

EAST CENTRAL ZONE INSURANCE EMPLOYEES' ASSOCIATION
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Welcome New Year 2022

ECZIEA wishes a very Happy New Year to all employees and their family members. ECZIEA also hopes that the New Year brings with it peace, prosperity and progress for one and all. The dawn of the New Year is an occasion to reflect on the times past to confront the challenges transcending the confines of the insurance industry.

The Covid pandemic continues to play havoc globally. As per the latest IMF report on World Economic Outlook, the global economy is projected to grow 5.9 percent in 2021. IMF had earlier recorded that the global GDP contracted by 3.3 percent in 2020. The World Bank projects a 5.6 percent GDP growth. These optimistic projections by IMF and World Bank are to a large extent based on expectations of recovery generated by the US and EU's new stimulus packages. Under President Biden, a new \$1.9 trillion package was announced which is probably the biggest financial boost in recent times, larger than one made during the 2008 Wall Street collapse crisis. The EU agreed on a \$2.2 trillion post-pandemic stimulus financed directly by its budget. These massive fiscal packages by themselves negate neo-liberalism and demonstrate its bankruptcy in providing solutions for the current global economic recession. However, the poorer countries are forced to implement fiscal discipline which means a reduction in public expenditures, welfare programmes and greater exploitation of the working people.

The Indian economy is facing an unprecedented recession. Every single core sector is showing a decline. India's GDP in 2019-20 was Rs 146 lakh crore which fell to Rs 135 lakh crore in 2020-21. What is required to contain this recession is to make greater government expenditures leading to increase in employment and purchasing power in people's hand. Instead, all stimulus packages announced so far have been essentially for providing access to credit to businesses. The nature of the stimulus packages is anti-poor, pro-rich and discriminatory against states. These packages permitted corporate tax revenue to fall from Rs 5.5 lakh crore to Rs 4.5 lakh crore from 2019-20 to 2020-21. The central government tax revenues increased by nearly one lakh crore during this period mainly through massive hike in excise duties on petroleum products. The ranks of India's dollar billionaires swelled from 102 to 140 in 12 months. The combined wealth of these 140 plutocrats went up by 90.4 percent in a year when GDP contracted by 7.7 percent.

The BJP-led NDA government has announced 'National Monetization Pipeline' to sell out India's public sector. In that plan, assets ranging from roads, ports, airports, railway track and stations, telecom towers, optical fibre cabling, fuel pipelines, warehouses, parks and stadia are to be handed over to big private investors. The government aims mop up around Rs 6 lakh crore over a four year period ending financial year 2025. The union budget 2021-22 has fixed Rs 1,75,000 crore to be collected through disinvestment of Central Public Sector Units, privatisation of two public sector banks and one public sector general insurance company and

IPO of LIC. The GIBNA amendment bill 2021 has already been passed in parliament. The Banking Laws Amendment Bill 2021 which was listed to be introduced in the winter session. The government has deferred it due to stiff resistance from the united struggle of the bank unions.

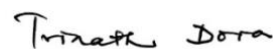
The government is in a tearing hurry to bring IPO of LIC. The Finance Minister announced while presenting the budget for 2021-22 that the government would list LIC in the stock exchange and sell part of its stake through initial public offer before the end of this fiscal. The government covertly proposed 27 amendments to the LIC Act in the finance bill itself. These amendments have already been notified. The cabinet committee on economic affairs has approved the disinvestment of equity of LIC. The government has appointed Miliman Advisors LLP as the actuary for determining the embedded value of LIC. According to media reports, the government has shortlisted 10 merchant bankers including Goldman Sachs Group Inc, JP Morgan Chase & Co and ICICI Securities to manage the IPO. LIC has appointed the law firm 'Cyril Amarchand Mangaldas' as legal advisor to file red herring prospectus before SEBI to initiate the process of IPO. There is a plan to allow cornerstone investors and marquee asset managers to invest large funds ahead of the IPO. Moreover, the government is also planning to allow FDI through strategic investors such as pension funds and overseas insurance firms.

The brilliant struggle of the insurance employees under the banner of AIIEA could stall the privatisation of LIC for long 27 years. It is due to our campaign that LIC IPO is the first step towards privatisation, the Finance Minister announced on the floor of the parliament that the government will not privatise LIC and the sovereign guarantee on LIC policies will continue. But the battle is not over. The insurance employees will have to intensify the campaign to mobilise broadest possible support and make the government effort towards privatisation as difficult as possible.

At the dawn of the New Year ,new waves of struggles are building up. That gives us a grand opportunity to develop grand alliances. The two days strike call given by Central Trade Unions and independent organisations on 23-24 February 2022 is such an occasion. We should strive to make this strike action an emphatic success. We should draw inspiration from the historic farmers struggle which forced the authoritarian Modi government to repeal the three farm laws.

With Revolutionary Greetings and Best Wishes for 2022.

Comradely Yours



General Secretary