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Central Committee**



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Report on Certain Political Developments

(Adopted at the Central Committee Meeting held on April 27-29, 2023)

A year has passed since our 23rd Party Congress. The developments during this period confirm the main direction that we had chartered out in the Political Resolution. The aggressive pursuit of the Hindutva agenda of the fascistic RSS proceeds unabated. The corporate-communal nexus pursues rabid neo-liberal reforms promoting crony capitalism and looting national assets. Full-fledged authoritarianism is unfolding along with legalizing political corruption. The Indian Constitution is under assault. All independent statutory institutions established by the Constitution are under severe attack. Central agencies have become the pivotal agents to advance the ruling parties' agenda and targeting leaders of opposition parties. India is becoming further integrated with the US imperialist global strategy as its subordinate ally.

The Global Economy

The outlook for the global capitalist economy remains shaky, moving in the direction of a recession with several factors affecting its stability. IMF forecast (April, 2023, World Economic Outlook) that growth is expected to fall from 3.4 per cent to 2.8 per cent in 2023 before settling at 3 per cent in 2024. However, IMF has also warned of further financial sector stress causing global growth to decline to 2.5 per cent in 2023, further deepening economic slowdown.

The advanced economies are expected to slow down in a more pronounced manner with growth rate declining from 2.7 per cent in 2022 to 1.3 per cent in 2023.

This latest IMF economic forecast highlights the significant challenges that the global economy faces as: financial sector turmoil; high inflation; affects of the Ukraine war and three years of pandemic.

Financial sector Turmoil: Bankruptcy of Neo-liberalism

Three banks in the USA – Silicon Valley Bank (SVB), First Republican Bank and the Signature Bank have collapsed. Even the reputed Credit Suisse faced a collapse of its equity prices and has been taken over by its rival Union Bank of Switzerland (UBS).

The basic reason leading to this turmoil is a rise in the interest rates. This rise in the interest rates is in order to control the rising inflation rate. This is the neo-liberalism's prescription. Most banks have a major part of their assets in the Bonds that they hold. Any rise in interest rates lowers bond prices and hence reduces the value of the banks' assets vis-a-vis its liabilities which puts the banks under strain. The steps taken by the banks to overcome this strain sends the signal for the people to desert the bank. As the value of its equity falls, people withdraw their deposits.

Impact of the Ukraine War: The efforts of the US imperialism to strengthen its global hegemony and consequent expansion of the NATO eastward to the borders of Russia and the Russian response of war against Ukraine is, amongst many, the most important factor leading to global supply chain disruptions contributing to inflation. The cause of inflation is, thus, not only due to economic factors but it is the outcome of the US imperialist hegemonic designs.

Under neo-liberal dispensation, inflation is controlled by hikes in interest rates which has an impact of lowering the demand for primary products hence lowers inflation. Simultaneously, inflation slows down production activity thereby increasing the unemployment rate. As cost-of-living increases, workers do not get corresponding wage increases which lowers the demand in the economy thus lowering inflation.

The US interest rate was 0.25 per cent in February 2022 when the Ukraine war started. It was hiked massively to 4.75 per cent by February 2023. Usually, interest rates are increased or decreased marginally, so that they do not create turbulence in the financial market. Such a massive hike in such a short period makes it impossible for the banks to manage their balance sheets and prevent collapse. Thus, the matter therefore does not end with the collapse of three US banks or with Credit Suisse. This is the financial turbulence that the IMF warns which has a potential to push the world into global economic recession.

De-dollarization: In retaliation to the sweeping US sanctions against Russia and the consequent turmoil in the global energy markets, Russia has delinked its energy supplies to various countries from the US dollar to payment in Russian Rubles. Given the supply chain disruptions due to the Ukraine war and the consequent inflation heightened risks in global financial markets due to the US monetary policies, many developing countries

are seeking to break from the crippling reliance on the US dollar. Several countries are seeking opportunities to conduct trade in local currencies. In this situation China has seized upon the opportunity for a greater role of its currency Renminbi (RMB). Brazil and China entered into an agreement for trade settlements in their local currencies. Iran and Venezuela, under severe US sanctions and cut off from the dollar dominated international financial markets, have opted for similar arrangements. Even the French company *Total* signed a Yuan denominated deal to supply LNG to China.

Though China is undertaking various steps to promote the use of RMB in settling bilateral deals, but it is in no position to replace the dollar as the medium of settling multi-lateral transactions. The dollar continues to remain the most dominant international medium of exchange and store of wealth. The daily transactions in global financial markets are around \$7.5 trillion. Of this 88 per cent is based on the US dollar. In the near future, this domination of the US dollar cannot be replaced, but could be weakened. Over a period of time, it is perfectly possible that many third world countries, particularly in Asia would treat the RMB as the regional currency, while in Europe it will be the Euro and in the rest of the world the US dollar would dominate.

Rerouting Russian Energy Supplies

Initially, India began hiking its oil and energy imports from Russia terming it as the cheapest source and on a Ruble-Rupee payment arrangement. As a result, India became the largest buyer of Russia's crude with more than 50 per cent of all Russian exports in April 2023. China was in the second place. Russia claimed that it has rerouted all its exports affected by the US imposed sanctions with no decrease in sales. Russian oil sales to India surged 22-fold in 2022. Kpler data shows that India's diesel exports to Europe rose by 16 per cent in 2022 which accounted for 30 per cent of India's gas oil exports up from 21 per cent a year earlier. Additionally, 50 per cent of India's jet fuel exports are to Europe. Interestingly, India's exports to USA of Vacuum Gas Oil (VGO), a refining feed stock that can be processed further to produce fuels like gasoline and diesel, surged to 12,000 barrels per day from around 500 in 2021-22.

In short, what is happening is that while US sanctions and cap on the price of Russian oil exports seek to curb export revenues to Russia, the consequent shocks in the energy supply chains to EU and US are being buffered by such rerouting through India and partly through China. In the bargain, the Indian refinery companies, the biggest being one of PM Modi's close crony corporate Reliance Petroleum, make bonanza profits.

Artificial Intelligence

Artificial Intelligence, as a tool was developed to replace manual and intellectual labour from production processes to permit the further maximization of profits under

capitalism. While this would displace a substantial number of the workforce imposing greater miseries and intensifying exploitation of the people, its rapid development and deployment in the recent period is resulting in impacts in hitherto unanticipated areas. A proper evaluation of such impacts is yet to be made. There is an urgent need for a global regulatory mechanism to control unintended but potentially dangerous consequences of AI.

