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COMMUNIST PARTY OF INDIA (MARXIST)

Central Committee

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REPORT ON POLITICAL DEVELOPMENTS (Adopted by the Central Committee at its meeting on April 18-19, 2017)

International

Global Economy

As analysed by us in the last Central Committee meeting, the global economy is just not showing signs of any significant turnaround since the financial meltdown of 2008. According to the OECD Interim Global Outlook Report March 2017, the global economy is projected to rise at the slowest pace since 2009 i.e. just under 3 per cent in 2016. Its future projections are 3.3 per cent in 2017 and around 3.5 per cent in 2018. This global GDP growth is below the historical average of over 4 per cent in the two decades prior to the crisis.

The IMF in April 2017 has predicted a sluggish global growth. Productivity growth – the key long term driver of living standards – fell sharply following the global financial crisis. The prospects of a revival according to the IMF are highly uncertain but surely unlikely to return to the rates of late 1990s for the advanced economies or mid-2000 for the developing economies.

The United Nations World Economic Situation & Prospects (WESP) 2017 has concluded that the world economy has not yet emerged from the protracted slow growth following the 2008 crisis. Alarming it has shown that global carbon emissions have not declined in the last two years and new investments in renewable energy dropped sharply in the first half of 2016, the third lowest in the past three decades. This has serious implications for Global Climate Change. The contraction of international trade (in 2016 growth was 1.2 per cent, third lowest in the last three decades) is both a contributing factor and symptomatic of a global slowdown.

Widening Inequalities

This protracted global slowdown and the continuing capitalist crisis has worsened the inequalities between rich and the poor within countries and between countries. As repeatedly analysed by us, globalization drive that coincided with the dismantling of the Soviet Union and the international balance of the correlation of forces shifting in favour of imperialism was driven by efforts to vastly expand profit maximization. With the advent of neo-liberal economic policies, this assumed the predatory nature of primitive accumulation, as we said in the 20th Congress ideological resolution.

Since the beginning of the 1990s the labour share of the GDP globally and in all individual countries declined markedly. The IMF World Economic Outlook 2017 shows that between 1991 and 2014 the labour share declined in 29 of the largest 50 economies which accounted for two-thirds of the world GDP in 2014. Across industries labour income shares have declined in seven of the ten major industries. This confirms the fact that capitalism always seeks to emerge from a crisis by intensifying exploitation of the people.

Such alarming growth of economic inequalities is also taking place in India.

Trump Presidency

Evaluating the first seventy days of the newly elected US President, Donald Trump, the *Los Angeles Times* had summarized the experience of a large number of US citizens by editorially commenting: “nothing prepared us for the magnitude of this train wreck. Like millions of other Americans, we clung to a slim hope that the new president would turn out to be all noise and bluster, or that the people around him in the White House would act as a check on his worst instincts, or that he would be sobered and transformed by the awesome responsibilities of office.

“Instead, seventy-some days in — and with about 1,400 to go before his term is completed — it is increasingly clear that those hopes were misplaced”.

In the last Central Committee meeting we had noted that following Trump's ascendancy as US President there was widespread apprehension among the people and uncertainty in the direction of US foreign policy. These are turning out to be true.

Soon after assuming office, the National Security Adviser that Trump had chosen was forced to tender resignation. Many of his other cabinet choices faced tremendous opposition. The campaign that he had mounted based on an extreme right wing agenda

against the immigrants, disdain for women, minorities, civil liberties and Islamophobia had created an atmosphere which is leading to many racial attacks. Attacks on migrants have grown and an Indian software professional was shot dead and another seriously wounded. Attacks on Indian, Afro Americans, Latin Americans and Muslims are also reported from many parts of USA.

Immediately after assuming office Trump signed an order against immigration targeting seven Islamic countries. This faced widespread opposition and legal challenges forcing the Trump administration to reformulate the order. Even this was struck down by a court.

Trump is also moving to curtail the issuance of H1-B visas granted to professionals for employment in the US. Many Indian IT firms and Indians working in the US are facing uncertainty. There are over 5 lakhs of Indian IT professionals today working in the USA. Though the Indian government assured the parliament that all measures are being taken to remove the insecurity amongst those of Indian origin working in the USA, such uncertainty is on the rise.

As regards domestic policies, Trump had cut budgetary allocations of various federal welfare schemes while increasing allocations for military expenditures. Funds were allocated for the construction of a wall along the US-Mexico border. Though he tried, but Trump failed to rollback the medical insurance legislation enacted by President Obama – Obamacare. He has not yet succeeded due to large scale opposition from the working people and other poorer sections. This opposition forced a division among the Republicans leading to their backtracking.

With regard to foreign policy, Trump has ordered a suspension of US commitment towards reduction of its carbon footprint and others made by the USA during the Paris Climate Change Summit. Trump has signed the order withdrawing from the Transpacific Partnership deal (TPP). He has however pushed for bilateral trade and economic agreements with individual countries and is domestically pushing for protectionist policies.

Rarely in the history of the US has an elected US President faced worse popularity ratings within such a short time as Donald Trump. His oath taking ceremony itself was overshadowed by huge popular mobilization in opposition to his declared policies. The participation of large number of women along with celebrities from the art and cultural world was unprecedented. Such protests by women continued, the last being on the International Women's Day.

