspension

of all labour laws.

The coal workers strike has drawn spontaneous support from all quarters; the Joint platform of Peasants' movement has extended support to the strike action.; besides, entire trade union movement stood in solidarity to the strike action and solidarity demonstrations were held in all the three days in Petroleum, electricity, steel and various other industries and establishments covering all the states of the country.

Enthused by the success of the three day strike, the unions in Coal Sector have decided to further intensify their struggle against the government policy of privatisation.





## Independence Day Pledge RECLAIM THE REPUBLIC

**The 74<sup>th</sup> Independence Day is an opportunity for marginalised, deprived and working class to come together and place before the nation an alternative vision of economic and social development. The vision of constructing a just fair and equal society must be the guiding force for the struggles of the working class. The working class must make a determined bid to reclaim the Constitutional and Republican values.**

### Amanulla Khan

August 15 this year comes at a time when the country is facing one of the worst crises since independence. The economy is in deep trouble, social and communal tensions have intensified, constitutional values and democracy are on retreat, health sector has collapsed due to the onslaught of Covid 19 and relations with neighbouring countries have worsened. How the country will confront these multiple challenges and what role the working class plays will determine the future of our country.

Independence came to India both with hope and pain. Pain as the country was partitioned resulting into slaughtering of tens of thousands of innocent people. The British India descended into barbarism of unimaginable magnitude. Partition forced perhaps the single largest migration in human history. This pain overshadowed the celebrations of independence. Yet independence brought new hopes and aspirations. Unlike

Pakistan which became a theocratic State, the leaders of the national liberation movement chose to build India as a modern nation State on the foundations of democracy, secularism, justice, equality and fraternity.

Pandit Nehru addressing the nation on 15<sup>th</sup> August said that 'the achievements we celebrate today is but a step, an opportunity, to greater triumphs and achievements that await us'. These words inspired millions of poor and the working class and hopes soared of a glorious future in independent India. The people were convinced that the promises made to eradicate poverty, hunger, disease and ignorance will be redeemed soon.

#### **FAILED TO DELIVER ON ECONOMIC FRONT**

Seventy three years after independence we find that many of the promises made remain unfulfilled. The capitalist path of development, the newly liberated country chose and the total

embracing of neo-liberalism in 1991, led to a situation where we find an India within an India. There is an India with around 10 percent of the top population whose life standards are comparable to the best in the world. This India which controls the politics and economy feel that their nation is a global super power, remain reluctant and indifferent to acknowledge the plight of the under-privileged. As against this, there is another India comprising of the vast majority of the population that continues to live on the margins and their life standards are as worst as those in Sub-Saharan Africa. While the Indian rulers are jubilant that the Indian economy ranks 5<sup>th</sup> in the world, it bothers them little that the country's global ranking in terms of human development is a pathetic 129. The United Nations estimates that India is home to 28 percent of the world's poor. The manner in which the issue of migrant workers were handled after the announcement of lockdown to combat Covid 19 demonstrated the apathy of the State towards this vast under-privileged section of our population. This lopsided development has made India one of the most unequal societies in the world. The country failed its under-privileged by not keeping up the promise of an economic development that would benefit every single citizen.

#### DEMOCRACY ON RETREAT

Democracy does not mean just periodical holding of elections. It also means justice and freedoms. In a country which is predominantly feudal, it was felt that democracy would not survive. But democracy survived in India when in most of the newly liberated countries it failed and yielded place to authoritarianism and military dictatorship. The country held periodical elections and transition of power has always remained smooth. However, in the last few years, there are clear signs of degeneration. The idea of construction of a just society no longer drives politics. Politics has become a business and career. The Parliament and Legislatures are loaded with people with vested interests. More than 40 percent of the elected representatives have criminal records. Increasingly it appears that the criminals have found a safe haven in the Parliament and Legislatures. In the last few years, we see a new developing trend where a Political party need not win elections to come to power. It can come to power even after losing the elections as elected representatives have become commodities for sale and purchase.

For a democracy to succeed, the independence of judiciary, other democratic and constitutional institutions and a free press

are absolutely necessary. Today we see a compromised judiciary and democratic institutions and a press which has totally sold itself to the power and authority with some small exceptions. The judiciary has failed to protect the fundamental rights of the citizens and from the excesses of the executive. Most of the democratic institutions have lost their spine. The so called free press has become the propaganda machine of the government. These developments have eroded faith of the people in democracy.

#### SOCIAL AND COMMUNAL TENSIONS ARE INTENSIFYING

The people desired not just freedom from British rule but also freedoms to speak, think, criticise and break the stranglehold of prejudices. The Constitution promised these freedoms but in reality such freedoms are elusive and judiciary is reluctant to protect such freedoms. Today one who speaks and thinks differently or criticise the government or its leader is branded as an enemy of the State. The manner in which the human right activists who dared to speak on behalf of the marginalised are treated is a sufficient proof of the State's vengeance. Eminent intellectuals like Anand Teltumbde, Gautam Navalka, Sudha Bharadwaj and many others are forced to languish in jail. They are accused of treason but despite the grave charge of conspiring to assassinate the Prime Minister, they are not put to trial for nearly two years now. The idea is to silence these voices which speak for the marginalised. Students who stood up to the polarising policies of the government are arrested under draconian laws. The same draconian laws are invoked in dealing with journalists who speak the truth. If



Two cartoons on 'New India' by eminent cartoonist Manjul

looks more likely that India has degenerated into a police State.

Dr Ambedkar had hoped and worked for the annihilation of caste but caste is further entrenched in independent India. Indian society remains a deeply caste based society. In such a society, the lower castes are on the margins and there is no end to the atrocities on them. The caste based society is necessary for bourgeois politics for its survival and the State lacks commitment to attack casteism, forcing Dr Anand Teltumbde to say that India has become the Republic of Caste. The rise of political right has further marginalised the minorities. Democracy is not just about the will of the majority but also about ensuring a fair treatment to the minorities. The political right has been 'othering' the minorities to consolidate the majority support. The actions of the State in the last one year have further alienated the minorities. Such a situation is neither good for democracy nor unity of the people.

### THE PRESENT SITUATION

Even before the Covid pandemic, Indian economy was floundering and the pandemic has aggravated the crisis. Millions are out of jobs and consequently suffered huge income losses. The failure to handle the Covid 19 pandemic is a reflection on the crumbling and neglected public health system. Even a pandemic was utilised to create further religious divisions and polarisation of society. The relations with long standing friends in the neighbourhood are strained as never before due to failure of the foreign policy. The pandemic is being utilised to dismantle the public sector despite the talk of Atmanirbhar Bharat. Every sector of the economy is opened up for private capital both Indian and foreign. The rights of the workers earned through decades of struggles are under attack. Today across the world a consensus is emerging that neo-liberalism has failed. In

such a situation, we see in many countries the expansion of State role into the economic activities. Thus the pandemic has created a situation where the role of the State has become bigger. When such is the situation in the world, the Modi government has continued to repose faith in neo-liberalism and continue to withdraw the State as the provider of even basic services to the people. The communal polarisation is continuing for electoral gains. The caste system is further entrenched and social discrimination continues unabated. This is the situation as India celebrates its 74<sup>th</sup> Independence Day.

### RECLAIM THE REPUBLIC

Who can stop this rot but for the working class? It is the working class which is the most capable and well equipped force to present an alternative to the present economic and political system. It is again the working class which is capable of protecting democracy and reclaiming the Republican values as laid down in the Constitution. We decided to construct a society based on Justice, Equality, Liberty and Fraternity. The social contract in the form of Constitution firmly asserts that religious and linguistic pluralism are the cornerstones of the foundation of Indian Republic. Today all these foundational principles are under tremendous attack.

It must be understood that unity and pluralism are inseparable. If the population is divided, the country cannot remain united. It has become the responsibility of working class to defeat all attempts to create divisions in its rank. Not only it must unite but also become a binding force to unite all the marginalised sections to force a change in the economic and political direction of the country. Today we see attempts to build a myth of invincibility and infallibility of a leader and create space for messiah politics. This situation will lead to authoritarianism and we are already seeing such trends in India. Dr Ambedkar had warned that hero worship and bhakti in politics will lead to a sure disaster. The working class cannot afford to ignore this warning.

The 74<sup>th</sup> Independence Day is an opportunity for marginalised, deprived and working class to come together and place before the nation an alternative vision of economic and social development. The vision of constructing a just fair and equal society must be the guiding force for the struggles of the working class. The working class must make a determined bid to reclaim the Constitutional and Republic values. This should be the task and pledge while we celebrate the 74<sup>th</sup> Independence Day of India.



# DO NOT DERAIL THE INDIAN RAIL...

**It is yet another case of privatization being initiated invoking the often repeated myth of private sector operational efficiency, even as the country is being treated to a good measure of the private sector efficiency standards and the cost at which it will come about during the present Covid-19 virus crisis.**

**N.Sekar**



Indian Railways as the national lifeline is a mammoth organization. It is the largest in the Asia and has the third largest network in the world covering 66,000 route kilometers, on which it runs nearly 21,000 trains each day, employing over 13 lakh people forming a very largest establishment crucial to the economic and social development of the country. It operates through 17 zones, 68 divisions, and has six large production units.

The entire country is reeling under an unprecedented crisis caused by the Covid-19 health emergency. However, we are witness to the government yet again making another far-reaching policy announcement at the most inappropriate time. The Central Government is embarking on a massive spree of privatization of railway maintenance, services and crucially of its critical operations.

The Government has announced its intentions to invite the private sector to run 151 trains on 109 routes. The private players shall be allowed to fix the fare for 35 years. The private companies shall be pay fixed haulage and energy charges for using the infrastructure available with the Railways to run the trains.

The government tries to justify this move citing adoption of modern technology, reduce transit

time, enhanced safety and world class travel experience as being the reasons for the move. The government claims that the proposed PPP (Public Private Partnership) project would save a capex of nearly Rs.30 thousand crores.

The government has been loudly proclaiming that railway infrastructure requires nearly 50 lakh crore by 2030 – under its vision for Railways. It claims lack of such resources. However by its own admission the proposed 5% routes would only yield just .6% of its overall need. Herein lies the fallacy of the argument that it is just 5%. The government like in the case of every other sector thrown open to privatization tries to camouflage the underlying truth by repeating the argument that just 5% of the total routes only are being privatized. We find a striking similarity in the case of the proposed stake sale in the LIC of India.

For the poor and marginalized in India the train is one of the cheapest modes of transportation for longer distances. We operate on a basis of cross-subsidy across class of travel. On a macro scale, the passenger trains are subsidized by the freight revenue (ratio of 1:2.5). Within the passenger trains, the higher classes of travels are made to subsidize the lower classes. That is how a large developing country with huge disparities in income should go about with a crucial public transport system.



**The present case of leasing out of train routes and trains are just perfect example of retaining all laborious and painstaking work with the current organization while parting with the most lucrative parts in favors of private players in the name of PPP. It is another avatar of privatization of profits and nationalization of losses.**



It is nobody's case that 'reform' per se is unwelcome. But, it is the pattern by which the public assets created over long period of time are being handed over to satiate the hegemonic hunger of corporate that defies rationale scrutiny. In June 2015 the Committee under Sri.Vivek Debroy, presently Chairman of the PM's Economic Council, gave its report on Restructuring of Railways. The unification of the eight railway services into Indian Railway Management Service, shrinking the Railway Board from 8 to 5 members, creation of separate arms, Railways Station Development Corporation, skipping of separate rail budget, the proposed Railway Rolling Stock Corporation, all intertwined for a larger corporatization vision, flow out of the report.

The series of events that are unfolding portend well conceived roadmap towards corporatization of the railways in its entirety in the future. The present government's decision to do away with separate budget from 2017 was the first ominous signal taking away a distinct focus that railways received owing to its predominant position in catering to the interests of vast sections of the poor and ordinary people. The public scrutiny available under the epitome of parliamentary democracy was taken away in a whiff.

In order to draw the affluent sections of the society into its garb of "world class standards" the government has sought to invoke the often repeated phrase of 'private sector efficiency' and world class experience. It is yet another case of privatization being initiated invoking the often repeated myth of private sector operational efficiency.

The country is being treated to a good measure of the private sector efficiency standards and the cost at which it will come about during the present Covid-19 virus crisis. The education and health sectors stand out as two examples that give us good account of the long reach of private commercial interests that could overwhelm social equity and economic decencies. These two crucial sectors now remain firmly entrenched as commercially

lucrative private sectors with the Courts in the country feebly stepping in to regulate.

No doubt that Railway network expansion is central to the overall social and economic development. Adoption of latest technology, better comforts, hygiene, better access to differently-abled and the aged, lesser pollution should be our guiding priorities. However, the government is committed by drawing up big budget plans that would create high speed, semi-high speed corridors with world class comforts. Bullet trains capable of running 250 to 350 km per hour for at least 10,000 kms are part of the package which inflates resource requirements.

Already the poor suffer because of the dynamic pricing mechanism. We have a pool of luxurious fully air conditioned trains even on long distances that the poor would never step inside. The Rs.13,000 crore bullet trains connecting Mumbai and Ahmedabad are expected to charge passengers @ Rs.4-5 per Km. It certainly would prohibit any ordinary citizen. The much hyped Tejas are already priced out of the reach of the common poor people.

Many PPP projects have been taking place already silently in many spheres of the Indian Railways. As many as 110 railway stations across the country have been identified to be handed over to private players under PPPs through Indian Railway Station Development Corporation (IRSDC), a nodal agency formed for the purpose. The intent is to lease out the operations for long duration of 65 years. There have been repeated suggestions to monetize land and other assets to fund the resource requirements. Just four railways stations are worth nearly Rs.1,300 worth of projects for which nine private players have evinced interest. The CEO of IRSDC says out of 8,613 railways stations in the country nearly 1,000 are amenable for private operations as they have sufficient passenger footfalls to attract revenue. One could gauge the anxiety of the

**Different approaches are now made to sell assets of the state into the hands of the corporates. PPP in Railway operations is one such dangerous model. The government's move in the long run would surely mean death knell for cheap transport available to ordinary citizens of the country.**



private corporate interests in modernizing Indian Railways. User charges to enter world class stations would naturally follow to make projects viable.

