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EDITORIAL

Wake Up Mr. Modi Before It's Too Late

- Piyush Pant

Prime Minister Narendra Modi's completion of one year at the helm of affairs in India had primarily been dominated by his unflinching obsession to bring foreign investment in the country so that a boost could be given to the growth rate of the Indian economy. This obsession alone explains his foreign trips to 18 countries in a single year. But Mr. Modi seems to be oblivious to the fact that no amount of foreign investment can give fillip to the Indian economy when other parameters are not working in right direction. He should also devote some time to reading the new document released by the International Monetary Fund (IMF). In the document IMF has adduced data to show that increased financial flows, particularly foreign direct investment, increases income inequality in both advanced and emerging market economies.

The question of Narendra Modi's visits fetching how much foreign investment is a moot one, what needs to be kept in mind is the sagging state of the global economy. And this economy has been driven by the neo-liberal capitalism which underlines the major role of foreign capital. But look what is happening to the capitalist economies all over the world.

It is clearly evident that the U.S and European economies have still not been able to overcome the post-2008 crisis. It was being argued by many that a turnaround was about to occur since the US economy showed signs of larger job creation towards the late 2014 and had grown 3.5 per cent in the last quarter of that year. But far from recovering, the world capitalist economy now appears to be sliding into a new downturn. Japan is already in the mode of recession. Similarly many European countries are on the verge of recession. Even the supposedly giant economy like China is facing slow down in her economy. In November 2008, Chinese exports fell by 2 .2% (after having recorded a growth of 19.2% in October), imports fell by 17.9% (compared to a growth of 15.6% in October). Foreign direct investment in China dropped by 36.52 percent in November that year to $5.3 billion, according to China's Ministry of Commerce figures. China's Ministry of Finance announced that China's fiscal revenue dropped 3.1 percent in November 2008 from a year earlier, after having already fallen 0.3% in October. Construction of homes, offices and factories fell at least 16.6 percent in October after rising 32.5 percent a year earlier. Yet another indicator which shows the rapid slow down of the economy is power consumption which was down 3.7 percent year on year in October 2008, the first year on year monthly decrease since 1999. Car sales dropped 10.3% from a year earlier in November 2008, the third monthly decline that year. Finally, inflation fell to a 22-month low of 2.4% in November 2008, raising the prospect of a deflationary spiral. This is just to mention a few of the bleak economic figures released. Some of the dominant features of the Chinese economy, which

In This Issue

have allowed it to grow at an unprecedented pace for a very long time, are its very high rates of investment, massive growth of exports and a large pool of skilled cheap labour. Now all these factors seem to be turning into their opposite.

According to news report published in The Wall Street Journal on 19th January 2015- China's economic growth slowed to 7.4% in 2014, downshifting to a level not seen in a quarter century and firmly marking the end of a high-growth heyday that buoyed global demand for everything from iron ore to designer handbags.

The slipping momentum in China, which reported economic growth of 7.7% in 2013, has reverberated around the world, sending prices for commodities tumbling and weakening an already soft global economy.

China's economy grew 7.3% in the fourth quarter from a year earlier, the National Bureau of Statistics said, buttressed by targeted moves to ease borrowing. But it continued to face a housing glut, soaring debt and overcapacity in many industries, factors likely to erode growth in 2015."

Now look at the Chinese scene in 2015. Though the People's Republic still has a financial growth rate that is the envy of many nations, its reported first quarter GDP growth of 7 per cent, down from 7.3 percent in the fourth quarter of last year, marks China's slowest economic growth rate in six years.

Top Chinese officials acknowledge that the decades-long trend of historic growth appears to be running out of steam. "The downward pressure on China's economy is intensifying," Chinese Premier Li Keqiang told the Financial Times in the month of April in conceding that growth could slip below 7 percent for the year. "Deep-seated problems in the country's economic development are becoming more obvious. The difficulties we are facing this year could be bigger than last year", he said.

With the boom in China slowing down, more and more workers are being pushed into struggle, fighting for their wages, benefits, and pensions. In 2014, China saw its lowest growth since 1990, while productive capacity utilization is down to 70%. According to official estimations, the Chinese economy needs to grow by 7.2% each year to ensure the 10 million new workers entering the market each year have a job. Even during the period of Chinese boom, many were disappointed and angered as the prosperity disproportionately benefited the elite. Ordinary Chinese people saw the hypocrisy of so called communist politicians driving Bentleys through the streets. The bureaucrats very rarely consulted the Communities, in which the development projects took place, leading to many protests.