The Modi-Obama agreements have reduced India as a subordinate ally of US imperialism. How this will turn out under Donald Trump is

to be seen. The BJP central government, however, seems to be eager to further cement India's status as a junior partner of US imperialism.

US Military Aggressiveness

US President Donald Trump sanctioned a missile attack against a Syrian airbase under the pretext of the use of chemical weapons by the Syrian government. In a brazen military intervention the USA launched 59 Tomahawk missiles into Syria. Russia promptly condemned these attacks as "aggression against a sovereign nation taken under an unfounded pretext". Iran likewise said that while it condemns the use of chemical weapons, it believes that "it is dangerous and a violation of international laws to use it as a pretext for unilateral action".

This attack however came for a full endorsement by the European allies of the USA, all of whom have held these attacks as President Trump's determination to fight terrorism. Turkey, surprisingly, also supported the move by saying that the destruction of the Al Shayrat airbase is an important step to ensure that using chemical weapons against civilian population does not recur. Russia, Iran and Turkey had been working on a peace process without US involvement after Turkey had dropped its demand that Assad should step down.

The Russian spokesman has said that with this missile attack by the US the prospective US-Russian anti-terror coalition has been "put to rest even without being born". He added that while the Russian cruise missiles strike the terrorists, US missiles strike Syrian government forces that are spearheading the fight against terrorism. Syrian officials have said that the US action has invoked support for armed terrorist groups and is an attempt to weaken the attempts of the Syrian-Arab army to combat terrorism. Clearly, the peace process in Syria has now come under a big question mark.

A few days later the US military dropped America's most powerful non-nuclear bomb on ISI targets in Afghanistan on April 13, 2017. This is the first time that this weapon has been used in battle. The MOAB, nicknamed "mother of all bombs" was dropped on ISIS targets in Afghanistan's remote eastern part bordering Pakistan. While all US allies, particularly Israel, have hailed this action, this comes three years after President Obama had officially declared the exit of US forces from Afghanistan. The pro-US regime in Afghanistan has welcomed this attack while Hamid Karzai has condemned this saying this is a prelude to a long US involvement in Afghanistan. US forces have been involved in Afghanistan for over sixteen years now.

Through these actions the new US administration under Donald Trump is also signaling a renewed military aggressiveness aimed at strengthening US global hegemonic designs.

West Asia

Israel continues with its aggressive anti-Palestinian policies and has now ordered the construction of new settlements on Palestinian territories. The victory of Donald Trump has emboldened the Israeli government and further cemented the US-Israel axis. Israel has now mounted air strikes on Syrian territories on the pretext of fighting the IS. The United Nations Economic and Social Commission for Western Asia has published a recent report stating that Israel is pursuing apartheid policies in Palestine. Along with its staunch ally, the USA, Israel however managed to force the UN agency to withdraw this report leading to the resignation of the Assistant Secretary General responsible for this UN report.

Israel has threatened to back out of contributing to the UN reinforcing its scant regard of multinational bodies and the UN resolutions against Israeli aggression on Palestine.

The Russian initiated peace talks in West Asia are being obstructed by US and its allies like Israel and Saudi Arabia. Both the Syrian armed forces and the government forces in Iraq have made some advances in containing the IS. The Syrian armed forces succeeded in recapturing cities that were under IS occupation. US along with its Saudi Arabian allied air force mounted attacks resulting in the death of hundreds of civilians in Yemen.

Overall the situation in West Asia continues to be tense and critical notwithstanding the efforts being made for the restoration of peace in the region and for the protection of lives of the ordinary people.

Latin America

As noted in the last meeting of the Central Committee, the struggle between the right wing forces and the Left in Latin America continues to intensify.

The struggle between the Right and the Left in **Venezuela** continues to intensify. Some officers of the military were recently arrested on charges of plotting a military coup against the Maduro government. Severe food shortages and shortages of other essential commodities continues with US imposed sanctions and the economic warfare declared by the rightwing forces and the oligarchs. These continue despite President Maduro increasing minimum wages by 50 per cent, food vouchers by 75 per cent and expanding the old age pension schemes to cover 90 per cent of the

post retirement people. Following Trump's election in the USA, the oppositn forces were encouraged to intensify their attacks against the Maduro government. Using their control over the National Assembly they are blocking and seeking to reverse virtually every pro-people measure taken by President Maduro. Interestingly, the Supreme Court of Venezuela in this situation ruled that it is taking over the functions of the National Assembly accusing it of contempt of court. The National Defence Council however prevailed upon the court to reconsider its ruling and this order was reversed. The rightwing forces have intensified their protests and the head of the National Assembly had called upon the armed forces to stage a military coup. The pro-Maduro and anti-Maduro forces are mobilizing people on the streets and this is likely to intensify in the coming days.

In **Ecuador**, in an intensely fought electoral battle, Lenin Morena of the ruling Allianz DePIAS has won the presidency in a run off election defeating the right wing candidate by a narrow margin. This victory has come as a much needed confidence booster to the left forces all across the continent who are in a bitter struggle against the right wing offensive lately aided and abetted by the Trump presidency in the USA.

Brazil is witnessing widespread protests by the working people against the cuts in the working class rights – raise in retirement age and cuts in job security. At the same time many ministers of the present right wing government were forced to resign on allegations of corruption. Investigations against some others are continuing. The former speaker of the National Assembly who led the impeachment motion against the Socialist President Dilma Rousseff was convicted for corruption and sentenced to prison. The struggle between the Right and Left continues to intensify in Brazil.