The government has been citing the targets achieved in terms of passenger safety, reduction of non manned level crossings, cleanliness and installation of bio-toilets. However, these measures do not call for massive investments but large empathetic heart.

It is most pertinent to mention here the role of nationalized LIC of India to come to the rescue of the long term capital requirements of Indian railways. In March 2015, the ministry of railways and LIC signed a MOU for 1.5 lakh crore, in tranches of funding over a period of 5 years, for a term of investment of 30 years. The debt carries a moratorium for five years. Payment of interest commences only after 10 years. It is tailor made for both the lender and beneficiary.

The most deceptive slogans of our times "Make in India" is also invoked to lend its charm in 'manufacturing consent'. Make in India initiatives should be evolved with a firm preparatory support system in place. The issue cannot be dealt with by making overtures to the demand side. Rather, the supply side should be strengthened adequately so that quality durable world class products with utility are made available to the industry and the end user so that the Make in India initiatives do deliver. It is to be noted that Indian Railways imports just 1.7 % of its requirements.

The Indian Railway is a large organization providing employment to nearly 13 lakh under nearly 500 job categories. Maintenance and operation of sophisticated equipments involves a fairly high level of knowledge and skills unique to the sector that are not imparted generally part of education. It fulfills the social mandate of inclusiveness, equity to the deprived and marginalized sections of the society with representation of SC and ST employees at all Group A, B & C cadres averaging 16.92 and 7.92 (as on 31.03.2019 – Railway year Book 2018-19) in proportion. Adoption of technology in production, operation and services has been inseparable part of the railway growth over the years. The sheer hard work, unflinching and dedicated commitment of an several generations of unsung heroes lie hidden beneath the successes of Indian railways.

The present case of leasing out of train routes and trains are just perfect example of retaining all laborious and painstaking work with the current

organization while parting with the most lucrative parts in favors of private players in the name of PPP. It is another avatar of privatization of profits and nationalization of losses.

The Social Service Obligation by railways in 2018-19 is assessed at Rs. 38,313.59 crore, constituting 20.17% of the total revenue earnings and 20.06% of the total working expenditure. Railways offers 50 types of concessions costing Rs.1,994 cr, incurs Rs.1,815 cr on strategic lines of national importance, Rs.2,342 cr on unviable routes, Rs.6,753 cr just on suburban services in the cities of Chennai, Kolkatta, Mumbai and Secunderabad, loss of Rs.60 cr on essential commodities. Apart from this it spends Rs.5,097 cr for maintaining the 75,000 strong Railway Police Force.

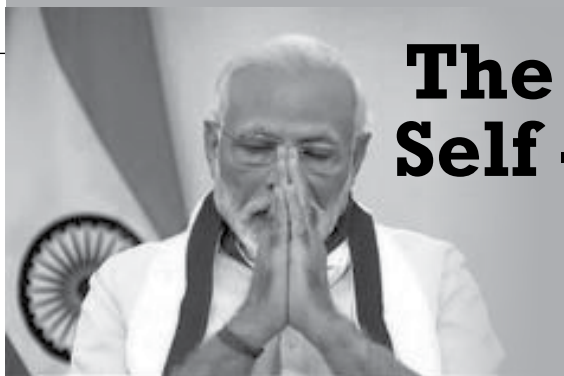
The government states that it does not intend to privatize the railways. But it is obvious it is keen to find alternate means to the same effect. Throwing open private players to own, maintain and operate stations, run trains, charge fares - are all the reasons why privatization is opposed. Now all of that shall happen without privatization as such.

So far PPP has been in the operational periphery of the railway system. The present announcement is the first of its kind whereby a part of the heart and soul is purported to be experimented with. There lies the danger. The government's move in the long run would surely mean death knell for cheap transport available to ordinary citizens of the country.

Different approaches are now made to sell assets of the state into the hands of the corporates. PPP in Railway operations is one such dangerous model. Let us stand together with railway work men and build a larger consensus to oppose such policies in national interest.

(Writer is former Office-Bearer of ICEU Salem)





# The mendacity of Self-Reliant India



**The slogan of “Self-Reliant India” was just eyewash to hood wink people because never Modi government had tried to build a self-reliant India. Rather, they have expedited the liberalization, privatization, globalization process and allowed unfettered entry of foreign capital including FDI to the detriment of self-reliance, self-sufficiency and thereby exposing our economy to vulnerability of global volatility, headwinds and upheaval.**

**Santosh Kumar Mohapatra**

As India redefines national priorities in the face of the Covid pandemic, it has, in the economic context, sought to invoke the objective of self-reliance. On May 12, while announcing stimulus package of worth Rs 20 lakh crore (actually fiscal outgo is mere Rs 2.5 lakh crore), Prime Minister had invoked the “Atmanirbhar Bharat” or “Self-Reliant India”.

But after China’s actions in Ladak, building a “Self-Reliant India” assumed gargantuan proportion in public discourse with vociferous clamour for boycotting Chinese products to teach a lesson to China. But boycotting Chinese products or banning Chinese imports has nothing to do with self-reliance. It is just sort of protectionism reflecting “beggar thy neighbour policy” and will shrink global trade if other countries adopt similar measure.

While one can understand the resentment that Indians feel when they hear about the brutal deaths of their soldiers, turning a border or defence dispute into a trade one is an ill-advised move. The Indian government needs a new and nuanced strategy to counter the belligerent neighbour. Excessive jingoism and calls for a boycott of Chinese goods will not help India in dealing with China. It will harm India more than China given the trade prowess of China. The border question is complex, the economic one is even more complicated.

However, this was yet another selling of dreams to divert the attention of people from

grisly situation pervading in the aftermath of Covid-19 and badly planned lockdown by Modi’s government. However, Indian economy was already slowing down before Corona virus afflicting Indian economy. Indians are worse off under Modi.

All economic indicators have turned negative, and been so for some time: Growth, deficit, trade (exports and imports), investments, savings, employment and so on. Unemployment touched 45 years high of 6.1 per cent in 2017-18, consumer spending scrambled four decades low, employment was reduced for first time in Indian history, growth tumbled to 11 year low of 4.2 percent in 2019-20. Never since 1991 has the Indian economy had experienced such recessionary tendencies or stagnation in its economic data

However, just changing goal posts or slogans does not ensure self-reliance.

The slogan of “Self-Reliant India” was just eyewash to hood wink people because never Modi government had tried to build a self-reliant India. Rather, they have expedited the liberalization, privatization, globalization process and allowed unfettered entry of foreign capital including FDI to the detriment of self-reliance, self-sufficiency and thereby exposing our economy to vulnerability of global volatility, headwinds and upheaval.

In the last six years, before Covid-19 crippling Indian economy, Prime Minister had golden

opportunity to make India self-reliant. He did not make any attempt but acted contrary to it. Attempt was made to allow corporate honchos to accumulate more wealth and expand their stronghold over our economy.

There is telling evidence of New Delhi's rising dependence on Beijing for imports across key sectors. The glaring example is establishment of Chinese Bank in 2018 after a series of successful meetings between Indian Prime Minister and Chinese President Xi Jinping in 2018. Despite having strong public sector banks, Bank of China, the 107-year-old bank has been designated as a Global Systemically Important Bank for eight consecutive years started its operations and it was allowed to sign a memorandum of understanding (MoU) with State Bank of India (SBI) to facilitate corporate clients of both the banks to access each others' banking products and services.

For self-reliant India, contribution of manufacturing sector is very vital. PM Modi's "Aatmanibhar Bharat" resonates in the Indian mind, in resemblance to his call for Make in India in 2014. While launching "Make in India" campaign, PM Modi called it the step of a lion and will boost fledgling manufacturing sector to create 100 million jobs and increase its contribution to the GDP /national output to 25 per cent from the current 17 per cent.

But "Make in India" largely failed to take off in the way originally envisioned, with manufacturing as a share of Indian GDP actually having declined since Modi became prime minister back in 2014. As per World Bank report, the manufacturing as a share of Indian GDP was 15.676 per cent in 1991. It has increased 17.866 per cent in 1995 and 17.304 in 2006. It was 15.066 per cent in 2014 had declined to 13.722 in



Cartoon courtesy: Satish Acharya

2019. But it is 27 per cent in China while 21 per cent in Japan.

India's export, an important ingredient of self reliance, was worst hit during Modi's era too. India's merchandise exports quintupled from \$63.84 billion in 2003-04 to \$314.40 billion in 2013-14, recording a compounded annual growth rate (CAGR) of 17.28 per cent during the period. In the next five years, till 2018-19, however, the CAGR plunged, to just about 1 per cent. In fact, merchandise exports in 2019-20, at \$330 billion, were a bit higher than in 2013-14, at \$314.40 billion. In real term, there is precipitous decline. But, India's total imports grew at a much higher rate at 10.41 percent, amounting to \$514 billion leading to rise of trade deficit.

India's two-way merchandise trade with US aggregated at \$ 87.071 billion in 2018-19 up from \$3 billion in 2000. Start with the trade balance — China's exports to India (at \$70.319 billion) are piercingly higher than India's exports (\$16.752 billion). China's global exports stands at \$2.5 trillion (\$2500 billion) as against India's \$ 330 billion in 2018-19. Similarly, in same period, China's import stands at stands at \$2.1 trillion (\$2100 billion) as against India's \$ 512 billion.

When overall trade is considered, while China is basking in the glory of trade surplus of \$ 400 billion, India is plagued by trade deficit of around \$182 billion. India has only 3.2 percent contribution to China's exports while 0.79 percent to imports. It means, if India does not import from China, China's export will be declined by only 3.2 percent. In retaliation, if China stops importing from India, India's exports will be dwindled by 5.07 percent too.

What is matter of serious concern is that, an overwhelming proportion of Chinese imports are in the form of intermediate goods such as electrical machinery, nuclear reactors, fertilizers, optical and photographic measuring equipment organic chemicals etc. Such imports are used to produce final goods which are then either sold in India or exported.

It is not only Chinese electronics and engineering goods that have swamped India, but also medicines made in China. China has been steadily eroding India's advantage in generic drugs because lack of proper steps by our government. The export of pharmaceuticals, especially generics and drug formulations, is one of India's strengths.

Chinese stake in Indian economy has grown not only through exports but also investments particularly in technology and infrastructure

sectors. Officially, China's FDI in India stands at over \$2.34 billion. A Brookings India paper pegs the total current and planned Chinese investment in India at over \$26 billion now up from \$1.6 billion investment in 2014 .There has been a 12 times growth of Chinese investments in much publicized Indian start-ups over the past few years to \$5.5 billion in 2019 from USD 381 million in 2016.

However, "peace through strength" is a phrase which suggests that economic and military power can help preserve peace. It is quite old and has famously been used by many leaders from Roman Emperor Hadrian in the first century AD to former U.S. President Ronald Reagan in the 1980s. We are opposed to escalation of any military expenditure and all countries should slash it to divert resources for developmental purpose.

But if other countries augment, India needs to enhance its capabilities to maintain balance. India should be economically and militarily as strong as China to pose challenge to latter. Just slogan, creation of war hysteria or boycotting Chinese products will not suffice purpose. But, the real problem is that due to our defective policy, inability to tax rich, India doesn't generate enough resources to strengthen economy. India has one of the lowest tax-GDP ratios in world (for centre, it is 9.8 percent in 2019-20, which is 10 year low)

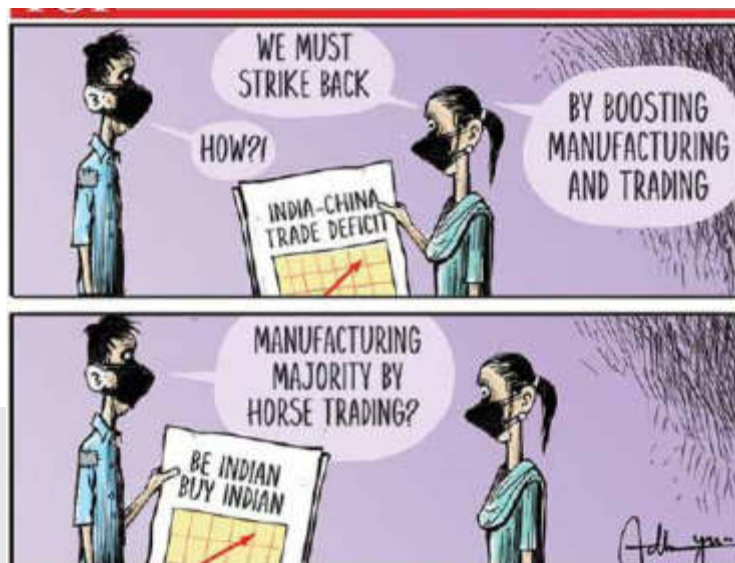
India's with no coherent approach to development lags behind China. While China was behind India when the countries gained independence by 2019 China's GDP was \$14.1 trillion compared to India's \$2.9 trillion. What is concerting is that in other international indicators like hunger, human development, global happiness, per capita income etc, India is lagging far behind. India's expenditure in health; research and development is one of lowest as percentage of GDP in world.