The American scenario has also not been encouraging. A September 2012 study from the Economic Policy Institute (EPI) in Washington noted that the median annual earnings of a full-time, male worker in the U.S. in 2011, at $48,202, were smaller than in 1973. Between 1983 and 2010, 74% of the gains in wealth in the U.S. went to the richest 5%, while the bottom 60% suffered a decline, the EPI calculated.

So these indicators should be more than enough for India to avoid treading the neo-liberal capitalist path of development. Moreover the global economic scenario reminds us of Marx theorizing that the capitalist system would inevitably impoverish the masses as the world's wealth became concentrated in the hands of a greedy few, causing economic crises and heightened conflict between the rich and working classes. "Accumulation of wealth at one pole is at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole," Marx wrote.

He also explained: The real barrier of capitalist production is the capital itself.

So it will be wiser for Indian policy makers to pay heed to what Karl Marx had said centuries ago, otherwise Indian economy will also be in danger of tumbling down on the path of disaster.

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How the TPP Is Really a Forced Deal to Benefit the Rich

By: Leo Gerand

Senators who voted in May to Fast Track ratification of the Trans-Pacific Partnership (TPP) call it a free trade deal, but really, it's forced trade imposed on protesting American workers who have endured its damaging effects for decades.

Under the free trade regime, rich and powerful corporate interests have hauled in ever-higher profits as they shipped manufacturing overseas to low-wage, no-environmental-regulation countries. Meanwhile, American workers lost jobs, health benefits, income and all sense of stability.

For the past 50 years, the government provided compensation to some American workers who suffered because of trade deals. They got Trade Adjustment Assistance, a little bit of money to help them subsist and retrain after losing their jobs. Now, the wealthy beneficiaries of free trade, and the Republicans they fund, contend that senior citizens should pay the cost of Trade Adjustment Assistance. That Republicans feel it's appropriate to cut Medicare to cover the cost of Trade Adjustment Assistance illustrates how deeply flawed American trade policy is. It is based on the philosophy that workers and the retired should suffer to facilitate the rich getting richer.

The misery that corporate-pandering free trade deals inflict on workers is both acute and lingering. It is the reason so many Democrats in the U.S. Senate last week voted against Fast Tracking the TPP. It is the reason so many Democrats in the House will oppose Fast Track.

Chad Broughton, a lecturer in public policy at the University of Chicago, chronicled the struggles of 1,600 workers thrown out of jobs by free trade a decade ago. They made Maytag refrigerators in Galesburg, Ill., until Maytag closed the plant in 2004 and moved it to Mexico. Broughton's book, "Boom, Bust, Exodus" describes the aftermath.

In an interview with the New York Times, he refuted the contention that the low price of imported refrigerators and televisions and coffee makers offsets the costs to workers of lost jobs, benefits, pensions and futures.

"The decline in the quality of life for working-class families has not been nearly matched by the low, low prices," he said.

The Times also quotes George Carney, who lost his job as a forklift driver when Maytag closed its massive refrigerator factory in Galesburg. Carney told of his bitterness that the North American Free Trade Agreement (NAFTA) encouraged Maytag to abandon made-in-America for foreign manufacturing.

"I don't believe in laying someone off, in taking away someone's livelihood just so other people can make more money," Carney told the Times, "Why would I want to destroy that person? Why would I want to destroy lives?"

Carney worked for a time as a bartender, a position hardly comparable to the well-paying, union job Maytag took from him. A few furloughed workers in Galesburg managed to get better jobs, but many, Broughton found, did not.

That's what economists have found as well, among them, Josh Bivens, policy director at the Economic Policy Institute. He determined that while free trade raised the national income, it reduced the income of most workers. What that means is a small number of people benefits while the majority suffers.

When Maytag moves a refrigerator plant from Illinois to Mexico, it damages far more workers than just the ones it hands pink slips.

In Galesburg, for example, the ill-effect of 1,600 Maytag workers suddenly without paychecks surged across the community of 32,000. Businesses closed. Those workers lost their jobs. The community's tax base shrank. The city's median household income fell 27 percent between 1999 and 2013.

Everybody suffered. Except Maytag, of course.

This continues to occur across the country. Since NAFTA, 60,000 manufacturers closed and 5 million jobs disappeared. Communities crumbled. Corporations profited.

Bivens calculated the cost of free trade to a median wage worker without a college degree is $1,800 a year.

