

Proletarian Era

Volume 39 No. 12
February 1, 2006

Organ of the SOCIALIST UNITY CENTRE OF INDIA
Founder Editor-in-Chief : COMRADE SHIBDAS GHOSH

Price : Rs. 2.00

WTO Hong Kong

Latest plea to unleash growing attacks on people

The WTO ministerial conference held in December last in Hong Kong, where 149 member countries and custom territories participated, has once more brought to the fore the ever increasing conflict between developed and developing countries and glaringly revealed the inglorious role played by India in helping to bring about a compromise at the cost of developing countries, which will bring even more attacks on people. On his part, Kamal Nath, the Union Commerce and Industry Minister who was accompanied by representatives of CII, FICCI and ASSOCHAM, announced that the final deal reached had given India some significant gains in all areas under negotiation, (*The Times of India*, 19.12.05). And welcoming the outcome, the Indian corporate houses said they wouldn't mind halving import tariffs over a period of 8 years.

Background

This WTO meeting in Hong Kong was meant to be the final step of the Doha Round launched in 2001. Also touted as the "Development Round," the Doha Round's aim is to reach a new trade agreement to further advance the globalization process, which has far reaching consequences for people. In this context it may be recalled that the imperialist powers, headed by USA, arm-twisted the developing countries into accepting the policy of globalization, liberalization and privatization and got them to sign the GATT agreement

in 1994. This ultimately led to the formation of WTO entrusted with the task of implementing the GATT agreement and regulating world trade. Thus with the help of GATT and subsequently WTO provisions they forced the developing countries to liberalize rules, dismantle trade barriers, slash tariffs, reduce subsidies especially in agriculture and essential services. The imperialists on the other hand kept up trade barriers against products of developing countries, on one pretext or another, and actually increased their effective agricultural

Contd. on page 2



A view of the huge women's rally in Anantapur (AP) on 6 January, 2006 (News on page 8)

SUCI protests FDI in retail trade

Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on 27 January, 2006 severely deplored the recent decision of the Union Cabinet to allow Foreign Direct Investment (FDI) in retail trade of this country. Entry of FDI in retail trade, initially in the branded product merchandising and evidently to be extended to all products in future, said Comrade Mukherjee, will eventually throw lakhs of retail traders and their employees out of business resulting in widespread unemployment and wreaking havoc at the lower end of the economy. Comrade Mukherjee called upon the people of the country to rise up in protest and thwart this sinister move by organizing powerful resistance movement.

In this connection Comrade Mukherjee also said that if the CPI(M) and CPI are serious in resisting this move they must give up the path of displaying pretentious protest and exert decisive pressure on the UPA government, resting on their support, to rescind the decision. Otherwise, their double standard will not remain unexposed, warned Comrade Mukherjee.

Bush's India visit

Strongly condemning the visit of warmonger US President George Bush to India, Comrade Nihar Mukherjee, General Secretary, SUCI in course of a statement issued on 30 January, 2006, said that this has stunned the people of the whole country as throughout the world all the right thinking people are up in arms against George Bush's criminal occupation of Iraq, his threatening postures against Iran, North Korea and Cuba and are in unequivocal terms demanding immediate withdrawal of all US forces from Iraq and his trial as a war criminal. Pointing out the abysmal low which the Congress led UPA Government has sunk into in aligning with US imperialism in the interest of country's ruling monopolists, emerging as junior partner of world imperialism, Comrade Mukherjee also noted that conscientious, freedom loving people of the country are wondering as to how could a Government, whose existence depends on the support of CPI(M), CPI, pretending to be so opposed to the visit, afford to extend such an open invitation to George Bush, the most condemned man of the time unless it was sure of their tacit support.

Comrade Mukherjee called upon the people of the whole country to come out to firmly oppose George Bush's condemnable India visit so as to force the Government of India to withdraw this invitation.

Comrade Nihar Mukherjee once again urged the leadership of CPI(M), CPI to give up the policy of double dealing and desist from hoodwinking the people. Instead let them prove their bonafide by issuing an ultimatum to the UPA Government that if it does not take back the invitation forthwith, their support to the Government would stand withdrawn.

Agreements under cover of dubious promises spell danger for the people

Contd. from page 1

subsidies by taking advantage of their technological superiority and structural difference with the developing countries, which were forced to drastically cut down theirs. Together with steep price hike in agricultural inputs induced by TRIPS provision this has ruined millions of farmers in developing countries across the globe. In the developed countries it is of course the rich farmers and agro-businesses that profit from this policy. In USA, for example, the handful of huge agro-business corporations, which do not pay even minimum wages, get reportedly 80 per cent of the huge subsidies. So, the question of agricultural subsidies has come to the forefront in the bitter disputes on a host of issues going on between developing and developed countries which is not to say that there are no disputes among the developed countries themselves, for that matter.

Hong Kong Conference

In this context it may be recalled that the developed countries failed to push their agenda in the WTO Cancun meet in 2003 where the developing countries took a strong and united stand. This time too there were speculations that the WTO conference might end in a fiasco. It is against this background that Rob Portman, the US trade representative and his senior aides had been warning that if WTO talks did not produce progress soon the US might start putting more of its negotiating energy into the pursuit of bilateral and regional deals (*New York Times*, 19.12.05). And this notwithstanding their talk about multilateralism, said to underpin the globalization policy, which is but another demonstration of how the US imperialists ensure some settlement is arrived — be it through arm-twisting or allurements with baits. It has come widely in the press, that in the end, it was India along with Brazil that played a prominent role in securing a last minute compromise and helped persuading the developing countries to agree to more drastic slashing of industrial tariffs and further opening up of sensitive service sector in return for the developed countries' dubious promise to dismantle their