AI's impact is already been felt, particularly, in the services sector like information technology where jobs are being laid off. This is also impacting the IT sector operations in India and there are already reports of major IT giants terminating a significant number of workers.

Rising Global Protests

The resistance of the working people against the contraction of real wages, growing unemployment and the cost-of-living crisis is growing all across Europe.

Protests against the rising costs of fuel and living standards, reform of pension laws and austerity measures were held in **Germany, Belgium, Bulgaria, Slovakia, Italy, Poland, Czech Republic** and **Spain**.

There is no section of the working people in the **United Kingdom** that has not struck work in protest against the cost-of-living crisis demanding wage increases. For the first time in their history the health service workers struck work with the largest participation in the 75 year old history of Britain's National Health Service (NHS). Apart from the industrial sectors, workers of the education sector, public and commercial services, passport offices etc., have struck work.

Protests in France: Working class in France is leading intense protest demonstrations against the pension reforms of the Macron government. Huge strikes across sectors were held and massive demonstrations involving hundreds of thousands of workers were carried out across all the major cities in France. The government instead of heeding the demands of the workers went ahead and used an exceptional constitutional power to push the reform through. Police were deployed in huge numbers; arbitrary arrests are made and demonstrators treated brutally. Students and youth too joined these protests and many schools remained shut in solidarity with the workers. The trade unions have warned the government of extensive further protests if the government does not rescind its decision. Two days of nationwide strikes were called for April 20 and April 28, and for further mass protests on May 1 to mark International Workers' Day. All the political parties in France – from the far-right Le Pen's Nationalist Party to the Left parties – are supporting the workers' struggle. The Conservative Party, which is in support of the

pension reform plan, too was forced to demand that the Macron government must start negotiations with the workers.

In **Portugal**, workers went on strike demanding the defence of their rights and better living conditions. Strikes, stoppages, rallies, plenary meetings, marches and demonstrations were held in almost all sectors – transport and communications, food, agriculture, metallurgy, automobile industry, shipbuilding, energy, construction, textile, healthcare, commerce, social sector and media. Struggles waged by the teachers stands out, along with the national strike and demonstrations of non-teaching workers; doctors; judicial officials; nurses; local government workers and security forces and services.

In **Greece**, farmers and livestock farmers set up roadblocks with tractors and agricultural machinery in various places throughout Greece demanding compensation for lost income for those products sold below cost, reduction of production input costs and minimum guaranteed prices, protection from natural disasters and a change in the regulation of the insurance policies.

In **Belgium**, farmers from Flanders region (northern Belgium) drove thousands of tractors in March against the government's plan to limit nitrogen emissions that is going to adversely affect their livelihood. This move would force the farmers to limit the number of livestock they rear. Similar proposals in **Netherlands** also met with farmer's rejection and protests.

In **Kazakhstan**, oil workers went on a strike in April against the neoliberal reforms and demanding the implementation of the promises made by the government. Unemployed youth too joined these demonstrations and protest rallies that were held in various cities in the western region of the country.

War in Ukraine

The war in Ukraine continues. As analyzed by our 23rd Party Congress, this is a war between USA/NATO and Russia being played out in Ukraine.

The immediate reaction from the Western nations as the war started on February 24, 2022 was to impose extensive sanctions on Russia. The White House was so convinced that the sanctions would have a severe impact that in its May 24, 2022 "Fact Sheet," it quoted the Institute of International Finance as saying: "The economy is forecast to contract as much as 15% or more in 2022. This economic collapse of Russia's GDP will wipe out the past 15 years of economic gains in Russia." However, as per the latest estimates by the International Monetary Fund, Russia's economy contracted by 2.1% in 2022.

The United States has been a leading provider of security assistance to Ukraine. The Biden Administration has committed more than \$31.7 billion in security assistance since the start of the 2022 war. FY2022 and FY2023 security assistance packages are mostly being funded via \$48.7 billion in supplemental appropriations.

Israel and Palestine

Protests in Israel: Huge protest demonstrations are being held in Israel against the reform of judiciary intended by the far-right government led by Benjamin Netanyahu. Through these reforms, the government would have control over the appointment of judges, and parliament would gain the power to override Supreme Court decisions, which is an attack on the independence of the judiciary. The trade unions joined these protests and for the first time after many years, a country-wide strike shutting down transportation, universities, restaurants and business activities was successfully held. Hundreds of thousands of Israelis have been protesting for months against the planned judicial changes. Though prime minister Netanyahu has agreed to ‘freeze’ the reforms, people are continuing their protests, demanding the complete withdrawal of these proposals.

Attacks on Palestinians: The far-right government in Israel has increased its attacks on Palestinians in order to divert the attention of the people from the protests it is facing. Ministers in the government are openly supporting the private militias run by illegal Jewish settlers who are evicting Palestinians from their homes. The Israeli armed forces deliberately carried out attacks on Al Aqsa Mosque compound in Jerusalem during the holy month of Ramadan. On an average, everyday a Palestinian citizen is being killed by the Israeli forces, so far, this year.

UN Security Council Statement: On February 20, United Nations Security Council (UNSC) denounced Israeli settlements in the occupied West Bank terming them a major obstacle to peace in the region. A legally binding resolution calling for an immediate end to all settlement activity was predictably thwarted by the USA.

The UNSC statement says “strongly opposes all unilateral measures that impede peace,” including the “construction and expansion of settlements, confiscation of Palestinians’ land, the ‘legalization’ of settlement outposts, demolition of Palestinians homes and displacement of Palestinian civilians.”

Sudan

Intense violent armed clashes are going on between the military led by Sudanese President Commander Lt General Abdel Fattah al-Burhan and a major paramilitary

force known as the Rapid Support Force, led by Vice President, Mohamed Hamdan Dagalo, known as Hemedti.

After being part of the military establishment that decided in 2019 to oust long-ruling dictator Omar Hassan al-Bashir, Burhan and Hemedti would later collaborate in bringing down a civilian-led government in 2021. All the while, their soldiers intimidated and brutalized Sudanese pro-democracy activists and dissidents and a constellation of foreign powers cultivated both of them as assets in their own regional games.

