

India's opposition parties cancel strike against Modi government's demonetisation

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Many of India's opposition parties, including the Congress Party, had called for a *Bharat Bandh* (an-all India general strike and shutdown) this Monday to protest against Prime Minister Narendra Modi's demonetisation scheme. But at the last minute, they withdrew their *bandh* call and instead held protest marches and rallies in what they termed a *Jan Askrosh Diwas* (public outrage day).

Only the Stalinist Communist Party of India (Marxist) or CPM and the CPM-led Left Front went ahead with the *bandh*. Despite the mass anger over the disruption to daily life caused by demonetisation, the Stalinists' *bandh* had virtually no impact outside the two states where they form the government, the southwestern state of Kerala and Tripura in the northeast.

The opposition parties' retreat has once again demonstrated that they have no real disagreement with the socially incendiary, pro-investor agenda of Modi and his Bharatiya Janata Party (BJP) government, which demonetisation is meant to further.

Although they were anxious to tap into the popular anger over demonetisation, the opposition parties renounced the one-day protest strike because they didn't want to run afoul of Indian big business, foreign investors, and international financial institutions like the IMF—all of which have strongly supported the government's demonetization initiative.

Also, no doubt they were concerned that a one-day nationwide shutdown could inadvertently stimulate broader popular opposition. The Supreme Court recently warned the Modi government of the danger of riots if it did not immediately relieve the hardships caused by demonetization.

As for the Stalinists, they have responded to the intensification of class struggle and communal strife

under the Hindu supremacist BJP by redoubling their efforts to politically subordinate the working class to the Congress, other rightwing bourgeois parties, and the Indian state. On Monday, the Left Front's parliamentary deputies joined a protest in New Delhi led by Congress Party Vice-President Rahul Gandhi and supported by various regional big business parties, including the Bihar-based RJD, Tamil Nadu-based DMK, and Maharashtra-based NCP.

On the evening of November 8, Modi went on nationwide television to announce that as of midnight all Rupee (Rs.) 500 and 1000 currency notes (approximately \$US 7.50 and \$15) would be invalid. They would have to be exchanged for new currency at the country's banks and, as the result of strict per day limits on the amount that could be exchanged, over time and largely through bank deposits. Modi justified this step—unheard of in a country not facing rampant inflation—with the claim that it would expose “black money,” i.e., the proceeds of corruption or income that has not been reported.

The real aims of the government's shock demonetisation are very different. They are: to inject desperately needed cash into the country banking system, which is hobbled by non-performing corporate loans; to boost tax revenue so as to meet the government's fiscal deficit-reduction targets; and to compel popular participation in the banking system, thereby further strengthening India's banks.

Coming in the midst of a war crisis with Pakistan that the government has shamelessly used to whip up bellicose nationalism and try to silence all critics, demonetisation has been likened by Modi to the illegal and highly provocative “surgical strikes” the Indian Army carried out inside Pakistan in late September.

But while the government continues to trumpet

demonetisation as a fearless anti-corruption measure that the opposition parties are squawking against only because they themselves are neck-deep in corruption, BJP representatives do occasionally shed light on the connection between this measure and the government's overall anti-working class agenda.

Speaking last Thursday, Finance Minister Arun Jaitley boasted that as a result of the forced bank deposits people have had to make in order to exchange their old currency, "The banks which were struggling because of the NPA (non-performing assets or 'bad loans') problem now have a lot more money to support the economy"—i.e., to lend to big business. Moreover, said Jaitley, because of the government's measures henceforth more and more financial transactions will go through the banks. This will make them a source of profit for the banks and potentially tax revenue for the government.

Demonetisation, while ignoring the real pools of "black money" amassed by India's elite in off-shore accounts, real estate and gold, has caused huge difficulties for ordinary people. The rural economy, which is largely dependent on cash payments, has been crippled. In towns and cities people have had to queue hours at a time and often on a daily basis to obtain the cash they need to buy food, fuel, and other necessities.

Under such conditions, the opposition parties have denounced the government and even some of its allies, like the fascistic Shiv Sena, have sought to distance themselves from demonetization.

With state elections due at the beginning of the year in Uttar Pradesh, India's most populous state, the political rhetoric has become increasingly charged.

But this is largely for show. In a major speech last week, Manmohan Singh, prime minister of India's Congress-led government from 2004-2014, railed against the government's poor planning and execution of demonetisation, but said that he and his party agree that such a step was necessary.

For their part, the Stalinists have decried the disruption to daily life and the suffering caused by the government's demonetisation. But they have said very little about how it ties into the BJP government's broader pro-investor reform agenda.

This is no mere oversight. Although the Stalinists denounce the BJP's "anti-people" policies, for the past quarter-century they have repeatedly propped up

governments at the Center that have implemented pro-market "reforms," and in the states where they have formed the government they have implemented what they concede to be "pro-investor" measures.

On Monday, normal life was paralyzed in CPM-ruled Kerala and Tripura, with banks, educational institutions, shops and offices paralyzed. Most transport was off the road, although the Kerala government did exempt the tourist sector from the *bandh*.

Otherwise, there was only derisory support for the Left Front's *bandh* call, an indication of the erosion of its traditional base of support among workers and the rural poor due to its association with pro-investor policies and right-wing Congress governments.

In West Bengal, where the CPM ruled for 34 straight years ending in 2011, the *bandh* was a fizzle. The Trinamul Congress-led West Bengal government vigorously opposed the Left Front's *bandh*, issuing a circular ordering all state employees to attend offices on Monday and Tuesday, with the only exceptions for bereavement, maternity leave, hospitalisation and other "genuine reasons."

The state government also deployed over 3,000 police officers in Kolkata Monday "to tackle any untoward incident."

According to press reports, a CPM anti-demonetisation rally Monday in Kolkata, a city of almost 15 million, attracted no more than a few hundred people. Speaking to reporters, West Bengal Left Front Chairman and CPM Politburo Member Birman Bose said, "We thought that the people would understand the reason behind the strike. The thought we had was not right; it was wrong. We have understood this. We will take lessons from it in the future."



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