

# insurance Worker



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**BUDGET 2019-20:  
NO RELIEF, MORE CUTS DESPITE  
UNPRECEDENTED MANDATE**



**DISAPPOINTS INSURANCE SECTOR**

*Treading the beaten path  
Huge Concessions & 'Labour Reforms'  
for the Corporates & Hollow claims of  
GAON, GARIB, KISAN*



- TRICKERY OF FISCAL PRUDENCE
- MORE OF THE DISMAL SAME
- ENDOWMENT TO FINANCE CAPITAL

**THE CRISIS OF  
NATIONALISM**



**TOWARDS  
DESTRUCTION  
OF FEDERAL STRUCTURE**



**ONE NATION  
ONE ELECTION**



**THE ROLE OF CAPITAL  
IN WAR & PEACE**





WITH BEST COMPLIMENTS FROM



**NAGPUR DIVISIONAL LIFE INSURANCE  
CORPORATION EMPLOYEES' UNION**

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Bangalore - August 11, 2019



## Union Budget Fails to Tackle Pressing Problems

The Indian economy is going through a serious crisis. The growth rate is faltering, unemployment is at a record 45 year high, agriculture is in deep distress, both domestic savings and consumption is declining. The NDA I successfully skirted these issues and kept them away from discussion during the election campaign. But having secured an unprecedented mandate, it was hoped that the government will make serious efforts to tackle the myriad problems plaguing the economy. Unfortunately the first full budget presented on July 5 by Finance Minister fails to chart a path to address these serious issues. The Union Budget continues to tread the beaten path of neo-liberalism, raising resources through sale of public assets, opening all segments of economy to foreign capital and placing faith on global finance capital for investments and consequent growth of the economy. This policy direction has failed in the past and there is no hope that it will succeed in the present.

There is a general consensus that the Finance Minister has deviated from the accepted norms by not making any mention

about revenues and expenditure in her marathon budget speech. By this she has tried to hide the precarious economic situation and the failures of the government. This fact has been brought to the notice of the nation by many leading economists and we do not intend to go into those details. The inability to raise revenues to fund the necessary social and infrastructure becomes evident from the fact that the total expenditure of the Union Budget as a percentage of GDP has remained stagnant for the last six years at around 13 percent. This certainly curtails the ability of the government to spend the required and necessary expenditure on social sector. The Finance Minister has asserted that the Budget has outlined the desire and policy direction to make India a \$5 trillion economy. But there is growing consensus across the world that mere growth in GDP will not improve the living standards of the people in the context of the fact that the fruits of this growth have more often bypassed the overwhelming sections of the poor, vulnerable and working people. The rise in per capita incomes, therefore, does not

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necessarily mean improvement in the living standards of all citizens. Just the talk of GDP growth without a concerted effort to raise the income levels and living standards of those at the bottom of the pyramid makes absolutely no sense.

The Indian agriculture is in an unprecedented crisis. The rural distress is also clearly evident. More than 50 percent of the work force is engaged in agriculture and nearly 70 percent of the population live in rural India. The budget has failed to allocate necessary funds to agriculture and rural development despite claims that this budget is of 'Gaon, Gharib and Kisan. The fundamental problems of agriculture like building infrastructure, increasing productivity, ensuring remunerative prices and issues of soil and water management did not get adequate attention. Therefore, it is a mystery as to how the government would double the farmers income by the year 2022. Nearly 85% of the allocation for Ministry of Agriculture goes to meet the scheme of Rs.6000 per annum income support, interest relief and insurance. The share of allocation for rural development has fallen from 4.7% in 2018-19 to 4.2% in 2019-20. This is simply inadequate considering the infrastructure requirement of rural India.

The spectre of unemployment and under-employment is haunting India. The unemployment rate is 6.1% and the youth unemployment has reached an all time high of 23.7%. However not much effort is made to create jobs. The budget has allocated funds lower than the interim budget for the MGNREGA. It must be noted that the budget expenditure on employment generating programs is stagnating as a proportion of the GDP and total budget. The funds allocated for this purpose constitute 0.4% of GDP and 3% of the total budget expenditure. With these meagre allocations, there is no hope for the improvement in the employment situation.

The Economic Survey and Finance Minister claim that India will be a super power and a super economy. The Economic Survey discusses the methods through which China became the dominant world economy. It is common knowledge that China created the necessary infrastructure for growth by investing heavily on health and education. In India not enough attention is given to create these human assets. The Budget focuses on higher education to the neglect of primary and secondary education. The expenditure budgeted on education is 3.4% of the total

union budget and 0.45% of the GDP. This is a sharp decline from 4.1% and 0.55% respectively in the year 2014-15. India is still far away from the recommendations of Kothari Commission to spend atleast 6% of the GDP on education. The budget on health remains stagnant at 0.3% of GDP. The government intends to supply piped drinking water and improve sanitation in the next few years. These are laudable objectives but the funds allocated for this purpose is inadequate and infact less than of the previous year.

The allocation for the development of SC and ST communities are much below the stipulated norms. The religious minorities which constitute around 21% of the population as per Census 2011 get an allocation of just 0.17% of the total union budget for schemes exclusively for their development. This makes it clear that the slogan sab ka saath, sab ka vikas lack conviction.

The Finance Minister was clearly in a dilemma. She was neither courageous to increase the direct taxes nor to breach the fiscal deficit which she feared would displease the foreign capital. She has, therefore, chosen to curtail the social expenditure. The Budget has reduced the corporate income tax to 25% from 30% for companies with turnover of upto Rs.400 crore. This effectively reduces the tax liability of 99.3% of the companies. The Budget imposes additional cess on individuals having taxable incomes of over Rs.2 crore. But this is of no help in raising resources as budget gives huge concessions to the corporate sector. India has one of the lowest Tax-GDP ratios in the world and it is projected to further decline to 11.6% in 2020-21. Lacking political will to increase the direct taxes, the government has raised indirect taxes through hike in petrol and diesel prices and other methods. The increasing reliance on cesses and surcharges to raise indirect taxes is not only regressive but it also undermines federalism as these resources are not shared with the States.

The Finance Minister hopes to get higher dividends from RBI, Banks and Financial Institutions. The Budget also proposes to raise resources through sale of public sector units and disinvestment. The Budget projects to raise Rs.1.05 lakh through disinvestment. The Finance Minister has indicated that FDI limits in various sectors would be hiked. The Finance Minister has also proposed to raise funds from outside the country by floating sovereign bonds. This is dangerous as the volatility in the foreign exchange rates would



make the economy vulnerable. This measure also makes development in India hostage to foreign capital. The budget does nothing to promote domestic savings or to increase consumption through increasing incomes. The government must know that foreign capital is a poor substitute for domestic savings. It is the domestic savings that propels growth and heavy reliance on foreign capital can only be counter-productive.

The budget totally disappoints the insurance sector. The genuine demand for removal of GST on life and health insurance premiums has been ignored. The suggestions to allow separate income tax exemption limit for savings in life insurance did not evoke any positive response. On the other hand the Finance Minister said that the government is considering further hike in the FDI limits in insurance sector. The Budget has announced 100% FDI in insurance

intermediaries which would hurt the interests of insurance salespersons, loss assessors and surveyors. The budget has also reduced the capital from Rs.5000 crore to Rs.1000 crore for setting up offshore reinsurance companies.

In fine, the budget has clearly indicated that the government will aggressively push privatisation. In order to create favourable conditions for capital – both domestic and foreign, it will move ahead with labour reforms. The job security and working conditions will face increasing attacks. The working class has realised that this will harm not only their interests but the national interests as a whole. Already struggles against privatisation of railways have begun. Struggles are being launched in different sectors. In such a situation, the insurance employees have to join these struggles to defend their interests and the interests of their industry which would come under attack sooner rather than later.

## केन्द्रीय बजट गहन समस्याओं से निपटने में विफल

भारत की अर्थव्यवस्था गंभीर संकट से गुजर रही है। विकास दर लड़खड़ा रही है, बेरोजगारी 45 साल के रिकार्ड उच्च स्तर पर है, कृषि गहरे संकट में है, घरेलू बचत और खपत दोनों ही घट रही हैं। एनडीए प्रथम ने चुनाव प्रचार के दौरान इन मुद्दों का आकार छोटा कर किनारे कर दिया और चर्चा से गायब करने में सफल रहा। कहां तो यह आशा की जा रही थी कि एक अभूतपूर्व जनादेश हासिल करने के बाद, सरकार अर्थव्यवस्था को नुकसान पहुंचाने वाली असंख्य समस्याओं से निपटने के लिए गंभीर प्रयास करेगी। किन्तु दुर्भाग्यपूर्ण है कि वित्त मंत्री द्वारा 5 जुलाई को पेश किया गया पहला पूर्ण बजट इन गंभीर मुद्दों को हल करने की राह दिखाने में विफल रहा है। केन्द्रीय बजट नव-उदारवाद के घिसे-पिटे तरीकों; सार्वजनिक संपत्ति की बिक्री के माध्यम से संसाधन जुटाना, अर्थव्यवस्था के सभी क्षेत्रों को विदेशी पूंजी के लिए खोलना और निवेश एवं उसके परिणामतः अर्थव्यवस्था के विकास के लिए पूरी तरह से वैश्विक वित्तीय पूंजी पर निर्भरता को जारी रखे हुए हैं। यह नीतियाँ पहले भी पराजित हो चुकी हैं और इसकी वर्तमान में भी सफल होने की कोई उम्मीद नहीं है।

इस बात पर आम राय यही है कि वित्त मंत्री अपने मैराथन बजट भाषण में राजस्व और व्यय के बारे में कोई उल्लेख नहीं करके स्वीकृत मानदंडों से भटक गई हैं। इस प्रकार उन्होंने अनिश्चित आर्थिक स्थिति और सरकार की असफलताओं को छिपाने की कोशिश की है। इस तथ्य को कई अग्रणी अर्थशास्त्रियों द्वारा राष्ट्र के संज्ञान में लाया गया है किन्तु हमारा यहां उस पर विस्तार से चर्चा का कोई इरादा नहीं है। आवश्यक सामाजिक और बुनियादी ढांचे के वित्तपोषण के लिए राजस्व जुटाने में असमर्थता इस तथ्य से स्पष्ट होती है कि सकल घरेलू उत्पाद के प्रतिशत के रूप में केन्द्रीय बजट का कुल व्यय पिछले छह वर्षों से लगातार 13 प्रतिशत के आसपास बना हुआ है। यह निश्चित

रूप से सरकार की सामाजिक क्षेत्र के लिए अपेक्षित और अनिवार्य रूप से खर्च करने की क्षमता को कम करता है। वित्त मंत्री ने इस बात पर जोर देकर कहा कि बजट ने भारत को 5 ट्रिलियन डॉलर की अर्थव्यवस्था बनाने की इच्छा और नीति की दिशा को रेखांकित किया है। लेकिन दुनिया भर में इस बात पर आम सहमति बन रही है कि मात्र जीडीपी में वृद्धि लोगों के जीवन स्तर में सुधार नहीं लाएगी, इस तथ्य को ऐसे भी समझ सकते हैं कि इस विकास के फायदे ज्यादातर गरीब, कमजोर और मेहनतकश लोगों के अधिकांश वर्गों को छोड़कर निकल जाते हैं। प्रति व्यक्ति आय में वृद्धि का यह कतई आशय नहीं है कि सभी नागरिकों के जीवन स्तर में सुधार हुआ हो। पिरामिड के सबसे निचले तल पर बैठे लोगों की आय और जीवन स्तर को ऊपर उठाने के ठोस प्रयासों के बिना जीडीपी वृद्धि की बात करना पूरी तरह से बेमानी है।

भारतीय कृषि एक अभूतपूर्व संकट में है। ग्रामीण संकट का उभार भी प्रत्यक्ष दिखाई दे रहा है। 50 प्रतिशत से अधिक कार्यबल कृषि में लगा हुआ है और लगभग 70 प्रतिशत आबादी ग्रामीण भारत में रहती है। इस दावे के बावजूद कि यह बजट "गाँव, गरीब और किसान" का है यह बजट कृषि और ग्रामीण विकास के लिए आवश्यक धन आवंटित करने में विफल रहा है। कृषि की बुनियादी समस्याओं जैसे बुनियादी ढांचे का निर्माण, उत्पादकता में वृद्धि लाभकारी कीमतें सुनिश्चित करना और मिट्टी एवं जल प्रबंधन के मुद्दों पर पर्याप्त ध्यान नहीं दिया गया है। इसलिए, यह तो एक रहस्य है कि सरकार 2022 तक किसानों की आय को दोगुना कैसे करेगी। कृषि मंत्रालय को आवंटित राशि का लगभग 85 प्रतिशत तो 6000 रुपये प्रतिवर्ष आय सहायता, ब्याज राहत और बीमा की योजना को पूरा करने में ही चला जाता है। 2018-19 में ग्रामीण विकास के लिए आवंटित हिस्सा 4.7 प्रतिशत से गिरकर

2019-20 में 4.2 प्रतिशत हो गया है। यह ग्रामीण भारत की बुनियादी सुविधाओं की आवश्यकता को ध्यान में रखते हुए साफ-साफ अपर्याप्त दिखता है।

बेरोजगारी और अल्प-रोजगार का दृश्य भारत के लिए भयावह है। बेरोजगारी की दर 6.1 प्रतिशत है और युवा बेरोजगारी 23.7 प्रतिशत के अभी तक के उच्चतम स्तर पर पहुंच गई है। फिर भी रोजगार के सृजन के लिए अधिक प्रयास नहीं किए जा रहे हैं। बजट में मनरेगा के लिए अंतरिम बजट से भी कम राशि आवंटित की गई है। यह ध्यान दिया जाना चाहिए कि रोजगार सृजन कार्यक्रमों पर बजट व्यय जीडीपी और कुल बजट के अनुपात के रूप में स्थिर है। इस उद्देश्य के लिए आवंटित धनराशि सकल घरेलू उत्पाद का 0.4 प्रतिशत और कुल बजट व्यय का 3 प्रतिशत है। इन अल्प आवंटन के साथ, रोजगार की स्थिति में सुधार की कोई उम्मीद नहीं है।

आर्थिक सर्वेक्षण और वित्त मंत्री दावा करते हैं कि भारत एक सुपर पावर और सुपर इकोनॉमी होगा। आर्थिक सर्वेक्षण में उन तरीकों पर चर्चा की गई है जिनके माध्यम से चीन प्रभावशाली विश्व अर्थव्यवस्था बन गया। यह सामान्य ज्ञान की बात है कि चीन ने स्वास्थ्य और शिक्षा पर भारी निवेश करके विकास के लिए आवश्यक बुनियादी ढांचा तैयार किया है। भारत में इस मानव संपदा को निर्मित करने के लिए पर्याप्त ध्यान नहीं दिया जा रहा है। बजट प्राथमिक और माध्यमिक शिक्षा की उपेक्षा करते हुए उच्च शिक्षा पर केन्द्रित है। शिक्षा पर होने वाला खर्च कुल यूनिन बजट का 3.4 प्रतिशत और जीडीपी का 0.45 प्रतिशत है। वर्ष 2014-15 के क्रमशः 4.1 प्रतिशत और 0.55 प्रतिशत से इसमें तीव्र गिरावट आयी है। भारत अभी भी शिक्षा पर जीडीपी का कम से कम 6 प्रतिशत खर्च करने की कोठारी आयोग की सिफारिशों से काफी दूर है। स्वास्थ्य का बजट जीडीपी के 0.3 प्रतिशत पर स्थिर रहा है। सरकार की मंशा है कि अगले कुछ वर्षों में पाइप पेयजल की आपूर्ति हो और स्वच्छता में सुधार हो। ये प्रशंसनीय उद्देश्य हैं लेकिन इस उद्देश्य के लिए आवंटित धन अपर्याप्त है और वास्तव में तो पिछले वर्ष से भी कम है।

अनुसूचित जाति और अनुसूचित जनजाति समुदायों के विकास के लिए आवंटन निर्धारित मानदंडों से बहुत कम है। धार्मिक अल्पसंख्यक जिनकी आबादी 2011 की जनगणना के आधार लगभग 21 प्रतिशत थी, विशेष रूप से उनके विकास की योजनाओं के लिए कुल यूनिन बजट का सिर्फ 0.17 प्रतिशत का आवंटन किया गया है। इससे यह स्पष्ट होता है कि "सब का साथ, सब का विकास" नारे में दृढ़-विश्वास की कमी है।

वित्त मंत्री स्पष्ट रूप से दुविधा में थीं। वे न तो इतनी साहसी थीं कि प्रत्यक्ष करों में वृद्धि कर सकें और ना ही राजकोषीय घाटे की उस सीमा का उल्लंघन कर पा रही थीं जिसका उन्हें डर था कि कहीं विदेशी पूंजी नाराज न हो जाए। तो, उन्होंने ये किया, सामाजिक व्यय में कटौती को चुन लिया। बजट में 400 करोड़ रुपये तक के टर्नओवर वाली कम्पनियों के लिए कारपोरेट आयकर 30 प्रतिशत से घटाकर 25 प्रतिशत कर दिया गया है। यह प्रभावी रूप से 99.3 प्रतिशत कम्पनियों की कर देयता को कम करता है। बजट में 2 करोड़ रुपये से अधिक की कर योग्य आय वाले व्यक्तियों पर अतिरिक्त उपकर लगाया गया है। लेकिन यह संसाधनों को बढ़ाने में कोई मदद नहीं करता है। क्योंकि

