

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To

All the Zonal /Divisional /State /Regional Units

MAY DAY 2023

All India Insurance Employees' Association (AIIEA) extends warm and revolutionary greetings to all the insurance employees, their family members and the entire working class on the occasion of May Day 2023. The year 2023 marks the 137th anniversary of the struggle of the workers in Chicago in 1886 for establishing the 8-hour working day. The 1st of May 2023 is also important because it is the hundredth year of observance of May Day in our country. It was in 1923 that Com. M. Singaravelu organised the first ever observance of May Day in the then city of Madras. Since then, May Day has symbolised the indomitable determination of working class to fight against capitalist exploitation.

The crisis of the capitalist system is intensifying with each passing day. Exploitation of the working class is also increasing in tandem. Hardly had the world economy come out of the global financial crisis of 2008 when the pandemic struck. The pandemic brought the world economy to its knees. The war between Ukraine and Russia intensified the crisis still further. Price rise, unemployment, poverty and inequality have swelled to previously unheard of levels. Barely there were some visible signs of economic recovery when the news of some major banking failures in US and Europe started surfacing, reviving memories of the 2008 financial crisis. The result of all this has been that the world economy is in the throes of a recession. According to the World Economic Outlook of the IMF, published in April 2023, global GDP growth is expected to fall from 3.4 per cent in 2022 to 2.8 per cent in 2023. Advanced economies are expected to do worse, with their growth projected to fall to 1.3 per cent in 2023 from 2.7 per cent in 2022. The result has been devastating for the working class. According to ILO estimates, global unemployment is 207 million in 2022 against 186 million in 2019. There is a virtual bloodbath in the jobs market of the big tech companies like Microsoft, Google, Meta, Twitter, Yahoo, Dell, Amazon etc. All of them have announced job cuts in a big way.

Economic crisis has led to the usual cries for austerity or fiscal prudence. Institutions like the IMF openly admit that fiscal consolidation 'tends to slow GDP growth', but they nevertheless prescribe more of the same austerity with a caveat that 'just do it better this time'. There are reports that the IMF has prescribed austerity policies like targeting social protection (in 120 countries), capping public sector wage bill (in 91 countries), privatising public sector enterprises (in 79 countries), pension reforms (in 74 countries), labour reforms (in 60 countries) and cutting health expenditures (in 16 countries).

There is thus no need to explain why the ruling classes in India are talking precisely in the same language and implementing the same set of policies. The result has been as devastating in India as elsewhere. The Indian economy is on a slippery slope. Almost all agencies have downgraded their growth forecasts for 2023-24. The IMF has predicted the Indian economy to grow at 5.9 per cent compared to its figure of 6.8 per cent for 2022-23. More than growth per se, the spectre of unemployment is a huge problem. While some people claim that

India has a huge demographic advantage because of the large young population, the fact remains that labour force participation rate in India at only 40 per cent, is much less than that in Pakistan, Sri Lanka or Bangladesh. Rate of unemployment is more than 7 per cent. The Wall Street Journal reported a few days ago that “India added zero net jobs over the past decade” though over 100 million new people had entered the labour force. Interestingly, the total number of employed in India in 2017 was 41.3 crore; it has come down to 40.2 crore in 2022! Not only we have added no jobs, we have lost some of those we had. The reason is absolutely low level of investment. The Economic Times, in September 2022, said that India’s investment rate has declined from a peak of 39 per cent to 31 per cent of the GDP. According to the World Bank, India’s private sector share of gross fixed capital formation fell from 31 per cent of GDP in 2011 to 22 per cent in 2022. One has to admit that this is because of inadequate effective demand, which in turn, is due to lack of purchasing power. The agonisingly low level of purchasing power is clearly reflected in the growing poverty and rising inequality in India.

In this otherwise gloomy economic scenario, public sector insurance industry has shown a remarkable performance despite concerted attempts by the ruling class to weaken these institutions. When privatisation is the avowed policy of the government, we must take firm resolves to safeguard LIC and PSGI companies from further attacks.

Our unity has come under increasing attack. The failure of neoliberal economic policies has spawned neo-fascism. The failed neoliberal state has used neo-fascism as a prop. The narrative has been changed from economic issues to hatred ‘for the other’. The growing attacks on India’s minorities, their places of worship and vilification of entire communities are all part of this paradigm shift. India’s lurch to the right is unmistakable. Majoritarian communalism masquerading as nationalism has created fissures in Indian society. India seems to be taking a distressing retreat from democracy. Accommodating different views and disparate peoples has been the hallmark of Indian democracy. But, difference of opinion and divergence of views are today portrayed as seditious. Indian society was never as polarized as it is now. School text books are being changed with an intention to kill scientific temper and rational thinking. This ‘democratic backsliding’ has to be resisted at all costs.

One redeeming feature on the eve of this May Day is that there is a growing chorus of protests against all this in India and elsewhere. Protests have acquired a new idiom in countries like the US, UK, Germany and France. The inspiring struggle of the working class in Israel against the right wing government of Netanyahu has given rise to new hope. The struggles of the working class in India – the historic mazdoor kisan sangharsh rally, struggle of the electricity workers in UP and Maharashtra, the historic peasants’ struggle – are all pointers to the possibility of fighting class exploitation on the basis of class unity of the working class. This precisely is the teaching of the glorious tradition of May Day.

With Revolutionary May Day Greetings,

Comradely Yours

Shreekanth Mishra

General Secretary