agricultural export subsidies by 2013. The value of such promise can be gauged from the fact that their agricultural export subsidies make up just a tiny fraction of the actual subsidies. Thus, while the EU provides annually reportedly about 55 billion euros agricultural subsidies its export subsidies amount to a mere 2.5 billion euros (roughly 3 billion \$) which is not even 5 % of its total subsidies (and which according to a trade analyst will have shrunk even further by 2013). As for the USA the only pledge it has made is to remove its cotton export subsidies in 2006, which again amount only to about 6 % of its total cotton subsidy (or about 250 million \$ as against total cotton subsidy of about 4 billion \$ which the US reportedly provides). For its other export subsidies which come in a different, more indirect form, the USA has not made any concrete commitments (which is an apple of discord between US and EU) The kind of deception used is most glaringly illustrated by the fact that the developed countries have made much of their pledge to remove their cotton subsidy in 2006 in order to 'help' the cotton growing African LDCs (least developed countries) — namely Chad, Benin, Burkina Faso, Mali and Senegal — whose economy has been totally ruined by the cheap, heavily subsidized cotton dumped by USA. For what difference will that make for these countries! The developed countries have also agreed that the poorest countries (LDCs) will be allowed duty-free and quota-free market access on 97 per cent of products imported by developed countries. This means out of the 5000 tariff lines 3%, or 150 tariff lines, can be barred from free access, so that in reality all products which are of export interest to the LDCs, like sugar, rice and textiles, for example, can effectively be barred by the developed countries. In return for such type of dubious promises on agricultural subsidies, and though the developed countries have refused to remove non-tariff barriers in the near future, the developing countries had to agree to further drastically slash their tariffs on a majority of products and to further open up trade in the service sector. Thus, decrying the Hong Kong deal

the Oxfam's trade campaign chief, Phil Bloomer said, "Rich country interests have prevailed yet again... small progress in agriculture is more than cancelled out by extremely damaging agreements on services and industry."

In the Hong Kong agreement the developing countries are required to undertake commitments in advance, as part of the modalities, to open up a minimum number of sectors and agree on a minimum extent of opening across sectors to achieve "a progressively higher level of liberalization". Moreover, the modalities under 'plurilateral' approach will provide the developed countries with a new handle to pressurize the developing countries into progressively 'deregulating' their service sector which means 100 % penetration of private capital including FDI with all its concomitant evils. It may be recalled according to WTO reckoning the services provided for health, education, transport, telecommunication, banking, insurance, energy, culture, research, environment, etc. and even water, all fall into the category of services. Nothing, no public service or service of collective interest can finally escape commercialization and privatization, with competition on an international scale. Any rules and regulations which restrict trade in services will have to be progressively removed to suit profit-driven commercial operation. Any exemption can be but temporary and has to be periodically reviewed. By bringing about further liberalization of services the imperialists, led by USA, want to eliminate all obstacles which "restrict" the commerce and global exchange in the name of removing "discrimination" against enterprises and their products and banning "unfair" competition. For that, even the minimum salary and social security are treated by WTO negotiators as potential "technical obstacles for commerce". No wonder they advocate increase of contractual services (Annexure C, mode 4) and moreover recourse to foreign manpower at low cost that would, according to them, represent the most significant advantages induced by the exchanges. Such personnel would be hired with contracts of a fixed time, on legal and wage basis of the country of

origin, so as not to be able to benefit from the social rights of the employing country (Mode 4 of GATS, doc S/C/W/50 & 26.50; S/C/W/46p9; S/C/W/29, US note 12.00 and S/C/W/75&21). Already the growth of contract service or contractualization of labour has come as a bane for toiling people worldwide; needless to say that such provision would confound its devastating effect. Again what removal of "discrimination" against enterprises and their products and "unfair" competition means for the toiling people can well be gleaned from a dispute between EU and US MNCs some time back over bananas. The US MNCs in Central America, having bagged 60 % of EU market, still accused the EU of discrimination regarding banana dollar products because the EU accorded the West Indian and African bananas favourable access to its market. But the WTO tribunal in its judgment did not consider that there existed an unfair competition due to the fact that these multinationals by imposing a very low production cost on their sub-contractors, imposed inhuman toil on the agricultural labourers: very low wages, 12 to 18 hours working day, non-evacuation of workers during aerial spray of pesticides by planes and tragic health problems linked to these pesticides. This is the same as saying that the ILO Conventions Nr. 155 on health and security at work, Nr. 1 on maximum working hours, and Nr.26, 131 on vital minimum wages would not be taken into consideration by WTO as they do not influence the characteristics of the end product, which is what counts under WTO provisions! No wonder the USA has already placed a note signaling that minimum wage could be an "obstacle to commerce" (in the framework of elaboration of 'disciplines' in GATS). And this is just one side of the manifold destructive attacks in the offing if GATS provisions of the Doha Round get implemented.

Among many others, the agreement in Hong Kong in services has made commitments for enhanced levels of foreign equity participation, and commitments allowing greater flexibility on the types of legal entity permitted. (The

Contd. on page 4

Fallout of Electricity Act 2003

People reel under severe tariff hike and scarcity

Electricity which is a key driver of modern civilization is increasingly proving dearer to the common people even after 58 years of independence despite the tall claims of the power that be that India has emerged as a formidable nuclear power, made considerable advancement in space technology and established herself to be one of the most sought after destinations of Information Technology. While the people of most of the states are reeling under severe load-shedding and extreme low voltage, galloping escalation of power tariff is tormenting them beyond limit. For example, in Rajasthan domestic consumption above 50 units costing Rs. 1.43 per unit in 1998, is now changed Rs. 2.75 per unit. In 1991, the farmers using electricity in West Bengal used to pay about Re 0.25 per unit. The rate has now shot up to Rs.3.50 in 2005-06, an increase of about 15 times in 15 years. Similar is the case with domestic consumers and small-scale industry owners. Situation has so worsened that many of the small industrial units are putting down shutters throwing lakhs of workers out of job. The middle class and lower middle class families are compelled to reduce their consumption level. Worst casualties are the small farmers using shallow pumps for irrigation. It is proving to be out of their bounds. In Andhra Pradesh, over 2500 farmers have already committed suicide. About 500 farmers of Maharashtra have written a letter to the President that if no immediate ameliorative measure is taken, they will have no other alternative but to embrace suicide. In West Bengal, the *boro* cultivation that provides rice and cereal to most of the households is almost on the verge of being abandoned. While there is descending darkness on the life of the toiling people, the posh buildings, sprawling shopping malls, amusement parks, gorgeous neon sign displays are dazzling with rare audacity. The contrast is so vivid, so shameless.