बजट में कारपोरेट क्षेत्र को भारी रियायतें दी गयी हैं। भारत दुनिया के उन देशों में से एक है जहां टैक्स-जीडीपी अनुपात सबसे कम है और इसे 2020-21 में कमी करते हुए 11.6 प्रतिशत पर लाने की योजना है। प्रत्यक्ष करों को बढ़ाने के लिए राजनीतिक इच्छाशक्ति में कमी के चलते सरकार ने पेट्रोल और डीजल की कीमतों में वृद्धि तथा अन्य तरीकों के माध्यम से अप्रत्यक्ष करों को बढ़ाया है। अप्रत्यक्ष करों को बढ़ाने के लिए उपकर और अधिभार पर बढ़ती निर्भरता न केवल प्रतिगामी है, बल्कि यह संघवाद को भी कमजोर करती है क्योंकि ये संसाधन राज्यों के साथ साझा नहीं किए जाते हैं।

वित्त मंत्री को उम्मीद है कि आरबीआई, बैंकों और वित्तीय संस्थानों से अधिक लाभांश मिलेगा। बजट में सार्वजनिक क्षेत्र की इकाइयों की बिक्री और विनिवेश के माध्यम से संसाधन जुटाने का भी प्रस्ताव है। बजट में विनिवेश के माध्यम से एक लाख पांच हजार करोड़ रुपये जुटाने की योजना है। वित्त मंत्री ने संकेत दिया है कि विभिन्न क्षेत्रों में एफडीआई सीमा को बढ़ाया जाएगा। वित्त मंत्री ने संप्रभु बांड जारी कर देश के बाहर से धन जुटाने का भी प्रस्ताव दिया है। यह खतरनाक है क्योंकि विदेशी मुद्रा दरों में अस्थिरता अर्थव्यवस्था को कमजोर बना सकती है। ये उपाय भारत के विकास को विदेशी पूंजी का बंधक बनाकर रख देंगे। बजट घरेलू बचत को बढ़ावा देने या बढ़ी हुई आय के माध्यम से खपत बढ़ाने के लिए कुछ उपाय नहीं करता। सरकार को पता होना चाहिए कि विदेशी पूंजी धरेलू बचत की अपेक्षा एक खराब विकल्प है। यह घरेलू बचत ही है जो विकास की गति को बढ़ाती है और विदेशी पूंजी पर अधिक निर्भरता केवल प्रतिकूल असर ही डालती है।

बजट बीमा क्षेत्र को पूरी तरह से निराश करता है। जीवन और स्वास्थ्य बीमा प्रीमियम पर जीएसटी हटाने की वास्तविक मांग को नजरअंदाज किया गया है। जीवन बीमा में बचत के लिए अलग से आयकर छूट सीमा की अनुमति देने के सुझावों पर कोई सकारात्मक प्रतिक्रिया नहीं मिली है। दूसरी तरफ वित्त मंत्री ने कहा है कि सरकार बीमा क्षेत्र में प्रत्यक्ष विदेशी निवेश सीमा में और बढ़ोतरी करने पर विचार कर रही है। बजट में बीमा मध्यस्थों में 100 प्रतिशत एफडीआई की घोषणा की गई है, जो बीमा विक्रेता, हानि मूल्यांकनकर्ताओं और सर्वेक्षकों के हितों को चोट पहुंचाएगा। बजट ने दूर विदेश में स्थापित पुर्नबीमा कम्पनियों को यहां काम करने के लिए आवश्यक पंजी को 5000 करोड़ रुपये से घटाकर 1000 करोड़ रुपये कर दिया है।

सार रूप में कहें तो, बजट ने स्पष्ट रूप से संकेत दिया है कि सरकार निजीकरण को आक्रामक रूप से आगे बढ़ायेगी। घरेलू और विदेशी दोनों ही तरह की पूंजी के लिए अनुकूल वातावरण का निर्माण करने के लिए, यह श्रम सुधारों के साथ आगे बढ़ेगी। नौकरी की सुरक्षा और काम करने की स्थिति में बढ़ते हमलों का सामना करना पड़ेगा। श्रमिक वर्ग ने महसूस किया है कि इससे न केवल उनके हितों को बल्कि समग्रता में राष्ट्रीय हितों को भी नुकसान होगा। रेलवे के निजीकरण के खिलाफ तो संघर्ष शुरू हो ही गया है। विभिन्न क्षेत्रों में आन्दोलनों का सूत्रपात किया जा रहा है। ऐसी स्थिति में बीमा कर्मचारियों को अपने हितों और अपने उद्योग के हितों पर देर-सवेर होने वाले आक्रमणों से रक्षा के लिए इन संघर्षों में शामिल होना ही पड़ेगा।



# CGIT accepts AIIEA's Contentions: A Massive Step towards securing Justice to concerned Workmen

The Supreme Court had directed the CGIT, Delhi to submit its report on the issue of eligibility of claimants in terms of its orders dated 12/12/2018. This was necessitated as LIC had taken up the position that only those claimants whose names appear in the CGIT List in the Industrial Dispute 27/1991 can be extended the benefit of the Supreme Court Judgement. This was contested by Unions as misread of the judgement and various provisions of the Industrial Disputes Act. Accordingly, after a thorough examination and recording of evidence by all concerned parties, Justice Avtar Chand Dogra, Presiding Officer, CGIT-cum-Labour Court No.1, New Delhi has submitted its Report to the Supreme Court. The issue is listed in the Supreme Court on 23<sup>rd</sup> July, 2019 for consideration.

We are very happy that the CGIT has accepted the argument of the AIIEA that the Award passed in Industrial Dispute ID 27/1991 is on a dispute not in persona but a dispute in rem. Therefore, the benefit of the Award cannot be restricted to only those who were the petitioners or whose names appeared in the List submitted to the CGIT but has to be extended to all similarly placed workmen in the industry. This being the case the AIIEA submitted that under the binding legal provision of Industrial Disputes Act, 1947, all the workmen who satisfy and possess the prescribed conditions of absorption i.e. the workmen who worked for a period of 85 days in 2 years in class III & 70 days in 3 years in class IV cadres between 20.05.1985 to 04.03.1991 are the concerned workmen eligible for absorption in the services of LIC.

The AIIEA also placed its arguments before the CGIT that stipulations put forth by LIC through its circular that the eligibility was restricted to those workmen who were the petitioner before CGIT is against the Labour Laws and collective bargaining rights and that such stipulations are contrary to law, terms of the Award itself and various Supreme Court Judgements and orders. It was AIIEA's contention that all the workmen, who satisfy the eligibility conditions as prescribed in the

Award by the Hon'ble Tribunal automatically get entitled to be absorbed. The list of eligible workmen, their names, place of work and period of work along with documents were filed before the Tribunal by the AIIEA.

The AIIEA further submitted that the dispute referred for adjudication was undeniably a collective dispute involving large number of workmen all over the country. Quoting Supreme Court Judgement, it was argued that each and every concerned workman is not expected to implead himself or herself as a party to the reference. It was powerfully argued *by our Counsel Dr. P. Ravishankar* that Life Insurance Corporation wanted to misread the award and such an act is prohibited under the law and it must be read in consonance with provision of Industrial Disputes Act.

The AIIEA submitted a list of 3337 candidates with all relevant records and said that all these candidates have worked between the period 20/5/1985 and 04/03/1991 for the stipulated number of days and hence are eligible for the benefit of absorption in terms of the Supreme Court Order. The LIC could not dispute that these candidates did not work during this period. Their only argument was that these candidates did not figure in the list submitted to the CGIT in 1991.

We are happy that the CGIT has accepted our arguments that the Industrial Dispute raised is in REM and not in PERSONA and all those who worked between the period 20/5/1985 to 4/3/1991 for the stipulated number of days are eligible for the benefit of absorption. The CGIT has submitted to the Supreme Court that of the 3337 claims filed by AIIEA, 3332 are eligible for absorption subject to the final orders of the Supreme Court.

The AIIEA has made a great advancement to secure justice for the concerned workmen. The issue will come up before the Supreme Court on 23/7/2019 for consideration of the Report submitted by CGIT. The AIIEA will make all efforts to ensure that the workmen get justice and are absorbed into the services of LIC early. Thus the decades long struggle is coming to fruition.

# Com E.M.JOSEPH

Com.E M Joseph, former Vice President of South Zone Insurance Employees' Federation passed away on 30th of June 2019 at Madurai.

He joined LIC as Assistant in Periyakulam Branch Office. He was attracted by the ideology of AIIEA and served the organisation in various capacities, viz., the Joint Secretary, General Secretary and the President of the Madurai Divisional Unit of AIIEA. From 2000 to 2004, he was led the insurance employees as the Vice President of South Zone Insurance Employees' Federation.

He was very keen not only in involving women in the trade union activities, but also in elevating them to the leadership in various tiers of the Organisation. Though he retired from the services of LIC in 2004, till his last breath he was active in the struggle that was carried forward to put an end to all forms of exploitation in the society. He was a firm believer of Marxism. He worked to achieve the goal of Marxism.

He was very much concerned with the development of artificial intelligence which harms the interests of the working people and their future. Recently, he wrote a book in Tamil on this subject with the title "Nadukkam Tharum Naangaam Thozhirpuratchi" and the digital edition was published in Amazon Kindle. He was a contributor to MAHALIR SINTHANAI, Tamil monthly of AIDWA on economic matters and his simple presentation was helpful. AIDWA- TN brought out a book compiling his articles.

Com. Joseph was a versatile personality. His organisational skill is exemplary. His exceptional oratory always kept the audience spellbound. The best version of life he lived inspired others. His heart always carried abundant love and care for the fellow human beings. His circle of friendship was beyond the official positions and political



affinity. For many of the comrades, he was a friend, philosopher and guide. Com Joseph was not only a leader himself, but he created many leaders in the organisation.

Com.E M Joseph's death is a big loss not only to the AIIEA, but also to the entire trade union and democratic movement. Comrades Amanulla Khan, President, V Ramesh, General Secretary of AIIEA and Com T. Senthilkumar General Secretary SZIEF, Com.GAnand, General Secretary of Generral Insurance Employees' Association- South Zone paid homage to Com.EM Joseph on 30-06-2019.

A condolence meeting was held at Madurai on 1st July, 2019. Comrades Amanulla Khan, Kunhi Krishnan, M Girija from AIIEA, leadership of SZIEF, leadership and cadres from the Tamil Nadu Divisional Units participated in it. Com.Madukkur Ramalingam, Editor of Theekkathir, Com.GRamakrishnan, Polit Bureau Member of CPI(M) and many other leaders from the various political parties and democratic organisations also participated.

Insurance Worker condoles the sad demise of Com Joseph and shares the grief with the bereaved family.

Let us pay our tributes to Com E M Joseph by following his ideas and ideals. Let us pledge ourselves to carry on the work left unfinished by him and uphold the legacy of Com. Joseph.

\*COM JOSEPH LONG LIVE!\*

\*COM JOSEPH RED SALUTE!\*

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# Supreme Court dismisses PIL against LIC on Jeevan Saral Policy

The Supreme Court on July 15 dismissed the Public Interest Litigation (PIL) petition filed by Moneylife Foundation seeking scrapping of LIC Jeevan Saral Policy.

The petitioner said that the Jeevan Saral Policy holders were misled and cheated by LIC. The policy holders get less than half of what they paid as premium for ten or more years.

A Bench of Chief Justice of India Ranjan Gogoi and Justice Deepak Gupta said that the matter cannot be agitated as PIL by an unaffected party under Article 32.

Senior Advocate Arvind Datar appeared for Petitioner while Solicitor General Tushar Mehta appeared for Central government.

The plea filed by the Moneylife Foundation, had sought an immediate recall of the Jeevan Saral Policy. The policy gives negative returns in the higher age group although the person would have purchased the policy for investment purpose, the petitioner contended. The petition also stated that the Insurance Regulatory Development Authority (IRDA) is empowered under Section 33 of the Insurance Act read with the Insurance Amendment Act, 2015 and the IRDA Act, 1999 to investigate the malpractices. However, it has remained a silent spectator of “mass cheating by LIC”, Moneylife alleged.

## LIC announces Financial Results

Life Insurance Corporation (LIC) has announced its audited figures for the year ended March, 2019.

New business performance has shown a growth of 5.68 per cent in its first year premium by posting a highest ever, 1,42,191.69 crore.

Pension and Group superannuation business have collected 91,179.52 crore as new business premium income as against 82,807.83 crore in 2018 corresponding period showing a growth of 10.1 per cent.

The corporation collected over 3,37,185.40 crore of total premium income as compared to 3,17,850.99 crore collected during 2018 showing a growth of 6.08 per cent.

Total policy payouts amounted to 2,50,936.23 crore compared to 1,98,119.83 crore in 2018, showing an increase of 26.6 per cent. This includes a payout of 1,36,597.37

crore for conventional claims outgo covering 254.05 lakhs claimants FY 19.

The Corporations Gross Total Income grew to 5,60,784.39 crore for FY 19 from 5,23,611.11 crore, showing a growth of over 7.10 per cent.

Total assets of the corporation stood at 31,11,847.28 crore as compared to 28,45,041.82 crore for the corresponding period last year. Thus posting a growth of over 9.38 per cent.

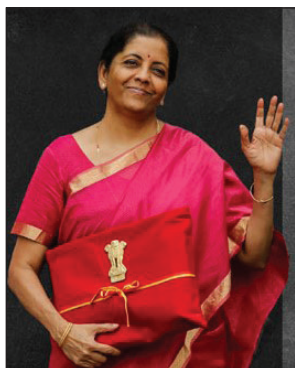
LIC's digital collections have reached 60 per cent, which reflects a 38 per cent growth over previous year.

In the new initiatives undertaken, premium collection has a growth of 10.6 per cent. LIC has authorised IDBI bank to collect renewal premium of policy holders through their 1800+ branches.

## DISTANCE INCREASED UNDER LTC

LIC has increased the limit for distance under LTC from the present 3000 kms each way in respect of travel to places other than home town to 4500 km each way. The C.O circular dated 4/7/2019 has also permitted the retired employees to avail the

last unavailed LTC within one year from the date of superannuation from the earlier stipulation of 3 months. The revised limits are applicable for journeys commenced on or after 13/5/2019.



# BUDGET 2019-20

## TRICKERY OF FISCAL PRUDENCE

Dr Santosh Kumar Mohapatra

The Controller General of Accounts (CGA) reported the actual figures for 2018-19 on May 31, 2019. While, the Economic Survey 2018-19 presented on July 4, 2019 used these figures, the budget presented on July 5 did not use these updated figures but replicated the revised estimates of the interim Budget (February 1, 2019) which has become already obsolete. The budget has obscured the actual receipts and expenditures for 2018-19; There is discrepancy in relation to the nominal growth rate of GDP also, even though these were available, because they confirm huge shortfalls compared to the budget estimates for that year. And, Nirmala Sitharaman has become the first Indian finance minister who has taken recourse to dangerous path to borrow in foreign currency to finance the fiscal deficit.

**T**he full budget for 2019-20 presented by Finance Minister Nirmala Sitharaman is an opaque exercise where failures are projected as success through fiscal jugglery. The biggest irregularity is that despite marathon budget speech, the FM did not disclose the total revenue, total expenditure and various fiscal indicators. This is wrong and unethical. She advised critics to read supplementary documents knowing fully well that overwhelming sections of Indian population do not have access to these documents.

The deception does not end with this. While revenue receipts are falling, government has made pompous claim of maintaining fiscal prudence. According to some experts, there is a gigantic "Rs 1.7 lakh crore hole in India's Budget". Tax revenue figure for 2018-19 given in budget estimate is Rs 1.65 lakh crore higher than that of economic survey. Similarly, government expenditure is about Rs 1.47 lakh crore higher than that of the economic survey.

The budget has obscured the actual receipts and expenditures for 2018-19 even though these were available, because they confirm huge shortfalls compared to the budget estimates for that year. The Controller General of Accounts (CGA) reported the actual figures for 2018-19 on May 31, 2019. While, the Economic Survey 2018-19 presented on July 4, 2019 used these figures, the budget presented on July 5 did not use these updated

figures but replicated the revised estimates of the interim Budget (February 1, 2019) which has become already obsolete.

In order to contain fiscal deficit at 3.4 per cent of GDP in 2018-19, government has aggressively cut expenditure and raised capital receipts especially disinvestment proceeds to

Rs 85045 crore against target of Rs 80,000 crore. It illegally extorted second interim dividend from IOC, ONGC and RBI, shifted some burden of expenditure to next year, and resorted to huge borrowings from the small savings corpus. The grim reality is that government has collected less revenue and spent less than the revised estimate in 2018-19. But projection for current fiscal in term of percentage rise in revenue receipts, expenditure etc has been made in relation to revised estimates of 2018-19 instead of actual figures of CGA to hide the shortfalls in revenue and cut in expenditure.