The Control over the rich resources of Sudan is the foundation for this conflict with dangers of flowing over into a civil war. Given Sudan's important geo-political position in the Sahel region, the USA, EU, Russia, Saudi Arabia and UAE have a compelling interest which may lead them to get actively involved.

China: International Role

China has released its Global Security Initiative in February, which details its vision for multilateralism in the international world order. Through this Initiative, China calls for the democratization of international world order, and states its opposition to power politics, Cold War mentality, bloc confrontation and hegemonism. It states its position that non-interference in the internal affairs of countries and mutual respect are the key to global peace. On the basis of this understanding, China is deepening its relationship with many countries in Africa and Latin America.

Following this Initiative, China has come out with its 12-point proposal for peace between Russia and Ukraine. These proposals were welcomed by Russia and Ukrainian President was forced to state that he too would consider them seriously and expressed his desire to discuss these proposals with Chinese President Xi Jinping. The meeting between Putin and Xi Jinping took place in this background.

Despite the efforts of the US to isolate China, its economic power is making the realization of this agenda near impossible. The German chancellor and the French President visited China recently, along with the President of the European Union. All of them acknowledged the indispensability of the role played by China in today's world. This is in contrast to the attitude of the US, which sought to downplay the Chinese peace proposals.

Saudi Arabia- Iran Agreement: In a development that has the potential to reshape alignments and the politics of West Asia, a historic agreement was arrived at between Saudi Arabia and Iran mediated by China. In a joint statement on March 10, 2023, the three countries announced in Beijing that an agreement has been reached between

Kingdom of Saudi Arabia and the Islamic Republic of Iran covering the resumption of diplomatic relations between them. The ministers of foreign affairs of both countries will discuss the means of enhancing bilateral relations.

Impact of this agreement in the region is already being felt with the ground prepared for Syria, which was removed earlier due to US pressures, to reenter the Arab League.

An Iranian commentator depicted this as “one agreement and seven achievements” – the willingness to engage in dialogue; failure of US efforts to isolate Iran; strengthening of the alliance of Islamic countries; failure of Israeli efforts against this agreement; failure of US efforts to show the Iranian public that they have no choice but to agree to the Joint Comprehensive Plan of Action (JCPOA) with America; Beijing’s successful entry in West Asian relations and failure of the dreams of regime change.

Russia-China

On 20–22 March 2023, Xi Jinping, general secretary of the Chinese Communist Party and Chinese president, visited Russia, in his first international meeting since his re-election as President during the 2023 National People's Congress.

China and Russia's ties have benefited both countries economically, and bilateral trade surged in the last year. China now accounts for nearly a third of all Russian exports, and Russia recently became China's top oil supplier. Xi called for expanding cooperation in sectors like energy and supply chains after his meeting with Putin.

Speaking to Xi in front of cameras at the start of discussions, Putin said he had "carefully studied" the Chinese proposals, was "open to peace talks," and welcomed China's "constructive role."

Putin said the Chinese plan dovetailed with Russian views and could form the "basis" of an eventual peace agreement — "when the West and Ukraine are ready."

A joint economic cooperation statement published after the visit stressed the two countries would seek to increase their use of "local currency," such as the Chinese yuan rather than the U.S. dollar, to settle cross-border trade, including for oil and gas.

Pakistan

Pakistan is in the midst of a severe crisis. In fact, there are multiple interlinked crises that are simultaneously playing out in Pakistan. These include the differences between the Shehbaz Sharif government and the Supreme Court over elections in Punjab and

tribal Khyber Pakhtunkhwa; between Supreme Court and Parliament over election funding; between Shehbaz Sharif government and SC over Chief Justice's *suo moto* powers and authority to appoint benches of his choice and between Shehbaz Sharif and Imran Khan over the timing of general elections.

All these are playing out when the economy is in dire distress with inflation raising at a rate of around 40 per cent. Pakistan is negotiating yet another bailout package from the International Monetary Fund (IMF). Foreign exchange reserves held by the State Bank of Pakistan dipped to \$2.9 billion on 3rd February 2023 from a peak of \$20.1 billion in August 2021. The current account deficit was at \$17.4 billion in 2022. Imports outpaced exports by approximately \$45 billion. IMF and Pakistan have been negotiating since early February on an agreement that would release \$1.1 billion. The Pakistani government has accepted various conditions imposed by the IMF, including increasing fuel prices and raising taxes. The prime minister publicly acknowledged that the government had to accept the stringent conditionalities set out by the IMF as there was "no alternative".

Blanket ban on protests was imposed in many cities across the country, including the political centre Lahore to stop the people from expressing their anger. Imran Khan's PTI organized some huge rallies in Punjab province, where elections are due. The government of Pakistan does not want the elections in Punjab to be held now and filed an affidavit before the Supreme Court. The Supreme Court refused to look beyond May 10, the date it has fixed for elections, and had asked all the political parties to discuss the possibilities and come to a conclusion.

In order to ensure that the political fallout of the economic discontent does not benefit the opposition, the government had launched an offensive on the Tehreek-e-Insaf (PTI) party led by Imran Khan. The attempts of the government to arrest Imran Khan led to nationwide protests in March. Police used brutal force against the protesters who tried to prevent the arrest of Imran Khan.

Sri Lanka: The popular protests in Sri Lanka that led to the resignation of Rajapakse government and the formation of new government are continuing as peoples demands are not met. Thousands of workers at hospitals, schools and railways across Sri Lanka have gone on strike in March to protest against high costs of living, including increased taxes imposed as a precondition for an IMF bailout. More than 40 trade unions have come together to lead these protests. These strikes were held despite a ban by the government and warnings that violators could lose their jobs. The protesters were demanding a reversal of the new taxes, which were among the measures taken to qualify for a \$2.9 bn rescue package from the IMF. Protesters are also demanding the government lower record high interest rates and reduce power tariffs.

Sri Lankan government had postponed elections to local bodies and provincial councils in February. People gathered in huge numbers protesting against this decision, which they consider as a violation of the democratic process that was promised in the aftermath of the struggles that shook the country last year. Police used force to disperse protesters called by the National People's Power coalition that is led by the JVP. Students also are protesting against the austerity measures imposed by the government at the behest of the IMF. The government of Sri Lanka, which was not formed through due electoral process is now afraid of holding elections as people are extremely dissatisfied with it.