For self reliance, in trade, India should enhance export competitiveness, adopt export promotion and import substitution. But India should produce and export such goods and services more where it has comparative cost advantages. Just banning Chinese

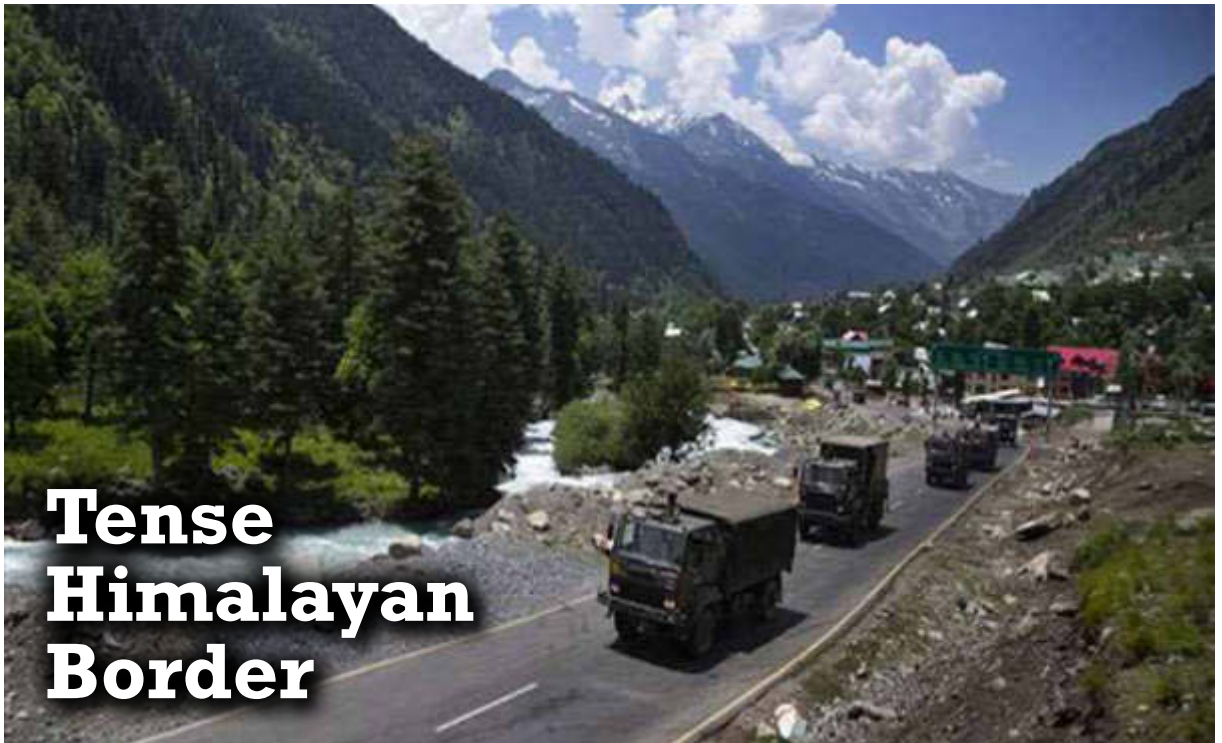
products will make hole in pocket of masses as they will have to purchase product at higher rate than earlier. Further, cottage, small scale industry should be incentivized while there should be control on inflow of FDI. Government should not resort to austerity measures, privatization of public sectors, changing labour laws to the detriment of working class as they are antithesis to self-reliance

For self reliance, people should be allowed to think independently. Scientific temper, research mentality, dissent, reasoning, inquisitiveness, critical thinking/ analysis, ability to ask question, should be encouraged. But India is witnessing undeclared emergency where above are decimated and the very idea of India is in peril. Media has been pounded either by veiled threat or allurements of advertisement for which people are deprived of getting correct information. A 2019 Microsoft study found that over 64 per cent of Indians encounter fake news online, the highest reported amongst the 22 countries surveyed. Without correct information, self-reliant India cannot be dreamed of.

Sociologist Ronald Dore was a great scholar of Japan. During a visit to Delhi in the early 1980s, he wrote a paper on self-reliance in India, sub-titled "Sturdy ideal or self-serving rhetoric". Dore's essential argument was that India needed to learn from the best in the world. A good leader always set target and try to achieve same. But unfortunately, instead of striving for best, present ruling dispensation is comparing its performance with worse of another country or previous government to camouflage its failure. Emulating worse thing cannot help to make any country self-reliant.



Cartoon courtesy:  
Sandeep Adhwaryu,  
Times of India



## Tense Himalayan Border

**Only way forward is very effective diplomacy and friendly relations with neighbouring countries. We can't ignore the growing influence of China in our neighborhood and Indian Ocean. In 1962 we lost a war but fought it. The 1962 war and diplomacy then were described as "Himalayan blunder". If we continue with jingoistic nationalism, we are surely destined for another and bigger "Himalayan Blunder".**

**Vasant Nalvade**

Defence Minister Mr Rajnath Singh took almost one month to give response on Chinese army incursion on Indian Territory. He agreed to presence of sizable Chinese troops on our Territory. Even such subdued response was denied by government within few hours. Surprisingly there was no response on such a serious issue by Prime Minister, External Affairs Minister, Chief of Defence Staff or National Security Advisor till 19th June. The Prime Minister surprised everyone by his statement on 19th June in All party meeting. He said 'neither there is incursion on our land nor any of Our Post is occupied' by others. This statement was in direct contrast to what Defence Minister said and reports in media.

According to some reports, Chinese troops have moved in at Galwan, Hot Spring, Pangog Tso, in Ladakh and Nakula pass in Sikkim since first week of May 2020. This incursion has shifted the line of actual control by 3 to 5 kilometres to the west in Ladakh. Indian patrols are being prevented from

approaching some of their traditional patrolling areas. The presence of thousands of Chinese troops in the disputed area is likely to affect our movement on vital road linking Central and North Ladakh. The earlier skirmishes including Doklam were towards eastern sector bordering Arunachal Pradesh; present disputed area was considered peaceful.

Our surveillance and intelligence was not up to the mark. The experience of Kargil incursion by Pakistan Army finds repetition in present situation. Major section of the media either chose to be silent or defend government by incorrectly informing that de-escalation has begun. Army Chief General M.M. Naravane while responding to press reporters in Dehradun on 13th June 2020, said, 'disengagement has begun from Galwan'. He went on to inform that military talks with China were very fruitful. The bloody scuffle on 15/16 June resulted in loss of twenty brave soldiers including Commanding officer of Bihar Regiment. Ten more

soldiers were held captive by PLA for three days.

In this situation some veteran Army officers like Lt. General H. S. Panag, P.C.Katoch, H.S.Huda and Col. Ajay Shukla took upon themselves to inform the countrymen about prevailing situation on the Ladakh border and express their anguish. These officers have enough expertise and experience. Col. Ajay Shukla writing in business standard, consistently reported that 60 odd square kilometers of Indian territory is occupied by PLA and they have moved armoured vehicles and artillery near to the line of actual control. Lt.General P. C. Katoch while coming down heavily on Government, described the situation as, "China has India in its cross hairs & we need to stand up". The defence & strategic analysts have analysed the prevailing situation as fallout of India's changed posture to it's neighbouring countries. Take Nepal for example, our Army Chief unnecessarily remarked Nepal is acting at the behest of someone else. Unfortunately he forgot that there are Gorkha regiments under his command. This analysis also point out that abrogation of Article 370 and changed status of Ladhak as Union Territory has raised suspicion in China. A report authored by influential Chinese think tank has included these geo political and diplomatic aspects in the report. They also point finger at growing ties between India and USA and attempt to encircle China by US and its allies.

The pseudo patriotic support lobby of BJP resorted to gimmick of "Boycott Chinese goods and deleting apps on mobile phones". Such a campaign can help to raise emotions but can't change the ground reality. The reality is we have antagonised all our neighbours including Nepal. Nepal having very close ties in every aspect has dared to open fire at Bihar crossing and approve revised Map.

Finally on 5th July our NSA Ajit Doval and Chinese foreign Minister Wang Yi held telephonic talks and our declaration stated that disengagement and de

escalation has begun. However there is suspicion about said buffer zone and Chinese army still remains where it was in Galwan' valley, need to be cleared. The petition signed by 144 veteran officers and soldiers to Hon. President, Prime Minister and Others urged the government to formulate the national policy and strategy on neighborhood management, especially China and Pakistan. The sudden urgency of importing defence arms and equipments only exposes our lack of preparation, capabilities and strategy. The illusion and fantasy can be best suited for PR management of domestic audience but not for military confrontation. This hard fact has to be conveyed to government either by Chief of Defence Staff or Army Chief like how General Maneckshaw did in 1971.

Let us come to most important question, what has exactly gone wrong? A full scale war with China is remote possibility, still the question remains are we prepared for such a catastrophe? To take the argument further, can we imagine of a war on two fronts? Let us not forget that three countries having nuclear capabilities are involved in this border issue.

Only way forward is very effective diplomacy and friendly relations with neighbouring countries. We can't ignore the growing influence of China in our neighborhood and Indian Ocean. In 1962 we lost a war but fought it and made China to pay the price. The 1962 war and diplomacy then were described as "Himalayan blunder". If we continue with jingoistic nationalism, we are surely destined for another and bigger "Himalayan Blunder".

(The writer is Former President WZIEA and a veteran of Indian Navy)

Cartoon courtesy:  
Subhani,  
Deccan Chronicle





# का से कहूं

रामचन्द्र शर्मा

राजनीति का हो या समाज का या कहो अर्थव्यवस्था का, सभी का स्वास्थ्य नासाज है। अच्छी खबरें दूर की कौड़ी बन गई हैं। पूंजी बाजार की लगी मंडी में ईमान अब महीन होकर दुर्लभ सा रह गया है। उसके सांचे से निकले और पूंजी डोर से संचालित लोकतंत्र और तानाशाही में वैचारिक अन्तर सिमट सा गया है। ईमान और तर्क अब टूठ से बनते दिख रहे हैं। सत्ता जवाबदेही, सेवा और सामाजिक सरोकारों से निकल 'व्यक्ति' और 'लाभ' केन्द्रीत हो गई है। इलाज जिस तरह से कोरोना जैसी महामारी का नहीं खोज पा रहे वैसे ही लोभ की शिकार राजनीति और अर्थव्यवस्था भी इलाज के अभाव में नासूरी बन विनाशकारी रूप लिये जा रही है। इन पर ध्यान न जाये इसलिए साम्प्रदायिक ध्रुवीकरण और हिन्दू राष्ट्र बनाने की प्रक्रिया तेजी से जारी है। अब तो प्रधानमंत्री के प्रिय मित्र डोनाल्ड ट्रम्प के प्रशासन ने भी भारत में पूरी तरह से 'साम्प्रदायिक विभाजन' हो जाने की रिपोर्ट दी है। देश के नामी उद्योगपति टाटा ने भी देश में धर्म के आधार पर साम्प्रदायिक विभाजन पर चिन्ता प्रकट की है।

कश्मीर का राज्य स्वरूप बदल दिया गया है। देश के संविधान की मुख्य आत्मा लोकतन्त्र, धर्मनिरपेक्षाता, समाजवाद, संघवाद, अभिव्यक्ति तथा प्रेस की स्वतंत्रता पर सीधा कुठारघात करना तेज कर दिया गया है। संविधान को बदलने के लिए राज्यसभा में बहुमत बढ़ाने के लिए अनैतिक कृत्य जोरों पर हैं। चुने हुए विधायकों से इस्तीफे दिलवाकर म.प्र. की सरकार गिराने के साथ राज्यसभा में अपने सदस्य जिताये जाने के बाद अब राजस्थान में वही कृत्य दोहराये जाने की कसरत सामने आ गई है। शीर्ष अदालत के सेवानिवृत्त न्यायाधीश जस्टिस कुरियन जोसफ ने अपने एक आलेख 'बहुसंख्यकवाद नहीं, संविधान ही सर्वोपरि' में इस बात पर जोर दिया है कि "देश में वैधानिक मूल्य पहली बार चर्चा में नहीं आये हैं। भारत के संविधान निर्माता डॉ. भीमराव अम्बेडकर ने भी संवैधानिक नैतिकता शब्द का प्रयोग किया था। यह

**What if the Executive which is expected to safeguard the rights of the citizens and provide relief to the affected, turns authoritarian, treats the victim as the accused, and even comes in the way of the Judiciary in delivering justice?**

देश के नागरिकों को सामाजिक, आर्थिक व राजनैतिक न्याय की गारंटी देता है। यदि संवैधानिक मूल्यों की बात की जावे तो संविधान अनुसार भारत एक संप्रभु, समाजवादी, धर्मनिरपेक्ष, लोकतांत्रिक गणतंत्र है। इस प्रकार इन शब्दों को संवैधानिक मूल्य कहा जा सकता है। धर्मनिरपेक्षता एक सिद्धान्त है जो सोच, आस्था, विश्वास और पूजा संबंधी अभिव्यक्ति की स्वतंत्रता से जुड़ा है। संवैधानिक मूल्यों की रक्षा करना हम सब नागरिकों का कर्तव्य है।" उन्होंने आगे कहा कि जिस देश में साधारण से साधारण नागरिक की आवाज सुनी जावे, उसे महत्त्व दिया जावे, वही लोकतांत्रिक देश है।

आज हमारे देश में जब आम नागरिक की आवाज सुनी ही नहीं जा रही और सुनवाई के रास्ते बंद से हो एकपत्तीय हो गये हैं। सर्वोच्च न्यायालय तक जिसकी भूमिका संरक्षक की है, वही जनसरोकारों से दूर और संविधान पर हमलों पर चुप्पी साध ले तो आमजन को रहत देगा कौन? जस्टिस कुरियन इसी बात पर आगे कहते हैं कि "सर्वोच्च न्यायालय को संरक्षक कहा जाये तो गलत नहीं है क्योंकि संरक्षक अपने द्वारा संरक्षित व्यक्ति के अधिकारों की रक्षा करता है। साथ ही उसके हित की बात करता है। अगर कोई अपने मूल अधिकारों के उल्लंघन के मामले का समाधान चाहता है तो वह सुप्रीम कोर्ट का दरवाजा खटखटा सकता है। सभी भारतीय कहते हैं 'भारत मेरा देश है। सभी भारतवासी मेरे भाई-बहन हैं।' यह इसलिए क्योंकि यहां धर्म, जाति, नस्ल, लिंग आदि के आधार पर भेदभाव नहीं किया जाता।"