United Kingdom

Prime Minister Theresa May has formally signed Article 50, as anticipated by us in the last Central Committee meeting, triggering the Lisbon Constitutional Treaty, marking the initiation of the formal process for UK's exit from the European Union. The section of Britain's Conservative Party which worked for UK's exit is now seeking to reach business and trade deals with individual countries like the US, Turkey, Japan and others outside of the EU. They are also campaigning for the repealing of employment guarantees, some of which still exist in the UK.

On the other hand, Japanese multinational corporations and insurance giants like Lloyd are threatening to shift their operations out of Britain, which would result in the exit of investments and jobs. Priority to protect business interests is already incorporated in

the draft guidelines regarding how the EU will approach negotiations with Britain. The EU draft prohibits any separate bilateral negotiations between individual EU states and the UK.

The Labour Party and the Left in Britain are grappling with proposing alternative policies to neo-liberalism based on public ownership principles of taxation, employment and trade union rights and a liberally non-racist migration and asylum system. We shall have to wait to see how this will materialize. In the meanwhile Scotland has called for a second referendum in late 2018 or early 2019 to decide on the independence of Scotland from the UK.

Europe

The elections in **Netherlands** showed that there is resistance to the political shift to the right in Europe. This has to a certain extent been checked with the victory of the ruling Liberal Party which is planning to form a coalition with other parties that have promised to form a national unity government against the threat of the far right Dutch Freedom Party. In these elections, the Green Left Party that ran an active pro-immigration campaign policy put up an impressive performance.

Elsewhere in Europe the political right is active and on the rise. In many countries they are campaigning on an anti-immigration platform, Islamophobia and an exit from the European Union. They are also seeking to gain the support of the working class and the unemployed who are the victims of widespread growth of inequalities under neo-liberal policies compounded by the global economic crisis. They also advocate protectionist economic policies.

China

As noted in our last meeting the Chinese economy attained its target as laid down by the ruling Chinese Communist Party and the government of PRC, of a GDP growth between 6 and 7 per cent GDP has registered a 6.7 per cent growth this year. During the last year China contributed more than 30 per cent of the global economic growth. A total of 13.14 million new urban jobs were created during 2016. A large number of college graduates are finding employment which has reached a record high in recent decades. Urban unemployment rate was the lowest in several years at 4.02 in 2016.

Personal per capita disposable income increased in real terms by 6.3 per cent. 12.4 million people were brought above the poverty line during this year. 2.4 million people were relocated from uninhabited geographical areas. The CPC decided to continue with its focus on increasing domestic demand as its main economic

thrust. This alone according to the CPC will further reduce urban unemployment and poverty.

South Korea

The South Korean President was impeached on allegations of corruption and sentenced to jail. The people in the country came out in widespread protests against the President. Notwithstanding the political uncertainty, the USA is proceeding to install the Thaad missile system in the country, thus escalating the militarization of the Korean peninsula and threatening both the DPRK and the People's Republic of China.

South Africa

We had earlier noted that the tripartite alliance government of the ANC-SACP-COSATU had registered the lowest popularity rating of 52 per cent since the first elections after the dismantling of the apartheid regime in 1994. The differences among the ruling alliance partners have since widened. The government led by President Zuma is increasingly caught in corruption scandals. The President's proximity to a businessman of Indian origin, has put the President into a great deal of controversy. The President reacted by sacking the finance minister in order to protect the Indian businessman, Gupta. These developments have further widened the rift between the alliance partners. Popular protests against President Zuma are on the rise. The SACP has publicly called for the resignation of President Zuma saying that his actions have plunged the country into deep crisis.

As noted by us earlier, the successive ANC governments in South Africa have been unable to break out of the neo-liberal policy trajectory which has given rise to a high degree of crony capitalism and the emergence of a neo-bourgeois class while unemployment and poverty are on the rise. Popular discontent against the ANC is helping the right wing forces who have substantially increased their standing in the recent local body elections. The ANC is scheduled to hold its conference in 2017 last quarter to elect a new President who will be the tripartite alliance candidate for the presidential elections due next year.

Neighbouring Countries

The relations with **Pakistan** show a further deterioration. Following the 'surgical strikes' in September 2016, no substantial reduction in terrorist attacks can be seen. With the continued suspension of any talks between the two countries at any level, no breakthrough in terms of improving relations appears. Pakistan's recent decision to

deliver capital punishment against an Indian citizen Khulbushan Jhadav has led to further deterioration in the relations.

The recent State visit of **Bangladesh** Prime Minister Sheikh Hasina comes after a long time from the head of government of Bangladesh. Though the public diplomatic posturing has termed this visit as a success by both the countries, the vexed issue of an agreement on the sharing of the waters of Teesta river has once again shown to be elusive. The West Bengal Chief Minister has publicly stated her opposition to the earlier draft that was agreed upon between both the countries on this issue. Bangladesh is also facing its general elections next year and the failure to reach an agreement on the sharing of river waters will most likely build up into an anti-India campaign further adversely affecting the friendly relations between both the countries.

The situation in **Nepal** continues to remain uncertain with the agreement on the future Republican Constitution continuing to elude. The State visit of President of Nepal coincides with this Central Committee meeting of ours and we will have to wait and see if there is any new information or development that will be known through this visit.