Nepal: Having fought the parliamentary elections in alliance with the Nepali Congress, Prachanda (CPN Maoist Center) joined with KP Oli (CPN UML) to become the Prime Minister of Nepal. In the recent presidential elections, however, Prachanda switched back to align with the Nepali Congress, Sher Bahadur Deuba, to ensure the election of the latter's nominee Ram Chandra Paudel as the President of Nepal. Such rapidly shifting political alignments, as we had noted in the last central Committee meeting, is bound to affect the stability and longevity of the government led by Prachanda.

NATIONAL SITUATION

Indian Economy

As per IMF, India's GDP grew at 9.1 per cent in FY 2021, 6.8 in FY 2022 and expected to grow at 5.9 in FY 2023 down from its earlier forecast of 6.1 per cent.

It is misleading to use these figures, as the Modi government does, to show that the economy is in good health. In 2020 India's GDP shrank by 5.8 per cent. The growth of 9.1 per cent in 2021 was against the -5.8 per cent in 2020. This, statistically, is called the 'base effect.' A correct picture emerges with the compounded annual growth rate from 2019 which was a normal pre-Covid year. This figure stands at 3.8 per cent annual growth of India's GDP. Over FY 2022 and FY 2023 India added \$ 350 billion to its economy while USA added \$1390 billion and China \$1274 billion.

While India's GDP grew fastest, according to IMF, it has the lowest per capita income among all the large economies. In per capita income terms USA is 31 times higher, China 5 times, Brazil 4 times, UK 18 times, Germany 20 and so on. Thus, even with the 5th largest GDP in the world our per capita income is lower than Angola, Ivory Coast etc.

Infrastructure Sector: Modi government relentlessly projects the growth of capital expenditures and the infrastructure as being the vehicle of economic growth. According

to the review report by the Ministry of Statistics and Program implementation, January 2023, except for power generation and refinery productions all other infrastructure sectors fell short of their targets.

The entire infrastructure sector is being privatized and handed over to cronies mainly to Adani. The National Monetization Pipeline (NMP) is aggressively unfolding. Under the pretext of Just Transition (the shift from fossil fuel-based energy to greener technologies), laws are being amended to facilitate privatisation. At the same time, laws like the Forest Conservation Act are amended to permit large scale deforestation required for mining coal and other minerals. This entire process is the loot of India's national assets dovetailing the neo-liberal imperialist trajectory of 'accumulation through forcible expropriation'.

Unemployment: Consequently, unemployment continues to remain at record high levels. According to CMIE, the unemployment rate has risen to 7.45 from 7.14 per cent. These figures must be seen in circumstances when the Labour Participation Rate has fallen from 42.9 per cent to 39.8 per cent. Despite the addition to the labour market every year more people have stopped looking for jobs as there are no jobs. The number of employed remains stagnant – 41.1 crore in pre-pandemic January 2020 and 40.9 crore in January 2023.

Further, the collapse of Silicon Valley Bank is adversely impacting funds for Indian startups and IT sector leading to layoffs.

Curtailing MGNREGS: In a situation of growing unemployment despite MGNREGS being the only hope for crores of rural youth for livelihood, budgetary allocation was cut by 33 per cent. Additionally, the government made the National Mobile Monitoring System App mandatory. Reports suggest that workers have lost at least half their wages owing to technical glitches in the App and women workers are forced to take loans to buy smartphones to use the App.

Impact of Global Developments: Further, world economic slowdown is impacting the demand for and prices of traditional crops like rubber, cashew, coir etc leading to heightened unemployment.

Stagnant Rural Real Wages: During the last eight years of Modi government, the real wages measured at 2014-15 prices have remained virtually stagnant for the agriculture, non-agriculture and construction sector workers. Between 2014-15 and 2021-22, real wages discounting inflation were between Rs. 225 - Rs. 240 in agricultural sector, between Rs. 234 - Rs. 245 in non-agricultural and Rs. 275 - Rs. 280 in construction sectors.

High Inflation: As real wages stagnate and unemployment rises, the inflation rate also keeps rising mounting even further burdens on the vast majority of our people. According to the National Statistical Office (NSO) the inflation rate remained at 6 per cent or more with urban poor being the worst affected.

Growing people's miseries and the consequent contraction of people's purchasing power is reducing the domestic demand in the economy further. At the same time, the size of the Indian middle class remains small and unable to provide market for the rapid growth of FMCG sector. Worse, the size of potential entrants into the middle class is shrinking. Unless people's purchasing power increases boosting demand in the economy, no meaningful economic recovery is possible. This requires greater public expenditures in job creating works by the government.

Union Budget 2023-24: Instead, the Union Budget does the opposite. It squeezes government expenditures while giving further tax concessions to the rich. While the GDP is estimated to grow at 10.5 per cent in nominal terms (i.e. with inflation) government expenditures increased by only 7 per cent. In real terms, this means an actual reduction.

Tax concessions to the rich in the Budget lead to a revenue loss of Rs. 35,000 crores. At the same time, the budget cuts food subsidy by 90,000 crores, fertilizer subsidy by 50,000 crores and petroleum subsidy by Rs. 6,900 crores. This is the logic of Modi government's policy to enrich the rich and further impoverish the poor.

Communal-Corporate Nexus

The exposures of how the Adani group built its corporate empire made by Hindenburg Research lay bare the nefarious manner in which the corporate-communal nexus that has come to rule India since 2014 has been operating. The loot of thousands of crores of people's hard-earned savings from nationalized financial institutions like the banks and insurance companies has transferred massive amounts of national assets to the cronies.

When Modi government assumed office in 2014, the Adani group had a market capitalization of \$7.1 billion according to *Forbes*. This zoomed to a \$ 200 billion by 2022. In the international ranking, Adani was at 609 in 2014 astronomically growing to become the world's second richest corporate by 2022. It operates seven public listed companies and 578 subsidiaries. According to global Energy Monitor, it is the largest developer of coal power plants in the world. It operates 8 airports and 13 sea ports in India and has substantial interests in sectors like coal mining, oil and gas exploration, gas distribution, transmission and distribution of electricity, civil construction and infrastructure, food storage, education, real estate, edible oil, international trade etc.

