Defeat of Indian power strike opens door for privatisations

A correspondent
21 February 2000

The defeat of a major strike by power workers in the Indian state of Uttar Pradesh in late January has strengthened the hand of Bharatiya Janatha Party (BJP)-led government of Prime Minister Atal Behari Vajpayee to press ahead with its plans for privatisation and pro-market economic reforms.

More than 80,000 power workers were on strike for 11 days over plans by the state government, also headed by the BJP, to divide the state-owned Uttar Pradesh State Electricity Board (UPSEB) into three corporations to handle generation, transmission and distribution. The restructuring of the UPSEB will result in job losses and foreshadows the complete privatisation of the state's power industry.

The government's strategy in the strike was simple: keep the power stations in Uttar Pradesh running as far as possible and supplement the electricity supplies in the state from other parts of the Indian grid. To carry out the plan, it relied, on the one hand, on police repression and, on the other, on the unions.

Under the National Security Act (NSA) and essential service legislation, the police jailed strike leaders and as many as 6,000 striking workers. Up to 4,000 engineers and other workers were sacked and the electricity authorities began hiring replacements.

At the same time, the union leaderships kept the Uttar Pradesh power workers effectively isolated. Token strikes were called on January 24 in Jammu & Kashmir, Haryana, Rajasthan, Himachal Pradesh, Punjab and Delhi, and on January 25, in Madhya Pradesh and West Bengal. But the unions at no stage used industrial action in other states to completely shut down power supplies in Uttar Pradesh. On January 27, the unions caved in and ended the strike accepting the breakup of the UPSEB.

Yet the potential existed for a broad offensive against the government's plans. Corporatisation, privatisation and other restructuring have had and will have a devastating impact on broad layers of workers, particularly in the power industry. In the states of Orissa, Haryana, Andhra Pradesh and Karnataka, state-owned electricity boards have already been restructured or completely privatised. In Orissa, the state electricity board was corporatised in 1995 with backing of the World Bank, then split into four subsidiaries, which were then privatised. The result has been sharp price rises and continuing frequent power cuts.

The Uttar Pradesh power strike took place as the government was under siege from other sections of workers. Eleven major ports were shut down as 100,000 port and dock workers stopped work over wage claims. Over a million government employees in the states of Jammu & Kashmir and Rajasthan were also on strike over pay claims and fears over restructuring and redundancies. The 335,000 public servants in Jammu & Kashmir are still on strike after nearly two months.

The governments, both state and national, responded with police repression to all these strikes. In the case of Rajasthan, the Congress Party-led state government used the police to jail more than 1,000 strikers and issued termination notices to 2,000 more. Hundreds were also arrested in Jammu & Kashmir. During the dock strike, the Vajpayee government sent the armed forces into the major ports as strikebreakers to keep the facilities operating. The unions mobilised no broader support against the use of the army and navy or the police repression.

The unions shut down the dock strike after five days on the government's terms with vague promises of future discussions. The government effectively ruled out the two main demands: for an increase in rent allowances and for a reduction in the frequency of wages negotiations from the present 10 years to five years.

Port workers in Madras who spoke to our reporters were angry at the union backdown. “We have been weakened by the withdrawal of the strike. It was wrong to have accepted the government's assurances. We don't believe that we will get what we demanded,” one said. Another worker, Mathew, from Madras Port Trust Food Corporation said the strike was “useless,” if the government went back on its promises.

In the wake of the defeat of the power strike, big business and economic commentators have called on the Vajpayee government to push ahead with further restructuring.

The *Times of India* commented that “the failure of the UP power employee's strike also sends a clear signal about the firmness of Vajpayee government on the issue of economic reforms”. The *Indian Express* concluded in an editorial headed “A blow for reforms” that the “road ahead is very long and bumpy. It shouldn't detract from the fact that Vajpayee's government has done a great job in not capitulating to what was perhaps the biggest combined strike, including a lakh [100,000] port workers across the country, in recent times. Three cheers.”

Business India noted: “Reform and economic development always come at a cost. If India is to progress the time is now. For a decade after economic liberalisation, the second generation of reforms in hitherto untouched and uncharted sectors has to be intensified. Baulking these efforts will have catastrophic ramifications as we go forward.”

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The "second generation of reforms" contains a raft of economic restructuring proposals including the lowering of tariff barriers, the loosening up of financial and investment restrictions and a series of measures aimed at a huge reduction in government spending including privatisation, the slashing of price subsidies and cutbacks on social spending. The "reforms" also include changes to labour legislation which will further erode working conditions and safety standards.