In the meanwhile, reports suggest that no accord could be reached amongst the major political parties in Nepal on the Draft Constitution or on the dates for the elections which are due now. The dispute is on whether to wait for the adoption of the Constitution and then hold elections or hold them before it. The term of the present Constituent Assembly comes to an end soon and if the Constitution adoption, as is very likely, cannot be completed before this, it can create a very complex constitutional crisis. It is only through an agreement among the major political parties that this problem can be resolved.

National

Recent Assembly Elections

The BJP has won a sweeping victory in Uttar Pradesh getting over three-fourth of the seats in the assembly. This victory has been accomplished by a mix of rank communal appeal, through social engineering forging a wide ranging caste coalition and an unprecedented display of corporate-donated money power. The BJP maintained its momentum of the 2014 general elections. The BJP has also registered success with a big win in Uttarakhand.

It however, suffered a setback in Punjab where the Akali-BJP alliance suffered a big defeat. The Congress won an emphatic majority.

The BJP failed to get a majority in the Goa and Manipur assemblies. It however, formed governments in these two smaller states through crass manipulation and immense money power.

Assembly By-Elections

In the by-elections to ten assembly seats, the BJP continued to maintain its popularity by retaining all its sitting seats. The Trinamul Congress in West Bengal and the JMM in Jharkhand retained their sitting seats.

The biggest setback in these by-elections was to the AAP in Delhi where it lost its deposit in its sitting seat. The sitting AAP MLA was put up as a candidate against Prakash Singh Badal in Punjab. There too the AAP lost the election. The AAP voting percentage dropped from 52 per cent to 13 per cent in these elections.

CPI (M)'s Performance in Assembly Elections

Total votes polled by CPI (M) in assembly elections

State	2007		2012		2017	
	Seats contested	Votes	Seats contested	Votes	Seats contested	Votes
Uttar Pradesh	14	1,59,028*	17	69,040	26	35,207
Punjab	12	35,147	9	21,719	12	10,901
Uttarakhand			6	11,602	6	3,870

*There was partial adjustment with SP.

We contested two seats in Manipur but did not contest in Goa this time.

In **Uttar Pradesh** in the 26 seats we contested as part of the Left Front we polled 35.207 votes. All the Left parties together did not cross 1 per cent of the total votes polled. This has been the most disappointing performance of the Party in UP so far. Contesting a less number of seats (17) in 2012 we polled nearly double the number of votes that we had received in 2017.

Punjab was once a front ranking state after our three strongholds, treated at par with Tamilnadu and Andhra Pradesh. The strong influence of our Party in the overall consciousness of the people of Punjab has a long heritage and legacy beginning with the Gadhar movement and subsequently through the freedom struggle. In

these elections the Party contested 12 seats in adjustment with the Left parties. Of the four Left parties, the CPI(ML) had conflicted with other parties and insisted on fighting seats where the others had a better influence, and walked out of the alliance.

The left as a whole polled 0.6 per cent of the total vote. Both the CPI (0.22) and Mangat Ram Pasla's party (0.24) got more percentage of votes than us (0.07). The CPI(ML) got 0.06 per cent.

In **Uttarakhand**, we contested six seats and polled 3,817 votes. In 2012 we also contested six seats but we polled 11,602 votes.

In **Manipur** though the conditions were difficult, the results are very poor. Of the two seats we contested, we polled 129 out of 22,905 votes and 85 out of 30,224 in the two seats respectively.

In this context we need to recollect the decisions we had taken in the Party's organizational Plenum. But there is need to note one point. In the organizational plenum we had emphatically stated that there are no shortcuts for strengthening the Party's independent base and capacities for political intervention. It is only through the strengthening of the Party and mass organizations, their activities amongst the people -- the mass line -- that we would be able to accomplish this task. Further, we had stated that electoral performance of the Party decisively depends on the success the Party achieves in building and strengthening the independent base and influence of the Party.

In the light of these results and our Party's performance, it is imperative that the Central Committee restore the earlier criteria we had in the Party which were followed essentially for contesting elections. A certain degree of developing mass movements and struggles in that area and the presence and influence of the mass organizations led by the Party must be considered as essential factors to decide on our contesting a seat. In the absence of these factors, merely contesting elections will not yield the desired results. The organizational department at the Party Centre must rework upon the earlier criteria in the present context and this must be applied by the Party across the states in the country.

It is now more than 15 months since the Party Plenum concluded. In many states the state plenums were held and the tasks have been undertaken. This will have to be seriously reviewed and the shortcomings in implementing these must be identified and corrected before we move into the preparations for the 22nd Party Congress scheduled to be held around April 2018.

Left Unity

Left unity has come under strain during these elections. The CPI(ML) left the Left Front in Punjab because of their unreasonable stand. Both in UP and Punjab the CPI(ML) contested against the Left candidates in many seats. In UP, in the seats they contested against the CPI(M), they polled less votes than our candidates.

As one of the tasks that we have undertaken is to strengthen Left unity, discussions are required to be held with the CPI(ML) urgently. Both the Forward Bloc and the RSP are with the Congress-led UDF in Kerala, while they are part of the Left Front in West Bengal. The SUCI(C) has stated that they shall not join with us in West Bengal and Kerala and will only participate on issues of people's struggles. Discussions with the CPI have become necessary after the political resolution they adopted in their national executive meeting which is in variance with our understanding. In Kerala, the CPI has been publicly airing its differences with the CPI(M) and the LDF government instead of discussing them in the state cabinet or in the LDF committee meeting.

