

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDINGS SECRETARIAT ROAD HYDERABAD 500 063**  
(E-mail: aiieahyd@gmail.com)

Cir.No.01 / 2024

1<sup>st</sup> January, 2024

To

All the Zonal /Divisional /State /Regional Units

**Goodbye 2023, Welcome 2024**

As the year 2023 recedes into the lap of history and a new dawn awakes on the 1<sup>st</sup> of January 2024, we wish all the insurance employees, their family members and the Indian working class a very happy and purposeful New Year 2024. We hope that the New Year 2024 would bring peace, progress and happiness for the working class across the globe. New Year is an occasion to celebrate; it also is an occasion to reflect on the times past and chart one's course for the future. But then, as an eminent poet said over a century ago, "What can be said in New Year rhymes, that's not been said a thousand times"?

The world is in turmoil. There is no end in sight to the Russia Ukraine war. The war is not going well for Ukraine. That is to say, it is going badly for the US led NATO and the EU which have bankrolled Ukraine's war effort to the tune of tens of billions of dollars. The genocidal massacre of Palestinians in Gaza continues unabated with overt US support. More than 21000 people including around 8000 children have already died. More than 50,000 have been wounded. Countless others are still buried deep in the rubble of damaged buildings. US imperialism has been shamelessly vetoing any UN resolution calling for a ceasefire and an end to the inhuman conflict.

Neoliberalism has reached almost a dead end. It has failed to promote economic growth and overall people's prosperity. With its singular focus on profit maximisation, its prescriptions continue to perpetuate the global economic crisis adding to people's misery, higher levels of economic exploitation and alarming rise in income and wealth inequalities. The October 2023 World Economic Outlook Report of the IMF says that global growth would slow down from 3.5 per cent in 2022 to 3 per cent in 2023 and 2.9 per cent in 2024. This is well below the average of 3.8 per cent during the period 2000 to 2019. The report further says that advanced economies are expected to slow down from 2.6 per cent in 2022 to 1.5 per cent in 2023 and 1.4 per cent in 2024. The UN estimates that almost 700 million people around the world live in extreme poverty. The 2023 Global Hunger Index shows that there is not much headway so far as eradication of hunger is concerned. Such a situation has led to two basic consequences. First, the global north, especially the US, has already introduced protectionism which is a flagrant violation of the rules of the neoliberal regime. Second, the global capitalist order has let loose a reign of terror to contain the rising crescendo of popular struggles against the exploitation of neoliberalism. Global capitalism seems determined to disrupting the unity of the working people to prevent any possibility of such struggles leading to the emergence of an alternative to the capitalist system. Emotive issues like xenophobia, racism, national pride, religious and ethnic divides etc. are being exploited to divide the people. This is accompanied by growing authoritarian attacks on democratic, civil and human rights. A distinct political rightward shift is taking place in many countries. Geert Wilders in the Netherlands, Marine Le Pen in France, Giorgia Meloni and Matteo Salvini in Italy, Javier Milei in Argentina and Christopher Luxon in New Zealand are some of the shining examples.

Someone has rightly said that 2023 was a year that tested the soul of India. The reasons are not far to seek; they are many and varied. Despite the no holds barred propaganda by the spin doctors of the government, the fact remains that the Indian economy is in a bad shape. Much is being made of

India soon becoming the third largest economy in the world. The truth is that India ranks 142<sup>nd</sup> in the world in terms of per capita GDP. While India claims to have become the Vishwaguru, the fact is that India has the lowest per capita GDP among the G 20 countries. Continuous decline in people's purchasing power has a deleterious impact on investment and employment. Falling employment coupled with rising prices has brought miseries to the life of the common man. The State of Working India 2023 Report brought out by the Centre for Sustainable Employment at Azim Premji University makes some damning observations. It says that while the real earnings (adjusted for inflation) of self-employed workers (the largest segment accounting for more than half the workforce) fell in real terms between 2017-18 and 2021-22, that of regular workers (constituting around one fifth of the total workforce) remained stagnant during this period. What is unacceptable is that this stagnancy and decline in real wages has come at a time when corporate profitability has soared to a decadal high in this period. This clearly points to the k-shaped recovery in the post pandemic period with corporate profits and workers wages moving in opposite directions. As a consequence, inequality has assumed monstrous proportions. As per the Oxfam Report, the richest 1 per cent own more than 40 per cent of the wealth of the country while the bottom half of the population own just 3 per cent of the wealth of the country. This also explains the current slump in consumption demand which is mainly responsible for the sluggish growth. Recent data from the Reserve Bank of India show that the net financial savings of households fell to a 47 year low of 5.1 per cent of the GDP in 2022-23. Financial savings form a major part of household savings and their depletion can seriously erode the growth potential of the economy.