लेकिन आज के सत्ताशाह संवैधानिक मूल्यों को ही भूल नहीं गये हैं बल्कि वे संविधान बदलने की फिराक में हैं। इस हेतु राज्यसभा में बहुमत हासिल करने के लिए कोई अनैतिक कृत्य करने से नहीं चुक रहे हैं। न्याय को कैसे प्रभावित किया जा सकता है, उसका ताजा उदाहरण देश के मुख्य न्यायाधीश रहे रजन गोगोई का सेवानिवृत्ति के दो महीने के भीतर राज्यसभा में नामांकित होना हमारे सामने है। समय का चयन देखिये, एक तरफ पूर्व मुख्य न्यायाधीश राज्यसभा में शपथ ले रहे थे और दूसरी तरफ म.प्र. विधानसभा में 21 कांग्रेसी विधायकों के इस्तीफे से खोये बहुमत के कारण मुख्यमंत्री कमलनाथ इस्तीफा दे रहे थे। परिणामतः ज्योतिरादित्य सिंधिया राज्यसभा में पहुंच गये हैं तो भाजपा को राज्य सरकार फिर मिल गई है। चुनाव जीतकर बहुमत चाहे किसी ने हासिल किया हो, उस बहुमत को अपने पक्ष में करने के लिए भाजपा को किसी तरह के अनैतिक कर्म से परहेज नहीं रहा है। वह इसे नंगई से अंजाम देती रही है।

जिस तरह बिना संविधान को बदले संविधान और लोकतांत्रिक मान्यताओं को असरहीन किया जा रहा है ठीक उसी तरह बिना आपातकाल के आपातकाल से भी भयावह तरीके से नागरिक अधिकार खत्म किये जा रहे हैं। अंग्रेजों के जमाने में 1897 के बने आपदा कानून के जरिये नागरिक अधिकार जब्त किये जा रहे हैं। जब चाहे धारा 144 लगाना, जब चाहे किसी को नजरबंद कर लेना, जब चाहे किसी को देशद्रोही, नक्सल आदि कहकर गिरफ्तार कर लेना जैसे हथकंडे आजमाना आम हो गया है। दिल्ली में 90 दिन से अपनी असहमति जताने के प्रजातांत्रिक अधिकार का इस्तेमाल करते हुए संशोधित नागरिकता कानून के खिलाफ शाहीनबाग में महिलाएं शांतिपूर्ण धरने पर बैठी हुई रही थी, पर मुकदमें दर्ज कर दिये गये हैं। इस स्थिति का लाभ उठाकर भाजपा की केन्द्र तथा राज्य सरकारों ने हजारों लोगों को देशद्रोह के आरोपों में जेल में डाल दिया। मुख्यतः जेएनयू, जामिया मिलिया, हैदराबाद, अलीगढ़ मुस्लिम विश्वविद्यालय के छात्रों, शाहीन बाग के सत्याग्रहियों पर झूठे मुकदमें लगा जेल में डाल दिया गया है।

हम भूले नहीं है कि दिल्ली उच्च न्यायालय में जस्टिस एस.मुरलीधर ने हर्ष मंदर और नकवी की एक याचिका पर सुनवाई करते हुए संशोधित नागरिकता

कानून को लेकर उत्तर-पूर्वी दिल्ली के विभिन्न हिस्से में भड़की सांप्रदायिक हिंसा में संलिप्त लोगों को गिरफ्तार करने और प्राथमिकी दर्ज करने के निर्देश दिये परन्तु उसी रात को उनका स्थानान्तरण हो गया। इस हिंसा में 30 लोगों की मौत हो चुकी थी और करीब 250 लोग घायल हुए थे। तब हाई कोर्ट ने सख्त टिप्पणी करते हुए कहा है कि इन नेताओं के खिलाफ पहले क्यों नहीं कार्रवाई की गई। निर्णय कैसे प्रभावित किये जाते हैं। यह इसका जीता जागता उदाहरण है। भड़काऊ बयान देनेवाले भाजपा नेताओं पर 24 घंटे के अंदर एफआईआर दर्ज तो नहीं हुई बल्कि जस्टिस मुरलीधर के स्थानान्तरण के बाद बेंच बदलते ही सुनवाई ठंड पी गई। अब याचिका दर्ज करनेवाले मानवाधिकार कार्यकर्ता हर्षमंदर आरोपित किये गये हैं तो पुलिस की मौजूदगी में खुलेआम भड़काऊ भाषण देनेवाले कपिल मिश्रा और केन्द्र में मंत्री पद पर सुशोभित लोग छूटे घूम रहे हैं।

सुप्रीम कोर्ट बार एसोसियेशन के अध्यक्ष दुष्यंत दवे ने 23 मई को 'महामारी के दौर में न्यायपालिका की भूमिका' विषय पर एक वेबीनॉर में कहा कि "सुप्रीम कोर्ट कोविड-19 लॉकडाउन के दौरान देश के नागरिकों के मूल अधिकारों की रक्षा करने की अपनी संवैधानिक भूमिका के अनुसार काम करने में विफल रहा है। श्री दवे ने प्रवासी मजदूर संकट पर सुप्रीम कोर्ट के रुख की विशेष रूप से आलोचना की। सुप्रीम कोर्ट ने कार्यपालिका के दावों पर विश्वास किया और प्रवासी मजदूरों के मामले में किसी प्रकार का सार्थक हस्तक्षोप करने से परहेज किया। उन्होंने कहा कि जज आइवरी टॉवर पर बैठकर भारत के नागरिकों के दुखों के प्रति आंखों पर पट्टी बांधकर नहीं रह सकते हैं।"

इसी दौर में हमने देखा कि सुप्रीम कोर्ट ने कोरोना वायरस के टेस्ट को लेकर 8 अप्रैल 2020 को एक बड़ा फैसला सुनाया। कोर्ट ने कहा कि सरकार ऐसा तंत्र बनाए, जिसमें सभी देशवासियों का कोविड-19 टेस्ट मुफ्त हो। ये टेस्ट प्राइवेट लैब में भी मुफ्त हों और इस टेस्ट की रकम के पुनर्भुगतान करने की व्यवस्था

**If the Home Minister who is responsible for the law and order in the country, speaks the language of the law-breakers and even indulges in the manoeuvres of influencing the judiciary, who can provide security to the people and how can they secure justice? The answer is very complicated.**

Cartoon courtesy: Kirthish, BBCNews Hindi



सरकार करे। इस दौरान एक अन्य याचिका में शीर्ष अदालत ने कहा कि – डॉक्टर और मेडिकल स्टाफ कोरोना से लड़ाई में योद्धा हैं। उनके लिए समुचित सुरक्षा किट, उपकरण व इंतजाम सुनिश्चित किये जावें। विडम्बना देखिये कि सरकार जहां इनके लिए सुरक्षात्मक उपाय करने में विफल रही वहीं वेतन तक देने में नानुकर करती रही। 12 जून 2020 को सर्वोच्च न्यायालय ने युद्ध में जिस तरह सैनिक को नाराज नहीं किया जा सकता उसी तरह कोरोना महामारी के दौर में चिकित्सकों व स्वास्थ्य कर्मियों को सरकार नाराज नहीं करे, कहते हुए इन्हें पूरा वेतन के आदेश दिये। परन्तु इसी दिन इसी कोर्ट ने मजदूरों के लिए लॉकडाउन के दौर में कम्पनियों को पूरा वेतन देने के मामले में छूट देते हुए कम्पनी और मजदूरों के बीच आपसी सहमति बनाने और इसमें श्रमविभाग की मध्यस्थता करने की बात कर पीड़ित मजदूरों के लिए एक दूसरा रवैया अख्तियार किया।

इसी तरह प्रवासी मजदूरों की गुहार याचिकाओं को समय रहते जब वे सार्वजनिक परिवहन के अभाव में मजबूरी में सड़कों पर पैदल चल रहे थे, तब तो सुना नहीं परन्तु जब सोशल मीडिया पर उसकी चैतर्फा आले?चना हुई तो बाद में जून महीने में स्वतः संज्ञान ले सरकार से कहा कि इन्हें 15 दिन के अन्दर अपने गांव-?घर को पहुंचाये जबकि तब तक करीब करीब जानेवाले अपने घरों को जा चुके थे। वहीं अस्पतालों की बढ़ंतजामी और शवों की हो रही दुर्दशा पर स्वतः संज्ञान ले सर्वोच्च न्यायालय ने 12 जून को सख्त रवैया अपनाया। केन्द्र और दिल्ली सरकार के अलावा महाराष्ट्र, गुजरात, प.बंगाल और तमिलनाडु सरकार को नोटिस जारी कर जवाब मांगा। हालांकि इससे पहले अहमदाबाद के सिविल अस्पताल में कोरोना मरीजों की हो रही दुर्दशा पर गुजरात उच्च न्यायालय ने कड़ी फटकार लगाते हुए उसे कालकोठरी की संज्ञा दी थी।

इस महामारी के दौर में ही नहीं पिछले कुछ समय से विशेषकर नरेन्द्र मोदी की सरकार के दुबारा सत्तारूढ़ होने के बाद से सुप्रीम कोर्ट का जनहित में हस्तक्षेप न के बराबर रह गया है। पीड़ित की सुनवाई मखौल बनती जा रही है। कार्यपालिका जिसका दायित्व नागरिकों के मूलभूत अधिकारों की रक्षा करते हुए पीड़ित को राहत और न्याय दिलाने में उसकी सहायता करने का है, बदली हुई राजनीतिक परिस्थितियों में वह सत्ताशाह की अनुकूलता के वशीभूत होकर न केवल पीड़ित को आरोपी बना रही है बल्कि न्याय करने में न्यायपालिका के भी आड़े आ रही है। जिस गृहमंत्री पर देश में कानून-व्यवस्था बनाये रखने और नागरिकों को सुरक्षा देने का दायित्व है, वहीं जब दंगाई भाषा और दमन को प्रेरित करता हो और न्यायपालिका तक को प्रभावित करने के कारनामों में लिप्त हो तो आमजन की सुरक्षा कौन करेगा और न्याय कैसे मिल सकेगा? इस सवाल का उत्तर मिलना बड़ा ही पेचीदा हो गया है।



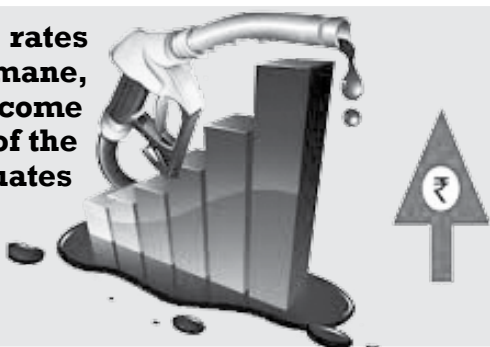
Between, say December 25, 2019, and June 23, 2020, world crude (brent) oil prices have fallen by nearly 37 per cent. They had fallen by over 60 per cent between end-December and mid-April, but there has been some price-recovery since then; even so, the decline in world prices till June 23 has been quite dramatic. In India however, over this very period, petrol and diesel prices have been going up sharply and are now higher than ever before; in fact diesel prices have increased even more sharply than petrol prices and the difference between the two has largely disappeared.

This increase in oil prices in India is entirely a result of the central government raising the tax rate on these products to garner larger revenue. Choosing oil as the commodity on which tax rates have to be raised however is not only inhumane, especially in the midst of a pandemic when income sources have virtually dried up for the bulk of the working people, but also senseless: it accentuates the problem of deficient aggregate demand, and hence further reduces employment opportunities, compared to almost every other means of raising resources.

The argument which the government spokesmen would put forward is that petrol and diesel are commodities which are largely used by the well-to-do; hence increasing their prices is a convenient means of raising resources without hurting the poor. But this is a completely false argument. The poor are heavy indirect consumers of petro-products through their personal use of public transport; in addition, they are hit very hard by the fact that higher oil prices, via higher freight transport costs, raise the prices of all commodities including the most essential goods. Here, the even sharper rise in diesel prices, which impinge on freight costs even more heavily than petrol prices, is particularly burdensome for the people.

The importance of freight costs for the living standard of the working people was underscored by a study done for the Indirect Taxation Inquiry Committee which found that, let alone petro-

**Choosing oil as the commodity on which tax rates have to be raised however is not only inhumane, especially in the midst of a pandemic when income sources have virtually dried up for the bulk of the working people, but also senseless: it accentuates the problem of deficient aggregate demand, and hence further reduces employment opportunities, compared to almost every other means of raising resources.**



# The Absurdity of Hiking Oil Prices

Prof. Prabhat Patnaik

products, even the prices of “tyres and tubes” had a major impact on their cost of living.

Oil, in fact, is what is called a universal intermediary, that is, a current material input that enters into the production of every other good including even agricultural goods like foodgrains. And of all the various means of raising revenue, imposing a tax on a universal intermediary is unambiguously the most regressive.

Leave aside direct taxes, it is even more onerous in a general sense than any other kind of commodity taxation. Suppose for instance the government levies an indirect tax on some commodity which is not a universal intermediary. Then either it will have no impact whatsoever on the prices of other commodities (if it is not an input at all into the production of anything else), or would raise the prices of only a limited set of other commodities (for whom it serves as an input). But if it is a universal intermediary, then it raises the prices of every other good, including those consumed by the poorest of the poor, such as foodgrains.

Coal, oil and (non-coal and non-oil-based) electricity are the three most important universal intermediaries, which enter directly or indirectly into the production of every commodity in the economy. Any government mindful of the hardship imposed by an inflationary squeeze on the people, would therefore refrain from raising the prices of any of these universal intermediaries; but alas not the BJP government.

This is a government known as much for its heartlessness as for its mindlessness. The Indian constitution mandates that when an asset is taken away from someone by the government to serve a “public purpose”, that person must be compensated for the loss of the asset, for the asset is a source of income. But the BJP government clearly violated its constitutional obligation of providing a compensation to the working people whose income source was taken away by the sudden declaration of a lockdown. To date no cash payment has been made to the workers for their loss of income because of the lockdown, unlike in almost every other country in the world.

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Cartoon courtesy: Alok Nirantar

Coal, oil and (non-coal and non-oil-based) electricity are the three most important universal intermediaries, which enter directly or indirectly into the production of every commodity in the economy. Any government mindful of the hardship imposed by an inflationary squeeze on the people, would therefore refrain from raising the prices of any of these universal intermediaries; but alas not the BJP government.....By far the best way of reducing the fiscal deficit is through wealth taxation. Since wealth taxation falls on the very rich, whose consumption levels are hardly affected by tax payment. But BJP government won't touch it.