Over these years, Adani group received the most gracious of terms from the Modi government with the handing over of government land at throw away prices, environmental clearances adversely affecting climate impacts, disbursal of loans from nationalized banks and financial institutions, State help to acquire assets being operated by other corporates and State influence in foreign countries to acquire coal mines, ports etc.

Market regulators ignored the charges of insider trading, round tripping and manipulation which are legally debarred under stock market regulations apart from the operation of offshore funds.

A Diabolic Exercise: A diabolic effort is being made by the Modi regime to characterize any exposure of the misdeeds and loot undertaken by the Modi government and any exposure of its links to crony capitalists as being attacks on the ‘Indian nation.’ When the BBC released its documentary on the Gujrat communal pogrom directly questioning the role of the then Modi state government, these were banned from circulating in India’s social media despite BBC not releasing them in India, labelling them as ‘products of colonial mindset’ that is ‘anti-Indian’. As the Hindenburg exposures became public the Adani group promptly termed these as an attack against the Indian nation. Thus, the Modi-Adani alliance, core of the corporate communal nexus, is equated with Indian nation and nationalism. Crony capitalism is justified and hailed as being in the interest of Indian nation. All questions of how crony capital is looting India’s national assets, imposing unbearable miseries on the people by curtailing welfare expenditure (necessary for crony capital profits) are treated as ‘anti-national.’

On the basis of such a diabolic logic, Modi government brazenly refuses to constitute a joint parliamentary committee to enquire into Adani group’s loot of national wealth. The Modi government stooped to the extent of disrupting the entire budget session of the Parliament to avoid being accountable and answerable on this issue.

Misleading Propaganda: To buttress BJP’s efforts of treating any attack on Modi-Adani as an attack on the Indian nation, Modi, with the control over the media ecosystem, is being projected as electorally invincible. Modi claimed the backing of 140 crore Indians and hence is not answerable to Parliament! Modi is the PM when BJP polled less than 23 crore votes out of nearly 61 crores who voted – 37.7 per cent. Out of the over 91 crore who are eligible to vote BJP’s share is around 25 per cent.

In the earlier round of assembly elections while BJP retained Gujarat, it lost its sitting government in Himachal Pradesh and also the Delhi Municipal Corporation which it had controlled for the last 15 years.

In the recent elections in 3 North Eastern states of Tripura, Nagaland and Meghalaya the BJP won only 46 seats out of 180. In Tripura its MLAs declined from 46 to 32. In Nagaland, it was a distant number 2 winning 12 seats. In Meghalaya it could win only 2 seats losing deposits in all the other 58 seats. In terms of votes polled, BJP secured 38.97 per cent in Tripura; 18.81 per cent in Nagaland and 9.33 per cent in Meghalaya. However, with the local regional parties it is in government in all three states.

In the assembly by-election at Kasba Peth in Pune district, BJP's sitting seat which it had won continuously for two decades was wrested by the Congress candidate of MVA.

In the assembly by-election at Sagardighi, West Bengal, a seat TMC has been winning since 2011 it lost to the Congress. In 2021 the TMC had won this seat by a margin of over 50,000 votes over the BJP. The Congress-Left candidate won by nearly 23,000 votes pushing the BJP to a distant third position.

Sharpening Communal Polarisation

‘Cow Protection’ Vigilantism: The ghastly burning alive of two Rajasthan Muslim youth, Nasir and Junaid in Nuh, Bhiwani district, Haryana, not only displays the barbarity of sharpening communal polarization but also the collusion between the police in BJP ruled Haryana and cow vigilantes who enjoy protection to operate with complete impunity to perpetuate crimes in the name of ‘*Gau Rakshaks.*’ The Haryana police has accepted that three of those named in the FIR are their informers. The Haryana draconian Cow Protection Act 2015 provided the official route for Bajrang Dal activists to be inducted on the special cow protection task force in each district. This is a clear case of murderous violence unleashed by state sponsored vigilantes.

Communal Weaponization of Religious Festivals: over the last few years religious festivals like Ram Navami, Ganesh Chaturthi, with Hanuman Jayanti now being added, have been communally weaponized. The processions taken out on these occasions are marked with communal aggression and attacks against the Muslim communities. This year Ram Navami came during the period of Ramzan that provided a provocative backdrop in areas where the Muslim devotees were offering prayers in Mosques. In several places in Maharashtra, Haryana, Gujarat, West Bengal and in Bihar communal violence took place leading to loss of lives.

UP Killings: The Yogi Aditya Nath BJP government in Uttar Pradesh is sharpening communal polarization and, in the process, brazenly abandoning the due process of law in targeting the Muslim minorities. Bulldozer politics have been mercilessly unleashed against properties of the Muslim minorities violating legal procedures. The BJP and the state government takes pride in undertaking 183 encounter killings which are nothing else but extra judicial murders by the Police. The latest in these spate of such politics is

the ghastly killing of Ateeq Ahmed and his brother Ashraf in police custody in front of the media. The manner in which these two murders took place in the presence of heavy police deployment points towards official connivance. A high -level independent inquiry headed by a sitting judge must be conducted to identify the murderers and taking stringent action against the culprits and their patrons.

BJP government has displayed its pro upper caste anti Dalit outlook when it shockingly did not appeal against a lower Court acquittal of all culprits who committed the ghastly crime of gang rape and murder of a Dalit girl in Hathras

Karnataka: The decision of the Karnataka BJP state government to scrap reservations for Muslims under the OBC quota has been stayed by the Supreme Court. The BJP state government is seeking to consolidate the Hindutva communal vote bank by scrapping these reservations in the run up to the assembly elections. Communal polarization and the campaigns of poisonous hate are intensifying.

Attacks on Christians: The Modi government has adopted a duplicitous strategy towards Christians in Kerala, while elsewhere in the country, attacks on Christians and churches, particularly Christian tribals are on the rise. Various false narratives are created to heighten communal polarization.