Following the power strike, the government announced the privatisation of a major state-owned enterprise, Modern Foods India Limited, and initiated steps towards the sell-off of the country's domestic air carrier, Indian Airlines.

The significance of the defeat of the Indian power workers has also been noted in the international press. The British-based *Financial Times* commented: "A failure by the Uttar Pradesh government... to resist union opposition to this process [of corporatisation] would have been seen as a huge setback to reform." The *New York Times* praised the government for winning "a crucial test case" by not backing down to power workers.

The *New York Times* article revealed that the World Bank, under the guise of ending corruption and power theft, has been instrumental in pushing for corporatisation and privatisation of electricity generation and supply. "The World Bank made further aid conditional on a state's willingness to reform its power system. In states like Uttar Pradesh, which are broke, bank officials felt that there would be no real money for education, health and poverty programs, unless the financial haemorrhaging of power could be stopped..."

The Vajpayee government, a shaky coalition of parties headed by the Hindu chauvinist BJP, was only able to inflict a defeat on power workers with the assistance of the trade union leaderships.

The *Hindu* newspaper commented: "Officials concede that if major parts of the state had actually been plunged into darkness, trains had stopped for lack of power and electricity supplies to other states had been disrupted, it would have been next to impossible for any state government to carry out power sector reforms..."

In India, where many of the unions are affiliated with political parties, the government exerted open pressure on the Bharatiya Mazdoor Sangh (BMS), which is affiliated with the Hindu fundamentalist Sangh Parivar alliance. Several prominent strike leaders are members of the extremist Rastriya Swayangsevak Sangh (RSS).

At the height of the strike India's Power Minister P.K. Kumaramangalam told BMS leaders that as members of the Sangh Parivar they were expected to display "a sense of responsibility" at a time when a BJP government's effectiveness was at stake.

Defence Minister George Fernandes is believed to have been directly involved in dividing the unions. One of the arrested union leaders Girish Pandey was an associate of Fernandes and president of the Kisan Mazdoor Panchayat Sangh, affiliated to the Samata Party. Unlike other arrested leaders who were detained in jail, Pandey was released and held talks with state Power Minister Naresh Aggarwal.

Both Fernandes and Kumaramangalam are former trade union leaders. Fernandes, who ordered the troops into the ports in the recent strike, was a leading railway union official and was involved in a major strike of railway workers in 1974. Kumaramangalam was head of the Delhi Power Board employees union when it was involved in a campaign against the privatisation of the board.

The key role, however, was played by the so-called left unions, particularly those led by the Stalinist Communist Party of India (CPI) and the Communist Party of India-Marxist (CPI-M). Behind their ritual denunciations of the police attacks and warnings about the "widespread" resentment against privatisation, the CPI and CPI-M leaderships used the strikes to try to cement a relationship with the Vajpayee government.

Both parties appealed to the Prime Minister to intervene personally to resolve the power dispute while at the same time condemning the "repressive" measures used by the state government. By contrasting the national to the state government, both of which are lead by the BJP, the Stalinists were fostering the illusion that Vajpayee in some way represented the more moderate face of the Hindu chauvinist BJP.

It is not surprising therefore that at the height of the crisis engendered by the strikes Vajpayee suggested to his Transport Minister that he approach West Bengal Chief Minister and CPI (M) leader Jyoti Basu for help in arranging negotiations with the unions. After the power strike was shut down, the left parties and their affiliated trade unions organised a token one-day national strike on February 2 over privatisation—a protest that had no impact on the government nor was it meant to.

Neither the CPI nor the CPI(M) is fundamentally opposed to the pro-market reforms initiated by the Congress Party and continued under the BJP. Typical is M.K. Pandhe, general secretary of the CPI(M)-affiliated Centre of Indian Trade Unions (CITU), who appealed to the government not to stop but rather to go slow on economic liberalisation, warning that "undue haste" would lead to unrest.

The Stalinist-led "Left Front" governments in West Bengal, Kerala and Tripura have like their counterparts in other states pressed ahead with economic reforms in a bid to attract foreign investment. The restructuring of the West Bengal State Electricity Board began over a decade ago with the formation of Power Development Corporation Limited (PDCL) in 1985 which was given control of the Kolaghat power station. In the latest power strike CITU officials urged West Bengal power workers to stay out of the national strike on January 24.

The starting point of any genuine struggle by the Indian working class against the BJP government and its program of economic restructuring and privatisation is a thorough reassessment of the role of the trade unions, particularly the left and Stalinist leaderships, who accept completely the entire framework of Indian capitalism.

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