Naturally, there is mounting discontent and seething rage against such unusual spurt in tariff and acute scarcity throughout the country. But the governments, both central and state, no matter which party or parties run them, are ruthless in crushing any agitation in protest. 3 of the agitating farmers died in police firing in Andhra Pradesh. In West Bengal, two received grievous bullet injuries and many hundreds seriously wounded, even maimed when the police pounced upon peaceful demonstrators in Salt Lake, Calcutta. Agitations in Rajasthan and other parts of the country have also confronted police action.

Why this crisis

But what has caused such a situation? After independence, the power, as an essential service, was placed under public sector. This sector, it may be mentioned, had been functioning in a "vertically integrated" way which means the generation, transmission and distribution were handled by one or a few closely connected government organizations. The closely integrated operation of the three sectors was envisioned to ensure that all major decisions are taken with the overall benefits of the power system in view. Since some technical requirement specific to power sector must be complied with

to ensure a smooth operation, the power generated at any moment has to be distributed and consumed at the same time and any imbalance would result in frequency and voltage fluctuations detrimental to the interest of the consumers. All the generators connected to the grid system have to be "synchronous" which means that they must rotate at the same speed. Any instability and loss of synchronism would result in complete black out in the affected areas.

It was in this way that the powers sector commenced operation in post-independence India under the aegis of the government. With lot of fanfare, big hydel projects and thermal power units were set up and in every 5 year planning, targets of electrification were being fixed to indicate how serious the government was in reaching out to the common people with bountiful of electricity at affordable price. But with the passage of time, cracks began to appear in the system and increasing corruption and mismanagement gripped the government controlled power bodies. In absence of proper maintenance, pilferage of funds, procurement of sub-standard raw material like wet coal through dubious route aided and abetted by corrupt government officials, people began witnessing shortfall in generation, frequent tripping and

shutdown of the power units, malfunctioning of distribution grids and so forth. Illegal power theft in connivance with corrupt government officials assumed alarming proportion. It obviates to say that such deterioration and degeneration could not take place but for deliberate non-action or acquiescence on the part of the government. Curiously enough, when things began to drift out of control, the government began to harangue the oft-repeated plea that it could no longer undertake this huge responsibility of production and supply of electricity. Hence, there was exuberant invocation to the private players to enter the scene and operate alongwith government sectors. Sensing huge profit potential, the big monopoly houses like the Tatas made a dent into the power sector. Subsequently Goenkas and others also followed the suite. Some of the government organizations like Calcutta Electric Supply Corporation Ltd. (CESC) and Bombay Suburban Electric Supply (BSES) were privatized. Obviously these private owners started operating on a commercial basis and the electricity rate chart began spiraling upwards.

Features of Electricity Act

With the adoption of the policy of capitalist globalization-liberalization-privatization in early nineties, electricity was no more viewed as an essential service but a commodity of the capitalist market of loot and plunder. With much ado, the government of India subserving the class interest of the ruling Indian bourgeoisie, an inalienable part of the crisis-ridden moribund world imperialism-capitalism desperately seeking new market to earn maximum profit, announced 'opening up' of the power sector not only to the domestic capital but even to the foreign imperial capital and Multi-National Corporations. People are aware of the much-trumpeted Dhabol power project of US-based Enron Company that snowballed into a major scam involving high-notch bourgeois politicians and ministers. Following the same footstep, the erstwhile BJP-led NDA government decided to 'de-regulate' the power sector completely by replacing the three electricity Acts of 1910, 1948 and 1998, hitherto governing the

industry, by a single Act, "The Electricity Act, 2003". The salient features of the Act may be summarized as under: —

- (1) Generation, transmission and distribution of power industry are to be unbundled and vested into three separate companies. All the State Electricity Boards (SEBs) will be wound up. If any state government does not agree to dismantle the SEB, that SEB in that event, will be treated as a company that must ensure guaranteed profit @ 16% for each of the three sectors based on commercialization ;
- (2) Any person/company may construct, maintain or operate a captive generating plant. For this, no license and security is needed;
- (3) Determination of power tariff will be on commercial lines based on cost of supply of electricity;
- (4) "Cross-subsidy" will be abolished/reduced in phases by the State Electricity Regulatory Commission (SERC);
- (5) Along with power tariff, a fixed charge will have to be paid by the consumers;
- (6) Also, for any equipment like meter for recording power consumption, the consumers will have to pay additional rent or charges;
- (7) Security deposit will have to be kept by the consumer for receiving power supply. Failure to keep the deposit will entail termination of power supply;
- (8) Open access or opening up of competition
- (9) Power generation along with distribution was in the concurrent list of the Constitution. The Act has vested the authority with the Central Electricity Regulatory Commission (CERC) appointed by the Union Government. Under this central nominated body of CERC will work the state level regulatory Commission (SERC)s of different states.

Import of the Act

Without getting into the various details of the Act, we shall just highlight the major consequences of this new promulgation that are causing havoc in people's life.

Contd. on page 5

India betrays developing countries by collaborating with US and EU

Contd. from page 2

agreement having endorsed increased FDIs, India, for example, has lost no time in following it up with majority FDI in retail trade!)

The G-90 countries opposed the agreement by placing an alternative draft, to reportedly shield their domestic services like hospital management, insurance and education. But that was abandoned; though Cuba and Venezuela protested till the end.