For the first time in the last nine years as prime minister, Modi visited Delhi's Sacred Heart Cathedral on Easter. Modi is ostensibly doing this because of their 'victory' in Christian majority Meghalaya and Nagaland (dubious claims as BJP won 2/60 in Meghalaya and 12/60 in Nagaland). The real target is to make a breakthrough in Kerala where Christians constitute 18 per cent and Muslims 27 per cent, approximately, of the population. BJP has adopted a carrot and stick strategy. Expressing 'sympathy' with sections of the Christian community it fans anti-Muslim feelings as some church leaders have spoken against 'love jihad'. BJP floated some fringe front organizations to conduct anti-Muslim propaganda in cooperation with RSS front organizations seeking to benefit from a Christian-Muslim divide. On the other hand, the stick of the ED with money laundering cases against some church leaders is unleashed.

The people of Kerala are conscious of such cynical moves of the BJP and will give a fitting rebuff.

Rewriting Indian History

As the part of its larger political agenda of converting the secular democratic Indian Republic into a rabidly intolerant fascistic Hindutva Rashtra, the Modi government is undertaking largescale rewriting of Indian History through changes in the syllabus of

the NCERT history text books. The effort is to replace the inclusive Indian identity with an exclusive overarching Hindutva identity.

Chapters on the Mughal empire and the Sultanates are deleted. References to the assassination of Mahatma Gandhi and the consequent banning of the RSS by Sardar Patel have also been erased from these text books. So also erased are the references to Maulana Abul Kalam Azad, preeminent freedom fighter and India's first education minister. To nurture an anti-scientific mindset, Darwin and evolution; Mendeleev and periodic table are also dropped. Clearly, the efforts are to instill a consciousness amongst our children that is a travesty of syncretic Indian history and rich civilizational confluences that contributed to the rise of modern India.

Assaulting Federalism

The Role of Governors: The governors appointed in non-BJP ruled states function to advance the political agenda of the ruling BJP dispensations. The refusal to give assent to legislations adopted by the elected state assemblies is becoming the norm. Some governors have sought to change their Address to the state legislatures approved by the cabinet. Instances of giving directions to senior officers bypassing the elected government, entering into political polemics with the elected state government etc. are growing in gross violation of the Constitutional norms. Loyal RSS *Swayammsevaks*, party functionaries and retired bureaucrats and generals are the choices of the Modi government. Six new governors were appointed in February of whom four belongs to the RSS/BJP stable. In what is widely seen as a *quid pro quo* retired Justice S. Abdul Nazeer who was part of the five member bench that gave the unanimous verdict in the Ayodhya dispute case has been appointed as governor of Andhra Pradesh. He is the third SC judge associated with the Ayodhya verdict to assume a post-retirement position. Former CJI Ranjan Gogoi was nominated to the Rajya Sabha and Justice Ashok Bhushan was appointed as the Chairperson of National Company Law Appellate Tribunal.

The Chief Ministers of Kerala and Tamilnadu have decided to move jointly against the governors' refusal to clear legislations. Other non-BJP CMs should also join this initiative to uphold the federal principles defined in the Constitution and check the arbitrary actions of the governors.

Union Home Minister Amit Shah, during the Ram Navami violence in Bihar and West Bengal, directly spoke to the governors and not to the Chief Ministers. This is a clear signal that they expect the governors to play a role overriding the elected state governments.

Fiscal Squeeze: Assaulting fiscal federalism, this year's budget further squeezes resource transfers to state governments. The revised estimates for 2022-23 show that such transfers to state governments were identical to what was transferred a year before in 2021-22 despite an 8.4 per cent inflation rate. The budget imposes further conditionalities for state governments for accessing borrowings.

In fact, there is a decline in the amounts that were transferred to the states as a proportion of the GDP. The 14th Finance Commission raised the state share of total tax avenue accruing to the Centre to 42 per cent. As against this in 2021-22 it was 33.2 per cent; 31.2 per cent in revised estimates for 2022-23 and the budget estimates for 2023-24 provides only 30.4 per cent.

Growing Authoritarianism

The role of central agencies – ED and CBI – has consolidated as agents furthering the political objective of the BJP/RSS. AAP leader, Deputy Chief Minister of Delhi, Manish Sisodia is now in jail following arrest by the ED. The CBI is questioning RJD leader Lalu Prasad Yadav, his wife Rabri Devi, and the deputy Chief Minister of Bihar Tejaswi Yadav. The ED raided Tejaswi Yadav's house in Delhi and houses of other family members and associates in 24 locations. Both agencies act in tandem – CBI files an investigation report and ED moves in using this to invoke the PMLA with its draconian provisions.

The Modi government has weaponized the central agencies against the opposition. It brazenly uses these agencies to try and push opposition parties into a disarray by targeting its key leaders and jailing them for long periods without trial or conviction. Further, it uses the threat of CBI/ED to divide opposition parties and forcing selected leaders to defect. The CBI has now began questioning Delhi Chief Minister Arvind Kejriwal. Apart from the deputy CM, Delhi's Health Minister is already in jail.

With assembly elections due in Telangana, BRS leader K Kavitha, daughter of Telangana Chief Minister was issued ED summons and questioned.

Those who have defected from other parties and joined the BJP have been protected from ongoing investigations. BJP's Assam Chief Minister faced CBI investigation in the Saradha scam as a Congress party leader. After his joining BJP there are no further proceedings. Amongst other such similar instances are Suwendu Adhikari, West Bengal; Narayan Rane, Maharashtra and many others. 95 per cent of all cases filed by ED against politicians are against opposition leaders.

Rahul Gandhi Disqualification

The BJP's usage of criminal defamation route to target opposition leaders and disqualify them as MPs has intensified. The sentencing of Rahul Gandhi and the haste with which he was disqualified is a blatant display of the levels of intolerance to criticism and reflects the authoritarian character of the BJP.

Growing Intimidation: The BBC offices in Delhi and Mumbai were raided by the Income Tax department soon after BBC telecast the documentary 'the Modi Question'. The standard tactic of Modi government to intimidate Indian media through searches have now been extended to foreign media operating in India. BBC continues to be probed by CBI.

Oxfam India has been providing rich data and information on economic and wealth inequalities in India. The CBI raided its office in Delhi over alleged violation of the FCRA and registered a FIR.

Strengthening Censorship: The IT Rules 2021 have been amended giving powers to the Press Information Bureau (PIB) to fact check any "fake, or false, or misleading" information about Central government and ask the social media platforms like Facebook, Twitter, Google to take them down. If these companies refuse, then they will lose their "safe harbor immunity" that guarantees them protection against any illegal or false content posted by users of these platforms.