The distress in the economy and the consequent sufferings of the common man has brought about disillusionment with neoliberalism among a large section of the people. Faced with a crisis of credibility and a backlash from the people, neoliberalism is in search of an alibi or an excuse which could serve as a prop. This new prop is provided by neo-fascism. The neoliberal neofascist alliance has successfully shifted the discourse away from the economic issues of the people to the hatred for the 'other'. This 'other' in India is the Muslim and the appeal to the majority is in the name of "Hindutva". The primary agenda of the corporate communal alliance has been to handover all aspects of the economy, basically the public sector and peasant-based agriculture, to corporate control and take away workers' rights. In order to further its drive of profit maximisation, the corporate communal alliance has not only weakened workers' movement but it has launched an onslaught on any dissenting voice by branding them as 'seditious'. The independent press, judiciary, election commission and all constitutional bodies are rendered toothless and are made only to subserve the interest of the corporate communal alliance. The interest of this alliance goes on to become the 'national interest' and everything else becomes 'anti-national'. The year 2023 has seen a serious erosion of democratic values and emergence of streaks of authoritarianism.

It is a tragedy that while the Republic of India enters its 75<sup>th</sup> year on 26<sup>th</sup> January 2024, the lifeblood of the Republic- Democracy, Secularism and Federalism- are under severe assault, especially from those who are supposed to uphold these virtues. Hitler's Minister of propaganda, Joseph Goebbles, was absolutely right when he said: "This will always remain one of the best jokes of democracy, that it gave its deadly enemies the means by which it was destroyed". The last parliamentary session witnessed the rare spectacle of important legislations being bulldozed while 146 members of Parliament from the opposition were suspended for the crime of seeking answers from the government on important issues pertaining to the security of the nation and its people. De-secularisation of the Indian State is going on apace with impunity. The way Governors of some opposition ruled states are behaving beyond their constitutional remit speaks volumes about the designs to weaken India's federal structure. The foundational pillars of our Constitution- Justice, Liberty, Equality and Fraternity – are being severely undermined.

LIC has been performing admirably well in a fiercely competitive scenario. Almost for a quarter century LIC has reigned supreme in the insurance market with no parallels anywhere in the world. LIC commands a market share of nearly 60 per cent in terms of premium income and 70 per cent in terms of number of policies. What is remarkable is that this dominance has come at a time when financial savings as a part of household savings have touched a new low. LIC continues to retain its preeminent position in the market because of the spirited performance of the workforce. The PSGI companies are also doing reasonably well in a very challenging macroeconomic scenario. The general insurance business mainly covers risks to physical assets. Therefore, its growth depends on economic growth accompanied by assets creation and increase in number of asset owning people. Since the economic growth has been lopsided, resulting into concentration of wealth in the hands of few as described in the preceding paragraphs, the number of asset owning households has not grown substantially. Even then PSGI companies have been doing well. Were it not for the unnecessary interventions of the government by way of KPI and restructuring exercises, the PSGI companies would have done much better. It is now the responsibility of the managements of LIC and PSGI companies as well as the Government to reward the employees by way of a decent wage revision commensurate with their aspirations. The last year has seen many benefits flow to the employees, including the much delayed enhancement of family pension for LIC family pensioners, because of sustained efforts of the organisation. Still, there are some unresolved issues of the employees, notable among them being the enhancement of family pension to a uniform rate of 30 per cent for family pensioners of PSGI companies, enhancement of management's contribution from 10 to 14 per cent for NPS beneficiaries (without any prejudice to our demand for abolition of NPS and its substitution by the Old Pension Scheme), recruitment in Class III & IV cadres etc. The organisation will certainly lunch struggles in the New Year to realise these and other demands of the employees.

The biggest challenge before the working class movement, insurance employees' movement included, at the dawn of the New Year is the challenge to its class unity. Communal polarisation has benumbed the consciousness of the working people to such an extent that their class identities have been subsumed under their religious identities. This foregrounding of the religious identity before everything else has served to further the interests of the ruling class projecting them as the saviour by hiding their real exploitative character. We must therefore try to integrate our struggle against the neoliberal economic policies with that of an ideological struggle for enriching our class consciousness. The way our units all over the country have started taking up this onerous responsibility by organising workshops gives us the confidence that we shall live up to the challenges. The unity that is developing amongst the workers and the peasants, among the organised and the unorganised, are surest pointers to new possibilities in the New year.

Once again wishing you a New Year filled with hope and happiness.

With Greetings,

Comradely Yours



General Secretary