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Central Committee

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Note on Political Developments Since the 21st Party Congress (Adopted by the CC at its June 6-7, 2015 Meeting)

The 21st Party Congress adopted a detailed Political Resolution which was thoroughly discussed amongst Party ranks. It is only six weeks since then. This note therefore covers only the subsequent important developments.

International

Global Capitalist Economy

The global economy shows no sign of any recovery during these six weeks. The situation in Greece is becoming very uncertain with doubts over its ability to repay the first installment of 300 million Euro as part of its huge debt. It needs to pay 1.6 billion Euro to the IMF by the end of June with the first installment due on June 5. The Syriza government has refused so far to succumb to the EU demand of further burdens on the people through austerity measures and privatization. As a result the bail out package of 7.2 billion Euro is not materializing. Unemployment in the country remains above 25 per cent and the average wages fell by nearly 20 per cent in real terms. The uncertainty remains basically over the larger issue of Greece leaving the Eurozone putting the entire European Union in a crisis.

The US economy continues to contract with the government itself lowering its GDP estimate. It is now estimated that US GDP is contracting at the annual rate of 0.7 per cent instead of the earlier estimate of 0.2 per cent.

Growing Inequalities

According to the OECD Report, (*In It Together: Why Less Inequality Benefits All*, May 21, 2015), income inequality in many developed countries has reached an all-time high, along with the growth of social inequality that has been accompanied by the growth of part-

time and contract labour. For the OECD countries as a whole, the top 10 percent of the population owns 50 percent of the wealth, the middle 50 percent owns about 47 percent, and the bottom 40 percent owns just three percent. As the Report notes, a large portion of the increase in income inequality has occurred in the aftermath of the 2008 financial crisis. The United States is the fourth most unequal country in the OECD. In the mid-1980s, the top 10 percent of US income earners took in 11 times more than the bottom 20 percent, but in 2013, the US's top 10 percent made 19 times more than the bottom 10 percent. In the US, the top 10 percent controls 76 percent of all the wealth, while the bottom 60 percent owns just 2.5 percent. The top five percent of households in the US have about 91 times more wealth than the average household.

Growing Rascism

These growing economic inequalities, accompanied by sharp escalation of unemployment and the scramble for jobs are feeding the growth of racial tensions against the racial minorities. Racial attacks are growing across the world, as witnessed in the attacks on Afro-Americans in the US, Muslims and Romas in Europe and Rohingyas in Myanmar. In the US alone more than 3 persons are killed every other day by the police and most of them happen to be poor black youth. The racial bias existing in the US judicial system can be clearly seen in the manner in which most of the accused police officers are let-off without convictions.

Migrant crisis

The growing inequalities are also breeding tensions between various social groups, an expression of which can be seen in the reactions to the immigration question in various European countries. The growing Conservative and right-wing forces are targeting the immigrants as responsible for the lack of employment opportunities. Immigration policies have become a big issue in many developed countries like the US, Britain, Germany, France, Italy and in Malaysia as well.

Situation In West Asia

The ISIS (Islamic State) has continued on its rampaging across West Asia. It has recently captured the Iraqi city of Ramadi and the Syrian town of Palmyra. The Sunni alliance of Saudi Arabia, Turkey and Qatar has come together against the Shia backed Bashar Al Assad regime in Syria, keeping the ISIS out. However, the Sunni-Shia divide continues to prevaricate between support and opposition to the ISIS.

The role of US imperialism in these developments in West Asia is becoming clearer. The recently accessed secret documents of the

US department of Defence clearly detail the US hand in the creation and arming of the ISIS to destabilize Syria. US ally, Saudi Arabia, militarily attacked Yemen. Despite ground attacks against it the ISIS still controls large areas in Iraq and Syria. Imperialism's gameplan is aimed at keeping the people of the region divided in order to facilitate its hegemonic control over the rich natural resources in the region.

Elections in U.K, Italy and Spain

The Conservatives secured a comfortable majority in the elections held in Britain. The Labour Party lost badly. In Scotland, the Scottish Nationalist Party advocating separation of Scotland from the UK virtually swept the polls winning 53 out of 56 seats. In Italy, the right-wing, xenophobic Northern League had performed well in the recently concluded local-body elections. On the other hand, in Spain, Podemos, the anti-austerity platform that emerged from the *indignado* protests was able to emerge as an alternative to the two party rule, by winning mayoralties in Barcelona and Madrid. These results once again show that wherever the Left and progressive forces have been able to mobilize the popular discontent among the people against the austerity measures introduced by their respective governments, they have been able to win people's trust. In the absence of this, people's discontent was channeled behind rightwing political forces. Overall the rightward shift in politics in Europe is once again visible.