The task of forging the unity of Left and democratic forces and of strengthening them further emerges as an urgent task before the entire Party. The state committees will have to concretize this in accordance with their concrete conditions.

Retrograde Changes in Political Funding

The Modi government has indulged in the height of duplicity to hoodwink the people of this country with its loud pronouncements to cleanse corruption, particularly in the electoral process.

This is clear from the amendment slipped into the provisions of the Finance Bill 2017 where the "limit of 7.5 per cent of net profit of the last three financial years" and "the requirements of a company to disclose the name of the political parties to which a contribution has been made" has been deleted. The Companies Act as amended now allows corporates to pay political parties an unlimited amount through the Election Bonds Scheme without disclosing the beneficiary's name.

The CPI(M) has consistently demanded the banning of corporate funding to political parties, as this constitutes the fountainhead for corruption at high places. The Modi government has not only widened the process of corporate funding to political parties but has also created new avenues for large-scale money laundering.

All political parties, social movements and individuals, who cherish the need to strengthen our democratic electoral process, must

unitedly oppose these moves which allow new obnoxious levels of political corruption.

RSS-BJP Renewed Aggressiveness

Following the recent election victories, particularly in Uttar Pradesh and Uttarakhand, the RSS-BJP have intensified their activities aimed at sharpening communal polarization through various means. During the two years since Narendra Modi became the Prime Minister, the RSS has rapidly spread its influence in various parts of the country. Their own report on their expansion and their current activities is being separately circulated as a CC information document.

Since Adityanath assumed office as the Chief Minister of UP, in the name of closing down illegal slaughter houses, the government has targeted all slaughter houses and meat shops in various parts of the state. Vicious attacks have been mounted on the minority community and innocent people have been murdered on false allegations. India is one of the largest meat exporters in the world and UP alone accounts for nearly 50 per cent of India's total meat exports. More than 25 lakh people directly or indirectly are involved in this trade will be badly affected and their livelihood is in jeopardy.

The UP government has also established anti-Romeo squads which are nothing but vigilante groups for moral policing and harassing the youth. Adityanath is a known Hindutva fanatic who has a record of inciting communal violence and has a number of criminal cases registered against him.

While PM Modi's slogan of '*sab ka saath, sab ka vikas*' is for public consumption, the real core Hindutva agenda of the RSS-BJP is currently unfolding in UP.

The vigilante actions of the so-called *gau rakshaks* operating in the BJP ruled states continue to claim the lives of innocent Muslims and dalits. These private armies and vigilante groups have attacked people belonging to the minorities and dalits, resulting in deaths of many innocent people. The latest in this line of attacks was the killing of Pahlu Khan in Behror, near Alwar in Rajasthan.

The large scale attacks against educational institutions particularly in the central universities like JNU, Hyderabad etc continue to intensify. Other academic, cultural and historical institutions have also come under severe attack with the clear attempt to undermine the research orientation based on the constitutional principles of India being a secular-democratic republic. In an effort to curb the anti-BJP sentiments amongst the country's student community the government has severely curtailed the intake of students in JNU

thereby hoping that scientific and humanistic research based on India's secular democratic principles will be curtailed.

Supreme Court on Ayodhya

The suggestion made by the Chief Justice of India J S Khehar, asking the parties concerned in the Ayodhya dispute, to settle the matter through talks, is superfluous and unwise. The Supreme Court is to hear the appeals against the Allahabad High Court judgement on the Ayodhya matter. Instead of doing so, the Chief Justice has asked the parties to go for an out of court settlement.

There is a long history of negotiations and talks in the matter. All these have proved infructuous. The situation changed after the demolition of the Babri Masjid in 1992 and there was no scope for further talks as one side had unilaterally taken steps to demolish the mosque. For the higher judiciary to now suggest talks is to ignore how the law was broken and the Constitution trampled upon.

It is also objectionable that the Chief Justice has asked Subramaniam Swamy to consult the concerned parties whether they can hold talks. First of all Subramaniam Swamy is not a petitioner in the case. Further he has been a known advocate for removing the mosque and building a temple at the spot.

However, there is now a welcome decision of the Supreme Court to restore the criminal charges of conspiracy in the demolition of the Babri Masjid against BJP leaders L K Advani, Murli Manohar Joshi and Uma Bharati. In the light of this Kalyan Singh should resign from the post of Governor and Uma Bharati from the Union Cabinet.

State of Indian Economy

Notwithstanding the hype over the projected rate of growth of GDP, the basic indicators of economic fundamentals in the country do not support the claims of the growth rate.

The RBI data for the period January 2015 to January 2017 shows that the gross bank credit to industries increased by a meager 0.29 per cent. This includes micro, small, medium and large industries. This reflects that both manufacturing and employment growth have been very minimal.

The index of industrial production data between January 2015 and January 2017 shows that the IIP increased by a mere 2.1 per cent from 189.2 to 191.3.