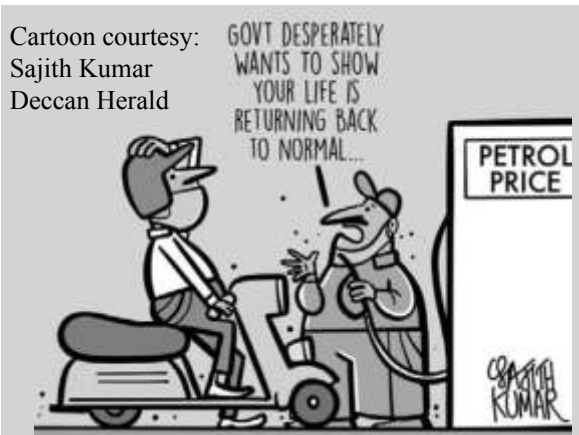
But to make matters infinitely worse, during this very period, it has used the taxation of a universal intermediary to garner resources, which will come largely at the expense of the working people.

This measure however is not just against the interests of the people; it is totally senseless as well. The government of late has been spending in excess of its revenue, which has increased its fiscal deficit. It wants to reduce this deficit, which is why it is now taxing oil. Now, compare two ways of raising Rs 100 for reducing the deficit: one by a uniform proportionate rise in income tax rates, and the other through taxing a universal intermediary like oil.

Since the poor do not pay any income tax, the entire burden of the rise in income tax rates will fall on the relatively better off segment of the population. Since this segment also saves a fraction of its income, a part of the tax payment will come out of its savings; its consumption therefore will be lowered not by Rs100, but by, say, 80. The reduction in demand caused by the reduction in the fiscal deficit will be Rs 80.

But if the same Rs 100 is raised by taxing oil, a part of the burden falls on the poor, who have almost zero savings; it is only the remaining part that falls on the segment of the population which saves. Hence while raising Rs 100, say Rs 50 comes from the poorer segment that does not save and Rs 50 from the better off segment that does, and this Rs 50 in turn reduces consumption of the latter by Rs 40 and savings by Rs 10 (assuming an impact of tax payment on consumption and savings in the same ratio as in the above example, ie, 80:20).

Cartoon courtesy:  
Sajith Kumar  
Deccan Herald



The total reduction in consumption because of the tax therefore is Rs 50 (from the poor) plus Rs 40 (from the consumption of the better off segment), which comes to Rs 90. Taxing oil in other words, precisely because it squeezes the consumption of the poor, reduces demand to a much greater extent than raising income tax revenue.

By far the best way of reducing the fiscal deficit is through wealth taxation. Since wealth taxation falls on the very rich, whose consumption levels are hardly affected by tax payment, Rs 100 of wealth taxation levied upon them more or less entirely comes out of their wealth (or savings) with negligible reduction in consumption. In this case, the reduction in demand will be zero. In this way of reducing the fiscal deficit therefore will cause no reduction in employment.

Finally, suppose the government did not do anything to reduce the fiscal deficit; then again there would be no reduction in aggregate demand and hence in employment and output. But since any fiscal deficit is financed by borrowing, ie, putting claims upon the government in the hands of those who save in the private sector, it increases wealth inequality in the country. It puts wealth in the form of government securities in the hands of the saving segment, and hence the better-off segment, of the private sector.

It follows then that wealth taxation is the best option, since it does not increase wealth inequalities and does not reduce aggregate demand. Keeping the fiscal deficit going, increases wealth inequality but does not reduce aggregate demand. Taxing incomes does not increase wealth inequality but reduces aggregate demand somewhat, while taxing oil, though it does not also increase wealth inequality, has the most damaging effect of all on aggregate demand. From the point of view of aggregate demand and wealth inequality, wealth taxation is by far the best option. In its absence the government would do better by resorting to some other form of direct taxation rather than taxing oil. Taxing oil is the worst among all tax-options since it has the most deleterious effect on the level of output and employment.

\* This article was originally published in the Peoples Democracy on June 28, 2020.

# The way in which it was executed India's Lockdown itself became source of virus's spread



**If we look at COVID-deaths, and correct for population size, all countries in Africa and Asia, including India and China, come out much better. But within this region, India's performance is notably bad. In terms of COVID deaths rate, India is doing worse. Quite how this policy disaster happened will take time to uncover. But one thing has now become clear. The way in which the lockdown was executed, the lockdown itself became the source of the virus's spread, by having people huddle together, infecting one another, and then having the same people travel hundreds of miles. This double shock is showing up on all economic indices.**

**Kaushik Basu**

*Professor at Cornell University and former Chief Economist and Senior Vice President, World Bank*

(Courtesy: Indian Express July 8, 2020)

India's COVID-19 numbers are surging. In terms of the total number of infections, the country has rapidly risen through the ranks to now occupy the third place in the world, behind the US and Brazil, having overtaken Russia over the weekend.

If instead of counting COVID infections, which have a large margin of error, we look at COVID-deaths, and if we correct for population size (as indeed we should), all countries in Africa and Asia, including India and China, come out much better. But within this region, India's performance is notably bad. In terms of COVID deaths per million population, that is, the Crude Mortality Rate, India is doing worse than China, Indonesia, Sri Lanka, Nepal, Bangladesh, Malaysia and many other nations, including most of Africa.

How did this happen when India was one of the first emerging economies to announce the lockdown? The total lockdown did make many observers worry about the economy. It was felt that, since COVID mortality seems to be much lower in Africa and Asia (maybe because of our younger population or some innate immunity), we should not mimic and try to outdo rich European

and North American nations in terms of the severity of the lockdown. There clearly had to be a lockdown, but it should have been carefully targeted and curated for our region.

There is an open question about how much economic loss a nation should take in order to slow down the pandemic. In some early writings, I had raised these matters and at the same time appreciated the early action of our government. What happened subsequently turned out to be a double shock. India's economy is spiralling down and the pandemic is spiralling up. The accompanying graph sums up the story. I am very disappointed about what is happening. The lockdown, announced on March 24, far from controlling the spread of the pandemic, seems to have made it worse. Two weeks after the start of the lockdown, the infection rate picked up and it has been on an alarming upward climb since then.

Why did this happen? India's lockdown has been described widely as the most stringent in the world. At the time of the announcement, with a four-hour notice, there was a natural

**INDIA'S JOURNEY TO A MILLION COVID CASES**

Date	Total Cases	Days Taken
18-May	1 lakhs	109
02-Jun	2 lakhs	15
12-Jun	3 lakhs	10
20-Jun	4 lakhs	8
26-Jun	5 lakhs	6
01-Jul	6 lakhs	5
06-Jul	7 lakhs	5
10-Jul	8 lakhs	4
13-Jul	9 lakhs	3
16-Jul	10 lakhs	3



Cartoon courtesy: Panju Ganguli/ facebook



Cartoon courtesy: Alok Nirantar/ facebook

Cartoon courtesy: Kirtheesh, BBC News Hindi



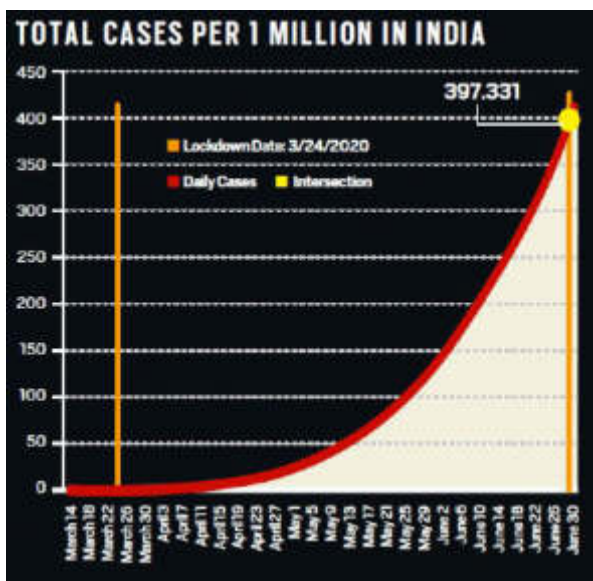
On July 16, the total number of infections crossed one million mark. As on July 20 the total infections recorded was 1, 155,191, of which 724,578 have recovered and active cases were 402,529. Total deaths: 28084.

During last 10 days the new cases and deaths were as follow

July 10	26620	520
July 11	27715	540
July 12	28211	499
July 13	26967	536
July 14	29829	580
July 15	31438	641
July 16	34424	676
July 17	33685	676
July 18	35738	550
July 19	38835	682
July 20	35705	601



Cartoon courtesy: Satish Acharya/ facebook



news all over the world, of tens of millions of poor Indians trying to walk hundreds of miles to get home, were tragic. In addition, it damaged India's global image; India got far worse international press than it may have received any time since independence. The Economist magazine (June 13) estimated that India issued "well over 4,000 different rules" during the first two months of the lockdown, many of those rules being corrections of many of those rules.

Quite how this policy disaster happened will take time to uncover. But one thing has now become clear. The way in which the lockdown was executed, the lockdown itself became the source of the virus's spread. By having people huddle together, infecting one another, and then having the same people travel hundreds of miles, the pandemic has been made much worse than it need have been.

expectation that the government had plans of how to handle the sudden stoppage of work and movement of people, and the break in supply chains. But there was no evidence of any of these ancillary actions. I do not have enough information to know what plans there were, but the total absence of any supporting action, to ramp up testing, expand the medical sector and to help the millions of stranded poor workers, was baffling. It was almost as though some people in government — bureaucrats and even some politicians who are part of this government — had decided to sabotage the Prime Minister's lockdown by sitting back and doing nothing. We know that in the case of South Africa, which also went for a severe lockdown, immediately after the announcement, there was a massive step up in building hospital facilities and testing centres. One did not see that happen in India. In most countries, after the lockdown announcement, minimal transportation was kept open, letting people go home. In India, for weeks there was no sign of any effort to handle the problem of migrant workers, huddled and hungry, far away from home.

This double shock is showing up on all data. India's growth, which had already been on a steady downward trajectory for two years before the pandemic, has now dropped even lower. The IMF has predicted India will end up with a growth rate of -4.5 per cent in 2020, which will be the lowest growth India has seen since 1979. There was an expectation that capital would move out of China because of the pandemic, and India would be a beneficiary. But that has not happened. The big beneficiary seems to be Vietnam and a few other nations, and, ironically, China seems to be holding back a lot of its foreign investment. The unemployment rate in India in May climbed to an astonishing 23.5 per cent, compared to Brazil's 12.6 per cent, the US's 13.3 per cent and China's 6 per cent. China's official data on unemployment needs to be taken with caution, I hasten to add. But that does not detract from India's disproportionate poor economic performance and the fact that this price was paid for no purpose.

I am assuming that for such a major announcement with a four-hour notice, there must have been a team of senior bureaucrats who knew and planned this policy in advance. And I know how talented India's bureaucracy is. Surely, they should have acted to execute the plan. The stories that appeared in the

migrant workers, huddled and hungry...





## Kerala model vs Gujarat model

**During the 2014 general elections, Narendra Modi and the BJP unleashed propaganda extolling the virtues of the 'Gujarat model' of development. Although Gujarat ranked among India's industrially advanced states even before Modi became chief minister there, in terms of quality of life indicators, Gujarat lags Kerala even today. The disparity between the two states is more glaring in terms of health infrastructure. The urban-rural divide is also more glaring in Gujarat. Covid-19 has punctured an embarrassing hole in the so-called 'Gujarat model' of development whereas Kerala's development experience continues to impress the world.**

**K N Ninan**

(Courtesy: Deccan Herald 9/7/2020)

Kerala became the toast of the international media for the effective way in which it tackled the Covid-19 pandemic early on. On May 14, The Guardian praised Kerala Health Minister KK Shailaja for her leadership, calling her 'The Coronavirus Slayer' and 'Kerala's Rockstar Health Minister'. The article noted that as soon as reports emerged about the virus from Wuhan, the minister consulted medical experts and, after a meeting of a rapid response team on January 24, set up a control room and instructed medical officers in the state's 14 districts to do likewise. Kerala also adopted the World Health Organisation (WHO) protocol of 'test, trace, isolate and support' to tackle the pandemic. When the first visitors arrived from Wuhan and later from the Gulf and European countries, Kerala was well-prepared. Kerala's experience in controlling the Nipah virus in 2018 also proved handy.

When the countrywide lockdown was

imposed from March 25, Kerala had the highest number of Covid-19 patients in the country after Maharashtra in the initial weeks. Yet, three months later, Kerala ranks among the states with the lowest number of infections, and a Covid-19 fatality rate of just 0.5%, as against the national average of 3%. Whereas Gujarat, with the fourth-highest number of infected persons, reports the highest fatality rate (5.5%), more than that of Maharashtra (4.3%). Despite a spike in Covid-19 cases in Kerala recently due to returning migrants, Kerala has reported only 25 Covid-related deaths so far, as against 1,906 deaths in Gujarat.

As is well-known, right from the 60s and 70s, the United Nations and international development agencies have praised the Kerala model of development. Although Kerala lagged other Indian states in terms of economic growth, it was noted that in terms of social and health parameters, such as literacy levels, life expectancy



and infant mortality rate, Kerala's performance was like that of the developed countries. But during the 2014 general elections, Narendra Modi and the BJP unleashed propaganda extolling the virtues of the 'Gujarat model' of development. It is therefore appropriate to review how the two states have fared during the Covid-19 pandemic.

Although Gujarat ranked among India's industrially advanced states even before Modi became chief minister there, in terms of quality of life indicators, Gujarat lags Kerala even today. Literacy level in Kerala at 94% is much higher than in Gujarat (79%). As per the 2019 National Health Profile, infant mortality rate (IMR) in Kerala was just 10% as against 30% in Gujarat and 38% in rural Gujarat. Under-5 mortality rate in Gujarat was 49%, compared to 12% in Kerala. Poverty level in Gujarat was 16.6% compared to 7% in Kerala as per 2011-12 estimates. Per capita income (net state domestic product) in Kerala was estimated at over Rs 2 lakh as against over Rs 1.9 lakh in Gujarat during 2018-19.