Despite the magnitude of the pain from free trade, the administration is pushing the TPP, a proposed agreement with 11 Pacific Rim countries that would be the biggest free trade deal ever. President Obama says he needs it so that the United States and these 11 partners establish the rules for trade instead of China.

That's essentially the same thing that President John F. Kennedy said in 1962 when he sought expanded trade. He contended America had to secure trading partners before those countries made deals with the Soviet bloc.

Kennedy acknowledged this plan would cause setbacks to some workers and proposed Trade Adjustment Assistance to help them:

"I am also recommending as an essential part of the new trade program that companies, farmers and workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition. When considerations of national policy make it desirable to avoid higher tariffs, those injured by that competition should not be required to bear the full brunt of the impact. Rather, the burden of economic adjustment should be borne in part by the

federal government."

That's not how Republican leaders and conservative groups see it now, however. They oppose Trade Adjustment Assistance. This includes powerful right wing organizations like Club for Growth and The Heritage Foundation and GOP lawmakers like U.S. Rep. Paul Ryan, sponsor of the House bill to Fast Track the TPP through Congress without deliberation or amendment.

The Heritage Foundation's Terry Miller used the disdainful and pejorative word "welfare" to describe aid for workers unemployed because of free trade. Miller takes the Marie Antoinette approach. He'd say of workers thrown out of jobs because of trade, "Let 'em eat dust."

Despite that, Ryan included Trade Adjustment Assistance in his Fast Track bill. That's only because, he conceded, it's "necessary to get it passed." In other words, he needs some votes from Democrats.

He and Senate Republicans paid for part of Trade Adjustment Assistance, though, by cutting $700 million out of Medicare.

They believe none of the corporations that profit from offshoring U.S. factories should bear any of the costs to workers, families and communities. Instead, they think if a worker loses his job because of free trade, then both he and his retired, Medicare-dependent parents should suffer.

Although Medicare didn't begin until after John F. Kennedy's assassination, JFK never would have cut it to pay for Trade Adjustment Assistance. He believed Trade Adjustment Assistance was amends owed to workers by the nation as a whole, not the elderly as a subgroup.

He explained: "Just as the federal government has assisted in personal readjustments made necessary by military service, just as the federal government met its obligation to assist industry in adjusting to war production and again to return to peacetime production, so there is an obligation to render assistance to those who suffer as a result of national trade policy."

This is deeply personal to my union, the United Steelworkers (USW). Right now, more than 5,000 Steelworkers across the country are laid off because of illegally subsidized steel dumped into the United States by China. Again and again, the USW has pressed for enforcement of trade laws after USW members lost jobs because foreign countries violated trade rules and dumped tires, paper, auto parts and other manufactured products into the U.S. market.

Since Kennedy's time, trade policy has increasingly served the 1 percent, not the nation as a whole. It is a tax forced on workers to provide revenue for the rich.

(Courtesy: AlterNet.Com)

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What You Should Know About the Trans-Pacific Partnership

By: Neil Irwin

You can be forgiven if you haven't been particularly riveted by the series of slick parliamentary maneuvers that the Obama administration and his congressional Republican allies are using to try to secure support for the trade deal known as the Trans-Pacific Partnership.

The legislative gamesmanship over securing enhanced trade relations with 11 other nations around the Pacific Rim — which seemed to reach a low for President Obama when House Democrats rejected his personal appeal — can be entertaining. But for most Americans, the trade deal boils down to how it could affect them. Here's how to understand that.

The simple case for the Trans-Pacific Partnership: It would make American companies more successful at selling their goods and services in Pacific Rim countries, leading to a stronger economy, more jobs and higher incomes for American workers. When every country focuses on what it is best at, the overall economic pie becomes bigger.

The agreement would also strengthen American diplomatic power in Asia, enabling the United States to be a more effective counterweight to Chinese influence in the region. The deal itself, and the soft power that comes with it, would help nudge poorer countries like Malaysia and Vietnam closer to American-style environmental and labor protections.

The simple case against the Trans-Pacific Partnership: We've seen this movie before. Trade deals have been advertised as increasing the size of the economic pie, but the benefits accrue mostly to big companies and their shareholders, while working-class Americans see job losses and income reductions as more of the work they once did moves overseas.

Even if estimates of higher economic growth in the event of a deal are correct, many ordinary workers would end up worse off.

The diplomatic arguments the president makes are a fuzzy, non-economic rationale that is hard to prove or disprove, which is a shaky basis on which to enter a trade deal.

Beyond those broad-brush arguments, though, the deal — like most trade agreements — would create a series of winners and losers.