Cuba-US Talks

There is further progress in the talks between Cuba and the US and the two countries have decided to restore full diplomatic relations between them along with easing travel restrictions. The US had removed Cuba from its list of countries promoting terrorism. However, true to its ideological anti-communism, it continues the economic embargo imposed on Cuba that severely curtails its scientific and economic development.

Elsewhere in Latin America the Progressive People's Party lost the recent elections narrowly in Guyana. There are serious allegations of massive electoral fraud by the opposition parties patronized by US imperialism. US imperialism is attempting similar intervention in countries like Venezuela, Bolivia, Ecuador and Brazil that go to elections in the course of the next three years.

70th Anniversary of the Victory over Fascism

This anniversary was observed in many countries across the globe. Russia held a commemorative military parade which was attended amongst other heads of State/Governments by the President of

India, US and many western countries refused to attend these celebrations in order to downplay or negate the decisive role of the Soviet Union and its Red Army in defeating fascism. They instead have begun for some years in commemorating the anniversary of the landing of the second front in Normandy as its focus. This is part of the overall imperialist campaign to ideologically equate communism with fascism.

Neighboring Countries

The **Nepal** earthquake was so severe that reports of more deaths and devastation are emerging. The latest estimate is over 8000 people killed by this disaster. There has been a global response for relief that Nepal is receiving.

In response to our Party call, CPI(M) units all across the country have collected over Rs. 3.25 crores for relief to the victims of this devastating earthquake. Special mention needs to be made of the collection of nearly Rs. 2.85 crore by the Kerala State Committee in response to this call. It is proposed that the General Secretary should personally handover this relief collection to the Prime Minister of Nepal.

Sectarian strife continues to plague **Pakistan** claiming hundreds of lives in recent weeks. The growing discontent amongst the people on mounting economic burdens is sought to be utilised by the fundamentalist forces.

In **Sri Lanka** the newly elected President has initiated investigations against the former President and leading functionaries of the erstwhile government. New laws have been proposed to limit the powers of the executive presidency. The parliamentary elections are to be held shortly and it appears that political uncertainty would continue. The promises made to the Tamil population and also investigations into war crimes is yet to see any concrete action.

The goodwill for India in **Bangladesh** has visibly increased after the Indian parliament unanimously passed the constitutional amendment on the Land Boundary issue. The BJP and the TMC which had earlier opposed the same legislation brought by the UPA government have now supported it. The struggle against fundamentalist forces in Bangladesh, however, continues to intensify.

China is promoting the establishment of an Asian Infrastructure Investment Bank alongwith the BRICS Bank. 57 countries have already joined this effort as founding members, including close US allies like UK and Australia. The USA however views this development as a challenge to the global hegemony of the World

Bank, IMF and the Asian Development Bank in which it has a decisive say.

In response to US imperialism's deployment of over 60 per cent of its naval fleet in the Pacific Ocean targeting the South China Sea, China has developed and put into operation its own aircraft carrier which received wide global publicity.

At the global level, the resistance to the imposition of a unipolarity by US imperialism under its tutelage is being resisted by the efforts for reasserting multipolarity.

National

During this period, the BJP government has launched a big celebration campaign on the completion of the first year of the Modi government. Even some of the most ardent supporters and campaigners of this government amongst the corporates and the media were compelled to note that during this year the government has failed on many promises that it had made during the election campaign. The Prime Minister has announced that *acche din* has already come for the people, but on the contrary the livelihood status of the vast majority of the people has further deteriorated. This BJP government continues to aggressively carry forward the neo-liberal trajectory of economic reforms pursued by the earlier Congress governments. Overall, this one year has confirmed the rightward shift in Indian politics in all aspects of our political and socio-cultural life.

A major highlight of these observations is a claim that the Indian economy has turned around and started on a path of a high growth trajectory. This is based on the claim that GDP growth rate is now at 7.3 per cent and will breach the 8 per cent target by the end of the current year. Leading government economic managers like the RBI Governor and the Economic Advisor have publicly aired doubts about these GDP figures. Soon after assuming office, this BJP government had changed the base year and adopting a new formula for GDP calculations resulting in projecting a higher growth rate. According to this new formula the GDP has been projected at 7.3 per cent. However, even with this new formula the growth during October-December 2014 has been revised downwards to 6.6 per cent from the earlier claim of 7.5 per cent.

There are blatant inaccuracies in such 'manufactured' growth calculations. For example this new formula has estimated the growth of the manufacturing sector as being 7.1 percent for 2014-15. The index of industrial production data however shows that the factory output in the country was only 2.3 per cent. The final private consumption expenditure, a gauge to measure household spending,

for instance grew at 6.3 per cent as against 6.2 last year. This only reflects the stagnation in the demand in the economy confirming the fears of industry bodies, who publicly stated, that many producers have piled up inventories unable to sell what has been produced. The investment rate in the economy has not grown as claimed. The basic economic fundamental, gross fixed capital formation stood at 30 per cent coming down from 30.7 per cent last year. Therefore, both investment and demand have stagnated. Consequently the unemployment situation has worsened.