The disparity between the two states is more glaring in terms of health infrastructure. Using data from a study by Princeton University on state-wise hospital infrastructure in India covering the public and private sectors, it is seen that as against WHO norm of one doctor per 1,000 population, Kerala reported 1.68 registered doctors per 1,000 population, compared to 0.97 for Gujarat. The number of nurses per 1,000 population in Kerala was 8.52, compared to 2.33 for Gujarat. Kerala reported 2.81 hospital beds per 1,000 population, as against Gujarat's 0.94. In terms of ICU beds and ventilators per 1,000 population these figures for Kerala were 0.14 and 0.07 respectively, compared to Gujarat's 0.05 and 0.02.

The urban-rural divide is also more glaring in Gujarat. As per Rural Health Statistics for 2018-19, although Gujarat had a higher number of Primary Health Centres (PHC) than Kerala, the average rural population served by a PHC in Gujarat is double that in Kerala. . Gujarat even reported

92 PHCs without any doctor whereas there were no such PHCs in Kerala. The Niti Aayog's Health Index (HI) comprising of 23 indicators for 2017-18 clearly show that Kerala leads other Indian states with an HI of 74; Gujarat trailed at 63.5. Kerala's

Kerala's progressive policies since decades, investment in public health and education, robust local government institutions, a well-functioning public distribution system in urban and rural areas, community mobilisation, apart from aggressive testing, tracing, isolation and treatment of vulnerable or infected people has enabled Kerala to tame the Covid-19 pandemic. While lakhs of jobless, hungry migrant labourers in some states made a beeline to return to their home states, Kerala took good care of them by setting up over 4,600 relief centres housing about 1.5 lakh migrant labourers. Besides, all households were given free rations for three months to cope with the lockdown. The crowning moment for Kerala was the recovery of a 93-year-old man and his 88-year-old wife from Covid-19 despite having co-morbidities.

Gujarat's sorry state of affairs is due to corruption in the purchase of defective ventilators which led to a spike in Covid-related deaths; problems in enforcing social distancing in congested areas of Ahmedabad, return of people who attended a religious convention in Delhi, pressure from some business groups to relax the lockdown conditions, faulty delivery system which hampered aid reaching targeted beneficiaries, and lack of transparency in disclosing the Covid-19 situation in the state.

The worst indictment of the state government's handling of the pandemic was a recent judgement by the Gujarat High Court which branded the civil hospital in Ahmedabad, where more than 45% of Covid-related deaths took place, as "worse than a dungeon". Covid-19 has punctured an embarrassing hole in the so-called 'Gujarat model' of development whereas Kerala's development experience continues to impress the world.

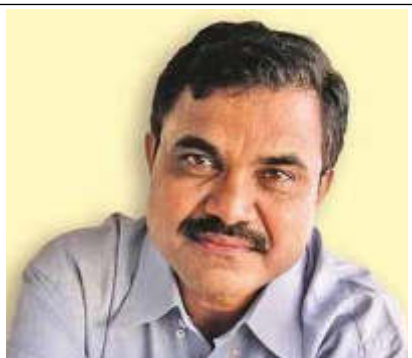
(The author is an economist)



Cartoon courtesy:  
Sajith Kkumar  
Deccan Herald



Cartoon courtesy:  
E.P.Unny,  
Indian Express



## Encounter, legally

**The loneliness of Varavara Rao, Anand Teltumbde, Sudha Bharadwaj tells a disquieting tale about state and us.**

**Pratap Bhanu Mehta**

(Courtesy: Indian Express July 18, 2020)

Anand Teltumbde, one of India's important and courageous thinkers, just turned 70 in prison. He, along with Sudha Bharadwaj and others, is being held in the Bhima Koregaon case. They are being repeatedly denied bail. Varavara Rao, poet and Maoist intellectual, contracted COVID and has been subject to degrading and humiliating conditions at the age of 80. The overwhelming power that the Unlawful Activities (Prevention) Act gives to the state, the sheer impunity with which government can treat this group of accused, the Kafkaesque role of the judiciary in denying bail and making procedural safeguards ineffective, and the deafening political silence on their detention, all warrant deeper reflection. The accused in the Bhima Koregaon case are not the first to be victimised in this way; and they will not be the last. The UAPA is being used to target protest from Assam to Delhi.

Anand Teltumbde's work, particularly "Republic of Caste", presciently forecast his own condition. He, like the others, has drawn support from the usual petition-writing crowd of intellectuals. But his case provides a disturbing window on the political loneliness of a genuine intellectual in Indian conditions.

Here is a well-known Dalit intellectual being put in prison and yet no serious political protest, even from Dalit politicians. Teltumbde had, in another context written, "When Sudhir Dhawale, a Dalit activist, was arrested in 2011 on the trumped up charge of being a Naxalite and incarcerated for nearly four years, there was hardly any protest from the community." This phenomenon of figures like Teltumbde not drawing broader political support requires some reflection. Teltumbde himself, in part, attributed this to divisions amongst Dalits, and their greater faith in the state. But his work points towards a subtler reason.

For all of India's handwringing, that we need to escape identity politics, there is a great antipathy to anyone who tries to escape it. Teltumbde is one

of those rare figures who argued that the Left and liberals failed to take caste seriously, and caste mobilisation failed to take class and economics seriously. But the result is a kind of suspension in between two constructions: Most of society does not get outraged because he is often reduced to being a Dalit intellectual; Dalits don't get outraged because he becomes a "Left" intellectual. The blunt truth is that, if we leave the rarefied world of petitions, the only modality of protest that is politically effective is the one that has the imprimatur of community mobilisation behind it. If you can show a community identity is affected, all hell will break loose; without it, there is no political protest.

Teltumbde was also prescient about the way the term "Left" is used in India. Teltumbde himself is closer to the Left in his economic imagination. But the rhetorical function of the "Left" in India is not to describe the contest over the free market versus the state. The rhetorical function of the "Left" is to describe any ideological or political current that, while recognising the importance of identity, wants to escape its compulsory or simplistic character; so any broadly liberal position or a position that distances itself from "my community right or wrong" also becomes Left. For Hindutva, anyone who resists or transcends the narcissisms of collective identity becomes "Left." But the same is increasingly true of other identities — Maratha, Jat, Dalit, Rajput. "Left" is anyone who complicates identity claims. That, rather than secular versus communal, is the big chasm in Indian politics. But the result is that if you are labelled "Left" in this way, you will have no political protection.

The charge of Maoism is the hyper version of this

“Left” in the context of Adivasi mobilisation. Which is why the entire political class, and so much of India’s discursive space, keeps invoking the “Left” spectre. And Teltumbde was insightful in thinking that once you had been labelled Left in India, it was easy to secure a diminution in your legal and cultural standing. Even the Courts will turn off their thinking cap. It is in this that the genuine intellectual enterprise is a lonely one, whose disastrous political consequences Teltumbde is facing.

The Bhima Koregaon cases also throw a spotlight on so many state institutions. The UAPA, and its ubiquitous use is a travesty in a liberal democracy. The lawyer, Abhinav Sekhri, has, in a recent article (“How the UAPA is perverting the Idea of Justice”, Article14.com) pointed out two basic issues with the law. The law is designed in a way that it makes the question of innocence or guilt almost irrelevant. It can, in effect, inflict punishment without guilt. The idea that people like Teltumbde or the exemplary Bharadwaj cannot even get bail underscores this point. And second, the safeguards of our criminal justice process work unevenly at the best of times. But in the case of the UAPA, the courts have often, practically, suspended serious scrutiny of the state. What legitimises this conduct of the court is two things: The broader ideological construction of the “Left” as an existential threat. And the impatience of society with procedural safeguards. The UAPA has in some senses become the judicial version of the encounter — where the suspension of the normal meaning of the rule of law is itself seen as a kind of justice.

The state has been going after Varavara Rao for his entire life. He is a complicated figure. He is an extraordinarily powerful poet who made visible the exploitative skeins of Indian society; his poetry, even in translation, cannot fail to move you out of a complacent slumber. He was formidable in consciousness raising. Of this group, his ideological excusing of horrendous Maoist excesses, has been indefensible and disturbing. His moral stance once promoted a deeply meditative critique on the morality of revolutionary violence by Apoorvanand (“‘Our’ Violence Versus ‘Their’ Violence”, Kafila. online).

But the farce that the Indian state is enacting in pursuing Varavara Rao in the Bhima Koregaon prosecutions is proving him correct in two ways. First, in his insistence that what is known as bourgeois law is a sham in its own terms; the rule of law indeed is rule by law. And second, that repression and degradation is indeed the argument of a despotic state. Where does one turn when law, political parties and the state turn their back on justice?

The writer is contributing editor,  
The Indian Express

## Air India Unions Oppose ‘Leave Without Pay’ Scheme

The Air India’s leave without pay (LWP) scheme, as part of its cost cutting drive to tide over challenges brought about by the COVID-19 pandemic is being opposed and challenged by the employees’ unions. According to the unions, the scheme while protecting the top officials will lead to the “victimisation of the staff,” including its pilots, service engineers, and ground staff among others.

On July 7, the airline’s board approved the LWP scheme for its permanent workforce, the period for which ranges from six months to five years. The scheme is voluntary in nature. However, in case of a satisfactory response not forthcoming from employees, it reportedly authorises the airline’s chairman and managing director to pass an order whereby employees – identified based on various factors including “suitability”, “efficiency” and “redundancy” among others – can be asked to go on leave. The list of employees for both, those who opt for the scheme and those being forced to, needs to be prepared by the national airline’s regional and departmental heads by August 15.

According to the staff notice sent on July 14, the employees identified to be sent on leave will not be entitled to basic or dearness allowances or any other benefits including pension, gratuity, provident fund and increment. These employees will also have to vacate staff quarters or rent it back at market prices from the airline, according to Business Standard.

There are over 11,000 employees on the airlines payroll (including its subsidiaries), of which only the minority, though substantive, are contractual employees. Moreover, the LWP scheme is also being seen as part of a process to reduce employee strength ahead of the slated privatisation of the national carrier. The last date of bidding for Air India is August 31.

In March, Air India had announced that it had decided to cut salaries of all employees by 10 per cent for three months – a move which also drew ire for being against the Centre’s directive of not cutting wages of laying off employees amid the COVID-19 lockdown. The Unions in Air India are trying to forge a joint front to challenge these measures of the Government.

## AIIEA formation day observed in South Zone

All the Divisional Units in South Zone observed the 70<sup>th</sup> formation Day of AIIEA with various programmes including Flag hoisting, Badge wearing, meetings, social welfare activities etc. In this connection SZIEF conducted a virtual meeting in the evening on July 1<sup>st</sup> in which Com. Amanullakhan, senior leader of our movement also participated. Com, Sreekanth Mishra, General Secretary, AIIEA delivered key note address on "AIIEA always ahead in all the ways". In his presentation he analysed the secrets behind the growth of AIIEA as one of the best sections of the working class and its successes. Right from its formation in 1951 AIIEA tried to inculcate the values of freedom movement and values of working class. He observed that the ability to look out for the future with correct political understanding and a firm belief that the democratic rights are mother to all TU rights, commitment to secularism, building broader unity etc are some of the important ingredients of our vision. AIIEA never took soft options to become a reformist union. Even on issues like anti reservation struggles in Gujarat, Assam agitation, Ayodhya movement which resulted

in demolition of Babri Masjid, Jammu & Kashmir issue etc AIIEA never compromised on its correct TU political understandings even when many TUs were afraid to take a stand on those issues. AIIEA did a marvelous job in uniting the employees, in developing unity with others and becoming part of global working class movement.

Past time were never easy for us, but we overcame all challenges. When AIIEA enters the 70<sup>th</sup> year also the times are very difficult, but we will overcome because AIIEA believes in the revolutionary potential of working class and the supreme power of human beings which can bring change in the society, he added.

Com. PP Krishnan, President, SZIEF presided over the meeting. Com T Senthilkumar, General Secretary, SZIEF welcomed the participants and Com. IK Biju, Joint secretary proposed vote of thanks. Nearly 400 comrades participated in the meeting. This virtual meeting on the occasion of the Formation Day reminds us that when the situation and challenges are new our methods also should be new to take our movement further forward.

## Water Coolers donated to Hospital at Kanpur

The Kanpur Division Insurance Employees' Association celebrated the foundation day of AIIEA on July 1 by donating two water coolers with the capacity of 80 litres to Government Medical College (GSVM) at Kanpur which is designated as a Covid Hospital. Additionally, the KDIEA also donated to the Hospital three nickel plated three seater benches. The Hospital authorities greatly appreciated this gesture of the organisation



## IT IS AN EXCELLENT GESTURE

Com Sumit Bali, Secretary, NZIEA, Branch Committee 12 G, New Delhi was tested positive for Covid 19. Fortunately he was cured of this infectious disease. Since he is a regular blood donor, he decided to donate blood plasma for the treatment of other Covid patients. Accordingly on 12<sup>th</sup> July 2020, he donated the blood plasma at Delhi Government's Institute of Liver and Biliary Sciences located at Vasant Kunj. His gesture came in for wide appreciation.

Insurance Worker congratulates Com Sumit Bali on his recovery from the disease and records its appreciation for donating blood plasma.