Effect of globalization, liberalization on people

While ruling monopoly capitalist-imperialist circles arrogantly dismiss opposition to and criticism of globalization and liberalization policies as 'economic illiteracy', one does not have to be an economic expert to see their disastrous effect on people's life. Throughout the world globalization has led to widespread unemployment, ruthless slashing of social welfare measures, snatching of hard-won rights of people in every sphere of life — be it at their workplace or in the sphere of health and education, etc. — all of which is accompanied by attacks on civil liberties, culture, values and even national sovereignty. The majority of people have become impoverished, even in the developed countries, while in the developing countries the appalling misery of people is beyond description, where tens of thousands of destitute workers, debt-ridden and ruined farmers have committed suicide, and their number is rising still. Monopoly corporate houses, on the other hand, are making monster profits and a handful of elite have become enriched beyond measure. Imperialist predatory wars are on the rise. The mere fact that the world's military spending for 2005 amounts to 1 trillion dollars, whereas the cost of maintaining universal access to basic education, basic health care, reproductive health care, adequate food and clean water and safe sewers for all, has been estimated to cost a mere 40 billion dollars a year, speaks volumes for the abject bankruptcy and rotteness of capitalism! It is undeniable that the capitalist world is in the grip of a terrible, insurmountable crisis — to deny it one has to be totally blind, or willfully shut one's eyes to social

reality. It is with a view to preempt any working class uprising and to stave off the endemic crisis of capitalism at the cost of developing countries that the imperialists resorted to the policy of globalization, whereby they are prying open the economies of the developing countries for their own loot and plunder, for their increased control, increased neo-colonial exploitation. At the same time through this globalization policy and in the name of multilateralism the imperialists have been trying to minimize the fight between themselves and come to a mutual understanding for re-division of world market, though they have been unable to contain the simmering trade war among themselves. In the process they have not only brought on untold destruction and oppression but by causing growing poverty worldwide and consequent fall in people's purchasing power, capitalism has been plunged into deeper crisis even. There is nothing surprising in it, for capitalism has lost even its relative stability since the 2nd world war. Comrade Shibdas Ghosh long ago cautioned that each and every planning of capitalism is accompanied by the shadow of crisis. Whatever measures and plans capitalism adopts to come out of crisis will inevitably create even greater crisis — a crisis which has become a daily, an hourly affair. Even the USA which is spearheading the offensive and attacks of globalization even at a military level is no exception to this; its economy is mired in debt, its account deficit alone is the largest ever in the world. Thus, the only thing that capitalism-imperialism — that stands as greatest obstacle and threat to progress of human civilization — has to offer mankind is more destructive attacks and onslaughts, in the name of globalization and free trade.

The only silver lining is provided by the growing anti-globalization protests throughout the world, often with anti-capitalist orientation. No amount of oppression, even police torture and incarceration has been able to muffle people's voice of protest. In country after country, be it against globalization policies of their own government, or against meets of WTO, IMF or World Bank,

protestors have come out on the streets in thousands and tens of thousands. Hong Kong has been no exception. And with ever fresh ingenuity they try to outwit the impenetrable fortress-like security arrangements. In Hong Kong too, apart from different militant demonstrations across the city throughout the proceedings, some activists by posing as NGOs and bagging almost all the seats allotted to NGOs succeeded in disrupting the inaugural address and making their voice of protest heard. Shouting anti-globalization slogans they unveiled a banner saying "No deal is better than a bad deal" in a number of languages.

India's role

And it is precisely to bring about such a deal — a compromise at the cost of developing countries paving the way for further onslaught on people — that India used its influence among the developing countries and its status as more advanced among them. Of course not without paying lip service to the interest of what Kamal Nath called 4/5 of humanity. But already in the pre-Hong Kong informal negotiations held in September in Paris the US, EU, Brazil, Australia and India decided that a 14 country group will be formed to supervise the opening up of the service sector as envisaged in "plurilateralism". Confirming this in the FICCI conference in New Delhi, Rob Portman, US trade representative said: "Minister Nath and I co-chair the core group of services where we are trying to be sure that the barriers to service trade where India has a competitive advantage now, and will have more of an advantage over the next decade — will have a fair stake". Thus, even though India had the opportunity of playing a leading role in rallying the developing countries against attacks by imperialist powers, India in its desire to get a share in the world market and become a regional superpower with the consent of USA, instead collaborated with US and EU imperialists who made common cause to push their agenda. As nascent imperialist power the Indian bourgeoisie is tilting towards USA and doing its bidding inasmuch as that furthers its own class interest. India has already become a junior partner in the

imperialist camp and is clearly using its pro-globalization role as a bargaining tool with the big imperialist powers. The despicable role played by India in Hong Kong, the betrayal of developing countries' cause, has clearly borne this out — it has played a role which bodes ill for people's interest which will unleash more ruthless attacks on people. There is no denying the fact no matter how much Kamal Nath or other Union ministers may try to camouflage this despicable role through pro-people, or pro-developing country posturing, as seen also in the ongoing negotiations in Davos, for example. The Indian bourgeoisie is keen to open up the service sector because it aspires to penetrate thereby into the service sector of other, particularly of developing countries. Thus Keith Bradsher reports in *New York Times* on 19.12.05 "India ... played a crucial intermediary role in persuading poor countries to accept portions of the agreement calling for freer trade in services like telecommunications and banking... The services talks began to shift, thanks in part to energetic efforts by India, which has enormous influence in the developing world. Until the 1990s, India had some of the world's stiffest protectionist policies, and still has high tariffs on many imports, from food to shoes. But the rise of call centers, computer programming, accounting and financial analyses... has created a large lobby in India for offering these services to other countries. As weary ministers negotiated all night, Kamal Nath, India's minister of commerce and industry, spoke out strongly in favour of the services agreement..."

The Hong Kong agreement by further advancing the agenda of globalization signals increased neo-colonial exploitation of the developing countries and bleak prospect for people, unless a powerful resistance movement can be built up. Alone a powerful movement, by forging broadest unity against US hegemony, war-mongering and against globalization — a powerful movement, with genuine communists at the core, with anti-capitalist direction and based on higher culture and ethics — can change the course of things. There is no alternative. Though under

Contd. on page 6

Essential service like electricity can not be taken out of government sector

Contd. from page 3

The Act speaks of complete privatization of the power sector by winding off the existing State Electricity Boards (SEBs). However, if any SEB is sought to be retained, then it has to be compulsorily corporatized and ought to operate on a purely commercial basis; by earning a 'reasonable' (read surplus over cost) plus surcharge (read extra profit) of 3% or more as it deemed leviable. Similarly, each of the operators in generation, transmission or distribution areas is to function on the same basis. Further, if there is trading (sale of power) between one distributor and another, a further surcharge of 4% is to be allowed. The poor consumer, it is evident, will have to bear the brunt of all these "reasonable" returns and surcharges pooled together in the form of periodic tariff escalation.