Winner: American service industries: Say you're an insurance company that wants to operate in Malaysia or a telecommunications firm looking to expand in Japan or an online retailer having fits trying to get your Peruvian operation up and running. This deal should be good news.

Earlier trade agreements were more heavily tilted toward reducing tariffs on imported goods, and in the United States, at least, tariffs are already quite low. Services, meanwhile, feature more non-tariff barriers to international commerce, such as laws restricting the ability of foreign companies to operate.

Peter Petri, a scholar at Brandeis University and the Peterson Institute for International Economics, estimates that, with a deal, service industries would contribute an extra $79 billion to the American economy, more if additional Pacific Rim nations ultimately join the partnership.

Loser: Manufacturing workers: The same estimates from Mr. Petri that point to higher service-sector activity point to losses from trade in machinery, transport equipment and other manufacturing sectors. Over all, his estimates put the net effect of the trade deal on manufacturing in the United States as a $39 billion loss by 2025.

Interestingly, manufacturing interests have been major supporters of the trade bill. They appear confident that even if more manufacturing activity moves abroad, American companies will be able to profit from it. But even assuming they're right, less manufacturing activity in the United States would most likely mean downward pressure on employment and wages in the sector.

There is a longstanding program to try to offset the economic damage done to those who lose out from increased globalization, known as Trade Adjustment Assistance, which has accompanied past trade deals. The program became a hostage in the congressional debate, as Democrats, normally staunch advocates of the adjustment assistance program, voted it down in an effort to stymie the overall push toward the deal.

Winner: Owners of intellectual property: If you're an American who develops products whose value is more abstract than physical — whether a blockbuster blood pressure medication or a blockbuster Hollywood film — you stand to gain. The deal would put in place stronger protections for intellectual property in countries where infringement of patents and copyrights is commonplace, thus giving American pharmaceutical, software and entertainment companies more ability to extract the maximum value from their creations.

This has potential downsides, too, as the trade deal's opponents note, particularly in the medical arena, where it would give pharmaceutical firms more leeway to keep prices high.

Close call: Agriculture: Mr. Petri's estimates place no net effect on the balance of trade for rice and wheat and a slight positive from other agricultural sectors. In particular, negotiators in Washington want Japan to reduce its protectionism of domestic rice, pork and beef industries, giving Americans better access to that big market.

But the reality is the deal would shape the outlook for major pieces of America's agricultural economy in ways that will not become clear until more details become public. Two big ones: sugar and dairy. American dairy farmers want better access to the Canadian and Japanese markets. And American sugar manufacturers want to block additional imports from abroad.

One thing is certain: The debate around the deal has been by turns obscure and overheated. Obscure in the sense that someone who doesn't follow trade issues is likely to have trouble following it at all, overheated in the sense that, well, the Nazi propagandist Joseph Goebbels was used as a reference point in the debate on the House floor.

(Courtesy: The New York Times)

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How the TPP Amounts to a Corporate Takeover

By: Joseph Stiglitz

The United States and the world are engaged in a great debate about new trade agreements. Such pacts used to be called "free-trade agreements"; in fact, they were managed trade agreements, tailored to corporate interests, largely in the US and the European Union. Today, such deals are more often referred to as "partnerships,"as in the Trans-Pacific Partnership(TPP). But they are not partnerships of equals: the US effectively dictates the terms. Fortunately, America's "partners" are becoming increasingly resistant.

It is not hard to see why. These agreements go well beyond trade, governing investment and intellectual property as well, imposing fundamental changes to countries' legal, judicial, and regulatory frameworks, without input or accountability through democratic institutions.

Perhaps the most invidious - and most dishonest - part of such agreements concerns investor protection. Of course, investors have to be protected against the risk that rogue governments will seize their property. But that is not what these provisions are about. There have been very few expropriations in recent decades, and investors who want to protect themselves can buy insurance from the Multilateral Investment Guarantee Agency, a World Bank affiliate (the US and other governments provide similar insurance). Nonetheless, the US is demanding such provisions in the TPP, even though many of its "partners" have property protections and judicial systems that are as good as its own.

The real intent of these provisions is to impede health, environmental, safety, and, yes, even financial regulations meant to protect America's own economy and citizens. Companies can sue governments for full compensation for any reduction in their future expected profits resulting from regulatory changes.

This is not just a theoretical possibility. Philip Morris is suing Uruguay and Australia for requiring warning labels on cigarettes. Admittedly, both countries went a little further than the US, mandating the inclusion of graphic images showing the consequences of cigarette smoking.