A sustainable 8 per cent growth of the GDP can never be achieved when the Gross Fixed Capital Formation (GFCF) in the economy

falls. As a ratio of the GDP this has fallen from 30 per cent in 2014-15 to 27 per cent in 2016-17. In terms of its growth rate, the GFCF fell from 6.11 per cent in 2015-16 to 0.57 in 2016-17. This means that the future potential of India's manufacturing and industrial development is on a very shaky ground.

All this has impacted on the general **employment** situation. Precise statistics are not available on this score. In 2008 after the global economic slowdown the government had started annual employment surveys in eight labour intensive industries. Three reports have been released so far by the Labour Bureau. As of April 1, 2016 these eight sectors employed two crore workers. However between April to September 2016 these sectors could add only 1,09,000 jobs. This is a far cry from the promise of two crore jobs annually by the PM Modi.

The **agrarian distress** continues to impose miseries in vast tracts of rural areas. The BJP government has reneged on its promise of increasing the MSP to levels of one and half times the cost of production. Unless this is done mere waiver of loans, though it may provide temporary relief, cannot be a solution in the long run to resolve the crisis engulfing our agricultural sector.

The failure of the monsoon in southern India has led to immense agrarian distress. Hundreds of farmers have committed distress suicides in Tamilnadu. The central and the state government have so far not come forward to provide any relief despite widespread agitations that have reached the portals of parliament in Delhi.

Exponential Growth of Inequalities

During the course of the two years since the BJP government assumed office, the richest one per cent of Indians increased their share of nation's wealth from 49 per cent to 58.4 per cent. This figure stood at 36.8 per cent in 2000. The same *Credit Suisse* report that gives this information also shows a more alarming feature that the share of the bottom 70 per cent of Indians together is today just 7 per cent of the nation's wealth. This figure was double of 14 per cent that this 70 percent owned in 2010.

The latest National Sample Survey report on household expenditure in India shows the huge gulf between the rich and poor that is widening in a rapid manner. The top 10 per cent of Indian households today have an average asset holding of Rs. 1.5 crore. This is 50,034 times the average value of assets held by an urban household of the bottom 10 per cent of our country. The divide is not merely between the rich and the poor, the divide between the rich and middle class is also widening sharply. Of the 10 per cent people below the top 10 per cent, the average assets held by them

is Rs. 35 lakhs as compared to Rs. 1.5 crore of the top ten per cent i.e. top 10 per cent hold over four times the assets held by the next 10 per cent upper middle class. The average asset holding of 90 per cent of Indians other than the top 10 per cent is Rs. 82 lakhs while the average for the top 10 per cent is 1.5 crore i.e. the top 10 per cent of Indians have an average asset value which is nearly double of the average asset value held by the rest of the 90 per cent of Indians. The creation of two Indias that we have been speaking of is accelerating in an exponential manner under this BJP government.

Such inequalities can be noticed from the data of the same survey of the NSSO regarding consumption inequality. Monthly per capita expenditure of the richest 5 per cent in urban India is nearly 15 times more than that of the poor 5 per cent. It is nearly 5 times more than the Indian middle class. The expenditures of India's poor are so meagre that this does not figure in any compilation of statistics of macro entities of GDP or tax collections. In fact the lower half of India's population spends virtually nothing on any item other than what is required for their survival. Given these disparities the devastation that the demonetization has struck on India's poor had made little difference to the overall spending patterns in the country because it is only the rich and to a certain extent the upper section of the middle class that spends. This explains why the figures for the GDP or that for the tax collections or for that matter theensex do not show any negative trend following demonetization. In other words, it is not that demonetization was not inconsequential to people's livelihood, it devastated India's other half while statistically this does not get reflected.

Demonetisation

The adverse impact of demonetization continues on the country's economic activities with the RBI showing in its latest data that the pace of remonetisation has slowed down. The currency in circulation on November 4, 2016 was Rs. 17.97 trillion while as of March 24, 2017 it was only Rs. 13.13 trillion. The ATMs continue to be underfed to the tune of 30 per cent less than what used to be fed into the machines pre-demonetization. Cash withdrawals have also been declining rapidly from a peak of Rs. 52,800 crore for the week ending January 13, 2017 to Rs. 32,500 for the week ending March 24, 2017. This decline is happening in spite of the announcement that the limits on withdrawals have been removed completely as of March 31, 2017.

As much as PM Modi and the BJP government wish to attribute this the fall in cash withdrawal to a surge in digital transactions, the reality is otherwise. As on March 26, 2017 digital transactions have fallen to Rs. 497.2 million from Rs. 684.66 million in February. Clearly, the cash crunch is affecting economic transactions. Bank

officials say that around Rs. 10 billion Rs. 500 new notes need to be printed to reach the pre- demonetization levels. This they say is likely to take another ten months.

Hence the informal sector of our economy which contributes over 40 per cent of our GDP and accounts for nearly three-fourths of employment continues to remain badly hit.

Aggressive Pursuit of Neo-Liberal Policies

This BJP government continues to aggressively pursue the implementation of neo-liberal economic policies. Its drive for privatization of the public sector has intensified very significantly.

The BJP government has successfully managed to pass the GST bill in both houses of parliament though we voted on an amendment that we had moved on the GST Bill. The Congress as the largest party in Rajya Sabha backed out from voting in line with its support to neo-liberal policies and claiming that the GST was its original brainchild. With this, the BJP has mounted its campaign of having achieved 'one nation, one tax'.

