

# ***Declaration of Sponsoring Committee of Trade Union***

The meeting of the Sponsoring Committee of Trade Unions, held on 16th December in New Delhi, noted with grave concern the grievous fall out of the global financial crisis and accompanying recession on the Indian economy and also on the Indian workers in a big way in the form massive lay-off, retrenchment, wage-cuts through various process and means and attack on workers' rights including trade union rights.

The Sponsoring Committee observes that neoliberal economic policies in general and reckless deregulation of the financial sector in particular has resulted in this severe financial crisis and the resultant recession appears to be even deeper than the great depression of 1929-30s. The slowdown has affected all the industries and services across the board with varying degree of severity.

The export oriented sectors are the biggest victims and mass-scale lay-off and retrenchment and wage-cuts have already affected the livelihood of several lakh workers in textile & garments, gems & jewelries, information-technology, automobile including ancillaries, machine-tools, construction, travel & tourism and various services related to export oriented industries. The effect of recession has also fallen on the non-export industries and services as well and biggest ever impact has fallen on the construction sector resulting loss of livelihood to lakhs of workers. Steel, cement, mining, engineering industries are also facing deepening crisis.

Worldwide recession and consequent decline in the prices of industrial commodities has also been posing a threat of dumping of industrial products in Indian market thereby affecting the Indian industries in the non-export sectors as well.

It is most unfortunate that the Govt. of India, instead of taking lesson from this serious crisis, has still been pushing through its project of further deregulation of the financial sector through raising of FDI cap in the insurance sector, allowing foreign insurance companies to open branch in India, paving way for disinvestment in banking and insurance, removing the cap on voting right for the foreign shareholders in the banking sector etc , besides removing restriction on trading through participatory notes in stock-market and promoting speculation through various other means. On the other hand, instead of addressing the problem of gradually setting in recession from its root, the Govt. is busy in giving away huge concessions to big business and corporate houses in the name of bail-out package totally unconcerned about the huge job-losses and wage-cuts being suffered by the working people. All these steps show the bias of the Govt. of India to further protect those people who have earned unprecedented profit in the era of globalization, and became hugely rich. The workers have suffered most, became poorer and now they are being thrown out of job in a brutal manner. The Govt. of India has taken no step so far to save their jobs and income.

The Sponsoring Committee while denouncing such pro-employer approach of the Government urges upon the Govt. to take following concrete measures:

1. Stop retrenchment/lay-off and wage cuts on the pretext of financial crisis.
2. Prioritise on relief to the common people. Any relief or concessions granted to industry, domestic or foreign, must ensure and guarantee protection of jobs and additional employment generation.
3. Halt further deregulation of financial sector, strengthen public sector banks and insurance companies, impose embargo on non-banking and speculative activities by the banks and financial institutions including the foreign banks.

4. Revise upward the minimum wages rate for both urban and agricultural workers.
5. Ensure strictest implementation of all labour laws.
6. Universalise public distribution system (PDS) bringing within its purview all the 25 essential commodities to be supplied at subsidised prices.
7. Scrap PFRDA Bill; stop handing over provident fund accumulations to private fund managers.
8. Increase public investment in agriculture and infrastructure projects with specific thrust on power, road, irrigation and waterways.
9. Ensure credit flow from financial institution to target agriculture and small-scale sector with top most priority, followed by industrial sector and not for stock-market operation.
10. Ban participatory notes transactions, and impose higher capital gains tax, both long term and short term.
11. Ensure protection to domestic industries through increase in import tariff against possible dumping of industrial commodities in the background of falling prices in the international market owing to recession; India should not agree to any further cut in import tariff in the ongoing talks at WTO level.
12. Amend the Unorganised Workers Social Security Act based on the recommendations of the Parliamentary Standing Committee.
13. Provide universal coverage to National Rural Employment Guarantee Scheme. Create more jobs in labour intensive sector.

The Sponsoring Committee calls upon the constituent organizations in particular and the working class in general to unleash intensive campaign throughout the country on the real face of the neoliberal policies resulting in such devastating crisis and also on the concrete demands of the trade union movement as detailed above and adopted the following programmes in that direction:

- Joint Conventions in state capitals/districts and industrial centres during January – February. All convention at State level should be completed by 15th February 2009.
- Massive demonstration and rally before Parliament in February 2009. The exact date will be announced later.

The Sponsoring Committee appeals to the trade unions and toiling people to make the above programmes a grand success.

**AITUC  
TUCC**

**CITU**

**HMS AICCTU**

**AIUTUC**

**UTUC**

And All India Federations of Banks, Insurance, State and Central Govt. Employees, Railways, Defence, Airlines and Airports etc.