It is seen in the last few years that the total expenditure as percentage of GDP is declining. Total central government expenditure in 2018-19 will be 12.15 percent of GDP, even lower than the 12.7 per cent registered previous fiscal and 15.82 per cent in 2009. This is abysmal low. India has also one of the lowest tax-GDP ratios in world and this continues to decline further. The central tax-GDP ratio which was estimated to be 12.1 per cent in 2018-19 has come down to 11.9 percent in revised estimate and is again estimated to fall to 11.7 per cent in 2019-20.



There is discrepancy within budget documents in relation to the nominal growth rate of GDP. A footnote in this year's budget document mentions that nominal GDP has been projected at Rs 211,00,607 crore in 2019-20 assuming a 12 per cent growth over the estimated GDP of Rs 188, 46,731 crore for 2018-19 used in revised estimates of budget. This is the advance nominal GDP estimates released on January 7, 2019. But the growth rate of nominal GDP for 2019-20 in the Economic Survey has been projected at 11 per cent over the provisional nominal GDP estimates (released on May 31, 2019) of Rs 190, 10,164 crore of 2018-19. However, current nominal growth is about 8.5 percent, far behind the target envisaged.

The government has estimated the total expenditure to be Rs 27,86,349 crore, against Rs 27,84,200 crore pegged in interim budget. This is Rs 2,149 crore more. The fiscal deficit for the financial year 2019-20 is pegged at 3.3 per cent despite the fact that estimates of gross tax revenue for the current year have been revised downward by Rs 90,936 crore. The gross tax revenue for the current year is pegged at Rs 24, 61,195 crore against Rs 25, 52,131 crore in interim budget.

The reduction is attributable to reduced projections for GST (by nearly Rs. 9,78,577 crores) and Income Tax (Rs. 51,000 crores). This exposes the failure of the so-called reform measures of the government such as GST and demonetisation that it had claimed would improve tax compliance. As a result of which, states share in central tax will decline by Rs 35,472 crore (i.e., from Rs 84,460 crore in interim budget to Rs 80,913 crore in full budget). Similarly, Finance commission grants will be reduced by Rs 11,436 crore.

These additional resources required to reduce fiscal deficit are expected to come from increasing reliance on off-budget financing, a greater extraction of the surplus earnings of public sector enterprises, banks and the Reserve Bank of India on the one hand and higher disinvestment receipts on the other. The disinvestment target has been increased to Rs 1.05 lakh crore from Rs 90,000 crore estimated in the interim budget. Even finance secretary has admitted that without off-budget borrowing, fiscal deficit would have been pegged at 3.55 percent as against 3.3 percent mentioned in budget.

Off-budget financing means expenditure that's not funded through the budget. Internal and Extra Budgetary Resources (IEBR) constitute funds raised by Central public sector enterprises by way of profits, loans and equity. IEBR is kept out of the fiscal deficit calculation. Borrowings made by the Food Corporation of India is an example. Since 2016-17, FCI has been borrowing from the National Small Savings Fund (NSSF) to make good the shortfall in the food subsidy due by the Centre. The total outstanding loan of FCI from NSSF stood at Rs 1.91 lakh crore in 2018-19.

The hike in surcharge on individuals with over Rs.2 crore of income will not have much impact on resource mobilisation as this hike is neutralised and compensated by a sharp reduction in corporate tax from 30 per cent to 25 percent for companies (i.e. 99.3 per cent corporate entities) with annual turnover below Rs 400 crore. The government is expected to generate additional Rs 10,000 crore from surcharges. The increase in duties on gold and hike in customs and additional excise taxes on petrol, diesel will add to its exchequer.

The central finances are in disarray. Total liabilities of the Govt had increased 49 per cent to Rs 82 lakh crore in the last four & half years as per the 8th Edition of the Status Paper on Government Debt.

**The total debt of the Central government had increased to Rs 82,03,253 cr. in Sept. 2018 from Rs.54,90,763 cr.in June 2014**

...Instead of trying to raise domestic savings especially financial savings, government's dependence on foreign capital will expose the economy to vulnerability of world economy.



Cartoon courtesy: The Hindu

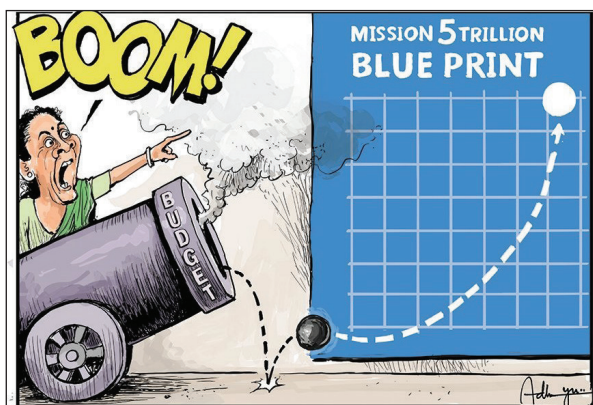
However, it will also lose revenues due to decline in the corporate tax structure. In reality, taxing petrol, diesel is anti poor, while reducing corporate tax is pro rich.

However increased reliance on cesses and surcharges contravenes the spirit of fiscal federalism since the funds collected are not shared with states. The government had planned to garner nearly Rs 3.02 lakh crore in cesses and surcharges in 2018-19. It means, to maintain fiscal prudence; government has not only resorted to fiscal jugglery but reduced the share of states from divisible pool again.

According to the railway Budget, Indian Railways is aiming for an operating ratio of 95 percent which should be confined within 75 percent. The operating ratio is a crucial indicator of the railways' financial health since it points to what the national transporter earns for every Rs 100 spent.

The central finances are in disarray. Total liabilities of the government had increased 49 per cent to Rs 82 lakh crore in the last four-and-half years as per the 8th Edition of the Status Paper on Government Debt. The total debt of the Central government had increased to Rs 82,03,253 crore in September 2018 from Rs 54,90,763 crore in June 2014.

Nirmala Sitharaman has become the first Indian finance minister who has taken recourse to dangerous path to borrow in foreign currency to finance the fiscal deficit. There is a plan to raise up to 10-15 per cent of government borrowing — \$10 billion — from the first overseas sovereign bond. In all, central government plans to borrow a record Rs 7.1lakh crore this year. Instead of trying to raise domestic savings especially financial savings, government's dependence on foreign capital will expose the economy to vulnerability of world economy.



Cartoon courtesy: Sandeep Adhwaryu, Times of India

Economics has never been a strong point of the NDA government. Its only two major economic forays, demonetisation and the GST, have both turned out to be pretty disastrous. It was futile, therefore, to expect much from the Union Budget for 2019-20. Even so, one is surprised by the budget's lack of engagement with the current problems of the economy, which are serious: A slowing down of activity, agrarian distress, massive unemployment, and external payments worries exacerbated by Donald Trump's belligerence.

There has been a perceptible slowdown in revenue growth of late, partly because of the slowdown in activity, but mainly on account of poor GST collections. The finance minister quoted the revised estimates of receipts for 2018-19, which are close to the budget estimates for that year, but these are well above the latest figures given by the Controller General of Accounts. According to the latter, there has been a shortfall of Rs 1.6 lakh crore in GST revenue of the Centre in 2018-19 compared to the budget estimates. The situation in 2019-20, originally expected to be better, is unlikely to be so.

Expenditure in the budget, both overall and in critical areas affecting the people, scarcely shows any significant increase. At the most, expenditures grow roughly at the same rate as the expected nominal GDP. Curiously, however, MGNREGS shows a slight absolute fall compared to the 2018-19 revised estimates, which is incomprehensible in the midst of acute joblessness.

Even these expenditure figures have been projected on the basis of 2018-19 revised estimates. With actual receipts falling well short of the revised estimates, and this shortfall continuing into 2019-20, it is doubtful if even these expenditure targets will be realised without increasing the fiscal deficit substantially, which the NDA's desire to appease globalised finance will not allow. Even these expenditure targets will not be maintained, compounding the recession that is setting in.

What was needed was not a budget that just projected receipt and expenditure figures on the basis of existing trends, but that broke new ground by bringing in some additional revenue source, some exogenous element, which could provide a thrust to the economy. But the NDA government, true to form, has rejected any innovation. By simply projecting existing trends of receipts to the future and



## BUDGET 2019-20

# MORE OF THE DISMAL SAME

Prof. Prabhat Patnaik

(Courtesy: Indian Express 8/7/2019)

What was needed was not a budget that just projected receipt and expenditure figures on the basis of existing trends, but that broke new ground by bringing in some additional revenue source, some exogenous element, which could provide a thrust to the economy. But the NDA government, true to form, has rejected any innovation. 1% wealth tax & 1/3 inheritance tax imposed only on billionaires would have raised around Rs 15 lakh crore, quite sufficient for financing a rudimentary welfare state in India. Not surprisingly, this did not materialise.

providing for expenditure accordingly, the budget becomes pro-cyclical rather than counter-cyclical.

The most obvious exogenous element that could have been introduced to break out of this pro-cyclicality is a wealth tax, at least on the billionaires of the country, whose wealth is estimated at present to be around Rs 560 lakh crore. Even a 1 per cent wealth tax on these billionaires would have fetched Rs 5.6 lakh crore and an inheritance tax, that must accompany a wealth tax to prevent evasion, could have fetched more. Even assuming that 5 per cent of billionaires' wealth gets passed on every year, an inheritance tax that took away a third of this wealth getting passed on, would have fetched an additional Rs 9.3 lakh crore.

These two taxes alone, both imposed only on billionaires, would have raised around Rs 15 lakh crore, quite sufficient for financing a rudimentary welfare state in India. Such a state could guarantee every Indian five basic economic rights: A right to food, a right to employment, a right to quality education up to the secondary level, a right to quality

healthcare through a government-run National Health Service, and a right to old age pension of Rs 2,000 per month (against the current paltry Rs 200 per month) and adequate disability benefits.

Indeed, prior to the budget there was speculation that an inheritance tax would be introduced. This, not surprisingly, did not materialise. On the other hand, there is much talk of enticing foreign direct investment. If there is any strategy at all behind the budget, it consists in attracting FDI to the country (even by suppressing workers' rights and making land takeover easier), and thereby stimulating growth, which, it is hoped, would eventually alleviate unemployment. Instead of government spending, and above all government welfare spending, being the means of introducing dynamism into the economy, getting foreign investment into the country appears to be the weapon the government hopes to use.

To expect this strategy to usher in development is a pipe dream, especially at this time when the world economy is slowing down, and when multinational corporations have



Image courtesy:  
Deshabhimani

A 1 per cent wealth tax on billionaires, accompanied by 1/3 inheritance tax, essentially to avoid its evasion would have raised around Rs 15 lakh crore, quite sufficient for ensuring every Indian five basic economic rights: A right to food, a right to employment, a right to quality education up to the secondary level, a right to quality healthcare through a government-run National Health Service, and a right to old age pension of Rs 2,000 per month (against the current paltry Rs 200 per month) and adequate disability benefits. This, not surprisingly, did not materialise. On the other hand, there is much talk of enticing foreign direct investment. If there is any strategy at all behind the budget, it consists in attracting FDI to the country (even by suppressing workers' rights and making land takeover easier)



low inducement to invest anywhere anyway. After all, this was the idea behind Narendra Modi's "Make in India" slogan. How much did that achieve?

Besides, even assuming for a moment that some investment does occur as a result of these blandishments, how many jobs will that create? The rate of growth of labour productivity along the trajectory of multinationals-led, or Indian big-business-led, growth is so high that even rapid GDP growth rates do not generate enough employment to absorb fully the natural increase in the work force. To expect such growth to alleviate unemployment is utterly unrealistic. All this is well-known by now but the Modi government, like the Bourbon kings of France, "learns nothing and forgets nothing".

Two aspects of the budget are fraught with serious consequences for the future. One is the desire to access international financial markets for government borrowing. There is no earthly reason for this, since the limit on government borrowing comes from the self-imposed ceiling on the fiscal deficit, not from government's inability to borrow from the domestic market. Raising government loans abroad, vastly and directly, increases the hold of international finance upon the Indian state, whereby the slightest delay in debt servicing can cause the imposition of draconian "austerity" upon the country. Besides, it links the foreign exchange market with the financial market, so that a depreciation of the rupee would raise the debt burden of the government, and hence of the country, manyfold, which would make the government particularly vulnerable to external manipulations.

The second issue relates to federalism. The GST itself was a massive attack on the federal structure of the Constitution, which the state governments unwisely acquiesced in. The failure of the GST to garner adequate revenue has put state government finances in a bind. On top of that, in the current budget, the Central government has resorted to cesses and surcharges for raising revenue, which means that this revenue is not shareable with the states. This budget, in short, has been used to centralise resources in the hands of the Union government. This is dangerous, for when the states are pushed to a corner and come to the Centre for help, it can play favourites and penalise "inconvenient" state governments. This is dangerous for federalism and democracy.

This year's budget was categorized as 'Gaon, Garib aur Kisan' which means it addresses concerns of Rural, Poorer and cultivator population of India. At the end of the day, when we pursue the data, it is apparent that the proposals are otherwise. The speech and content was leaning towards helping and aiding corporate sector. In the name of foreign investment every sector is being opened up. Public Private Partnership agenda will swallow the PSUs. The excise duty of Rs.1/- and cess of Rs.1/- on petroleum products will hit the poor straight. The previous FM had claimed that GST yielded results during his budget presentations. But this year FM says revenue loss was to the tune of 98000 cr.

Apart from striking a road map for selling AIR INDIA, budget proposes to further disinvest public sector enterprises and raise Rs.1.05 lakh cr. The PSUs are vital to our economy paying hefty dividends all along. In one year the dividend quantum stood at 1.64 lakh cr. Allowing FDI and FII into infrastructure sector will further ruin the employment potential of our youth.

In the name of ease of doing business (EODB) and ease of living (EOL) the budget embarks upon allowing private monopoly capital into agriculture sector too. This is certainly a blow to our economic sovereignty in general and on rural economy in particular. Allowing 100% FDI into insurance intermediaries, media and aviation sectors are certainly an endowment to international finance capital.

Financialisation of social sector investments and activities in the name of 'social stock exchange' can be termed as addressing the



Cartoon courtesy:  
Sajith Kumar Deccan Herald,



## BUDGET 2019-20

# An Endowment to Finance Capital

J V L N Murthy

The budget speech and content was leaning towards helping and aiding corporate sector. In the name of foreign investment every sector is being opened up. Allowing 100% FDI into insurance intermediaries, media and aviation sectors are certainly an endowment to international finance capital.

interests of corporate sector in one go which will endanger the social upliftment prospects of backward areas.

Micro analysis of allocations to backward areas, downtrodden sections of the society, differently abled population and so on are quite dismal. The sectors like education, health and housing etc too got less allocation when compared to previous years leave alone the needs. NREGA and Swatch Bharat Mission too received cuts. Demands and needs of states and union territories were simply ignored.

Reduction of corporate tax to companies with turnover of 400 cr is certainly a return gift to the friends of polity. Legacy Dispute Resolution Scheme is another gift to grant further concessions to corporate world. Everyone can understand the legacy in Self declaration based NO SCRUTINY process for Startups. Startups can now decide their own rate for 'premium on shares'.

The budget also had a mention of providing electricity connection and gas connection to all those 'willing' by August 2022 (75 year anniversary of independent India). The concept of 'willingness' is questionable. If having electric and gas connection is 'development' everyone will feel delighted to have the same. The phrase 'willingness' may bring hurdles to some states and districts.

Going by the interview of Railway Minister himself the big claim of 50 lakh crore of investment needs of Railways does not find logic. It is just a hallow statement to divert public attention.

The announcement of National Research Foundation to oversee the allocation of grants to Research institutions is simply destabilizing another institution without mentioning it's name viz. UGC.

Last but not the least, the budget statement once again reiterates its policy about revamping of labour laws. The intention of scrapping so many labour laws which were the fruits of labour struggles for decades and brining in 4 labour codes is an onslaught on labour force in India. Every worker, employee, technician, fitter or by whatever name he/she is called in any private / public / small establishment is going to lose their rights and facilities from day one. The employer oriented code which is being proposed to be enacted by the present ruling combine will certainly endanger our future in wholesome. These measures will surely come under intense opposition from trade unions and working class.

*(Writer is former Jt. Secretary,  
ICEU, Machilipatnam)*

Cartoon courtesy, Twitter



# THE CRISIS OF NATIONALISM

K Satchidanandan



Courtesy: Indian Cultural Forum,  
May 19, 2019

The author is a widely translated Malayalam poet and a bilingual writer, translator and editor.

*The last sun of the century sets amidst  
the blood-red colours of the West  
and the whirlwind of hatred.  
The naked passion of self-love of Nations,  
in its drunken delirium of greed  
is dancing to the clash of steel and  
the howling verses of vengeance.*

-Rabindranath Tagore

("The Sunset of the Century", tr. poet  
from *Naivedya, The English Writings of  
Rabindranath Tagore, Vol. II, Delhi, 1996,*  
p. 466)

The forebodings voiced more than a century ago by the composer of our national anthem are being realised today. Nationalism in our country increasingly reflects the insular, exclusivist, oligarchic, pro-corporate, upper caste, masculinist and jingoist character of our right-wing government. It is a nationalism of rapacious greed, of chauvinistic hatred of minorities and vulnerable sections of society. Its culture of violence and suppression of human freedom and basic rights throttles the very idea of India propounded by our Constitution — as a sovereign, secular, socialist and democratic republic.