Notwithstanding the hype of foreign investments flowing as a result of aggressive opening up of our economy to FDI, foreign investment both in the equity markets and direct production has declined. Foreign institutional investors are pulling out investments both from the debt and equity markets leading to the sensex becoming volatile and falling. Despite opening up virtually all sectors of the economy to FDI, FDI inflows have fallen by 40 per cent in March, on a year-to-year basis.

Worse, the output of 8 core industries contracted by 0.4 per cent i.e. a negative growth. It had grown by 5.7 per cent last year. These eight sectors contribute 38 per cent to the overall industrial production in the country.

The **agrarian distress** continues to deepen in the country. Following the drought last khariff season, unseasonal rains damaged vast standing crops in various parts of the country. It is estimated that 180 lakh hectares of crop was damaged. On top of this the monsoon forecast for this year once again shows an impending drought situation in the offing.

The kisans are finding it difficult to make both ends meet leading to the continuation of the spate of distress suicides. Despite promising in its election manifesto, to increase the minimum support price to be 50 per cent more than the costs of production, this BJP government has not taken any action. On the contrary it has stopped the state governments from giving the bonuses over the MSP to farmers in their respective states.

The virtual withdrawal of the MGNREGA by this government has resulted in the work generated under this scheme falling drastically to levels much less than the previous years by as much as 60 per cent. The consequent income distress heightening health vulnerability, contributed to the unprecedented heat wave deaths in rural India this summer. The government is yet to announce any meaningful compensation or relief to these families. This BJP government is actively considering implementing the recommendations of the Shanta Kumar Committee on the Public

Distribution System which will, in effect, negate even the inadequate guarantees provided by the Food Security Act.

This BJP government's persistence to enforce its amendments to the Land Acquisition law will further burden our farmers and intensify agrarian distress as land can be indiscriminately acquired negating even the assurances provided by the 2013 Act.

Even the **services sector** which was rapidly growing in the recent years has remained subdued. The last three months have seen a fall in the basic index that is used to measure the service sector's activities.

All the three sectors of the economy, industry, agriculture and services are thus in a deep crisis. Agriculture and services constitute 78 per cent of the gross value added in the economy.

Inflation

The prices of petrol and diesel have been hiked substantially once again at a time when international oil prices continue to remain very low. The rise in prices of all essential commodities, particularly food items, continues. As a result the economic hardships of the vast majority of the people are growing.

Growing Protests

A broad committee of kisan organisations and others opposing this new land acquisition Bill is conducting protest activities all over the country.

As this BJP government is determined to bring in far reaching changes in the labour laws in the country, 11 central trade unions along with independent national federations have jointly issued a call for a countrywide general strike on September 2, 2015. Those attending the national convention which gave this call also included the INTUC and the BMS.

Communal Polarisation

During this period, the sharpening of communal polarisation by the RSS and its affiliates have relentlessly continued. At Atali village in Faridabad district of Haryana, a part of the national capital region communal riots erupted. Under the BJP state government over 2000 armed people set fire to several Muslim homes and shops in this village on May 25. Over 150 Muslims fled the village and camped at the Ballabgarh police station. Upon their return they found their homes and all their possessions completely destroyed. The dispute is over a piece of land with conflicting claims over ownership on

which the Muslims were prevented from constructing a mosque. Though there is a judicial order which ruled that the disputed property "has always been in the possession of the Muslim community", such riots were fomented. The Ballabgarh assembly and the Faridabad parliamentary constituencies are held by the BJP. This incident is part of a series of attacks on religious minorities unleashed by the RSS/BJP since their state government has been formed. It is aimed at consolidating the Hindu communal vote bank particularly in view of the forthcoming local body elections.

The RSS/BJP's efforts to rewrite Indian History continues. Known RSS people are appointed to key positions. Rabid intolerance is in full display as the recent banning of an Ambedkar-Periyar study circle in IIT Madras, under directions from the HRD Ministry, shows.

All across the country venomous hate speeches by BJP ministers and MPs continue.

Deteriorating Centre-State Relations

During this period, Centre-State relations are deteriorating with the appointment of leading RSS/BJP politicians as Governors of the states. In Delhi, the elected state government and the Centre, through the office of the Lieutenant Governor, are locked in a bitter battle over appointments of officers. In the North East, the Chief Ministers of all the states have sought to meet the PM to air their concerns over the transfer of central funds for development, particularly after the Planning Commission has ceased to exist. The PM has reportedly not found time for this so far.