As will be observed, the government, as and when it so desires, can hand over the power sector to private owners either directly or through gradual disinvestment of its holdings in the corporatized SEBs. However, the government is not applying the provision fully now as, in the initial stage, any hasty move towards that objective might lead to a chaotic situation in this key industry. It may be recalled that as a sequel to such overnight privatization of the sector, the residents of California, the largest state of the USA, suffered through six days rolling blackout in early 2001 since there was 10-fold increase in the power tariff to accommodate respective profit margins of the private owners. There was a near collapse of the system. Document of Federal Energy Regulatory Commission of the USA asserted that the private owners deliberately created an imaginary shortage to jack up electricity charges and reap super profit at one stroke.

Taking lessons from such instances, the Government of India and the various state governments have decided to phase the process of privatization so that there is no such overlap of commercial interests of the different private owners leading to a catastrophic situation. Hence, they are slowly unbundling the three areas of generation, transmission and distribution and to start with

converting the SEBs into companies so that production and supply of electricity commence on a full-fledged commercial basis as per capitalist law of securing maximum profit. To smoothen the transition, two government bodies, the Central Electricity Authority (CEA) and Central Electricity Regulatory Commission (CERC) have been constituted to provide technical advice and issue guidelines of overall operations respectively. Clearly, the purpose is to forestall any anarchical situation as was experienced in California. For example, WBSEB, already corporatized, wrote to the Commission for recovering as high as Rs.372 crores through tariff revision. The Commission has agreed to the proposal but advised WBSEB to stagger the increase by 5% in sequence so that there is no 'shock' to the consumers. In other words, the fleecing will be in a softer form so as to get the same gradually acceptable to the consumers as inevitable. Thus eventual privatization of the sector is already set in motion and it is only a matter of time before the private owners finally take over.

Further, with the separation of generation, transmission and distribution and allowing separate private companies to run these areas on their respective commercial motives, the essential synchronization of the three is bound to be severely affected leading to a chaos coupled with excessive tariff structure to be worked out after taking into account the profit factors of each of the areas. On the other hand, with introduction of sophisticated technology and contract labour system, all these private operators as well as SEBs transformed into profit making companies will reduce manpower or outsource jobs. Hence, the tariff will soar sky high while employment in the power sector, hitherto a sizeable one, will be drastically curtailed.

Next is the 'question of so-called "Cross subsidy"'. One would not find the term in the lexicon of power industry either in pre or post independence India. There is no explicit definition of this term either in the new Act or any of the court rulings. It is a coinage of the monopoly-controlled media to buttress an altogether different

motive. In keeping with the natural social justice of imposing less burden on the poor and the lower end of the economy, the power tariff hitherto was based on a slab system of different rates depending on the accrued income in a calendar year to the consumers and the respective quantum of consumption. Naturally, the middle class households and agricultural consumers using less power and earning much less per annum were being charged less at a lower slab compared to the big consumers and large industrial units consuming much more and requiring High Tension (HT) supply. Moreover, since cost of supply in the High Tension segment was significantly higher compared to medium and Low Tension segments, proportionate load was added in the higher slab. But now with the power distribution being opened up to be run on a commercial basis at guaranteed profit, there is a cry from the operators in the sector for uniform tariff across the board meaning thereby that a small domestic consumer of 50 units will be levied the same rate as that of an industrial user of 50,000 units. Thus the so-called "subsidization" by the large consumers in the form of paying higher slab-rate is sought to be recovered from the small consumers in the name of bringing uniformity in the tariff. Obviously, while the big monopolists and industry owners will be given relief by slashing of slab rates at the higher end, the small consumers will have to shoulder huge additional burden of escalated slab rate. Moreover, to woo the domestic and foreign private capital for investing in the states, the various state governments are now in a mad competition as to who can offer the investors more incentive in various ways including supply of power at concessional rate. What a unique twist to the conception of natural justice and equity!

Disastrous consequences

As a concomitant to the implementation of the new electricity Act, rural electrification is going to be affected most. Private power licensees decline to take up rural electrification job since the sunk cost is perceived to be high and scope for reaping super profit is relatively low compared to urban

operation requiring much less gestation period before commencement of operation. Rural electrification at the initiative of private owners naturally entails a huge spurt in tariff that the small farmers and small-scale rural industries can ill-afford to bear.

Though there is a provision for pegging down the tariff by way of government subsidization, most of the governments, raising the bogey of cash-strapped exchequer, are loath to do that. Punjab, where small farmers upto a particular limit were being provided with free power through government subsidy route, has now opted for pricing the supply at the direct instance of the prime minister. Gradually, most of the governments will withdraw subsidy to leave the arena as a hunting ground for private capitalists. In a recently published research paper captioned, "Impact on power sector reform on poor": A case study of South and South East Asia" (TERI Project report no.2002 RT 45), A.R. Sihag, Neha Misra and Vivek Sharma brought out a fact-based picture of how privatization of power distribution in Orissa, Karnataka and Himachal Pradesh has brought in its wake a significant reduction in power consumption by the poor. Many have been forced to terminate power connection. Orissa was the first state to have privatized its distribution in electricity on commercial lines as its centerpiece and the results were disastrous for the small consumers.

Government can not shy away from this vital sector

This in short is the harrowing spectacle consequent to complete 'de-regulation' of power sector that the ruling bourgeoisie and its servitors are so upbeat about. It once again shows how devastating is the effect of the capitalist globalization on the life and livelihood of the common people. There is rapid deterioration in service quality and power cuts, both scheduled and unscheduled, are becoming phenomenal. No commitment of minimal supply is being honoured. And with this there is frequent upward revision of the tariff to slay the slain poor consumers. With this so-called de-regulation of power sector, the government is also merrily disowning any responsibility or accountability.