This nationalism has eviscerated, one by one, all the three estates of democratic polity, legislative, executive and judicial; as also the media, reckoned to be the fourth estate with its key role in creating and controlling public opinion. We move ever closer to the old Nazi ideal with its exclusivist definition of the nation, the creation of an "other" held responsible for all national ills, the worship of

an artificially constructed tradition. This idea treats people as a monolith, denying them diversity of perspective as well as agency of any kind. It claims to represent "the people" but promotes rank discrimination, articulating it violently with a distorted history, the glorification of death as martyrdom and the simultaneous legitimization of killing those who do not subscribe to such views.

This is a nationalism suspicious of artists and intellectuals, which suppresses all opposition, and faults democracy as an inconvenience in the path of "development". What it styles as development reflects the interests of a miniscule minority of the affluent and the powerful. Together, these concepts of nationalism and development prompt violence against labour and the environment, the dilution of existing laws and protections, the surveillance of every citizen using all available technologies, the equation of peace, negotiation and compromise with surrender. Myths and archetypes are harnessed for propaganda, legends and epics presented as objective history. The ruling class assumes the part of a self-evidently superior people and claims descent from the earliest inhabitants of the country. Its fear of difference and diversity and its contempt for all sorts of cultural and intellectual pluralism are legitimated at every turn. Everything appears as black and white, leaving no area to subtleties, nuances and alternative readings.

What's more, the rulers portray themselves as victims while being in power, so that all dissent gets cast as the work of conspirators



**The unholy alliance between corporate capitalism and aggressive majoritarian communalism, masquerading as 'Nationalism' today can be confronted only by developing a genuine democratic counter-nationalism based on the principles of equity and justice. Being genuinely patriotic must be understood as opposition to all that is negative in our heritage, everything that impedes speaking and working for the underprivileged. Doing all this while steering clear of an exclusivist and insular nationalist ideology is paramount.**

and seditionists. This way, it becomes possible for the government to strike populist and anti-elite poses even as the State is colonised in pursuit of upper class objectives. These are precisely the symptoms of what Umberto Eco calls “ur-Fascism” (universal Fascism) in his *Five Moral Pieces*, and they also bear a close resemblance to the definitions and explanations of authoritarian populism by modern political thinkers and social psychologists like Wilhelm Reich, Jan-Werner Muller, Hannah Arendt, Talcott Parsons, Timothy Snyder and others.

When Rabindranath Tagore was writing his essays on Nationalism — first put together in the second decade of the twentieth century (*Nationalism*, New York, 1917) — he might not have imagined that by the end of the twentieth century several thinkers across the world were going to echo his critique of the nationalist ideology, mostly without having read him. Though one may find the rudiments of such a critique in thinkers and conscientious objectors like Bertrand Russell, Aldous Huxley or Jean-Paul Sartre, Nationalism entered modern theoretical discourse in a major way only with Benedict Anderson’s acknowledged classic *Imagined Communities* (1983), that was soon followed by a series of treatises on the subject by Ernest Gellner (*Nations and Nationalism*, 1983), Miroslav Hroch (*Social Preconditions of National Revival in Europe*, 1985), Anthony Smith ( *The Ethnic Origins of Nations*, 1986 ), Partha Chatterjee (*Nationalist Thought and the Colonial World*, 1986) and Eric Hobsbawm (*Nations and Nationalism since 1788*, 1990 ), not to mention innumerable articles in journals and writings in languages other than English.

Benedict Anderson’s book had defined the nation as an imagined community, one that belonged more with concepts like “kinship” and “religion” than with “liberalism” or “fascism”. It is “imagined” because its members can, even without knowing most of their fellow-members, conjure up the image of their communion. In Ernest Gellner’s words, “Nationalism is not the awakening of nations to self-consciousness;

it *invents* nations where they do not exist”. (*Thought and Change*, London, 1964, p.169). To him, as in Tagore, the nation is a more rigid fabrication than something simply imagined into being. The nation,

Anderson would say, is *limited* as it has finite boundaries demarcating it from other nations; it is *sovereign* as nations like to imagine themselves to be free, the sovereign state being the gage and emblem of this freedom; and it is a *community* as it glosses over its inequalities and is conceived as a deep and horizontal comradeship for which you can kill or die. The roots of the nation are cultural and the idea of the nation is close to the religious community and the dynastic realm as most nations have their own epics/sacred texts and “national” literatures, constitutions, hierarchised bureaucracies, anonymous linkages, national anthems that substitute prayers, national censuses, celebrations, parades and charades, martyrs, genealogies and selective chronicles that prescribe what to remember and what to forget. Alongside this exist national newspapers and a whole print-capitalist system and corporate media that helps propagate ideas across the nation. Then, there are defined borders, maps considered sacred with any deviation treated as treason — calendars, memorials, museums and a whole paraphernalia of national emblems like flags, birds and animals, why, even national zoos, parks and gardens. Add to this a law against “sedition” that can be used at will to label anyone a terrorist or a traitor — and their control over the populace is complete.

In “Nationalism in the West”, the first in a series of lectures Tagore delivered in Japan in 1916, he states his position without much ambiguity: “Neither the colourless vagueness of cosmopolitanism, nor the fierce self-idolatry of nation-worship is the goal of human history.” He also defines the nation in clear terms: “A nation, in the sense of the political and economic union of the people, is that aspect which a whole population assumes when organised for a mechanical purpose.” Tagore

recognises the problem of races as the most menacing of the issues faced by India, making our history a continual social adjustment, where the problems of most other countries concerned the organisation of power for defence or aggression, or the rise and fall of dynasties. Social regulation of differences with a spiritual recognition of unity has been the twin-strategy for her to cope with her ethnic multiplicity. Tagore is sharply critical of the rigidity of social stratification in India and the crippling minds that results from insular world views and the perpetuation of hierarchies.

One metaphor that Tagore employs in his delineation of nationalism seems especially relevant to the Indian situation today: the nation as a monster full of watching eyes. No one can escape the suffocation of its tightening grip. Here we are reminded of Bentham's idea of the *panopticon*, elaborated by Michel Foucault in his *Discipline and Punish*: the observing eye from the watch-tower (José Saramago's novel *Blindness* too has it), ever hidden from the observed and hence supposed to be present even when it is not there. People live in a perpetual distrust. Today the state does not need prisons as it can turn the whole country into a prison. "The digitalised networked subject is a panopticon of itself" as Byung-Chul Han notes in *Psychopolitics* (2017). From the Aadhar card to keeping a watch over social media, the authoritarian nationalism in practice today exempts no area of the citizen's life from its knowledge and oversight. It follows you everywhere, knows everything you do, from what you eat to what you say, read, view or even think.

A useful concept here is Antonio Gramsci's articulation of consent", whereby the ideological machinery of the State manufactures a voluntary-seeming agreement to its schemes, using education, the State-run press, and the whole Goebbelsian State propaganda machine. To quote Tagore, people are "hypnotised into believing that they are free" and they begin to think that bartering the higher aspirations of life for profit and power has been their free choice; the State perfects their instincts of self-aggrandisement and makes them believe this is good.

Look at the way the poor people queued up obediently to exchange their currency when the old currency was declared invalid one midnight, recharging the national coffers in the interests of crony capitalism and a ruling

party that serves the corporates rather than the common people. Or the way they did so to get Aadhar cards made, so that the authorities might gain fuller control over their lives and movements. Or the way they listen raptly, at times under compulsion, to the hollow rhetoric of the "tea-seller" full of promises he never means to keep. Or the way people devour the fake news churned out every moment by the "news-breakers" (now proved "news-brokers") who are paid to make and unmake people and events.

Or the way manufactured WhatsApp messages circulate and "go viral", justifying every atrocity perpetrated by gaurakshaks against the minorities who are dubbed "haramzade" and "beef-eaters", or by the "sanatanis" against rationalists, Gandhians, journalists, questioners and true spiritualists — from Govind Pansare and Narendra Dabholkar to Gauri Lankesh and MM Kalburgi — or by the upper castes against slaving dalits who are lynched regularly, and the starving adivasis from Uttar Pradesh to Kerala; or the frequent threats to drive to Pakistan or silence independent artists, journalists and writers from Girish Karnad and Perumal Murugan to Nandita Das, Mallika Sarabhai, Anand Patwardhan, Ravish Kumar, Naseeruddin Shah, Aamir Khan, Shahrukh Khan, Kamal, MT Vasudevan Nair, to name just a few.

Or the way concocted stories are willingly swallowed, whether about incidents like the inhuman rape and murder in Kathua or the killing of Junaid or the disappearance of Najeib. Or the meek acceptance of changes of leadership and objectives in institutions from FTII, ICHR, ICPR, ICSSR, NBT and Teen



Cartoon courtesy: SajithKumar, Deccan Herald

Murti to IITs and universities like JNU, DU, BHU and HCU; or the discriminatory attitude to refugees including the homeless Rohingya Muslims. These unprecedented assaults fail to generate any proportionate reaction or resistance from the affected sections, or from watchdog bodies, or society at large. Every step to murder democracy is praised by appointed trolls as a progressive measure for the country's "development". And the reach of the free-thinking intellectuals and of the few oppositional and truth-speaking journals, mostly online, is extremely limited. This is neither to deny agency to the common people nor ignore the fast-growing pockets of resistance but only to demonstrate how the mechanism to generate "consent" and shape "common sense" far outsmarts the counter-machinery representing the interests of the people and attempting to speak truth to power.

Tagore points to the need to fight insular and hate-mongering organisations, resisting the markets and cannons with the ideal of ethical freedom, the sacredness of law, the liberty of conscience, thought, expression and action, the higher obligations of public good above narrower considerations, values that had helped create civilisation but which now face the crisis of commercialism, careerism and competition. The main problem in India, he says in his talk in the US ("Nationalism in India") in 1917, is the hierarchisation of her society on the basis of race/caste and a blind faith in the authority of traditions. In an attempt to provide an order to society, India denied many the opportunity of movement and expansion. We are also trained to think this system of discrimination is eternal. Tagore points out that Indians cannot build a political miracle of freedom upon the quicksand of social slavery: a truth that B R Ambedkar, who advocated the annihilation of caste, realised more than any other Indian leader, while

Anyone following the media can affirm this: success, not happiness, is the keyword and money seems to have become the central quest in life for the already rich as well as the aspiring middle classes in general. The paradox of our times is that nations have lost their sovereignty to "the empire" that is globalised capitalism. It has brought every nation to heel, subservient to its interests of profit through exploitation. This is the real theatre of action, but its instigators make believe that the conflict lies elsewhere, between communities .....

leaders like Jignesh Mewani are now linking it to the issue of class.

In a response to the letters carried by *The Modern Review* of Calcutta in May, 1921, Tagore points to the need to liberate man from the organisations of "national egoism" which he later in the article qualifies as "racial egoism". He considers true India an ideal and not "a mere geographical map". "The idea of India is against the intense consciousness of the separateness of one's own people from others, and which inevitably leads to ceaseless conflicts." ("Tagore's Reflections on Non-cooperation and Cooperation", *The Mahatma and the Poet*, ed. Sabyasachi Bhattacharya, Delhi, 1997.)

Let us recall what Eric Hobsbawm said: nations do not exist before nationalism. They are an invention of the nationalist imagination, something constructed through "rememoration" to recall a term used by Gayatri Chakravorty Spivak (*Nationalism and the Imagination*, 2010). The colligation of nationalism with the abstract structure of the state, as Hannah Arendt perceptively states, was a happening with a limited history and a limited future; sadly this twinning has worked against the principle of redistributive justice. So we need, quoting Gayatri Spivak again, to "de-transcendalise" nationalism, train our imagination to take the nation out of nation-state. Mere nationalism that ignores redistributive justice can lead us astray "Theatrical or philanthropic wholesale counter- or alter-globalism, whatever that might be — the demonstrations at Seattle or Genoa, are — not guarantees of redistributive justice either" (*Nationalism and Imagination*, p 51). Edward Said rejected the two-state solution in Palestine precisely because seamless identities are thrust upon nationalism — even on the liberatory party — by opponents who could be colonisers or anti-socialist forces. Patriotism is an affect that the abstract structure of a

One metaphor that Tagore employs in his delineation of nationalism seems especially relevant to the Indian situation today: the nation as a monster full of watching eyes. No one can escape the suffocation of its tightening grip. ...From the Aadhar card to keeping a watch over social media, the authoritarian nationalism in practice today exempts no area of the citizen's life from its knowledge and oversight. It follows you everywhere, knows everything you do, from what you eat to what you say, read, view or even think.



functioning state harnesses chiefly for defence. This is very clear from the way patriotism is being interpreted by the Hindu right-wing today: anyone who disagrees with their understanding of the nation is made out to be unpatriotic.

One may recall, as Hannah Arendt says, that European fascism was an attempt to build a compensatory pseudo-community in place of ruined communities, cultures and world views. Modern nations also take up this mission and, in fact, Anderson's "imagined community" is often a substitute for real community based on natural bonding. Here, Tagore's refusal — as was true of Tolstoy, Thoreau and Gandhi — to use rigid intellectual frames and theoretical jargon may be seen as a form of revolt against the violence often implied by adherence to technicalities. Tagore's writings clearly indicate that he would not have accepted the jingoist, insular and violent Hindu nationalism, whose growth began with the colonial orientalist idea of a unified Hinduism proposed by Madan Mohan Malaviya, Lala Lajpat Rai and others who established the Hindu Mahasabha in 1914, the extremist turn it then took under VD Savarkar and with the establishment of the RSS in 1925 by KB Hedgvekar. The RSS branched and developed this phenomenon like a national cancer, with the founding of the Bharatiya Jana Sangh by Syama Prasad Mukherjee in 1951, and of the Bharatiya Janata Party in 1980.

The rise of this politics in the post-independence period has been stridently accompanied by the Vishwa Hindu Parishad (founded 1964) that openly raises the slogan, *Rajneeti ka Hindookaran, Hindustan ka saineekaran* (The Hinduisation of politics and the militarisation of Hindustan). Its gradual ascendancy to power in the following years came about through its divisive strategies, aggressive propaganda and violent methods. Gandhi too had declared in his newspaper *Young India*: "Patriotism for me is the same as humanity" (1921), "it is the narrowness, selfishness and exclusiveness which is the bane of modern nations, which is evil" (1925) and again, "through the realisation of freedom of India, I hope to realise and carry on the mission of brotherhood of men" (1929). It can also be inferred from Tagore's novels like *Gora* and *Ghaire-Baire* that he foresaw the rise of Hindu Nationalism as a violent middle class phenomenon, declaring Muslims as its other.

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Apart from the technicalities involved, conducting simultaneous elections to the parliament and state assemblies is fundamentally anti-federal, anti-democratic and strikes at the root of the parliamentary democratic system, as ordained in the constitution. It tampers with the constitutional scheme of accountability of the government to the legislature viz., the collective responsibility of the council of ministers to the House of People and to the legislative assembly of the state.

The BJP led NDA government has made a serious push for "One Nation – One Election" as soon as it assumed office on 30.05.2019, after emerging victorious in the elections to the 17<sup>th</sup> Lok Sabha. The government has convened a meeting of all political parties represented in the parliament on 19.06.2019, a day before the scheduled presidential address to the joint session of parliament on 20.06.2019, mainly to seek views and suggestions for conducting simultaneous elections to Lok Sabha and State Assemblies, among other things. Leaders of several political parties abstained themselves from the meeting for different reasons. Later, the Home Minister announced the government's decision to form a consultative committee to look into the feasibility of conducting simultaneous elections.

The President Ram Nath Kovind said that frequent elections have affected the pace and continuity of development programmes and asked all the parliamentarians to back the government's "One Nation, One Election" proposal to help boost the development, while addressing the Joint Session of Parliament on 20.06.2019. "Our countrymen have demonstrated their wisdom by delivering a clear verdict both at state and national issues. 'One nation-simultaneous election' is the need of the hour, which would facilitate accelerated development, thereby benefitting our countrymen. With such a system in place, all political parties, according to their respective ideologies, will be able to better utilize their energy towards development and public welfare," said the President.

The BJP has always advocated for a very strong government at the center. It was Sri LK Advani, the then Deputy Prime Minister in the Vajpayee government who floated the idea of

# ONE NATION ONE ELECTION



## Step towards destruction of federal structure

TVNS Ravindranath

simultaneous elections in the past. It gained recent traction after Prime Minister Narendra Modi floated the idea in March 2016. The Niti Aayog came out with a paper in 2017 and the Law Commission gave its nod in 2018 with a few caveats.

The idea of holding simultaneous elections to Parliament and state assemblies is not new. Once after the constitution is adopted by the country, elections to Lok Sabha and state assemblies were held together till 1967. However, elections to the state assemblies got detached from the general elections due to the arbitrary misuse of Article 356 by the central government. This process began with the dismissal of the first Communist ministry in Kerala led by Com. EMS Namboodripad in 1959.