# LIC Employees hold protest against Economic Policies of NDA Govt.

Employees of LIC of India in Jammu & Kashmir under the banner of NZIEA Srinagar Division held protest today on 3<sup>rd</sup> July 2020 against the anti people economic policies of the NDA Government as per the call of ten Central Trade unions including CITU and independent Federations like All India Insurance Employees' Association by wearing Badges highlighting the demands. The programme at Srinagar was led by Com. A.M.Tantray, president NZIEA Srinagar Division and at Jammu, by Pawan Gupta, Divisional Secretary of the Association. Speaking on the occasion at D.O.Cell Jammu, Com. Pawan Gupta lambasted on the NDA Government strongly condemning its economic policies. He said that the workers and the marginalised sections have been worst affected. It is estimated that more than 120 million workers lost jobs as a result of the lockdown. There is a massive attack on the rights of the workers and LABOUR LAWS are so changed to condemn the workers to slavery of capital. He strongly opposed the agenda of the government for PRIVATISING ALL THE PUBLIC SECTOR enterprises and opening the economy to full blast of both the domestic and foreign capital. Important sectors of the economy like financial sector, ports, mines, space, defence etc. are being opened fully for the exploitation of the private capital. He opposed the decision of the Government to LIST LIC IN STOCK EXCHANGE. He strongly opposed the move to increase FDI in insurance sector and FDI



in Pension sector. He DEMANDED WITHDRAWAL OF GST ON INSURANCE PREMIUM as it is adversely affecting the policyholders and the life insurance business. He extended solidarity and support to this call of the Central trade unions and said that such situation provides an opportunity for bringing together all the sectoral struggles to build a gigantic common struggle. All the members here participated in the programme including Romesh Chand (Joint Secretaries), Vice President, Com. Dinesh Kumar Sharma, Treasurer, Raj Kumar Sharma, Rajesh Kumar, Raj Kumar, Nanak Chand, Kishore Lal. In Srinagar, Ajaz Ahmad Dar, Fyaz Ahmad Gul, Amar Jeet Singh, Bashir Ahmad Bhat, Abdul Majid Sheikh, Nadeem Ul Rehman and others.

## Blood Donation Camp in Ludhiana Division

The AIIEA unit of Ludhiana Division celebrated the foundation day of AIIEA on 1<sup>st</sup> July by organisation a blood donation camp. The camp was organised in association with the Institute of Chartered Accountants of India, Local Chapter. The camp evoked good response. This organisation of camp was timely as there was need for blood donors in view of the Covid 19 pandemic. The Blood Donation camp came up for wide appreciation.



# Insurance News in brief

■ A.M. KHAN, DHARWAD

A latest report by Swiss Re forecasts that though the Covid-19 pandemic is expected to lead to the deepest recession since the 1930s, global insurance premium volume will rebound to pre-crisis levels by the end of 2021. Analysing further it mentions that in 2019, global premiums grew steadily at just below 3% in real terms. Life sector growth slowed to 2.2%, stronger than the 1.5% average of the previous 10 years. We estimate that the COVID-19 crisis will slow life premium growth by 4.5 ppt this year and next, leading to 1.5% aggregate market contraction. Demand for group and individual savings business will be hit by rising unemployment and falling incomes; individual mortality business should be more stable. At 3.5%, non-life premium growth in 2019 was slightly above the 10-year average. The Report estimates that a 1.1 ppt pullback in premium growth, making for aggregate sector expansion of 1.6% over 2020-21. Motor, trade, travel and commercial rather than personal lines will likely be hardest hit. The emerging markets will outperform in both life and non-life. The Report also forecasts that the life premiums in advanced markets are set to contract sharply. The non-life sector will be less affected by the COVID-19 crisis as improving rates are supporting premium growth. The emerging markets will outperform in both sectors.



Premium growth in the emerging economies strengthened to 7.7 per cent in 2019. China alone reported an increase of 12 percent. As per Swiss Re forecast China's share of global premium will continue to rise rapidly to around 18 percent in 2030. Excluding medical insurance is running to become the largest insurance market in the world by mid 2030.



Standard & Poor in its latest Global Ratings' Report predicts that the second wave of COVID-19 pandemic will prove great losses to insurance companies particularly to life insurance companies. Global insurers have proven resilient during the first wave of the COVID-19 pandemic, as their capital strength has helped stave off widespread downgrades; however, insurers' capital buffers will erode through the second half of the year as financial market losses and insurance claims pile up, particularly for industrial lines re/insurers. "The risk of insurers' invested assets losing value still outweighs the risk of rising insurance claims, particularly for life insurers and those with thin capital buffers," the Report says.



IRDA has set up a working group to suggest insurance products covering various risks involved in use of drones, as drones are emerging as one of the fasts growing technology and are being used for variety of purposes and are playing a significant role in the current covid-19 situation by assisting various authorities in several activities.



Insurers in India have initiated a discussion on the growing need for a policy which covers business interruption losses due to a pandemic. As of now such a loss is not covered by insurance companies as it does not involve damage to property. But the present situation which witnesses huge loss caused to businesses has set the ball rolling in the insurance sector.



To address various risks that have been triggered by the Covid-19 pandemic, the IRDA is considering to set up a 'pandemic risk pool' which also will offer protection in case of similar crisis in the future. IRDA has formed a nine-member committee to form the structure and operating model for the pool and submit its report in eight weeks.



The IRDA has directed insurers to ensure availability of cashless facility at all the network providers (hospitals) empanelled with them as the policyholders are entitled to avail cashless facility for Covid-19 treatment at such hospitals. It has asked insurers to take appropriate action against hospitals in case they deny cashless facility to policyholders and deviate from the agreed terms of the service level agreements. In cases, where the policyholder's interests have been severely affected because of the hospitals, the regulator has asked the insurance companies to report such hospitals to appropriate government agencies. If the hospitals deny the policyholders of such a facility, the insured can send a formal complaint to the insurance company.



A survey by Max Life Insurance in partnership with Kantar, a research firm, finds that the coronavirus pandemic has changed people's priority on saving money. Instead of saving for children's education or marriages, the Indian middle-class group is now saving money to meet uncertain healthcare expenses. Covid-19 treatment, medical emergency, loss of income, and untimely death of the earning member, are among bigger concerns for the middle-class Indians than their kids' future education



With number of Covid-19 cases increasing and a dire shortage of hospitals, the IRDA has asked insurers to recognise make-shift or temporary hospitals permitted by the government for settlement of health insurance claims.



## Economic Tid Bits

■ J.SURESH, MYSORE

### IRANIAN SUGAR WORKERS STRIKE ENTERS FOURTH WEEK:

The strike by Iranian workers at the Haft Tappeh Sugar Plant has entered its fourth week. On 4<sup>th</sup> July Haft Tappeh Workers protested outside the Local Governor's Office before marching into city centre. Workers are demanding 3 months of arrears of wages owed to them along with social welfare and Medical Insurance Payments. They are also calling for the Sugarcane Complex to be brought back to Public ownership. The Complex built more than 50 years ago was privatised in 2015.

### ISRAEL'S SOCIAL WORK STAFF BEGIN INDEFINITE STRIKE FROM 6TH JULY:

Social workers in Israel began a nationwide indefinite strike. This followed a breakdown in talks between the Israel Union of Social workers and the Israeli Finance Ministry on 5<sup>th</sup> July. The workers are protesting low pay and heavy workloads along with threats of violence against them. According to Union, over 1000 Social work post vacancies as Employees struggle to fill them because of low pay and work overload. Run up to the strike, workers held protest in several cities including Jerusalem, Tel Aviv and Haifa.

### ONGOING PROTESTS BY REDUNDANT WORKERS AT DEBENHAMS IN IRELAND (EUROPE):

Former workers of the UK based retail-Company Debenhams have picketed its 11 stores in Ireland. The Company closed its Irish Operation in March with the loss of 2000 jobs. Pickets were mounted by workers demanding a fair redundancy package. Jobs in retail, hospitality, travel and manufacturing have been hard hit by the Pandemic.

### STRIKE BY HEALTH WORKERS IN BOSNIAN CAPITAL SARAJEVO:

Over 3000 Bosnian health workers in Sarajevo, including nurses, radiologists and lab technicians walked out indefinitely on 8<sup>th</sup> July. They are demanding a pay supplement for coping with the COVID-19 crisis in line with that paid to Medical staff.

### UK.CAR WORKERS AT NISSAN SUNDELAND PLANT PLAN RALLY TO PROTEST PENSION ATTACK:

The Japanese car manufacturer NISSAN is proposing to close its defined pension benefits scheme at its factory in Sunderland in North East, England. Many of the nearly 6000 workers in the scheme have been in it for more than 20 years and stand to lose big benefits. The Union called protest rally on 4<sup>th</sup> July.

### MEDICAL DOCTORS ON INDEFINITE STRIKE IN NIGERIA:

Doctors in Cross River State, Nigeria walked out indefinitely to oppose the State Government's lack of action on COVID-19. The Nigeria Medical Association

accused the authorities of putting doctors and residents in a precarious public health and safety situation.

### MUNICIPAL WORKERS SOUTH AFRICA PROTEST

Hundreds of Municipal workers demonstrated on July 3<sup>rd</sup> outside the Kwazulu-natal Provincial Treasury Offices to demand a previously agreed wage increase. They were also demanding risk allowance for continuing to work in dangerous conditions during the Country's COVID-19 Lockdown.

### STRIKING NURSES ARRESTED AT HOSPITAL IN ZIMBABWE:

Striking nurses were arrested by police on July 6<sup>th</sup> in Harare, Zimbabwe. The arrests were an attempt to stop protests by the thousands of Zimbabwe nurses. Nurses Association members are on strike for a living wage.

### UNITED AIRLINES THREATENS TO AXE 36000 JOBS:

Chicago based United Airlines announced on 8<sup>th</sup> July that it would furlough up to 36000 airline workers or 45% of its work force in US. The company is planning to lay off from 1<sup>st</sup> October, 2020. The cuts are part of a General bloodletting in the US and International Airline Industry. American Airlines has already implemented to cut 20 to 30% of its staff through a combination of forced retirements and involuntary furloughs.

### GERMANY AUTO MAKER OPEL CUTS COMPANY PENSIONS:

The OPEL Group and its parent company PSA want to make significant cuts in Company Pensions. In the last three years since the French PSA group bought OPEL and VAUXHALL from General Motors, already destroyed 4000 jobs at OPEL's German Plant alone. BATH IRON WORKERS STRIKE IN US CONTINUES: The strike by 4300 shipbuilders at the Bath Iron Works in Maine(US) is continuing into its 3<sup>rd</sup> week. The strike began on 22<sup>nd</sup> June over contract issues with workers voting by 87% to reject demands by General Dynamics, the Shipyard operator for a big expansion of outside contract Labour. The last contract in 2015 contained a wage freeze and other concessions that management claimed would help secure additional work for the Shipyard. While the Company has fattened its profits off massive increase in military spending and Corporate tax handouts enacted by the Trumps Administration and noting is going back to the workers.

## Working Class Struggle

■ S. SRIDHAR, MYSORE

- ▶ A member of the US Federal Reserve Board has warned that the financial crisis that threatened to erupt in mid-March when markets in all assets essentially froze – could return unless the Covid-19 pandemic is brought under control. He also said that the US is still “in the middle of the crisis”. He also warned that there may be a wave of substantial bankruptcies and that could feed into a financial crisis. He insisted that Fed’s policy of providing trillions into financial markets now extended to the purchase of Corporate debt, including junk bonds had to continue. Due to this, the market capitalisation of US stock exchanges has increased by more than \$ 7 trillion since mid-March. Between mid-March and mid-June, the net worth of more than 640 US billionaires rose from \$ 2948 trillion to \$ 3,531 billion. The combined wealth of five richest men in America grew by \$ 101.7 billion or 26% during this period.
- ▶ According to a latest report of UNICEF, the Covid-19 has made severe impact on the hunger and other health issues threatening the future of 600 million South Asian children. Of the 600 million children, 240 million lived in “multidimensional poverty” and estimates that more than 120 million additional children will fall into poverty during the next six months. This is mainly because of disruption of health services, education and deteriorating sanitary conditions and weakened child protection due to pandemic. An estimated 7.7 million children under five years of age already suffer from severe wasting caused by inadequate dietary intake or diseases and over 56 million are stunted. Of these stunted children, 40 million live in India – a country that boasts of 130 billionaires, and the world’s third largest military budget, alongside mass destitution. 30% of Sri Lankan families had already reduced their food consumption and a similar percentage had lost all their income. In Bangladesh, some of the poorest families can no longer afford three meals a day.
- ▶ Official unemployment in USA stands at 11.9%. Although lower than the rate in April and May, 14.4% and 13% respectively, more US workers are out of work than at the peak of unemployment during the last recession at 10.6% in January 2010 following 2008 crisis. Continued claims for US unemployment benefits rose on an unadjusted basis by more than 838000 to 17.3 million. The real unemployment numbers in the US are also very likely undercounted as official numbers do not include workers out of work who are not eligible for State or Federal unemployment assistance.
- ▶ OECD has projected a 6% annual decline in global GDP for 2020 and an OECD-wide unemployment rate of 10% at the end of 2020. It also states that by 2021, real income per capita in majority of OECD countries will have fallen back to the levels of 2016. If there is a second wave, real per capita income would fall to 2013 levels. Between fourth quarter of 2019 and the second quarter of 2020, GDP is projected to have collapsed by about 15% on average across the OECD, reaching -23% in Spain, -22% in France and -21% in Italy and United Kingdom. The report says the main impact of the economic collapse has been on a lower-paid worker in essential industries and young people. This year’s graduates, referred to as the “class of Corona” are faced with poor chances of finding employment or work experience and they will be affected for a longer period, as the earlier experience of crisis has shown.
- ▶ The International Monetary Fund (IMF) has significantly increased its forecast for the contraction in the global economy, warning that it will take a cumulative \$ 12 trillion hit over 2020-21. Updating its forecast, the IMF said the global contraction for 2020-21 would be -4.9%, some 1.9 percentage points below the forecast of April. This would leave 2021 Gross Domestic Product (GDP) some 6.5 percentage points lower than the pre-pandemic projections of 2020. The decline in hours worked by labour during the first quarter was equivalent to the loss of 130 million jobs. The loss in the second quarter is expected to be equivalent to 600 million jobs. The IMF also pointed to the contraction in the world trade, close to 3.5% in the first quarter because of weak demand, the collapse of cross-border tourism and by trade restrictions. The IMF also predicts that the government debt as a proportion of GDP in advanced economies will exceed the levels reached as a result of world war II and will rise to 130% of GDP compared to 120% of GDP during second World War.



People's money grows: LIC has witnessed a 23% rise in its equity portfolio during the first quarter of FY21. The market value of the companies in its portfolio swelled to ₹ 5.27 lakh crore as of June 30 from ₹ 4.30 crore on March 31. LIC acted well using the COVID adversity and creating opportunity out of it due to availability of quality stocks at rock bottom prices and attractive valuations.