We know that electricity is, so to say, a lever of social development, a vital tool to upgrade the social

Contd. on page 6

Fallout of Electricity Act, 2003

Contd. from page 5
standard of living. Abundance and extensive use of electricity is therefore a must for the progress of a modern civilized society. Any disruption in either production of electricity commensurate with the growing social need or its proper supply through appropriate mechanism to every consumer, rural or urban, domestic or individual, agriculture or small-scale unit, any discrimination against or deprivation of any segment of consumer either by design or due to systemic fault will reverse the direction of social development. It is precisely for this reason that so essential a service like electricity must be under total control of the government which must be accountable to the people for any deficiency, deviation, mishandling or malpractice in this regard. Placing such a livewire service at the disposal of private capital whose sole motive is to earn maximum profit, is therefore criminal because these private owners feel no obligation to the people or society and hence take them for a ride to secure profit maximization. The government also, pointing at these private owners, shirk off all its responsibilities. This is the crux of the issue. Danger inheres here. Hence privatization of

power sector has to be resisted at any cost.

People must assert through democratic movement to thwart the scheme

It is regretted that no bourgeois parliamentary party who cry hoarse for the people's cause is coming forward to take up the issue and organize effective movement to thwart the move. Only a glorious example has been set up by the struggling consumers mostly poor farmers and lower middle class households of West Bengal united under the banner of All Bengal Electricity Consumers' Association (ABECA), a people's committee formed at the initiative of our party. After conducting a protracted struggle in phases through various forms culminating in an indefinite mass hunger strike unto death of thousands of its agitating members, ABECA could compel the arrogant CPI (M)-led government of West Bengal which has gone ahead of many other states in giving effect to the pernicious clauses of the Electricity Act, 2003 and imposed maximum price hike for agricultural use in the country, yield to some of their demands including reducing the agricultural tariff to certain extent by giving government

subsidy. Thus under pressure of organized people's movement, we have been able to bring down the intensity of the onslaught to a significant extent. Earlier also, consumers of Delhi and Rajasthan could succeed in forcing the respective state governments reduce the quantum of tariff hikes by building up democratic mass movements. In those places also, our party had taken active role in organizing the movements.

This ought to be an eye opener to all. It is only by developing such united conscious democratic movement on a sustained basis under correct leadership that the people can get some relief, expect some amelioration of the problem and if circumstances so prevail, wrest all other demands. We call upon the people of the country to realize the gravity of the situation, and immediately come forward to develop a countrywide mighty democratic movement for immediate repeal of the anti-people Electricity Act, 2003 and restoration of the earlier practice of generation, transmission and distribution under full government control on non-commercial basis as an essential service.

The other broad demands of the movement should be as follows:

1. Not even an iota of privatization shall be allowed in power

2. While the responsibility of power generation, transmission and distribution must vest with the state governments, central government must be accountable for providing them all necessary help, assistance including financial assistance so that common consumers are in no way made to bear the burden of high tariff rate and tormented by scarcity and substandard quality of electric supply. Central government must take full responsibility to ensure that there is no wastage or corruption in the power sector.
3. Differential slab rates must prevail;
4. In agriculture, power should be made available free upto 3-acres of land holding. Rest of agriculture, must get electricity at Re.0.50 per unit.
5. The use of diesel/petrol for operating irrigation pumps must be substituted by use of electricity;
6. Small-scale industries upto 30 HP must be supplied power at Re.1.00 per unit;
7. Cottage industries must be treated as domestic consumers for billing purpose;
8. Domestic tariff rate must be rolled back to pre-1998 level.

Dharna by 5 left parties in Jharkhand

During the Assembly Session a dharna (sit-in-demonstration) was organized in front of the Bidhan Sabha at Birsa Chowk in Ranchi by a combination comprising our party, SUCI, CPI(ML), Samajbadi Jana Parishad, Jana Mukti Sangharsa Bahini and Nabajanabadi Chetana Mancha. This dharna was against the eviction of the farmers from land and dolling

out the cultivable lands to the multi-nationals as well as the domestic monopolists. It may be mentioned that our party was making every endeavour for a long period to develop such a combination of left parties in Jharkhand as a platform of genuine struggle. Comrade Ashok Singh of our party has been elected convener of this 5 party combination.

Haryana Peasants protest against WTO regime

Haryana State Committee of All India Krishak Khet Majdoor Sangthan (AIKKMS) protested throughout the state in the first week of December 2005 against implementation of WTO directives in agriculture and urged the Indian Government to come out of this evil design. The Sangthan organized protest demonstrations and 'dharnas' on December 7, 2005 at district headquarters in the state at Rahtak, Rewari, Jhajjar, Narhaul, Bhiwani, Kaithal and Sonapat. Memoranda

addressed to the Chief Minister were also submitted to the respective Deputy Commissioners Haryana demanding employment throughout the year for agricultural workers, providing electricity for domestic use at the rate of Re 1/- per unit and its free supply in agriculture, scrapping of the debts of small and marginal farmers as well as agricultural workers, an early construction of SYL canal and repeal of black Electricity Act 2003, new Patent Act as well as Beej(seed) Bill.

Contd. from page 4
people's pressure sometimes governments of developing countries oppose certain policies of the big imperialist powers, but for their narrow interests, meaning thereby the interests of the ruling bourgeoisie of their countries, they again succumb to pressure. Incidentally, the CPI(M) and CPI also had some kinds of criticism of the Hong Kong agreement. But these were all purported to play to the gallery. The CPI(M) in its politburo statement on 19.12.05 after criticizing many points has concluded by merely saying: "The Government of India has to explain how the agreement in Hong Kong will help protect farmers and agriculture". But top CPI(M) leaders like Buddhadeb Bhattacharjee and Sitaram Yechuri are on record to have remarked on many occasions that no country can remain insulated or isolated from the globalization process, that there is no alternative to integration of the global economy etc. It sounds paradoxical. Is global integration anything new? How could international trust and cartels and

different international trade agreements have materialized long back if global integration of economy did not take place? What then could be the object of repeatedly harping afresh on global integration of economy when capitalist globalization is on full swing, other than holding brief for the globalization itself which is a new form of most ruthless neo-colonial exploitation by the imperialists? In fact the CPI(M) and its associates are systematically implementing the policies of globalization in the states they are in power. Thus, the CPI(M) by perfecting in perfidious doublespeak, is giving easy pass to central government policies, and simultaneously trying to blunt people's resistance and opposition to globalization by cleverly calling it an inevitability. Thus it is serving the interests and groveling at the feet of the ruling bourgeoisie and world imperialism. We appeal to the cadres of the CPI(M) to deeply ponder over these questions and prevail upon their leaders to give up this dubious politics. Time has not still run out.