Apart from the technicalities involved, conducting simultaneous elections to the parliament and state assemblies is fundamentally anti-federal, anti-democratic and strikes at the root of the parliamentary democratic system, as ordained in the constitution. It tampers with the constitutional scheme of accountability of the government to the legislature viz., the collective responsibility of the council of ministers to the House of People and to the legislative assembly of the state.

Under the constitution, if a government loses the confidence of the legislature either by being voted out on a no-confidence motion, or, losing a vote on a Money Bill, it is bound to resign. If no alternative government can be formed, the House is dissolved and a mid-term election held. There is no fixity of tenure enshrined in the constitution either for the Lok Sabha, or, for the state legislatures. It is specified that the term of Lok Sabha and

the legislative assembly will be for five years “unless sooner dissolved”. Any attempt to prolong the life of the Lok Sabha, or, legislature will not only be unconstitutional but also anti-democratic. It is the will of the people that must prevail, through their elected representatives.

One of the suggestions made by the discussion paper released by the Niti Aayog is that if the dissolution of the Lok Sabha cannot be avoided and the remainder of the term of the Lok Sabha is not long, then a provision can be made for the president to carry out the administration of the country, on the aid and advice of a council of ministers to be appointed by him/her till the next house is constituted. This outrageous proposal would make the president head the executive. This is bringing the executive presidency through the back door. Similarly, in the case of state legislatures it is proposed that if dissolution takes place after the major part of the term is over, the governor could run the state for the rest of the term of the house. This, again, would mean central rule.

The other suggestion is that if, at the time of dissolution of the house, the remaining period is long, then fresh elections would be held and the term of the House would be only for the rest of the remaining period, i.e. if the dissolution of the house takes place after say two years of its term, then, the subsequent election will be held for a three year term. So, actually, there will be more frequent election, which defeats the purpose, for which simultaneous elections are being advanced.

The other casualty of this proposal is federalism itself. One of the proposals for aligning the Lok Sabha and state assembly elections, made by the 79<sup>th</sup> Report of the

parliamentary standing committee 2015 and the Niti Aayog paper, is to extend the life of some of the assemblies, or, to shorten the tenure of some in a phased manner. Both reduction of the tenure of the assembly, or, its extension are an assault on the rights of the states and circumscribes the rights of citizens to elect their legislators.

Various proposals are put forth to circumvent the accountability of the legislature and to ensure fixity of tenure of the house. One of the proposals mooted, including in the draft working paper of the Law Commission of India, is that when a no-confidence motion is moved, it must be accompanied by a motion to elect a new leader of the house. This means that the right of the legislators to vote out a government is circumscribed and conditional to their electing a new government. The right of elected legislators and members of the Lok Sabha to vote out any government cannot be circumscribed, nor can the right of a ruling party which has a stable majority in the house to recommend dissolution of the house and hold early elections also be curtailed.

In the name of ensuring simultaneous elections, all these proposals would enhance the role of the governor and central intervention. India is a vast country with myriad diversities and only a federal set-up can sustain political democracy. Having elections in states at different times is one aspect of the federal system. Any artificial attempt to bring about simultaneous elections can only be done by trampling upon the existing constitutional scheme of parliamentary democracy.

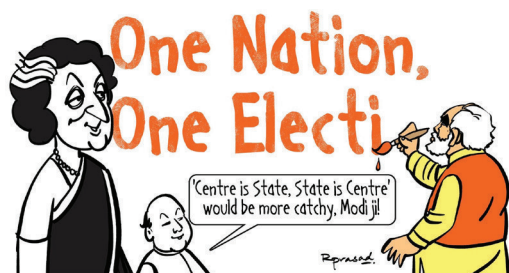
It was stated repeatedly that Indian democracy has matured adequately and the voter is now capable of taking different decisions for Lok Sabha and assembly polls. Assembly election reflects and raises local issues that might appear alien at the national level. Parliament elections are held on national issues. Simultaneous elections may confuse the voter about the local and national issues and

thereby even influence him to vote on national issues even for state elections. This would, effectively, lead to marginalization of regional parties, which often represent the interests of the local social and economic groups, undermining the essence of Indian Democracy and harming the federal democratic structure. Moreover, if an incompetent government gets re-elected for another term, in the confusion of simultaneity, it would just set the base for a political storm.

Also, a myth has been created that during the last few decades, due to frequent elections being held in some part of the country or the other and coalition governments the pace and continuity of development programmes have been impacted which is detrimental to the economic growth.

There is no denying that India has grown exponentially over the last 27 years. Interestingly, from 1991, the year in which neo-liberal reforms were ushered in, till 2004 the country witnessed minority/coalition governments led by late Sri PV Narasimha Rao, Sri HD Deve Gowda, Sri IK Gujral and Sri Atal Behari Vajpayi. From 2004 to 2011, except in 2008 during the depression, India's GDP had consistently been hovering around the 8.5% mark. This was the time Manmohan Singh was the Prime Minister and he was considered a weak leader without any mass base. Even he led a minority government. If we apply the current rhetoric being peddled about recurring assembly elections and Model Code of Conduct, then India would never have progressed so much. It would never be counted among the global economic powers. Surprisingly, since 1991, it is only the current Modi government that has had a majority of its own. Since 2014, India has had a stable majority government, a charismatic and highly popular Prime Minister, yet the country witnesses a slump in growth to 5.8%. Why?

The BJP and its mentor RSS consider democracy a sign of weakness. They are strong advocates for the theory of – One Country, one legislature and one executive center. In their view “federalism is an ill conceived concept”. It is in this very context that they have always talked about changing the parliamentary form of government to a presidential one. For the BJP and RSS, it is more of a conviction. Simultaneous elections are a first step towards realizing their desire. They might just attempt to do it but the bigger question is – Shall we, the people of India accept it?



Cartoon courtesy; R Prasad, Economic Times



# THE ROLE OF CAPITAL IN WAR & PEACE

*Imperialism is driving  
world to unending wars-  
Need to build up a strong  
global movement for peace  
and against war*



Hiroshima on 6th August 1945

Rabindra Nath Samaddar Chowdhury

The US aggression against Iran is threatening West Asia with another war. This will have disastrous consequences for the entire global community. The desire to control the natural resources of the region by the US imperialism and its attempts to protect the interests of Israel and Saudi Arabia has made West Asia a theatre of terrible wars and crimes. Millions have lost their lives and millions are displaced creating an unprecedented refugee crisis the world over. It must be remembered that in order to establish its supremacy United States used the atomic bombs against Japan when the Second World War had almost ended and Japan was preparing for surrender. 6<sup>th</sup> August, 1945, the US dropped the first atom bomb on Hiroshima. As the bomb detonated, it created a inferno like thousand blazing Suns, an unimaginable mixture of heat, sound and light. Hiroshima was destroyed in the blink of an eye. On 9<sup>th</sup> August, B-29 Bomber, BOCKSCAR dropped "Fat Man" on Nagasaki. The Atom Bomb dropped at Hiroshima obliterated 13 square kilometres, killed 1,80,000 people. For Fat Man, the toll was nearly 1 lac. Tens of thousands died in the days that followed. Last year was the hundredth year after the First World War and the coming year will be the seventy fifth year after the Second World War. Let us take a short note of those two wars.

Although the assassination of Austrian Archduke Franz Ferdinand in Sarajevo on 28<sup>th</sup> June, 1914, was what sparked off the First World War, the main reasons behind the war were, i) Colonial rivalry between the European powers in Africa and the Far East,

ii) Naval race between Britain and Germany and iii) the economic rivalry between the European nations. The war ended officially on 11<sup>th</sup> Nov, 1918. Various treaties were signed among which the treaty of Versailles was the most important. It was the treaty to end all treaties that created conditions for the Second World War. Germany was to pay reparations for damage done to the Allies and it was a staggering amount of 6000 million gold Marks every year till May 1, 1963. After the peace of Versailles, Europe and the whole World were heading for bankruptcy.

The World saw the depression of the 30s, the crisis began in 1929. The so-called reason behind the depression was overproduction, but this can be analysed in a more comprehensive way. It may be well argued that if there were steps taken in order to increase the purchasing power of the masses, this apparent problem of overproduction might be averted. John Maynard Keynes, writing in Yale Review in 1933, said-'The decadent international but individualistic capitalism in the hands of which we found ourselves after the (first world) war is not a success. It is not intelligent, it is not beautiful. It is not just, it is not virtuous- and it does not deliver the goods. In short, we dislike it, and we are beginning to despise it.'

1933 to 1939, this period is crucial, because it culminated in the Second World War. Economic problems caused the Locarno spirit to fade away. The right wing forces became powerful in Italy, under Mussolini and Germany, under Hitler. Germany decided to destroy Czechoslovakia and Poland as part

of its Lebensraum policy. Britain's policy of appeasement gave the fascist fire the necessary fuel. For Poland, a full-scale German invasion began on 1<sup>st</sup> September, 1939. Then on 3<sup>rd</sup> September, Britain was at war with Germany. Soon France also declared war.

Why did the war break out? The main reason behind it was the World economic crisis. Duration of this war was September, 1939 to August, 1945. Combined effort from USA, USSR and Britain wore the Axis power down. Italy was eliminated. In the east, the Russians drove the Germans out. Germany surrendered in May, 1945 and Japan in August, after the Hiroshima and Nagasaki events.

It cannot be denied that in America, the great depression only ended during and because of the Second World War. Even the greatest admirers of President Roosevelt admit that his much publicized New Deal policies brought little or no relief. Economic demand rose spectacularly when the war started at Europe. It allowed American industry to produce unlimited amounts of war equipments. Between 1940 and 1945, the American state spent no less than 185 billion dollar on such equipments. The military expenditures share of the G.N.P thus rose between 1939 and 1945 from an insignificant 1.5% to approximately 40%. The key problem of the great depression, the disequilibrium between supply and demand was thus resolved because the state 'primed the pump' of economic demand by means of huge orders of military nature. The greatest beneficiaries by far of the war time economic boom were the country's big business houses and corporations. The burden of financing the war (was) sloughed firmly upon the shoulders of the poorer members of society'- that was how American historian Sean Dennis Cashman observed.

Eisenhower, on January 17, 1961, said in his farewell speech 'We have been compelled to create a permanent armaments industry of vast proportion.' This is the genesis of the concept, military-industrial complex. Ten years later Paul Sweezy delivered a lecture at the Cambridge University. He pointed out 'If it weren't for enormous military outlays of today, the US economy would be as profoundly depressed as it was during the Great Depression of the 1930s.' **Somebody once told Lenin-'war is terrible'. Lenin replied- 'Yes, terribly profitable.'**

The Trump administration needs war to keep the profits of military industrial complex soaring. War against North Korea, Iran, Russia

and China is currently on the drawing board of the Pentagon. Talking about American Imperialism is like talking about triangular triangles. To establish military and economic hegemony, USA has chosen Middle East as first strike zone. This part of the Globe contains huge petroleum resource and is located at the cross roads of the old World. With the excuse of finding out weapons of mass destruction, the US destroyed Iraq and took control of its oil fields. Presently Iran is under US threat. The US decision to stop Iran's customers from buying oil is an audacious strike at Tehran's life line. Iran earns about 50 billion dollars annually from oil sales; it is 40% of its revenue. The US had forced India to reduce buying oil from Iran. It will cause an escalation in our National expenditure. The cruel joke is that after having bound itself into the strategic ties with US, India is unable to act against this dictum. India is also forced to stop buying oil from Venezuela. This is another blow to India's energy policy. Amid political chaos and a raging economic crisis due to US pressure on the legitimate regime of President Nicholas Maduro, Venezuela's oil production has been crumbling. Venezuela has World's largest oil reserves at an estimated 297 billion barrels. This clearly explains US interest in Venezuela. For eastern part of the World, rising diplomatic tension between North Korea and the US is a cause of concern for the Globe.

It must be understood that war destroys and in such destruction lies an opportunity for reconstruction and this results in massive profits for capital. Therefore, it is a strategy of imperialism to keep the world in eternal conflict for the sale of destructive weapons it produces. This takes us to the necessity of building a strong global anti-war movement.

Presently a strong wave of ultra nationalism is striking the shore of humanity. With the emergence of extreme right wing politics, globally a pre-fascist penchant is on the anvil. India is also under the umbra of its abysmal shadow. Fascism is a kind of social response to the provocations of capitalism and it is an act of sacrilege at the shrine of humanity.

To quote Rosa Luxemburg, - We face the problem of choice, the choice between socialism and barbarism at the cross roads of history in the present epoch of the world wide struggle between capital and labour.

As one becomes capable of acquiring citizenship of the intellectual common wealth by learning the past, he becomes well aware that a shift in balance of power in favour of

neo-facism increases the danger of further wars. For capital to war and for war to capital, how much and what more do you need Mr. Capitalist? The humanity has to be saved from wars – military, economic and environmental. This is the task that progressive sections and the working people across the world have to undertake urgently. Building up of a strong

global pro-peace and anti-war movement is the urgent necessity today. We need to declare firmly and loudly, No to War and No to Capitalism.

(The writer is a Member of KSDIEA working at CAB Salt Lake Branch)



## THE CRISIS OF NATIONANALISM

Continued from Page 18

One may well distinguish secular mainstream nationalism from the identitarianism of Hindutva, for they are not coterminous. But it would be dangerous to ignore the continuities between them, especially on the question of national identity, which also spills over to a Hindu diaspora desperately in search of a lost identity. Today, as shown by William Mazzarella (*Shoveling Smoke: Advertising and Globalisation in Contemporary India*, Delhi, 2004) this “Indian” identity has become a trademark and an advertising strategy in the global corporate market where it denotes a distinctive ensemble of characteristics that hark back to the Western orientalist construct. Whereas colonialism and race theory had incited the zero-sum game of conflicting identities earlier, today it is neo-liberal strategies that have normalised competition as the very structuring principle of existence. Anyone following the media can affirm this: success, not happiness, is the keyword and money seems to have become the central quest in life for the already rich as well as the aspiring middle classes in general. The paradox of our times is that nations have lost their sovereignty not to burgeoning international collaboration but to what Antonio Negri calls “the empire” that is globalised capitalism. It has brought every nation to heel, subservient to its interests of profit through exploitation. This is the real theatre of action, but its instigators make believe that the conflict lies elsewhere, between communities vying for scarce resources, opportunities, and power.

The only way to confront this unholy alliance between corporate capitalism and aggressive majoritarian communalism is to develop a genuine democratic counter-nationalism based on the principles of equity and justice. This will involve an objective study of history, faith in genuine democracy, the

defence of all independent public institutions, and ceaseless criticism of authoritarian tendencies whatever their source. It will mean setting a premium on professional ethics by all, from doctors, scientists and historians to legislators and jurors, developing a democratic critique of the media and of oppressive social institutions like caste and patriarchy, as well as caution against paramilitary organisations that become the breeding ground of fascism. The emphasis must be on facts rather than empty rhetoric, on getting out of comfort-zones and addressing the unfamiliar, upholding religious amity, supporting civil society and human rights organisations, and utilising democratic institutions, platforms and legal rights from the right to vote to the right to information. Intrinsic to this is resistance to any form of suppression of rights or the misuse of constitutional provisions, such as in an unjustified declaration of national emergency. A democratic counter-nationalism must defend the principle of federalism by opposing any attempt at over-centralisation. Being genuinely patriotic must be understood as opposition to all that is negative in our heritage, everything that impedes speaking and working for the underprivileged. Doing all this while steering clear of an exclusivist and insular nationalist ideology is paramount.



Cartoon courtesy: Satish Acharya, News String



# 17<sup>th</sup> Triennial Conference of GIEA, South Zone



The 17<sup>th</sup> Triennial Conference of GIEA, South Zone was hosted by Vizag Region General Insurance Employees' Association (VRGIEA) at Visakhapatnam during July 14-16, 2019. The Conference was attended by around 175 delegates and observers from all over South Zone. Com P.R.Sasi, President, GIEA, South Zone hoisted the flag of AIIEA amidst thundering slogans hailing the working class. It was followed by garlanding of the portrait of Com N.M. Sundaram, the towering leader of insurance employees' movement by Com Amanulla Khan, President AIIEA.

Com C.H. Narasinga Rao, President of CITU, AP and Chairman of Reception Committee welcomed the gathering. Com Rao in his address narrated the successful struggles against privatisation of many State-owned steel plants with AIIEA as the potential resource of all kinds. Our special thanks to Com Rao for deploying dozens of comrades of CITU for the successful conduct of the conference.

Inaugurating the Conference, Com Amanulla Khan expressed happiness on young comrades attending the conference in large numbers. He recalled the sacrifice of career and compromise of health by scores of leaders who helped to build AIIEA as the behemoth one and exhorted them to read, learn and take up the mantle thus acknowledging them as the future of AIIEA. He dwelt at length the achievement of final option. Explaining the efforts of AIIEA he said that world over defined benefit pension schemes have come under attack. In India too, the governments did not

want to open the 1995 scheme as it has become a policy decision to do away with defined benefit pension scheme. The enormity of the gain and achievement has to be seen from the fact that our struggle forced government to open the 1995 pension scheme while it rejected similar demand from the RBI. Com Amanulla Khan thanked Com T.K.Rangarajan, MP, CPM who helped the organization in the struggle for pension option.