Jammu & Kashmir

The recent elections in the State of Jammu & Kashmir clearly show the deep degree of alienation of the people of Kashmir. There is a clear failure of governance in J&K and the continued violence resulting in deaths and injuries is a matter of great concern. The mere 7 per cent turn out in the Srinagar Parliamentary by-elections and the dismal 2 per cent turn out in the repoll in some booths shows that the BJP's Kashmir policy has been a complete failure.

A breakthrough could have been achieved if the BJP government implemented the understanding arrived by the parliamentary delegation led by the Home Minister which visited the state, of immediate implementation of confidence building measures and initiating a political process of dialogue with all stakeholders. Though this government agreed to this on paper, in practice it has not moved an inch forward in this direction. It is clear that the RSS-BJP is seeking to use the situation in J&K for its strident efforts to sharpen communal polarization elsewhere in the country.

There is increasing State repression on the people in Kashmir, which is further fanning their alienation. There was deep outrage over reports of a Kashmiri youth being tied on a jeep belonging to central security forces, ostensibly to be used as a shield against stone-pelters.

RSS-BJP Targetting CPI(M)/Left

As we noted in our last Central Committee meeting, the RSS-BJP have intensified their efforts at targeting the CPI(M) and the Left and to weaken their influence which they see as a major roadblock for their further advance. The RSS's violent activities in **Kerala** continue and all efforts are being made to destabilize the LDF government by misutilising the central personnel posted in the state. In the short duration that the current LDF government has been in office as many as six CPI(M) workers have been killed and scores of its members injured, Party offices and houses attacked and destroyed in brutal attacks launched by the RSS.

The Coimbatore resolution of the RSS has clearly targeted the CPI(M) and the Left. In Mangalore, the RSS-BJP made every effort to disrupt the public meeting of CPI(M) PB member and Kerala chief minister Pinarayi Vijayan and attacked CPI(M) activists and offices there. There was the most shocking incident of the Ujjain RSS head pracharak openly announcing a reward of one crore rupees for anyone who beheads Pinarayi Vijayan. The CPI(M) and the LDF have been bravely facing these attacks and countering the BJP politically and democratically.

In **Tripura** which faces the assembly elections early next year, the BJP has intensified its activities. It has virtually swallowed the Trinamul Congress organization there and has replaced the Congress Party to become the core around which the anti-Left, anti-Communist reactionary elements can gather. It had tried in one instance to stoke ethnic conflicts between the tribal and non-tribal population unsuccessfully. The prompt action by the Party and the state administration prevented the situation from taking a turn for the worse.

The President of the Tripura unit of BJP, Shri Biplab Deb, has in a public meeting cast direct aspersions on the objectivity and fairness of the Electronic Voting Machines and dared the Chief Minister of Tripura to lodge a complaint against him. He claimed that even the Chief Minister's vote for CPI(M) will be shown in favour of the 'lotus'. We have formally brought this to the notice of the CEC demanding action.

In the light of these developments, it is imperative that all the EVMs that will be used in the state of Tripura must be linked with the Voter-Verified Paper Audit Trail (VVPAT). This is the least that can be done to restore some confidence amongst the Tripura electorate on the free and fair electoral process in the coming elections

In **West Bengal**, as the recent by-election to the state assembly has shown, the BJP emerged as the second party. While the

Trinamul Congress polled 55 per cent of the vote, BJP polled 30 per cent and CPI as the nominee of the Left Front polled 10 per cent. The RSS-BJP's efforts are to ensure that the CPI(M) and the Left are not allowed to regroup and emerge as the political alternative in West Bengal.

Notwithstanding all their posturing, it is clear that the TMC and the BJP work in tandem with each other. The TMC appeal to Muslim fundamentalism politically suits the BJP's efforts to consolidate Hindu communalism. Further with the ongoing CBI investigations into the Narada/Sharada scam, the Trinamul Congress needs the crucial support of the BJP central government in providing relief to many of its leading figures who are central to these scams. In this situation, the efforts to further weaken the CPI(M) and the Left in West Bengal by reducing it to a distant third position politically and electorally is an objective that both the TMC and the BJP are actively working for.

These concerted attacks against the Left and the efforts to marginalize the CPI(M) by the RSS-BJP will have to be countered effectively. In our brief review of the election results we have reiterated the decisions taken at the 21st Congress and more specifically the organizational plenum on the urgency to enhance our independent strength through the initiation of popular struggles as an urgent priority.

Presidential/Vice Presidential Elections

The forthcoming elections to the post of President of India should be utilized by us to try and find a common candidate preferably belonging to no political party around whom the opposition parties can rally around. Currently, in the electoral college that elects the President of India, the BJP with its NDA allies is marginally short of around 2 per cent of the votes. Any understanding with any non-NDA regional party by the BJP will easily ensure the victory of its candidate as the President of India.

The office of the President assumes greater importance in the current context. With the RSS's declared objective of converting the secular democratic character of the Indian republic into their ideological project of establishing a Hindu rashtra, the role of the President as the custodian of the Indian Constitution becomes even more important. We should make all efforts to try and forge unity of all secular parties in this effort to ensure a non-RSS President of the Indian Republic.

The electoral college for the Vice President of India is limited to only members of both houses of parliament. In this the BJP along with

its NDA allies has a clear advantage. There is thus little scope for seeking to find a consensus candidate for the post of Vice President.