Such policing powers to the PIB much beyond its mandate are tantamount to outright censorship affecting all users of these platforms.

Undermining Independent Constitutional Authorities

Parliament: The recently concluded budget session of the Parliament was a total wash out. It was the Modi government and ruling party which brazenly refused to face any questions over the Hindenburg exposures and the links between the government and Adani enterprises that disrupted the proceedings. The fig leaf of an excuse that the government had for this government sponsored disruption was of seeking an apology from Rahul Gandhi for his remarks abroad. This was too flimsy an excuse. Even the questions raised on the relationship between the Modi government and Adani enterprises pointing to crony capitalism during the motion of thanks to the President's Address debate were expunged by the presiding officers of both the houses. This is unprecedented in the history of India's parliamentary democracy. Clearly, Modi government has totally abdicated its Constitutional duty to be accountable to the Parliament.

The government, however, went through the motions of adopting legislations through the din without any debate or discussion. Even the budget was passed without any discussion in a matter of minutes.

Judiciary: Modi government's efforts to seek to control judicial appointments continued to find ugly expressions through the repeated statements of the Union Law Minister and Constitutional authorities like the Vice President. Modi government's inordinate delays in clearing the unanimous proposals of the Collegium are adversely affecting the system of delivery of justice. Through such tactics, Modi government is seeking to confirm, with alacrity, appointments of those it is comfortable with and delay inordinately the confirmation of those it is not comfortable with, including transfers of sitting High Court Judges in order to prevent their elevation to the Supreme Court. There must be a time limit fixed for the Executive to respond to the Collegium's recommendations.

Forest Conservation Act Amendment: This amendment was introduced in the din in the parliament and referred to a joint Parliamentary committee instead of the established standing committee for environment, forest and climate change as the latter is chaired by an opposition Congress leader. These amendments eliminate the Constitutional and legal rights of Gram Sabhas to give or withhold consent for any project in their areas; liberalizes norms for diversion of forest lands; promote privatization of forests and give more powers to the Union government to dilute the rights of state governments over forest governance. This is a further assault for the rights of the Adivasis and traditional forest dwellers and is a direct violation of the existing Forest Rights Act. It will also have a disastrous impact on the climate change targets.

Census 2021 and Caste Census

The Party had taken the position that the long delayed 2021 census must now be undertaken with post-pandemic normalcy having returned. A caste census should be part of this general census. It must be noted that the census operations which are over a century old have never been interrupted and were conducted in regular ten-year intervals, even during the World Wars (During the second World War, a truncated census was conducted in 1941). This is happening for the first time under the Modi government.

Opposition Moves

Initially, all opposition parties in Parliament moved jointly to demand a JPC on Hindenburg exposure of Adani group including the AAP and TMC. Subsequently, the TMC stopped attending joint opposition parties' meetings in Parliament.

The AAP had initiated an effort to form a group of non-BJP, non-Congress Chief Ministers called the G8 – CMs of Delhi, Punjab, Bihar, West Bengal, Telangana, Tamilnadu, Jharkhand and Kerala. Any partial unity of the opposition may end up being counterproductive for the united effort required to defeat the BJP in forthcoming elections. Instead, we proposed that all non-BJP Chief Ministers jointly highlight the attacks on states' rights and federalism. All non-BJP governments, in one way or the other, are being subjected to such discrimination by the Centre.

Subsequently, 18 opposition parties jointly filed a petition seeking safeguards from the harassment of the Enforcement Directorate. The Supreme Court did not entertain this petition. Of the over 3,500 cases registered by the ED since 2014 (according to one estimation, 95 per cent of cases against politicians are against opposition party leaders) only 25 were put up to the Court and 23 have been convicted.

Later, Bihar Chief Minister Nitish Kumar visited Delhi and met Congress and Left Parties leaders seeking to unite all opposition parties against BJP. These opposition moves are in a dynamic state and the alignments will, in all likelihood, keep shifting in the days to come.

Since the 23rd Party Congress we have been advocating a three-pronged strategy in order to maximize the pooling of anti-BJP votes. First, to highlight issues of national importance, like sharpening communal polarization; poisonous hate campaigns; the Adani scam; misuse of Central agencies; legalizing political corruption through electoral bonds; the demand for a caste census along with the general census and attacks against Federalism, the maximum unity of secular opposition parties must be forged. These issues must be jointly articulated before the country and the people. Secondly, in every state, depending on the concrete situation, tactics must be worked out to unite the maximum possible secular democratic forces to take on the BJP electorally. The situation varies from state to state. These arrangements will necessarily be state specific. Thirdly, on issues of people's livelihood, mobilizing the maximum possible unity of secular democratic forces in protest actions in struggles against the burdens being imposed by Modi government policies must be initiated. These three aspects must proceed simultaneously.

Tripura Assembly Elections

The Central Committee had decided that in the Tripura assembly elections the Party will try to unite all anti-BJP forces in defence of democracy and the rule of the law and Constitution in the state. Seat adjustments were arrived at with the Congress party while we could not succeed in bringing in the TIPRA Motha led by the scion of the erstwhile princely state. The Left Front contested 46 seats and supported 1 independent. Of these, CPI(M) contested 43. The Congress Party contested 13 seats.

The BJP-IPFT alliance (55+5) won 33 seats polling 40.29 per cent. Of these, BJP won 32. The Left Front won 11 seats (all CPI(M)) as against the 16 sets won in 2018. The LF polled 27.46 per cent. The Congress won 3 seats polling 8.57 per cent. Together, the Left and Congress polled over 36 per cent. The TIPRA Motha won 13 sets polling 19.1 per cent, and helped the BJP win.

Post-poll Violence: The BJP unleashed a horrendous attack against the opposition of which we were the main target. Over a thousand incidents of terror, intimidation, loot and setting of offices and homes on fire, destroying properties and livelihood instruments like rikshaws and three-wheelers etc, destroying crops, particularly, rubber plantations, poisoning fish ponds etc. etc. have occurred after the election results were declared.

A seven-member parliamentary team of MPs from CPI(M), CPI and Congress visited Tripura. Even this team was attacked by the BJP in the presence of the police. The team submitted a detailed memorandum to the governor, but no action to apprehend the culprits has taken place.

The all-India protest call given by the Party for protests against this violence was observed all across the country.

A detailed election review has been undertaken by the state committee.