On the issue of wage revision, he said AIIEA succeeded in forcing open negotiations and in LIC, an offer of 10% wage increase is already made. Though the talk commenced



with GIPSA too, no concrete proposals were made. He said AIIEA has been demanding an industrywise settlement and expressed confidence that given the necessary struggles, the AIIEA will secure a good wage revision this time too. He called upon employees to be wary of the machinations of the powers-that-be who in the name of amendments is transforming the voluminous Labour Laws into four chapters. Precisely to say, there is every attempt to pit the unemployed, unorganised, marginalised, etc against organised section like ours thereby underlining the imperative need for us to identify with struggles for the emancipation of those sections. On the threat of disinvestment in General Insurance sector which is the first step towards the end privatisation, he asserted that notwithstanding listing of PS New India in Stock Market earlier, our demand for merger of PS GI companies including New India into a single corporation akin to LIC remain strong. He stressed the need for employees to improve customer service and simultaneously campaign among general public about the need for PS GI cos to remain as Public Sector wholly owned by Government of India.

Speaking on the recent elections to Lok Sabha, he noted with dismay that the elections witnessed the most abusive, hateful, divisive and polarising campaign; truth gave way to emotions and sectarian beliefs. He was also deeply worried that economic slow-down, unprecedented levels of unemployment, destruction of micro, small and medium businesses due to demonising demonetisation & hasty implementation of GST and dangerous social strife did not occupy enough space in the campaign. Deriding on the NDA government, he said that it would prefer nationalism to patriotism resulting in patriotic citizens being humiliated by the second-rung leaders/cadres of BJP/RSS. He was at his best when he drew a classic line between nationalism and patriotism as according to him, nationalism meant blind endorsement of any and every action of the State and patriotism is due & just acknowledgement of the well-being of fellow citizens. Notwithstanding the above, Com Amanulla Khan exuded confidence that emotions would soon die

paving way for truth to triumph when people will realise the importance of issues of life and livelihood, etc.

Coming to the proceedings proper, departing from the age-old convention, the report was not read in its entirety but an executive report was presented which really helped in saving precious time & energy sans any compromise on the reach-out of its contents. Yes, it did help in better & wider deliberations on the report by 39 comrades which was unprecedented. The deliberations on the report by 9 new & young comrades did move the top leadership of AIIEA who were spontaneous in their expression of appreciation and applause to those comrades. Com G. Anand, General Secretary was just reaching out to the last person both at the time of presentation of executive report when he dealt Industry arena and while summing up the deliberations and his summing up was unanimously adopted by the Conference.

Preceding the above, Com Sanjay Jha, Secretary, Standing Committee, (Genl Insce), AIIEA addressed the conference. He amply & aptly covered vital issues, such as AIIEA's avowed stand on NPS, current status of wage revision and the ill-effects of disinvestment besides causing clarification on some of employees' issues to be tackled at HO level. Com KVVSN Raju, Vice-President, AIIEA in his address gave statistics vis-à-vis the growth of our industry in terms of premium income/profit thereby justifying 40 % wage hike demand of AIIEA to the appreciation of top leaders who were on the dias. Besides, he narrated the achievements of AIIEA on





scores of employees' issues with emphasis on appointment on compassionate grounds.

As part of conference proceedings, various laid down agenda was gone through including adoption of resolutions and election of office-bearers for the ensuing term involving three years. As regards resolutions, as many as 26 resolutions were adopted on – Upholding Constitutional Provisions, Communal Harmony, Agrarian Crisis, Unemployment, Revamping of GST, Protection of Labour Laws, Scrapping of NPS, Early settlement of wage revision, improvement in the service of HITPA, etc. And a team of office-bearers with Comrades P.R. Sasi, G. Anand & N. Karthik as President, General Secretary & Treasurer was elected unanimously.

The Conference was privileged with the presence and presentation of scintillating address by Com V. Ramesh, General Secretary, AIIEA. He presented himself throughout three days both physically and psychologically to the benefit of the gathering. In his concluding address of Conference, he touched upon various issues confronting nation, people and industry. Towards complementing the submission of Com Amanulla Khan on the so-called twin issues of nationalism & patriotism, Com Ramesh enlightened the gathering of spearheading of nationalism during freedom movement which resulted in the ultimate independence of India from the clutches of British. Thus, according to Com Ramesh, nationalism is an aggressive posture to make



other party kneel down which, however, is not an aberration when it meant for freedom of our nation. But in the independent India, patriotism should find its pride place and felt by the citizens. For, patriotism was borne out of nationalism. But the sad irony is, nationalism reflecting utter social disorder is put in the first place with humane-oriented patriotism done to the back-burner. He simply impressed upon young comrades by pointedly referring to their submissions (of those comrades) during their address to the conference. In the same vein, he expressed his satisfaction and happiness over the positive transformation in the composition of the gathering in the conference. Concluding his speech, Com V. Ramesh exhorted saying, "Let the juggernaut (AIIEA) roll on for the emancipation of marginalised and for the decimation of detractors."

The Conference approved various resolutions relating to employees, industry and of national importance. The Conference unanimously elected Com P.Sasi as President, Com G.Anand as General Secretary and Com Karthik as Treasurer for the ensuing term.

In fine, VRGIEA comrades had proved their mettle grandly reflecting the writing on the wall of AIIEA – **"It is the strength of the weak and NOT the weakness of the strong that matters"** by conducting the conference in a grand and successful manner notwithstanding the deficit in manpower. And with vote of thanks by Com N. Prakasa Rao, senior leader of VRGIEA, the 3-day session of 17<sup>th</sup> Triennial Conference of GIEA, South Zone came to a successful conclusion.



Com.G. Anand  
General Secretary,  
GIEA-SZ





## The Reception Committee of 31<sup>st</sup> General Conference of *EZIEA* formed

The 31<sup>st</sup> General Conference of EZIEA will be held at Siliguri on .....November 2019. To facilitate the smooth and successful conduct of the Conference, a Reception Committee was formed with the Mayor of Siliguri Municipal Corporation and Member of the West Bengal State Assembly Comrade Ashoke Narayan Bhattacharjee as the Chairman. While addressing the gathering of representatives from various organizations, Com. Ashoke Bhattacharjee unequivocally expressed that DIEA, Jalpaiguri was very rich in heritage, a true unit of AIEA which has been playing a leading role in developing larger Trade Union and Democratic Movement in North Bengal and Sikkim. He assured all sorts of cooperation to host the conference and also expressed his confidence that the 31<sup>st</sup> EZIEA conference will be a landmark in the democratic and T.U. movement of Siliguri.

Eastern Zone Insurance Employees' Association entrusted DIEA, Jalpaiguri to host the conference and despite serious illness of his father Com. Jayanta Mukherjee, General Secretary EZIEA attended and addressed the Reception Committee formation meeting. He briefly explained the philosophy of AIEA and expressed his confidence that the 31<sup>st</sup> EZIEA Conference will be a land mark. Com. Amitabha Ghosh, Treasurer, EZIEA was also present. The meeting was presided over by Com. Manoj Nag, Working President of the Reception Committee and one of the Vice Presidents of DIEA,

Jalpaiguri. Com. Saikat Chaudhuri, General Secretary, DIEA, Jalpaiguri and Secretary of the Reception Committee welcomed the gathering and recalled the successful EZIEA Conference held in Siliguri in the 1990. He expressed confidence that with the help and guidance of the democratic and progressive forces the conference will be successful.

The representatives from science movement, educationists, eminent journalists, various progressive forums, all the three existing Agents' organizations along with NFIFWI, Pensioners' Association LIC, GIC State and Central govt., the teachers and employees Associations from both State and Central Govt. and CITU were present in the meeting and assured full supports to make the 61<sup>st</sup> General Conference of EZIEA a historic one.

Com. Sandip Pal, Assistant Secretary of the Association was elected as the treasurer of the Reception Committee placed the budget for organising the Conference and the same was unanimously accepted.

Com. Swarnali Das, Assistant Secretary DIEA, Jalpaiguri placed the proposal for various sub-committees which was accepted by the meeting unanimously. Com. Balaka Chatterjee and Com. Ampa Mardi were elected as the joint Secretary of the Reception Committee.

Com. Dhrubajyoti Ganguly, President DIEA, Jalpaiguri and Joint Secretary EZIEA conferred the vote of thanks.

## 34<sup>th</sup> General Conference of SZIEF at Thrissur



Logo release with the 34<sup>th</sup> General Conference of SZIEF was held at Thrissur on 06<sup>th</sup> July 2019. Com.K.Radhakrishnan, Former Speaker, Kerala Legislative Assembly and Chairman, Reception Committee released the logo in a function conducted at Changampuzha Hall, Sahitya Academy, Thrissur.

During the function Sri N Radhakrishnan Nair, Secretary, Sangeetha Nataka Academy, Kerala inaugurated the formation of **'VIOLET'- Versatile & Innovative Organ of LIC Employees' Talent** - literary and cultural wing of LIC Employees' Union, Thrissur Division. The meeting elected Com. R Rajeev,

President, LIC Employees' Union, Thrissur Division as the ad-hoc committee Convenor of the VIOLET while Com A D Vasudevan (Divisional Office) and Com M Sreerekha (Chittur) were elected as Jt. Convenor of Thrissur Chapter and Palakkad Chapter respectively.

The meeting was presided over by Com R Rajeev President, LIC Employees' Union Thrissur Division and Com Deepak Viswanath, General Secretary, LIC Employees' Union Thrissur Division welcomed the gathering. After the meeting cultural Programme of our own comrades were performed.

## 57<sup>TH</sup> GENERAL CONFERENCE OF ICEU, THANJAVUR

The 57<sup>TH</sup> General Conference of Insurance Corporation Employees' Union, Thanjavur Division was held at Thanjavur on June 30 and July 01. The Conference was inaugurated by Com M. Kunhilkrishnan, President of SZIEF.

Com S. Selvaraj, General Secretary of ICEU, Thanjavur Division placed the Report. 29 Comrades spoke for a total duration of 249 minutes and placed their views on various issues including present Political, Social and Economic changes which give tough challenges in the year ahead.

Recognition of AIEA, withdrawal of New Education Policies and National Pension Scheme, Protection of public sector Insurance Industry, Policyholders Services were also dealt with by our Comrades with utmost National and Organisational interest. After the summing up of the debate by General Secretary, the Report was unanimously adopted by the Conference

Com R. Punniyamurthy, President of ICEU, Thanjavur Division presided over the Conference and Comrade R.K. Gopinath,

Treasurer, SZIEF and Former office bearers of ICEU, Thanjavur Division Comrades N. Srinivasan, S.R. Krishnamurthy greeted the Conference.

Comrades S. Selvaraj, V. Sethuraman and M. Ravishankar were elected as President, General Secretary and Treasurer respectively in the Conference.



Com. R. Punniyamurthy, Vice President of SZIEF, who retired from the services of LIC on 30.06.2019, was felicitated at a special function. Next issue of Insurance Worker will carry a full report of this function.





## 47<sup>th</sup> CONFERENCE OF LICEU, KOZHIKODE

The 47<sup>th</sup> Annual Conference of LIC Employees' Union, Kozhikode Division ended with a call to defend unity of the employees and strengthen the organisation. All efforts must be made to ensure the continued growth of LIC in public sector. To achieve these goals the conference emphasised the need to carry forward united campaign and struggle against the policies of the Central Government especially in the changed political situations. Delegates and observers from all Base Units of the Division participated in the two day Conference held at Saroj Bhavan, Calicut on 22<sup>nd</sup> and 23<sup>rd</sup> June 2019.

The open session of the Conference was inaugurated by Com. M. Girija, Joint Secretary, AIIEA. She spoke in detail about various improvements that AIIEA could secure in our service conditions and appraised the gathering of the challenging times ahead. She stressed the need for unity among the working class.

Prof. T.P. Kunhikannan (Kerala Shastra Sahithya Parishad) delivered keynote address giving a lucid description of the issues confronting the working class and the society at large especially after coming back to power of NDA.

Comrades T. Dasan (CITU), V. Suresh, R. Sarvamangala (Joint Secretaries, SZIEF), M. Muraleedharan (FSETO), C. Sivadasan (Confederation of Central Govt. Employees

and Workers), P. R. Gopakumar (BEFI), UP. Narendranath (BSNLEU) and C. Achuthan (AIIPA) offered felicitations. In the open session presided over by Com. IK Biju (President) Com. PP. Krishnan (General Secretary) gave the welcome address and Com. K Bahuleyan (Joint Secretary) proposed vote of thanks.

The Delegates Session was inaugurated by Com. V Suresh (Joint Secretary, SZIEF). He focused on developments within the industry and issues confronting its growth. Comrades KKC Pillai (LICPA), V.K Dilip (LIC Cl. 1 Officers' Association), Amir Ali (NFIFWI), P Hamza (KSGIEU) and PK Sadanandan (LICAIOI) greeted the Council. Report on the activities and audited statement of accounts presented respectively by the General Secretary and the Treasurer, Com M Vinod were adopted unanimously. AIIEA/ SZIEF leaders, Comrades M Girija, M Kunhikrishnan and V Suresh intervened in the debate. Sixteen resolutions were taken up and adopted at the meeting. Comrades IK Biju (President), P Narayanan Nambisan and U Pradeepan (Vice Presidents), PP Krishnan (General Secretary), MJ Sreeram, K Bahuleyan, AP Sunil Sadanand and CH Sapna (Joint Secretaries), PK Bhagiabindu (Treasurer), and M Vinod (Assistant Treasurer) were elected as office bearers. The meeting came to a close with the vote of thanks by Com. PK Bhagiabindu.

## 34<sup>th</sup> CONFERENCE OF SAMBALPUR DIVISION LIEA

The 34<sup>th</sup> Annual General Conference of the Sambalpur Division Life Insurance Employees' Association (SDLIEA) was organized from 13-14 July 2019 at Sambalpur with much fanfare and exuberance. Com. Rajeeb Lochan Dash, president of SDLIEA unfurled the flag

of the organisation amid thunderous slogans –"AIIEA-LONG LIVE, LONG LIVE WORKING CLASS UNITY". Floral tributes were paid by the guests, leaders and members in tandem to invoke the sacrifices of our worthy predecessors.





An enthralling opening song rendered by the in-house cultural troupe marked the beginning of the inaugural session attended by a galaxy of leaders from the fraternal organizations and persons of eminence belonging to all walks of life. The conference got the Midas touch of Com. K Venugopal, Vice President of AIEA. At the beginning of the session presided over by Com Rajeev Lochan Dash, Com.Mina Ranjan Bishi, General Secretary, SDLIEA gave the inaugural briefing on the purpose and significance of the conference.

While inaugurating the conference, Com. Venugopal made an elaborate analysis of the prevailing socio economic situation narrating the deleterious role of volatile FDI and the consequent disinvestment of Public sector particularly the Insurance sector. He exhorted the employees to continue the momentum of our struggle for protection of the industry while maintaining the lead in market share of LIC. **Protect LIC and LIC will protect you-** this is what we should believe in and fight for, he said. Com.Pradeep Mukherjee, President ECZIEA also spoke in the open session and appealed the audience to stand guard against the divisive policy of communal force presently ruling our country. Other dignitaries who addressed the inaugural cum open session

include Com. BB Nayak General Secretary, BDLIEA Com AVS Giri, president of Berhampur Division, Shri A K Beriha of class-I Officers Association.

The delegate session started thereafter with presentation of the Annual Report and Audited statements of Accounts. Following initiation, as many as 20 delegates participated in the discussion enveloping all issues agitating the mind of the working class at large. Intervening in the debate Com.K Venugopal in his one hour long seminal address revolutionized the spirit of the conference on a range of present day employees issue like Wage Revision, One more option for pension et al. He dwelt at length on the charter of demand for Wage Revision due from August-2017 and the difficulty in the way to achieve the just demand given the hostile attitude of the present day rulers. He underlined the need to strengthen the organization and the industry to achieve all financial demands to the aspiration of the employees. Com Pradeep Mukherjee stressed on the need to improve customer service and contact which play a vital role in our campaign on the street. Com Abhaya Das, general secretary of CDIEA also deliberated in the delegate session. While summing up the debate, Com.Mina Ranjan Bishi, General Secretary of SDLIEA appealed the members to rise above all narrow considerations to take the organization to greater height in the days to come.

As many as 25 resolutions were adopted unanimously by the conference. The conference unanimously elected a 25-member secretariat with Com.Rajeeb Lochan Dash, Com.Mina Ranjan Bishi and Com. Bira Kishore Nayak as President, General Secretary and Treasurer respectively for the ensuing term.

## 28<sup>th</sup> CONFERENCE OF LICEU KOTTAYAM DIVISION

28<sup>th</sup> Annual Conference of LICEU Kottayam Division was held on 22<sup>nd</sup> & 23<sup>rd</sup> of June 2019 at Kottayam. Divisional Union President Com. Treesa P Ignatius hoisted the flag amidst loud revolutionary slogans and enthusiasm from comrades.