WTO Hong Kong

JPA's call for indefinite strike of central government employees from 1st March 2006

The extended meeting of the All India Committee of the Joint Platform of Action (JPA) held in Pune, Maharashtra on 22nd and 23rd January, 2006, called upon all central government employees and those of the railways to go on indefinite strike from 1st March 2006 on the demands of setting up of 6th Central Pay Commission (CPC) and various other demands. The JPC also urged all state government/semi-government employees to organize militant protest action, from 1st March, 2006 against respective state government's anti-employee attitude and steps.

The meeting condemned the central government for not convening the tripartite conference as proposed by JPA comprising the representatives of central and state governments, central Trade Unions and central organizations of government employees to discuss adverse consequences emanating from implementation of the policy of globalization, liberalization and economic reforms in the government sector being pursued by the central and all the state governments without exception and adopting corrective measures.

Having received no response from the government the JPA in its letter 22nd December, 2005 intimated the Prime Minister of its decision to call for indefinite strike in the government sector in February, 2006.

In the meantime the JCA – a combination of central government employees' organizations including railway employees represented in the JCM also gave a call for preparation of indefinite strike by central government employees including those in the railways.

The meeting deliberated on the two separate calls given by the JPA and JCA respectively. The meeting noted that while JPA's call most correctly encompasses the entire government sector of the country, the JCA's call is limited to the central government employees alone. But despite the JPA's fervent appeal to JCA it kept the state government employees from the purview of the strike called by it without any valid ground. Secondly though both the organization had declared earlier to commence the

strike in February, 2006, JCA, all on a sudden, changed its decision and announced that the strike would begin on 1st March, 2006. Probably the JCA leadership is expecting some sort of announcement relating to the constitution of 6th Central Pay Commission and some minor benefits before or during the ensuing budget session.

However, in order to avoid split, confusions and apprehensions in the employees' movement at a time when after decades the great possibility of coming together in a united strike action of all employees of the railways and all other sections of the central government employees has emerged, the JPA also called upon all sections of central government employees to go on indefinite strike from 1st March, 2006.

But since JPA feels that the state government and semi government employees are similarly attacked by respective state governments who are pursuing similar policies like

those of the central government, there is no justification to keep millions of state and semi government employees outside the purview of the movement. Hence, JPA called upon all sections of employees engaged in state government and semi government services to organize militant protest actions in the form of breaking the laws, work boycott, strike, mass demonstrations and blockade of government offices.

JPA called upon more than one crore of employees to continue their movement till the vital demands as mentioned below, in short, and not just one demand of 6th CPC, are achieved: –

- a) Stop downsizing of government sectors, privatization/corporatization of government departments, closure of offices and outsourcing/contractorization of government work;
- b) Stop attack on employment, job opportunities and hard won rights of employees;

- c) Recognize right to strike as a fundamental right;
- d) Withdraw moratorium on fresh recruitment;
- e) Constitute 6th CPC and also ensure that state pay commission (as for example in West Bengal) or pay revision committees are set up wherever such system is in practice.
- f) Pending cent per cent merger of DA with basic pay at regular interval, ensure 50% merger w.e.f. 01.07.2002 in respect of all the central and state government employees ;
- g) Regularize and departmentalize all the irregular, part-time, casual, contract workers;
- h) Declare National Employment Policy to ensure gainful employment to all;
- i) Scrap new Pension Bill;
- j) Implement uniformly encashment of 300 days Earned Leave for all. Restore PF interest rate to 12% and 12 days Casual Leave to all employee; etc.

SUCI's view on present political situation in Karnataka

While reacting on the present political situation in Karnataka in a pres conference in Bangalore on 24th January, 2006, Comrade Krishna Chakraborty, member, Central Committee, SUCI, said that scramble for power and rank opportunism among the leaders of all major political parties in Karnataka, have pushed the state's political rot to a new low. Even while professing to adhere to secular principles, a major chunk of the JD(S) legislators had no qualms to ditch the ruling coalition and join hands with the BJP, who they had all along painted as communal and treated as untouchable. Their volte face now in combining with the same communal BJP has exposed the hollowness of their commitment to secularism; rather their move has exposed their out and out greed for power bereft of any principles and scruples.

Again, by combining with the JD(S), the BJP too has equally shed its cloak of 'principled policies, and 'party with a difference'. Trampling underfoot all democratic norms, principles and values the BJP has

shamelessly combined with the JD(S) in effecting a coup d'etat of the Dharm Singh government, in a bid to somehow grab governmental power.

It is a well established fact that the Congress is a past master in this game of engineering defections to destabilize any government and ascend the governmental *gaddi*. Instances of their such misdeed are endless.

The BJP which all through condemned this nasty game of the Congress, has today taken recourse to the same ploy to pull down the state government in Karnataka. No wonder that the people find no basic difference among these parties, whether they go by the name of Congress, BJP, or JD(S). For no question of principle or people's interest is involved in any way in their tussles.

While suffocating condition of the people demands launching of militant struggle against the rotten capitalist system in general and the policies of globalization-liberalization-privatization in particular, it is a matter of regret that the so-

called communist parties viz., CPI(M), CPI etc., are engaged in worst type of practice of parliamentary opportunism and propping up the Congress government at the Centre painting it as progressive, only at the peril of people's cause and of democratic values and ethics.