Top brand: LIC continued to be among the world's top 100 brands by value in 2020. According to the Brandz Top 100 Most Valuable Global Brands 2020 ranking, LIC stood at the 75th position with a brand value of \$17.5 billion.



LIC's term assurance: For a long time, the complaint has been that LIC's term assurance premiums were higher. The problem was not that LIC was charging more, but that the others were charging much less. Now, reinsurers have realised that it doesn't work, as a result of which they have raised premiums by 20%. Private companies are not in a position to absorb this hike and some have passed it on to their customers. In another two months, it is expected that private players will raise their rates further. Then, LIC's term products launched last year, with lower premiums, could be the cheapest ones available in the market.



LIC Premium from EPFO: As per the Employees' Provident Fund Scheme, 1952, account holders can pay premium due on a life insurance policy - taken by the member on his own life - financed from his EPFO account. As per the scheme, a member can apply for it before the Employees' Provident Fund commissioner in such form and in such manner as may be prescribed by the Commissioner. On receipt of such application, the Commissioner or an officer authorised by him may make payment on behalf of the member to the Life Insurance Corporation of India towards premium due on his policy. Provided that no such payment shall be made unless the premium is payable yearly.



Job loss insurance: Government of India has sought suggestions from IRDAI and the General Insurance Council of India on how the job loss insurance (or unemployment insurance as known as in the US and EU countries) scheme can be developed for working class Indians. India does not have a full-fledged job loss insurance in place at the moment. Some general insurers sell this insurance as one of the benefits available under health or home insurance products. These are more like bundled insurance products in the nature of loan protection insurance.



Pandemic risk pool: In order to address various risks that have been triggered by the Covid-19 pandemic, IRDAI has set up a nine-member

## For our Field Forces

■ ARIVUKKADAL, THANJAVUR

committee to analyse the need for a 'pandemic risk pool', which will also offer protection in case of a similar crisis in the future.



Covid-19 tariff: The General Insurance Council has announced an indicative rate chart for COVID-19 hospitalisation claims. The rates will be applicable to both cashless and reimbursement claims. However, in case a government authority has prescribed treatment charges in a state or city, those charges will apply. The Council-devised charge structure will be reviewed every month.



Covid-19 Cashless: IRDAI has announced that policyholders are entitled to avail cashless facility for Covid-19 treatment directed insurers to ensure availability of cashless facility at all the network providers (hospitals) empanelled with them.



Arogya Sanjeevani: IRDAI has allowed all general and health insurance companies to increase the sum insured on the standard health insurance product beyond ₹ 5 lakh. Insurance companies are allowed to make this change with immediate effect.



Non-life growth: Gross direct premiums underwritten by non-life insurance industry saw a growth of 7.83% in June is due to the pick-up in the health insurance segment, but motor insurance remains under pressure. However, gross premiums underwritten by general insurance players fell 4.24% in the first three months of current financial year.

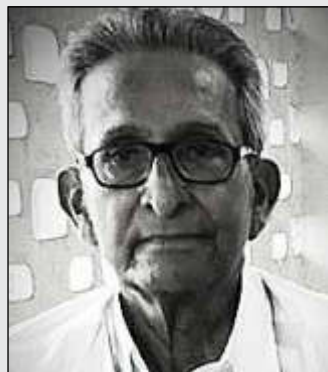


Record Growth: Indian insurers collected a record ₹ 7,245 crore in health insurance premiums in this quarter till May end so far as fear of rising healthcare exigencies in the wake of the corona virus outbreak gripped masses across the country. Insurers underwrote premiums of ₹ 6,705.20 crore in April-May period of last year. Standalone health insurance companies underwrote a total premium of ₹ 1,876.31 crore during April-May this year, a more than twofold increase from ₹ 870.26 crore in the same period last year.



Premium may rise: Health insurance premiums may rise by 20-25%. Insurers' pricing calls will be influenced by their view that morbidity risks have gone up post-Covid and also by higher regulatory compliance costs, especially in medical insurance where regulator IRDAI has issued new coverage norms.

## COM SUBHAS CHOUDHURY



Com. Subhas Choudhury, a veteran leader of insurance employees expired in the evening of 11th July at 89 years of age. He was a victim of Covid 19. He was rushed to a hospital but before the start of any treatment, he passed away.

Com Choudhury was an employee of Railway Co-op Insurance Society, Kolkata before nationalisation. After the establishment of LIC, he became a very active cadre of AIIEA. He demonstrated his leadership and organisational skills during the first country wide general

strike on 5th December, 1956. He played a very important role in unity the employees and took up the task of imparting correct political and ideological education to the cadres.

He spent most of his life in a dilapidated mess near Sealdah Station. Few years back he had to move to an Old Age Home in Salt Lake Area when the owner decided to demolish the old mess building. But he continued to visit party office on a regular basis. He was loved by all. He was an ideal communist. Insurance Worker deeply condoles the death of Com Subhas Choudhury.



## COM A.K.LAL

Com.A.K.Lal a prominent leader of insurance employees in Chhattisgarh passed away on 6<sup>th</sup> July 2020 after prolonged ailment. He was 67.

Com A.K.Lal was the founder member of Raipur Division Insurance Employees' Association and Central Zone Insurance Employees' Association. His activities were not just limited to the insurance industry. He played important role in consolidating the trade union movement in Chhattisgarh and discharged responsibilities as the General Secretary of CITU, Chhattisgarh State Committee. He also worked as the General Secretary of Raipur Divisional organisation of AIIPA. Com Lal was a part of the Indian delegation to SIGTUR (Southern Initiative on Globalisation and Trade Union Rights) Conference held at Perth, Australia in 2013.

Com A.K.Lal had deep commitment to the working class philosophy. Through his humility and simplicity, he earned the love and respect of the insurance employees. His death is a great loss to the insurance employees and working class movements. Insurance Worker deeply mourns his untimely death and shares the grief with the bereaved family and hundreds of his friends and comrades. Long Live Com A.K.Lal.

## COM. SARADINDU BAGCHI

Com Saradindu Bagchi, a veteran leader of insurance employees in Kolkata passed away due to a massive heart attack on July 19, 2020. Com Bagchi served the organisation as the General Secretary and President of Kolkata Divisional unit of AIIEA. He also discharged responsibilities as the Vice-President of Eastern Zone Insurance Employees' Association. Insurance Worker mourns his untimely death and shares the grief with the bereaved family and friends.



### CONSUMER PRICE INDEX

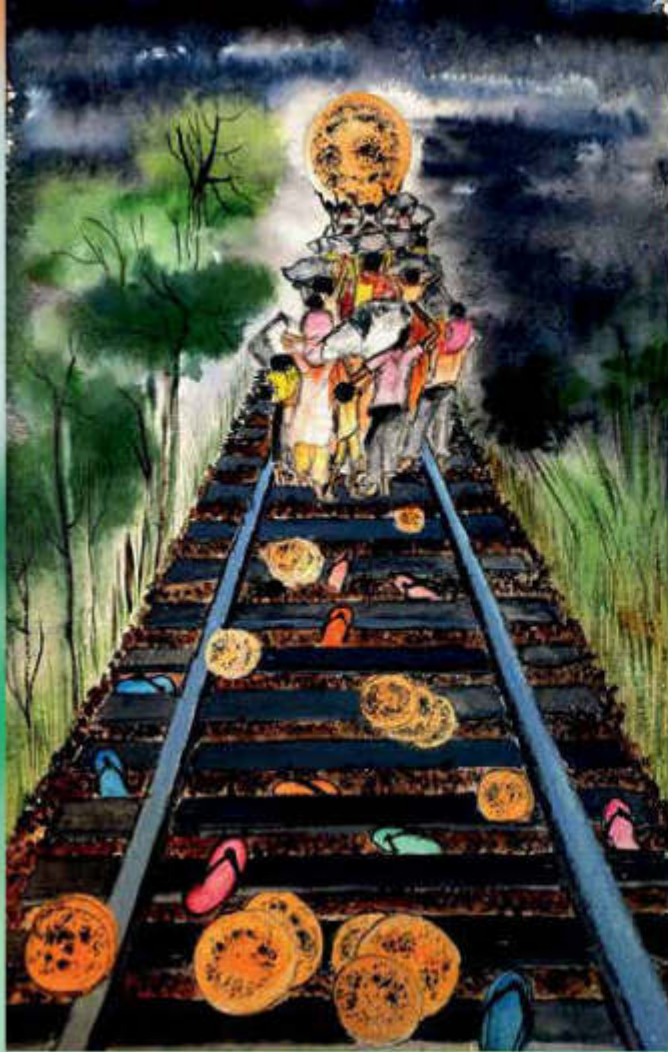
Month	Base 2001	Base 1960
September	322	7349.94
October	325	7418.42
November	328	7486.90
December	330	7532.55
January 2020	330	7532.55
February	328	7486.90
March	326	7441.24
April	329	7509.72
May	330	7532.55
Base 1960=Base 2001x22.8259		

### DONATIONS

Com. Debasish Mukherjee,  
Jt. Sec.  
IEA Jamshedpur DO Rs.2000

Shri. C. Madhusudana (Manager  
F&A)  
DO Dharward Rs.5000

Insurance worker heartily  
thanks these comrades for  
their love and affection

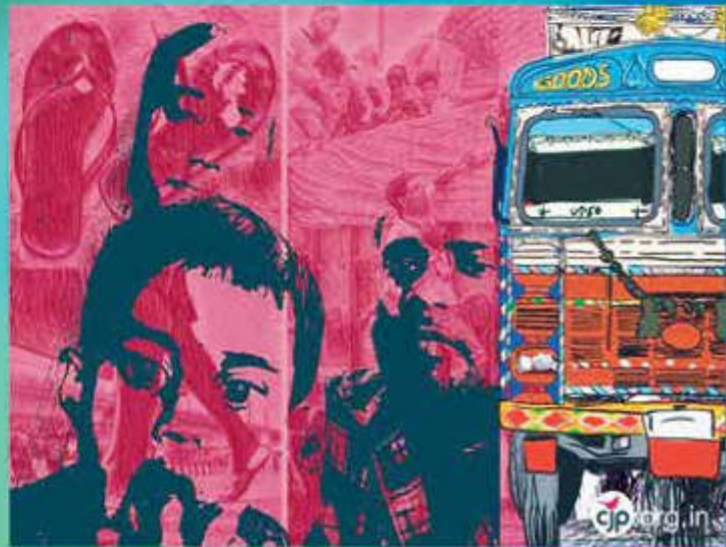


**LOCKDOWN**

**-AS SEEN BY THE ARTISTS**



Labani Jangi, Courtesy:ruralindiaonline

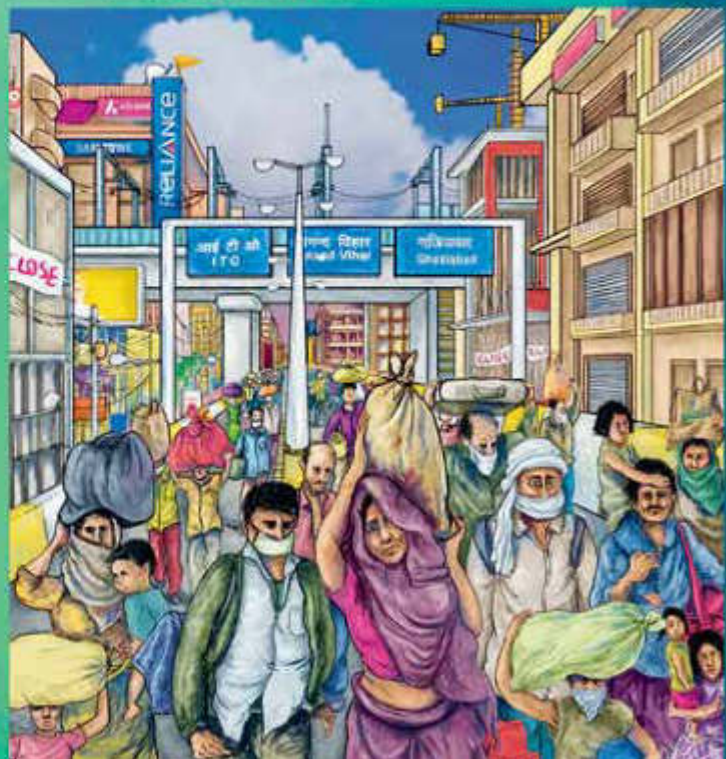


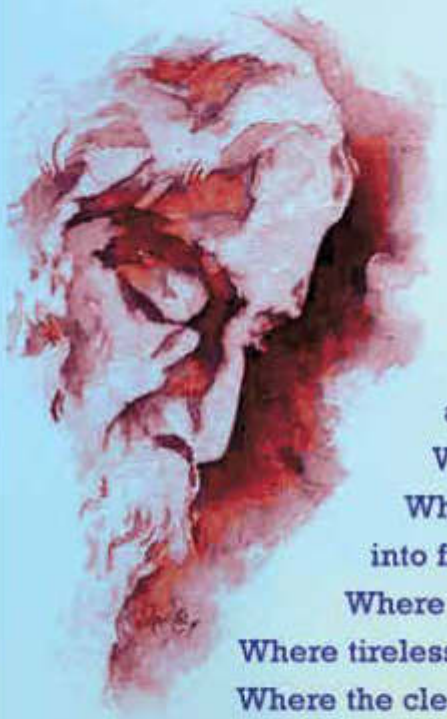
Courtesy: [sabrangindia.in/migrant-diaries](http://sabrangindia.in/migrant-diaries)

Vikas Thakur, Courtesy:Tricontinental



Couetesy:BBC News India





Where the mind is without fear  
and the head is held high;  
Where knowledge is free;  
Where the world has not been broken up  
into fragments by narrow domestic walls;  
Where words come out from the depth of truth;  
Where tireless striving stretches its arms towards perfection;  
Where the clear stream of reason has not lost its way into the  
dreary desert sand of dead habit;  
Where the mind is led forward by thee into ever-widening thought and action  
Into that heaven of freedom, my Father, let my country awake.

- Rabindranath Tagore