Jammu & Kashmir Situation

Jammu and Kashmir situation continues to be precarious. The region remains without an elected assembly since 2018 despite completion of the delimitation process and upgradation of electoral rolls as the ruling dispensation is not sure about forming a government of its choice. This has created a dire political vacuum in the region. Notwithstanding repeated assurances, statehood has been denied in the most unconstitutional and brazen manner. This is a blatant infringement of basic constitutional and democratic rights of the people. Of late, J&K opposition political parties called on the Election Commission and submitted a memorandum seeking early elections.

The petitions challenging the abrogation of constitutional rights and the reorganization act are still to be heard by the apex court.

The government's far-reaching changes in the region's polity like replacement of the state subject status aimed at changing the demographic composition and opening up property, job and voting rights to non-locals; alteration of land laws; dissolution of the

Jammu and Kashmir administrative service; arbitrary use of draconian laws like PSA and UAPA, continued detention of number of youths, journalists in different jails of the country has created huge disillusionment and anger among the population.

Exclusive reliance on an oppressive security structure and insensitive bureaucracy has widened the gap between the common people and the administration .

Rising unemployment and corruption is deepening the uncertainties among the people. The so-called development and much hyped investment are not visible on the ground. Despite claims of normalcy, there does not seem any significant let up in the militancy related incidents. The latest condemnable attack on an Army vehicle in the Rajouri sector killing 5 Jawans illustrates this.

Even in Jammu and Ladakh regions dissatisfaction and disillusionment among wider sections of the population is growing. For the first time Leh and Kargil based leadership have formed a joint platform overcoming the historical differences for seeking political empowerment for Ladakhis and protection of rights of local people, resources, land, environment and ecology.

Satyapal Malik Interview

The allegations regarding the Pulwama terrorist attack in which 40 CRPF jawans had lost their lives are a serious matter which concern the security of our country. No lapses in safeguarding our national security can be brooked.

Former J&K governor Satyapal Malik has made shattering allegations in an interview to a web portal *The Wire*. As is its wont the Modi government is completely avoiding answering any of the serious allegations that have been levelled. The allegations that when the governor raised the issue of intelligence and operational lapses, he was asked to remain silent is indeed grave. Despite the CRPF asking for planes to transport the jawans why were they not provided? Why was the long road passage not sanitized before the movement of the paramilitary forces? What was the intelligence reporting about a car loaded with RDX moving around that area in the preceding days? Why were the side roads crossing the highway were not blocked for the CRPF convoy etc.

The allegations regarding the manner in which Article 370 and 35 A of the Constitution were abrogated and the J&K state dissolved into two Union Territories are equally serious. The former governor alleges that he received a letter on August 4, 2019 evening with directions to open it only the next morning on the eve of Parliament proceeding to legislate the above.

Growing People's Protests

Mazdoor-Kisan Sangharsh Rally: On April 5, hundreds of thousands from across the country, braving Delhi's intense heat participated in the Mazdoor Kisan Sangharsh rally. Workers from various sectors, kisans, agricultural workers, employees and many others joined to protest against the deteriorating working and living conditions and opposing the aggressive neo-liberal policy agenda of the Modi government with a 12-point demand charter. The campaigns in the run up to this rally and the big public meeting at Delhi's Ram Lila ground had an impact all across the country.

Kisan Struggles: The Samyukt Kisan Morcha (SKM) conducted a largely attended Kisan Maha Panchayat at Delhi's Ramlila maidan on March 20. SKM submitted a memorandum to the Union Minister for Agriculture demanding the implementation of the assurances given last year for an MSP guarantee law. The SKM gave a call to the farmers to build nationwide protests against growing corporate control over agriculture.

Maharashtra Long March: The Maharashtra Kisan Sabha launched a long march from Nasik to Mumbai on March 12 on a 15-point charter of demands. The 2018 long march had galvanized the Kisan struggles across the country.

As this long march was proceeding towards Mumbai demanding MSP for onions particularly and other crops like cotton and soybean, the Shinde-BJP government was forced to call the leaders for talks on the demand charter. The state government was forced to announce the subsidy of Rs 350 per quintal for onions; waiver of loans of over 88,000 farmers; a committee for ensuring implementation of Forest Rights Act and others measures. Until these decisions were placed before the state assembly and directions issued to the concerned authorities it was decided not to withdraw the long march and once the assembly endorsed it was withdrawn on March 18.

TU actions: Electricity Workers Strikes: In several states mainly in Maharashtra, Uttar Pradesh and Karnataka the electricity employees struck work forcing the BJP state governments to bow before the united and determined struggles of the workers. Maharashtra government has publicly promised to roll back the proposed granting of parallel license to Adani group. Over 86,000 workers and employees went on a 72-hour strike. Braving the repression of the BJP UP government, the strike forced the government to publicly promise the roll-back of vindictive termination of workers. Over 1 lakh workers participated. Karnataka state government was forced to negotiate a wage revision for employees.

Amongst the state government employees, many actions in Maharashtra, West Bengal and Karnataka have taken place.

The Anganawadi workers and scheme workers launched massive struggles across the country in Karnataka, Chhattisgarh, Maharashtra, Madhya Pradesh, Telangana, Odisha and elsewhere. The ASHA workers and mid-day meal workers also went on strike actions.

Wrestlers Protests

India's medal winning wrestlers protest demanding justice against allegations of sexual harassment received support and solidarity from various quarters. Despite the initial reluctance, the Delhi police was compelled to file an FIR against the Wrestling Federation of India (WFI) president and BJP MP Brij Bhushan Sharan Singh after the matter reached the Supreme Court.

The WFI president must be removed from holding this office and police should immediately act on the FIR followed by stringent punishment.

CC Calls:

1. In consultation with the left parties to launch nationwide protests actions, on issues of immediate concern for the country and people's livelihood.
2. In consultation with secular opposition parties to raise issues of national importance through demonstrable public actions and manifestations.
3. As part of the preparations for elections in important states and the general elections in 2024, our Party state committees must make concrete efforts to arrive at some understanding/seat adjustments with secular opposition parties on the basis of the concrete situation obtaining in the state.
4. Support forming the state level committees consisting of academics, intellectuals, artists and hold protest meetings at important centres against the NEP 2020 highlighting the recent drastic changes in the syllabus of the NCERT text books.