He, in this regard, reiterated the revolutionary stand of our party, SUCI, that all these are the outcome of the moribund capitalist system and whichever party or leader today stands by this outmoded decadent system is bound to become corrupt, unscrupulous and rotten. He fervently appealed to the people not to be distracted away from politics itself looking at the behaviour of these parties and their leaders and to organize themselves and strengthen people's struggles on the edifice of higher culture and ethics, which alone can stem the rot. He also appealed to the rank and file and supporters of parties like CPI(M), CPI, etc., to pressurize their leadership to give up opportunist path and to step forward to build up people's power.

AIMSS observes protest week in states

The All India Committee of the All India Mahila Samskritik Sangathan (AIMSS) took up a countrywide programme of protest against the alarming growth of crimes against women including rape and torture, women trafficking menaces like rampant issuance of licences of liquor shop, obscenity in cinema, TV and print media etc. and for this purpose 4 to 10 January was announced as the All India Protest Week. Accordingly protest demonstrations were organized in different states. Report of programmes, in states, so far reached here, is published below :

Patna (Bihar)

Patna district committee of AIMSS organized a protest march on this occasion on 10 January. It was led by, among others, Comrade Sadhana Kumari, Secretary, Bihar State Committee of AIMSS.

Bangalore (Karnataka)

In Karnataka Protest Dharna was held in Bangalore on 10 January where a effigy of 'Globalization – Enemy of women and culture' was set ablaze by All India Secretary of AIMSS Comrade H. G. Jayalakshmi. The dharna was presided over by Comrade Nagamal, Vice-President of AIMSS, Karnataka and addressed by Comrade Radhakrishna, Karnataka State Secretary, SUCI. A memorandum was submitted to the Governor and Chief Minister by a delegation from the dharna.

Bhopal (MP)

In Bhopal the MP state committee of AIMSS organized a protest demonstration on 10 January which traversed from the main thoroughfares from Bogdape to Nilam Park. And the demonstration converged into a meeting which was addressed by among others, Comrade Chandra Patra, Secretary, MP state committee of AIMSS.

Agartala (Tripura)

Protest week was also observed in Tripura from 4 to 10 January and on 10th a protest demonstration sent a delegation to the office of the Chief Minister and submitted two memoranda – one addressed to the Prime Minister and another addressed to the Chief Minister.

Calcutta (West Bengal)

In West Bengal, protest week was observed throughout the state through various programmes and on 10 January a big protest march was held in Calcutta to submit a memorandum addressed to the Prime Minister before the Governor, West Bengal. The rally was led by the All India President Comrade Chhaya

Mukherjee, State President Comrade Sadhana Chowdhury and others.

Ananthapur (AP)

Thousands of women led a historic march from K.S.R. Girls' Junior College to Municipal Corporation office on 6th January '06 protesting against torture and rape of women, obscenity in TV, cinema and newspapers; perilous encouragement of the government to liquor addiction by indiscriminate licensing of liquor shops etc. The demonstration was led by Comrade G. Lalitha, President, AP State Committee of AIMSS.

Rohtak (Haryana)

Mahila Samskritik Sangathan, Haryana held state level protest demonstration at Rohtak on 10 January '06 to observe All India Protest Day called by the All India Committee. A large number of women from Rohtak, Bhiwani, Rewari, Phoolpati, Sonapat, Jajjar, Mahendragarh and Hissar districts participated in the demonstration. A memorandum address to the Prime Minister was submitted to the City Magistrate.

Bhubaneswar (Orissa)

On 10th January, a massive women demonstration was held at state capital, Bhubaneswar. More than five thousand women enthusiastically took part in the demonstration. A protest meeting presided over by Comrade Chhabi Mohanty, Vice-President, AIMSS Orissa State Council was held in front of the Secretariat.

Central Committee condemns US decision to execute Guantanamo Bay prisoners

In a statement issued on 27 January, 2006 Comrade Nihar Mukherjee, General Secretary, SUCI, while strongly flaying the framing up of new rules by the US military to execute Guantanamo Bay prisoners there, said that :

World people know that the US imperialists have long been carrying on the nefarious practice of bringing foreign captives captured during US brigandages in other countries to Guantanamo Bay prison most ill-famous in the world for brutal and inhuman torture on the captives, and sadistically torturing them there. Yet their recent decision to even execute those prisoners there behind the knowledge of the world people and without any recourse to any judicial process, not in any way involving the country to which the prisoner belongs, has simply stunned the conscientious people of the world as this arbitrary and outrageous act violates every canon of international law.

Pointing out the fact that it is a worst manifestation of hegemonism and overlordism of US imperialism the statement called upon the people of the whole world to resist this fascistic step by all means.

Comrade Nihar Mukherjee hails decision of Central Government employees' indefinite strike

Comrade Nihar Mukherjee, General Secretary, SUCI, in a statement issued on 28 January, 2006 hailed the decision of the central government employees and the railwaymen taken on 15th January to go on indefinite strike from 1st March, 2006, demanding fulfillment of their 20-point charter of demands which include, among others, immediate constitution of the 6th Pay Commission, withdrawal of moratorium on fresh recruitment etc. Stating that in the context of severe attacks coming from ongoing globalization, liberalization and privatization, this decision of the central government employees and railwaymen has assumed historical significance as it reflects their strong determination to extract their legitimate demands and force the union government to desist from toeing the line of capitalist-imperialist globalization and privatization, Comrade Nihar Mukherjee called upon the people of the whole country to firmly stand by the fighting central government employees and railwaymen so as to make their struggle victorious. Comrade Mukherjee also called upon the leadership of the movement to remain firm in their decision and not to budge an inch till the 20-point charter of demand is fully realized.

Trivandrum (Kerala)

Protest march of women was held at Trivandrum in front of the State Secretariat on 9th January 2006. State Secretary Comrade Shyla K. John inaugurated the March. Besides Comrade Mini K.

Philip, State Vice-President presided over the meeting, Comrade S. Rajeevan SUCI state committee member, Comrade S.Radhamoni, Soubhagyakumari, K.Indira and K.K.Sheela, all State Committee members of AIMSS, also spoke.



A view of the huge women's rally in Calcutta on 10 January, 2006

EDITOR-IN-CHIEF : NIHAR MUKHERJEE