Attacks on Parliamentary Democracy

During this year, the BJP government has been systematically undermining parliamentary procedures by seeking to bypass the Rajya Sabha where it does not have a majority. Nearly 50 legislations were enacted without reference to the Standing Committees, using its majority in the Lok Sabha.

The BJP government has re-promulgated the Ordinance amending the Land Acquisition Act for the third time, even when a Joint Parliamentary Committee has begun examining these amendments. This is unprecedented.

All financial legislations are now being certified as money bills by the Lok Sabha Speaker, depriving the Rajya Sabha where the BJP does not have a majority of any role in passing such laws. This has now happened after the Rajya Sabha prevented the passing of seven legislations, passed by the Lok Sabha, by setting up Select Committees to examine them apart from the Land Acquisition Bill

that was sent to the Joint Parliamentary Committee. Only the India-Bangladesh Land Boundary Bill was passed unanimously by the parliament.

Developments in some States

Bihar: The elections to the state assembly are due in the later part of the year – October/November. Our state committee has decided to contest these elections as part of a Left alliance consisting mainly of the CPI and the CPI(ML).

Tamilnadu: Jayalalithaa's case on disproportionate assets has been dismissed by the lower court and she is back as the Chief Minister of Tamilnadu. CPI(M) had demanded the filing of a review petition. The Karnataka State Government, according to media reports, has decided now to file a review report in the Supreme Court.

Our state committee has decided that under these circumstances we should strengthen the process of Left unity in the state and fight the elections jointly with the CPI. It ruled out the possibility of going either with the AIADMK or the DMK in the forthcoming elections and is in the process of identifying other allies in the state.

Kerala: The local body elections in Kerala are scheduled to take place in October this year. These elections will be important as they constitute the run up to the state assembly elections in 2016. As decided by our Party Congress our Kerala unit is engaged in discussions to strengthen the LDF.

West Bengal: Braving the politics of terror, intimidation and threats by the Trinamool Congress, the CPI(M) has in the recent municipal elections, for the first time since the 2009 parliamentary elections, arrested the decline in its electoral support base. The wresting of the municipality in Siliguri is significant. Wherever the people have effectively resisted such politics of terror and brazen rigging in the elections, democracy has triumphed.

Tripura: The Central Committee congratulated the people of Tripura on the historic CPI(M) victory in the recently-concluded Tripura Autonomous District Council in the state. The Central Committee hailed the decision of the Tripura Left Front government to withdraw the AFSPA in the state. This will have a big impact in the country drawing the support of the democratically minded people

Surjeet Centenary Celebrations

Com. Surjeet was born on March 23, 1916. The 21st Party Congress adopted a special resolution calling upon the Party at all levels to observe his birth centenary culminating on 23rd March 2016.

Given Com. Surjeet's role in building the Communist Party in India and steering the CPI(M) for over a decade as the General Secretary from 1992 to 2005, these observations should be organized at all possible levels covering all the facets of his contributions. In the current context the focus on combating the communal danger is of specific importance.

The state committees should properly plan the observation of Com. Surjeet's birth centenary.

Central Committee's Call

Under this situation of growing burdens on the people and rapid communalization, popular discontent is growing. This must be championed by us and popular protests must be organized at all levels. Naturally, the issues will vary from place to place. Our Party units must be equipped to identify the most burning issues and build people's struggles around these. Our capacity to launch such struggles will enhance our political interventions, and hence, our growth.

Specifically, the Party state committees must properly plan to intervene on issues concerning the growing agrarian distress in their states.

The CPI(M) must organize nationwide protests on various burning issues affecting the rural people as a result of this deepening agrarian distress from **August 1 to 14**. All units of the CPI(M) will launch struggles, all across the country, during this fortnight on specific local issues.

This campaign fortnight, apart from struggles on the burning local issues, will highlight the drastic cuts in MNREGA allocation, the undermining of the food security commitments by the Central government, mobilizing support for the ongoing kisan struggles and the all India general strike on September 2.

Many kisan organizations have together launched a struggle under the banner *Bhoomi Adhikar Andolan* (Movement for Land Rights) against the amendments to the Land Acquisition Act. CPI(M) units all across the country will extend support to the programmes of this movement.

The Central Trade Unions have given a call for an all-India general strike on September 2 against the attacks on the working class and the longstanding rights earned by it through struggles. The CPI(M) Central Committee extended its full support to this general strike and all programmes leading up to it.

All other mass fronts of the CPI(M) must launch movements and struggles on the specific issues concerning these sections like women, youth, students etc during this period converging with the September 2 industrial strike.