The General Conference held on 22<sup>nd</sup> June 2019 morning was inaugurated by Com. M.Kunhikrishnan, Vice President of AIEA. While inaugurating the conference he exhorted the comrades to join the fight against attempts to destabilise democracy in the country. He

also opined that the TU will not have any relevance if democracy is in peril.

LICEU Divisional President Com.Treesa P Ignatius presided over the meeting. Com.T.Senthil Kumar (Gen.Secretary, SZIEF), Com.M.U.Thomas (Gen. Secretary, KSGIEU), Com.P.G. Ajith (BEFI), Com.Baby Joseph (Gen. Secretary, LICPA Kottayam Division), Com.S.Siva Subramanyam (Jt.Secretary, SZIEF) felicitated the conference.

Com.V.K Ramesh (Gen.Secretary, LICEU Kottayam Division) welcomed the gathering.



Com. KS Sailesh Kumar proposed the vote of thanks.

General Council meeting started in the afternoon and continued next day. 23 comrades including 3 women participated in the debates. Comrades were largely happy on achieving one more Pension option, progress made in wage revision negotiations and achieving other benefits. Comrades were also apprehensive about the emerging political situation in the country. General Secretary LICEU Kottayam Division, Com.V.K.Ramesh replied to the various issues raised by the delegates in the General Council Session.

The meeting was well attended by our comrades braving the monsoon rains. Many retirees also participated in the meeting. Despite the electoral setback for Left parties

in Kerala, the mood among the comrades in the meeting was upbeat. The leaders reminded the comrades that the setback is temporary and progressive forces would certainly bounce back.

The meeting passed resolutions such as 'to protect the constitution and constitutional institutions, to stop the atrocities against women, to withdraw the GST on insurance premiums, to protect secularism and to defend communalism, to protect public sector institutions and to ensure defined pension scheme to all employees'.

The General Council elected Com. Treesa P Ignatius, Com.V.K.Ramesh and Com. Santhosh Ninan Zachariah as President, General Secretary and Treasurer for the ensuing term.

## 13<sup>th</sup> Conference of NZIEA, Shimla Divisional Committee

The 13<sup>th</sup> Conference of NZIEA, Shimla Division was held on 22<sup>nd</sup> & 23<sup>rd</sup> June 2019 at Hamirpur. The Comrades from Hamirpur-I & Hamirpur-II had beautifully decorated the Conference Hall with banners, posters and flags of NZIEA and AIIEA.

The inaugural session began with Com. Surinder Singh President Shimla Divisional Committee in the chair. Com. Anil Bhatnagar President NZIEA inaugurated the conference. Com. B.S. Ravi Treasurer of AIIEA was chief guest. General Secretary of NZIEA Com. Naveen Chand and Vice President Com. R.C. Sharma were main Speakers.

In the open session around 200 comrades from 23 branches including comrades of DYFI, SFI, Lawyers association, class-1 Officers and Pensioners association participated. Significant feature was the participation of a large number of women.

In the inaugural speech, Com. Anil Bhatnagar said that the NDA 2 won the elections on the basis of hate, division and communal polarization and the Government

is continuing with policies favouring corporate sector and imperialism while denying the workers and poor people of their rights. The trade union movement is under tremendous attack and it has become necessary to defend the unity of the people. He spoke on issues of the industry and said that a big struggle is necessary to win the wage revision.

Com. B.S. Ravi in his very simple and educative speech placed the challenges and tasks before the insurance employees. He warned that the government is moving towards hiking the FDI limit and the policy of privatization pose a serious challenge to LIC. Com. Ravi said that the struggle for the achievement of final pension option was great as it forced the government to review a policy decision. He hoped that Shimla Division, which is one of the strongest units of AIIEA will continue to strengthen the struggles of AIIEA.

Comrade Kashmir Thakur All India Secretary, CITU said that the government is bent upon bringing changes in the labour laws to make them favourable to the capitalist



class. The entire working class must unite to fight these policies. He assured support for all struggles of AIIEA.

The inaugural session was also addressed by Com Naveen Chand, General Secretary, NZIEA and Com R.C.Sharma, Vice-President. The open session of the conference was also greeted by Com. Anil Mankotia of DYFI and Com. A.C. Chauhan, President AIIPA Shimla Division.

Divisional Secretary Com. Devi Dass presented the report on behalf of the Divisional Secretariat and 19 delegates put their views on this and enriched the report. Seven resolutions

were also passed in this conference. In this conference Com. Satnam Singh was also honoured by Com. A.K. Bhatnagar president NZIEA and a memento was given to him for his achievements in the arena of Table Tennis Sport.

Com. Devi Dass and Com. Surinder Singh Divisional Secretary and Divisional President respectively were also honoured on this occasion for their massive contribution to the growth of the organisation.

The leadership of AIIEA & NZIEA congratulated the Comrades of Hamirpur-I & II for the conduct of very successful conference.

New Divisional Committee was also formed for the next 3 years unanimously with Com. Subhash Chand Bhatt, Com. Pardeep Minhas and Com. Ashutosh Gautam as Divisional President, General Secretary and Treasurer respectively for the ensuing term..

The Conference came to successful conclusion with vote of thanks by Com. Subhash Bhatt.

## 11th Conference of NZIEA Delhi Div.Committee-2

The 11th Conference of NZIEA DELHI DIVISION COMMITTEE-2 was held on 15th and 16th June 2019 at BTR Bhawan, Rouse Avenue, Delhi. Com R C Sharma, Vice President, NZIEA inaugurated the conference and Com Anil Kumar Bhatnagar, President, NZIEA and Com Naveen Chand, General Secretary, NZIEA were the chief guests. Com A.K Padmanabhan, Vice- President, CITU graced the occasion as special guest and greeted the conference with his inspiring speech. More than 120 delegates and Observers including 24 women comrades made the conference a grand success with their presence and active participation in discussion on the report placed by the Divisional Secretary.

In his inaugural speech, Com R C sharma discussed the anti- people policies of the Modi Govt. in detail and appealed to be ready for united struggle against the expected onslaughts on the working people by the newly elected government. Com Naveen Chand, in his address wished the conference a grand success and said that struggle is the key to success, hence after achieving one more pension option for Pension Scheme 1995 through our struggle we should ensure cent percent participation in each and every struggle of our organisation to achieve desired wage revision. Com A.K Padmanabhan, Vice-

President, CITU, in his inspiring speech called the gathering to embrace the idea of AIIEA to ensure meaningful participation in struggle against anti-labour and anti-people policies of the government and the corporates. Com A.K Bhatnagar, President, NZIEA said that AIIEA always fought for the benefits of employees hence it has always been targeted by the government and the management. Therefore, we, the members of AIIEA must be strong enough ideologically and numerically to defend our organisation.

Discussion on report was initiated by Com Uma Bhatt and was joined by 19 other delegates. The debate reflected the level of maturity and unity of thoughts in the organization. After satisfactory reply by the Divisional Secretary to the queries raised during discussion, the report and audited accounts were adopted unanimously. Divisional Secretary thanked both the outgoing President and Treasurer of Divisional Committee for their valuable and dedicated contribution to the organization.

The conference unanimously elected Com Mohan Singh, Com Raghunandan Prasad and Com S D Pathak as President, Divisional Secretary and Treasurer respectively. The conference came to an end with a Vote of Thanks by Com S D Pathak.



# General Body Meeting of Bangalore Region General Insurance Employees' Association

The General Body Meeting of Bangalore Region General Insurance Employees' Association was held on 6<sup>th</sup> July 2019 at Bangalore. A large number of delegates and observers from Bangalore, Mangalore and Tumkur attended the meeting.

The meeting commenced with the hoisting of AIIEA flag by President of BRGIEA amidst thunderous slogans. Thereafter the deliberations began with Com Revathi in the Chair. Com Balaram welcomed the gathering.

Inaugurating the General Body Meeting, Com Sanjay Jha, Secretary, Standing Committee (GI) spoke on the present day challenges before the industry and the nation. He gave a detailed account of the struggle and the massive achievement of a pension option. He pointed out that the industry is going through a difficult period and it is necessary to develop a struggle to defend the interests of the industry. Com Sanjay pointed out that though the government has decided on merger of three public sector companies, the AIIEA is pushing for the merger of all four public sector companies to create an institution like LIC. This is necessary to meet the challenges of the competitive environment. Com Sanjay requested the members present to work for strengthening the organisation.

Com S.K.Geetha, General Secretary, Insurance Corporation Employees' Union, Bangalore Division I greeted the conference.

Com Prem Kumar, General Secretary, BRGIEA presented the Report. The audited statements of accounts were also placed before the house. The Report and audited statements

of accounts were unanimously approved thereafter.

Intervening in the debate, Com Amanulla Khan, President spoke at length on the crisis of the economy and its impact on the insurance sector. He pointed out that the Finance Minister in the course of presentation of Union Budget has indicated about further hike in FDI limits in insurance sector. He said that allowing 100% FDI in insurance intermediaries would hurt the field force and surveyors in the industry. He criticised the Finance Minister for not agreeing to remove GST from life and health insurance premiums. Com Amanulla Khan spoke at length on the struggle on pension and said that the achievement of a final option has to be seen from the fact that governments across the world including India have decided to abolish defined benefit pension schemes. The achievement becomes exceptionally great viewed in the context that our struggle forced the government to reverse its policy decision in respect of insurance employees. Com Aman gave details of the present status on wage revision and expressed confidence that a good wage revision could be achieved through struggles. He said that the country is unfortunately witnessing a divisive policies and this division will also impact the unity of insurance employees. Therefore, he stressed that it has become necessary to defend the unity of the nation, working class and consolidate our organisation.

The Conference unanimously elected Com Revathi as President, Com Prem Kumar as General Secretary and Com Ramesh as Treasurer for the ensuing term.

## 23rd Annual Conference of ICPA, Bangalore

On 25.6.2019, 23rd Annual General Body Meeting of I C P A, Bangalore was held at 'Souharda'. Com. S.R. Jayasimha, presided over the meeting.

Com. K. Natarajan inaugurated the Conference by giving a detailed account of how AIIPA had to enter the Court and the points of arguments in the Court on the basis of legality and to end discrimination on DA neutralisation to pre-August 97 retirees and the right for updation of pension for all pensioners. He

also said that organisational efforts will also continue to find solutions to the pending issues of pensioners.

Report on behalf of the Executive Committee was presented by the General Secretary and Statement of Accounts by the Treasurer. After discussions the same were adopted by the house.

Com.Amanulla Khan, President, AIIEA speaking on the occasion said that the issues of pensioners could not be achieved in vacuum



but under the given political and economic situation. Our nation's economy is in a serious crisis. LIC's growth in policies and premium is has slowed down and there is a decline in market share. 18% GST on risk premium and health policies is anti people and is having adverse effect on the growth of business. Attempts will be made for privatisation of both Life and General insurance public sector companies and a fight against this policy of the Government is to be increased and widened.

Speaking on the divisive forces creating hatred among people he cautioned that people should be ever vigilant against these divisive forces and defend the Nation's unity and integrity by respecting the diversity and the linguistic, religious and cultural plurality.

He said that achievement of "Final Option" for pension is because of a long drawn struggle of AIIEA and the exemplary unity achieved by AIIEA of all sections of employees/officers. He appealed to all PF Optees to join the pension scheme.

Com.S.K. Geetha, General Secretary, ICEU, Bangalore while greeting said that the struggles and sacrifices of the pensioners while they were in service will always be an inspiration to the existing in-service employees.

The conference unanimously elected Com S.R.Jayasimha as President, Com G.K.Gangadhar as General Secretary and Com C.N.C Rao as Treasurer for the ensuing term.

Com.C.N.C. Rao welcomed and C.R. Leela proposed Vote of Thanks.

## WOMEN CONVENTION AT CUTTACK

The 8th Divisional level women convention of CDIEA, Cuttack was held on July 13, 2019 at LIC of India, Cuttack Divisional Office premises. Dr. Sulochana Das, renowned litterateur, addressed the meeting as chief guest. She lambasted present Modi government, where suffering of women has increased manifold. Expressing the concern and anguish for the rise of crime against women, she also pointed out that in 2011, India was 4th dangerous country for women and now it has become the number one dangerous country for women in World. She also criticised present government

for whetting communalism and religious fanaticism which have more detrimental impact on women.

Com Manorama Mohanty, Zonal and Divisional convener, presented base paper. While Com Abhaya Das, General Secretary, gave introductory speech. Com Managobinda Barick, president of CDIEA, welcomed the guest. Those who participated in debate included Com Harshamani Nayak , Com Indumati Rout , Com Kabita Das, Com Suchitra Sethy. Com-Kumudini patra. Outgoing convener, former vice-president

of CDIEA and Indumati Rout, joint convener ( who will retire soon) were felicitated. Prizes were given to winners and others who participated in drawing completion. Expenses of prizes were born by Com. Kumudinin Patra. Com Manorama Mohanty and com Kabita Das were elected as convener and joint convener respectively .Finally Com Anjuprava Behera proposed vote of thanks. A large number of women comrades of various base units attended the meeting.





## 3<sup>rd</sup> Divisional Women's Convention at Bhubaneswar



illiterate and more than 60% are malnourished and India has become the most dangerous country for women in the World after following neo-liberal economy by the government, she advised women employees to work in the social field for women's emancipation. Com. Manorama Mohanty, Convenor, Zonal Women Sub-Committee (ECZIEA) alerted the women

The 3<sup>rd</sup> Divisional Women's Convention of BDLIEA was held at Bhubaneswar on 7<sup>th</sup> July 2019 with massive participation of around 50 women comrades. Smt Namrata Chadha, renowned social activist, chairperson state women convention and most popular TV icon inaugurated the convention. In her speech she advised women employees to be aware of their rights guaranteed by the law of the land. Since, 45% of Indian women are still

employees to the danger of transfer and mobility policy and privatization of LIC. She congratulated BDLIEA for organizing women employees in tune with the policy of AIEA. Com. B.B. Nayak, Gen. Secretary of BDLIEA welcomed the guests and participants. He gave a clarion call to the women comrades to take leadership of our association in different tiers. Com. Minati Ray presided over the meeting.

## SEMINAR ON BUDGET AT VIJAYAWADA

On 10th July, 2019, the Insurance Corporation Employees' Union (ICEU), Machilipatnam Division organised a Seminar on CENTRAL BUDGET in Vijayawada. ICEU MTM Vice-President, Dr.Ch.Kaladhar, while inaugurating the seminar said that the recent Central Budget is Corporate Centric but not Working Class or People-Centric. It doesn't contain any measures regarding withdrawal of GST on Insurance Premiums. Instead, the Government has allowed 100 percent FDI in Insurance intermediaries and has informed its intention to further hike the FDI limit in insurance sector. The Budget did not consider the demand for separate incentive for savings in life insurance under Income Tax rules.

The Jt. Secretary of ICEU, Com.V.V.K.Suresh while speaking at the seminar condemned the anti-people, anti-working class and pro-corporate attitude of the Government that reflected in its Budget. He lamented the imposition of Cess on Petrol and diesel which

will have a cascading effect on price of all commodities, transport and other sectors. The Seminar unanimously resolved to fight against retrograde proposals contained in the Budget.

ICEU, Machilipatnam President Com.J.J.Sudhakar presided and Com.G.Kishore Kumar, General Secretary, ICEU, Machilipatnam also addressed and Com. Nagaiah, Chandrapal and other leaders and cadres participated.





# Insurance News in brief

■ A.M.KHAN, DHARWAD

burdened single agents will face more aggressive competitors in the market.