Forging Unity of Left & Democratic Forces

At our last Central Committee meeting in January at Thiruvananthapuram, we had decided to carry forward the five specific initiatives that we had undertaken in accordance with the decision of our 21st Party Congress with regard to strengthening the unity of Left and democratic forces.

These five were (i) strengthening links with the dalit movements; (ii) taking the initiative to organize anti-communalism conventions; (iii) strengthening the links with intellectuals/artists/thinkers on issues of growing intolerance, attacks on higher education and research and moral policing; (iv) forging links with the movements of Muslims and other religious minorities; and (v) to move forward in creating a platform for popular struggles which would be larger and wider than the earlier platform of mass organizations formed some years ago.

The January Central Committee meeting had said that concrete steps should be initiated following the current round of assembly elections. This round of assembly elections has recently concluded and now we should take the initiative for (a) holding an all India anti-communal convention; (b) the formation of a broad national level platform of intellectuals, educationists, students, youth and teachers movements in a campaign against the new education policy proposed by this government; and (c) forging links with the movements of Muslims and other religious minorities.

Links with the dalit movements have consolidated during this period. A joint rally was held in Hyderabad on the platform of the Dalit Swabhiman Front. On issues of the abandonment of the dalit sub-plan and other legislative matters, initiatives were taken to mobilize people's support and we tried to raise these issues in the budget session of parliament.

Meetings of mass organizations belonging to the CPI and CPI(M) were held on three occasions, as a prelude to draw in the mass organizations of other Left parties and certain people's and social movements to form the platform for popular struggles. This process has been set in motion and a larger consultative meeting of the mass organizations of the Left parties and the social movements will now be held in May to firm up the proposals for holding an all India convention and give a call for popular struggles on an agreed list of common demands.

Increasing Mass Struggles

During the recent period, the Party and the mass organizations have been active in mobilizing people in many struggles on people's issues and combating the offensive of the Hindutva forces.

Our student's organization was involved in big struggles against the attack on education in the universities and has scored certain significant victories in the student union elections. On the working class front the BSNL employees and executives went on a one day strike against privatization, bank employees and officers, medical and sales representatives and central government employees went on a one day strike. In the public sector SAIL employees in Durgapur, Bhadravati and Salem went on a one day strike on April 11. The public sector employees are going on a big campaign against privatization and it is likely that more strikes will be held.

In Karnataka and Tamilnadu big actions were organized. In Karnataka the anganwadi workers went on a three day sit-in in Bengaluru which resulted in a substantial wage increase for workers and helpers.

In Rajasthan, the Kisan Sabha went on a big agitation on the issues faced by the peasantry. Likewise in Assam along with the TU, Kisan Sabha organized many struggles. In Haryana, the state transport workers went on a united strike for three days despite victimization and forced the government to withdraw the permit given to private operators.

Central Committee Calls

In addition to these initiatives, the Central Committee calls upon all our units to undertake campaigns amongst the people and along with various Left and democratic sections to initiate popular protest actions on the issues discussed above.

The important focus should be on the relentless manner in which the Hindutva agenda is being aggressively pursued; defence of religious minorities and dalits and importantly on the increasing economic misery being imposed on vast sections of our people. The state committees must concretize these activities in accordance with the concrete conditions prevailing in the states.

The Central Committee has decided to observe the second half of May during which period state committees of the CPI(M) will organize week long programmes of protest actions against the recent government decisions that are imposing immense hardships on the people. This will focus on:

- (a) The drastic reductions in the public distribution system allocations negating the Food Security Act. Sugar and kerosene have been withdrawn from the public distribution system.
- (b) The allocations for the rural employment guarantee scheme have been drastically reduced. The Centre should provide adequate funds to the states for full hundred days of employment.
- (c) The drive towards privatization is adversely affecting the already declining employment situation. This will also affect the meagre benefits that the SC/STs, OBCs and disabled receive from job reservation. Privatisation must be reversed.
- (d) The deepening agrarian distress can only be met by forcing the central government to implement the BJP's electoral promise of guaranteeing a minimum support price to the farmers that equals 1.5 times the input costs. In the meantime, loan waivers may provide some immediate relief, but it is not a long term solution to the agrarian crisis and welfare of the Indian farmers.

On these four issues the CPI(M) will organize a campaign and initiate popular struggles across the country.

Conventions On Electoral Reforms & Against Communalism

The Central Committee decided to take the initiative to convene two separate conventions.

One is on electoral reforms and the recent changes made by the government regarding political funding which has only legalized political corruption and larger issues like controlling the influence of money power and the need to introduce a system of partial proportional representation.

The Central Committee also decided to take the initiative to organize an anti-communalism convention in the light of the renewed aggressiveness of the RSS/BJP.

Kashmir

The Central Committee expressed its grave concern at the situation in the state of Jammu & Kashmir which is given in the report. It decided to hold a convention of likeminded political forces, intellectuals and social movements on the Kashmir situation.

Women's Reservation

To protest against the continued betrayal of the BJP government on the promise of ensuring the speedy passage of the women's reservation Bill, the Central Committee has decided to give a one-day protest call demanding the passage of this Bill before the forthcoming monsoon session of parliament. The Rajya Sabha had earlier passed the Bill. Now with a clear cut majority in the Lok Sabha the BJP is refusing to enact this Bill. This is a clear betrayal of their promise.