- LIC makes a splendid come back. In a 'hop stop & jump', LIC, whose market share as at March 31<sup>st</sup> 2019 was 66.24%, with a growth by 81.15 percent on year to year basis reconquered a market share of 73.87 per cent as at 30<sup>th</sup> June 2019. LIC as on 30<sup>th</sup> June 2019 has sold 3,41,8044 policies marking a market share of 71.09 per cent in terms of number of policies. But LIC still lags behind in individual non-single policy segment where its market share is 40.35 per cent.
- Gross premium of all non-life insurance companies rose by 9.91 per cent to Rs 41,063.61 crore during April-June period of 2019-20. While the 7 stand-alone health insurance companies' gross premium increased by Rs.821.93 crore taking it to Rs.2799.06 crore during the period, total Gross premium underwritten by General Insurance companies came to Rs.Rs.37919.33 crore of which 4 Public Sector General Insurance Companies' share is Rs.16675.47 crore.
- IRDA's revised product guidelines for both traditional life insurance plans and ULIPs have been gazetted on 8th July 2019. There are host of changes. For all the non-linked individual life insurance products the minimum sum assured on death during the entire term of the policy will not be less than 7 times the annualized premium, for limited or regular premium products, and 1.25 times the single premium for single premium products. Other than single premium products, the minimum death benefit will be at least 105 per cent of the total premiums received up to the date of death. Enhanced surrender value, enhanced flexibility in terms of reducing the premium upto 50 per cent after 5 years, increase in revival period, relaxation in suicide clause, increase in whole life coverage policy to 80 years are a few of the important changes.
- Budget proposes to allow 100 per cent FDI in intermediaries. With this, the big business houses, rating agencies and many private insurance companies are happy. The increase in the competition due to inflow of the capital, if it comes, will also increase unhealthy practices. The already
- IRDAI clarifies that existing vehicles are only going to get insurance cover for one year on renewal whereas, it will be compulsory for new private cars to go for the three-year policies. On the other hand, new two-wheelers will compulsorily go for the five-year policy.
- As the tensions mount in Middle East, the cost of insuring oil shipments there is soaring. The war risk premiums for a standard oil cargo from Persian Gulf and the taker hauling now costs \$500,000 plus, which early this year was less than 1/10 of that. Oil tanker owners are avoiding sending their ships to the Middle East's main refuelling hub particularly after recent spate of attacks on vessels
- Sigma of Swiss Re reports "Global insurance premiums written in 2018 reached USD 5.2 trillion. Life premium growth was weak but there was solid performance in non-life. We forecast around 3% growth in global premiums this year and next, with a recovery in life based on a strong rebound in China and ongoing steady performance in non-life. Premiums in emerging markets will outperform GDP and their share of the global total will increase from 21% in 2018 to 34% in 2029. As the shift from west to east continues, we forecast that the Asia-Pacific region as a whole will count for 42% of global premiums by 2029. Profitability remains under pressure in both the life and non-life sectors. Due to low interest rates, traditional life savings business will continue to drag on sector growth".
- In a meeting attended by the Chief Executives of almost all insurance companies in UK characterise today's situation in insurance industry as a complicated cocktail of massive political and economic uncertainty, climate risks, huge shifts in technology and increasing regulatory burdens. Remaining relevant to customers was a big focus of discussion - "We've got to stay relevant for our customers. So, for all of the technology in the world, this is still a people business". They then resolve to make the insurance simple, straightforward, easy to use, intuitive products so that customers can readily understand.

## Working Class Struggles

S.SRIDHARA, MYSORE ■

- ◆ Bus Drivers across Argentina went on 24 hour work stoppage on July 12<sup>th</sup> over wage increase and other service conditions.
- ◆ The medical college of Bolivia struck for 24 hours on July 12<sup>th</sup> to demand better working conditions in Public Health care facilities.
- ◆ Thousands of Panamanian teachers held one day strike on 12<sup>th</sup> July demanding investment of 6% of gross National Product towards education and to improve the quality of Education.
- ◆ Lumber workers in Britain Columbia are continuing a three week strike against western forest products opposing massive concessions including changes to pensions and work rule, below inflation pay rates and cuts to the pay. The strike started in June last week, however company has said the strike comes at a difficult time due to slump in demand for softwood and import duty imposed by the US Trump Administration.
- ◆ More than 17000 Walwart & 80000 teachers continue strike nationally in Chile. The strike entered their second week and third week respectively. Workers at Walwart and teachers are part of a continued resurgence of the class struggle across Latin America and internationally against renewed attacks against Social services, wages and job cuts.
- ◆ Thousands of warehouse & tech workers in US, UK, Germany, Poland and Spain were engaged in strikes and demonstrations on Amazon Prime Day, a shopping holiday created by the Online retail giant to promote sales through discounts to subscribers of its Amazon Prime Membership. 2000 workers participated in strike in Germany on 15<sup>th</sup> June. In UK also thousands of workers participated. Amazon workers in many parts of the world protested against dangerous working conditions. Workers also demanded increase in pay and service conditions.
- ◆ Senior conductors working for East midlands trains (EMT) are to hold three 24 hour strikes on July 20<sup>th</sup>, 27<sup>th</sup> and August 3<sup>rd</sup>. The workers are taking actions over EMT Managements, refusal to address concerns of pay discrimination and contract issues such as compulsory Sunday working.
- ◆ Academics of Cambridge University staged two days strike on 5<sup>th</sup> & 6<sup>th</sup> July, the Academics were protesting the levels of pay discrimination at the University.
- ◆ On 11<sup>th</sup> July, Doctors working in Accident & Emergency units across CYPRUS held a 24 hour strike. The Doctors were protesting over staff shortage and working conditions.
- ◆ Nigerian Public Sector workers are threatening a general strike over delay of the NEW minimum wage.
- ◆ IT workers from Government departments in Pakistan protested outside the Karachi Press Club on 3<sup>rd</sup> July over the Government failure to increase pay scale for their positions.
- ◆ Workers at Gorham's, the largest hardware chain in Bermuda, walked out of the Company's store on 11<sup>th</sup> July to protest cuts to their health coverage.
- ◆ Workers, peasants and youth in Ecuador began a five day strike from 15<sup>th</sup> July as part of the class struggle globally to oppose deepened social austerity, attacks on living standards, imperialist wars and the move towards Dictatorship. Workers held rally throughout Ecuador.
- ◆ Thousands of nurses at Merecy Health St.Vincent in Toledo (US) were on strike since 2<sup>nd</sup> week of June. The health care workers walked out on May 6<sup>th</sup> after months of futile negotiations, describing appalling conditions of overwork at the medical centre and services. The main issue of striking nurses is shortage of nurses.
- ◆ On July 7<sup>th</sup> the Supervisory Board of Deutsche Bank gave its clearance to the most far reaching restructuring in decades. According to Chief Executive Christian Sewing around one in five jobs worldwide i.e., 18000 posts will fall victim to the job massacre. The employees are paying the price for the bank's criminal activities over the last thirty years. DEUTSCHE BANK entered investment banking in 1989 with the purchase of the British Bank Morgan Grenfell. The Financial crisis of 2008 then brought to light the shady transactions. DEUTSCHE BANK was forced to pay 15 billion in fines for various illegal activities.
- ◆ Thousands of Steve During workers across Australia are taking Industrial action against attempts by DP World Australia (DPWA) to impose further cuts to pay and conditions in a new work place enterprise agreement. Employees working at Brisbane struck work on 8<sup>th</sup> July & 9<sup>th</sup> July. Workers at MELBOURNE & SYDNEY held strikes on 11<sup>th</sup> July.

## Economic Tid Bits

■ J.SURESH, MYSORE

- French Billionaire Bernard Arnault, the CEO of LVMH, a luxury fashion retail group has become the third richest person in the world with \$ 100.4 billion, behind Amazon CEO Jeff Bezos (\$ 157 billion) and Bill Gates \$ 102.9 billion. Arnault's wealth has risen by \$ 32 billion since the start of 2019 and it is so large that it is virtually incomprehensible. On an average, his wealth grew by \$ 1.23 billion each week. Assuming that he slept an average of eight hours, he went to bed every night and woke up \$ 58 million richer. However, the working conditions of his workers are pitiable. According to a report by Guardian newspaper, two of the Romanian factories that produce shoes and components for Luis Vuitton estimated that their 800 workers make around 1,00,000 pairs of shoes each year. They receive a local minimum wage of around Euro 232 per month after tax, meaning they have to work for more than three months to earn enough to buy just one medium priced pair of the shoe they make. It would take them each 11,494 years to make what Arnault took so far in 2019.
- The Sri Lankan GDP growth rate for 2019 was projected at 3.4%. Tourism contributes 5% of the country's GDP. Before the recent terrorist attack, tourism earnings were expected to rise from \$ US 4 billion last year to \$ 5 billion in 2019. This has now been revised to \$ 3.5 billion. The international agency Moody has reduced its prediction for this year to 2.6%. The growth rate has been falling for the past two years. In 2017, it was 3.4% the lowest in 16 years and in 2018 it dropped to 3.2%. IMF has ordered Sri Lanka to reduce its fiscal deficit to 3.5% of GDP or half the rate it was in 2015. Those who are likely to be affected most by the economic slow down are the poor, whose employment, incomes, livelihoods and future are bleak in a stagnant economy.
- According to a study "unequal Germany" by Friedrich Ebert Foundation (FES), large proportion of the German population live in regions where the incomes of private households are low, municipalities are heavily in debt, the numbers of welfare recipients and low-income earners is increasing together with poverty amongst seniors. Many rural areas lack access to public transport, doctors, hospitals and the Internet. In Germany, 7.59 million people or 9.2% of the population receive assistance in the form of Hartz IV, social allowance or basic security payments. The average is particularly high in eastern German States (11.4%) compared to Western Germany (8.6%). Over 18% of the population are dependant on welfare in several cities. In Western Germany, over half a million or 3.1% of people over 65 are receiving basic old age security. By contrast, significantly fewer people in Eastern Germany are receiving basic old age security. Poverty amongst seniors have risen from 11 to 15% in the last 10 years.
- According to a latest report published by World Health Organisation (WHO), one in five people in conflict situations suffer from mental disorders such as depression, anxiety or bipolar disorders. Nearly 9% of these individuals had mental disorders that were moderate or severe. The United Nations Office for the coordination of Human Affairs estimates that nearly 132 million people around the world will need humanitarian assistance in 2019. Moreover, 68.5 million people were forcibly displaced by conflict in 2017 an increase above 59.5 million displaced in 2014. One in five Syrians were at risk for developing mental health problems, and in Gaza 20% of population has mental health problems. In Nigeria, less than 10% of the population has access to psychiatrist (there are only 130 in the country) or health worker. The WHO estimate that 40 to 60 million Nigerians suffer from mental health issues out of a total population of 174 million.



**31 Lakh crore assets:** LIC's assets have grown at 9.1% to 31.1 lakh crore as on March 31, 2019, compared to 28.5 lakh crore in the corresponding period of the previous year. This is despite total premium income growing only 6% to 3.4 lakh crore in FY19 as compared to 3.2 lakh crore in the previous year. After considering investment income of 2.2 lakh crore, the gross total income of the corporation grew 7.10 per cent to 5.60 lakh crore during the fiscal year, as against the 5.23 lakh crore. The total policy payouts shot up to 2.50 lakh crore in FY19 from the 1.98 lakh crore in FY18. LIC's assets continue to rise at near double digits every year as total premium income outstrips payouts on account of maturity, death benefits and cancellation.

**60% Digital:** LIC has said that their digital collections have touched 60%. This was a 38% YoY growth and includes premiums received through the website, authorised agents, banks, payment providers as well as common services centres.

**Doubled Growth:** LIC has witnessed more than two-fold rise in its new premium collection to 26,030.16 crore in June, from 11,167.82 crore in the same period last year. With this, the market share of LIC increased to 74%. Remaining 26% has been shared by rest of the 23 private sector players.

**Saral Case rejected:** The Supreme Court has refused to entertain a PIL by an NGO, alleging cheating by LIC through its Jeevan Saral policy. A division bench said the matter cannot be dealt with a PIL under Article 32 of the Constitution at the instance of a non-government organisation (NGO). The NGO was not able to prove its locus standi in the court.

**Confusing Tax:** The Budget proposal to change the tax deduction at source (TDS) on some life insurance policies has confused tax experts. Unless the Central Board of Direct Taxation provides clarity, tax experts feel that the new proposal can lead to assessing officers interpreting the regulations in a way that suit them, causing problems to the taxpayer. The new tax deduction rate is of 5% on net income on policies where the sum assured is less than ten times of premium. Earlier it was 1% on the gross payout.

**Same GST for Alcohol and Insurance:** GST on life insurance premiums is the same as GST being paid for purchase of alcohol (ie, 18%), while life insurance gives people financial protection in case of any miss-happening, consumption of alcohol is considered dangerous to health that gives rise to various life-threatening diseases.

## For our Field Force

■ ARIVUKKADAL, THANJAVUR

**Own damage cover:** Earlier, IRDAI had made it mandatory for four-wheelers and two-wheeler vehicles to have three-year and five-year third party insurance policies, respectively. These policies can still be clubbed with own damage cover. It was clarified that long term stand-alone own damage policy would not be permitted for the time being. IRDAI has given policyholders the option to renew the own damage component of a bundled cover falling due on or after 1 September with the same insurer or a different insurer.

**Insurance job loss:** LIC gets about 95.6% of its individual business from its strong field force of 1148811 Agents- by far the largest network for any life insurance company. The private sector, on the other hand, has a total agent count of 9.3 lac, with individual agents bringing 27.8% of the business. Private insurance companies rely more on corporate and bank tie-ups to distribute their products. Privatisation had led to companies with more tech-focussed mindset come into the sector. Given the change, it is not a surprise that about 500,000 jobs have already been lost in the sector in the last five years. These are not just insurance agents, but also brokers and the sales-force staff.

**New products:** Aviva Life Insurance has launched 'Aviva Income Suraksha', a non-participating traditional retirement plan designed for the defence forces as defence personnel usually retire between 38 to 42 years of age, thus lowering their primary income. MobiKwik and Max Bupa have launched a HospiCash plan that comes with an annual premium of 135. It also comes with an inbuilt accident insurance cover of 1 lakh. Additionally, MobiKwik sells bite-sized insurance policies covering personal accident and fire from gas leak. Life insurance covers are also available for premiums as less as 148 a year.

**Unable to withstand:** Reliance Capital is trying to sell its 100% stake in Reliance General Insurance to Hero FinCorp. Allahabad Bank is trying to partially exit Universal Sampo General Insurance Company. Insurance Australia Group tries to sell all or part of its 26% stake in India's SBI General Insurance Company. SBI Life Insurance's foreign partner — BNP Paribas Cardif will sell up to 2.5 crore shares representing 2.5% stake in the company

## 20th Death Anniversary of Com.Saroj Chaudhuri



Palakkad District Committee coming under the banner of LICEU, Thrissur Division held a Commemorative Meeting in connection with the 20<sup>th</sup> Death Anniversary of Com.Saroj Chaudhuri at Palakkad on 17.06.2019.

Com.P.K.Subramanian (Former President of Ernakulam Division & Former Vice President, SZIEF) delivered Saroj Memorial Lecture. He highlighted the life, ideas and dreams of Com. Saroj. He spoke in detail on the versatile personality of Com.Saroj and his invaluable sacrifices and contribution to the Insurance

industry and Employees' movement. He deliberated upon the recently held Lok sabha elections which was contested not based on previous Govt's achievements nor on the plight of people across the country, but just on fake nationalism and politics of communalism. He cautioned that the results of the election have proved ominous to the Working class as a whole and insurance employees in particular.

Com.A.Chaithanyakrishnan, (Former President Thrissur Division), addressed on the occasion, urged upon the employees to stay united in the face of adversity and consolidate the organization to defeat the evil designs of fascist ruling class and take forward the legacy of Com.Saroj Cowdhary. He also reminded the prophetic words of Com.Saroj that it was easy to obtain many allowances and bargains but it is always hard to protect it.

Com.R.Rajeev, President, LICEU Thrissur Division presided. Com.C.Narayanan, Vice-president, LICEU, Thrissur Division welcomed the gathering and Com.K.V.Sreenivasan proposed Vote of Thanks.



## APPRECIATION OF PENSION ACHIEVEMENT

Sri Ramachander Rao, Retd. Divisional Manager (CRM), LIC OF India, SCZO, Hyderabad has donated Rs 40, 000/- (his one months approx.Pension) to ICEU, Hyderabad in appreciation and gratitude towards the glorious achievement of One More Option of Pension, of which he is a beneficiary.

Insurance Worker appreciates this gesture of Sri Ramachander Rao and thanks him.

## DONATIONS

Com. R.Punnamurthy , Thanjavur DO	Rs.10000
Com.Dakshana Moorthy R Thanjavur DO	10000
Com.T.J.Venkatesh Murthy, Mysore DO	5000
Com. Vasanth Kumar , Shimoga DO	3000
Com. Ulaga Pillai S , Thanjavur DO	3000
Com.Govind Vithal Rao Kulkarni	5000
Com Jayamary DO, Udupi	5000
Com. Ramesha N Shettigar DO, Udupi	5000
Com. Kalyan Chanda , Falakata branch	1000

Insurance Worker heartily thanks these comrades.

## CONSUMER PRICE INDEX

Month	Base 2001	Base 1960
October 2018	302	6893.42
November	302	6893.42
December	301	6870.60
January 2019	307	7007.55
February	307	7007.55
March	309	7053.20
April	312	7121.68
May	314	7167.33
Base1960=Base2001x22.8259		





## L.I.C.EMPLOYEES UNION GANDHINAGAR DIVISION



Regd.: G-4792  
(Affiliated to AII EA through WZIEA)

Divisional Office "Jeevan Prakash", L.I.C of India, Sector- 11, Gandhinagar -382010



CELEBRATION OF  
THE  
FOUNDATION  
DAY  
OF AII EA



## L.I.C.EMPLOYEES UNION AHMEDABAD DIVISION



Regd.: G-256  
(Affiliated to AII EA through WZIEA)

5TH Floor Jeevan prabha bldg, Relief Road, Ahmedabad-380001





## WESTERN ZONE INSURANCE EMPLOYEES ASSOCIATION

Divisional Office "Jeevan Prakash", L.I.C of  
India, Sector- 11, Gandhinagar -382010

15TH  
AUGUST  
2019

*Freedom in the mind,  
Faith in the words,  
Pride in our souls,  
Trust in our deeds,  
Confidence in our Mission....*

LET US  
SALUTE  
THE NATION  
ON  
INDEPENDENCE  
DAY...