The labeling is working. It is discouraging smoking. So now Philip Morris is demanding to be compensated for lost profits.

In the future, if we discover that some other product causes health problems (think of asbestos), rather than facing lawsuits for the costs imposed on us, the manufacturer could sue governments for restraining them from killing more people. The same thing could happen if our governments impose more stringent regulations to protect us from the impact of greenhouse-gas emissions.

When I chaired President Bill Clinton's Council of Economic Advisers, anti-environmentalists tried to enact a similar provision, called "regulatory takings." They knew that once enacted, regulations would be brought to a halt, simply because government could not afford to pay the compensation. Fortunately, we succeeded in beating back the initiative, both in the courts and in the US Congress.

But now the same groups are attempting an end run around democratic processes by inserting such provisions in trade bills, the contents of which are being kept largely secret from the public (but not from the corporations that are pushing for them). It is only from leaks, and from talking to government officials who seem more committed to democratic processes, that we know what is happening.

Fundamental to America's system of government is an impartial public judiciary, with legal standards built up over the decades, based on principles of transparency, precedent, and the opportunity to appeal unfavorable decisions. All of this is being set aside, as the new agreements call for private, non-transparent, and very expensive arbitration. Moreover, this arrangement is often rife with conflicts of interest; for example, arbitrators may be a "judge" in one case and an advocate in a related case.

The proceedings are so expensive that Uruguay has had to turn to Michael Bloomberg and other wealthy Americans committed to health to defend itself against Philip Morris. And, though corporations can bring suit, others cannot. If there is a violation of other commitments - on labor and environmental standards, for example - citizens, unions, and civil-society groups have no recourse.

If there ever was a one-sided dispute-resolution mechanism that violates basic principles, this is it. That is why I joined leading US legal experts, including from Harvard, Yale, and Berkeley, in writing a letter to President Barack Obama explaining how damaging to our system of justice these agreements are.

American supporters of such agreements point out that the US has been sued only a few times so far, and has not lost a case. Corporations, however, are just learning how to use these agreements to their advantage.

And high-priced corporate lawyers in the US, Europe, and Japan will likely outmatch the underpaid government lawyers attempting to defend the public

interest. Worse still, corporations in advanced countries can create subsidiaries in member countries through which to invest back home, and then sue, giving them a new channel to bloc regulations.

If there were a need for better property protection, and if this private, expensive dispute-resolution mechanism were superior to a public judiciary, we should be changing the law not just for well-heeled foreign companies, but also for our own citizens and small businesses. But there has been no suggestion that this is the case.

Rules and regulations determine the kind of economy and society in which people live. They affect relative bargaining power, with important implications for inequality, a growing problem around the world. The question is whether we should allow rich corporations to use provisions hidden in so-called trade agreements to dictate how we will live in the twenty-first century. I hope citizens in the US, Europe, and the Pacific answer with a resounding no.

(Courtesy: The Huffington Post)

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WikiLeaks Strikes Again: Leaked TISA Docs. Expose Corporate Plan For Reshaping Global Economy

By: Sarah Lazare

Leaked Docs. Reveal that little-known corporate treaty poised to privatize and deregulate public services across globe

An enormous corporate-friendly treaty that many people haven't heard of was thrust into the public limelight when famed publisher of government and corporate secrets, WikiLeaks, released 17 documents from closed-door negotiations between countries that together comprise two-thirds of the word's economy.

Analysts warn that preliminary review shows that the pact, known as the Trade in Services Agreement (TISA), is aimed at further privatizing and deregulating vital services, from transportation to healthcare, with a potentially devastating impact for people of the countries involved in the deal, and the world more broadly.

"This TISA text again favors privatization over public services, limits governmental action on issues ranging from safety to the environment using trade as a smokescreen to limit citizen rights," said Larry Cohen, president of Communications Workers of America, in a statement.

Under secret negotiation by 50 countries for roughly two years, the pact includes the United States, European Union, and 23 other countries—including Israel, Turkey, and Colombia. Notably, the BRICS countries—Brazil, Russia, India, China, and South Africa—are excluded from the talks.

"It's a dark day for democracy when we are dependent on leaks like this for the general public to be informed of the radical restructuring of regulatory frameworks that our governments are proposing."—Nick Dearden, Global Justice Now

Along with the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) negotiations, which are also currently being negotiated, TISA is part of what WikiLeaks calls the "T-treaty trinity." Like the TTP and TTIP, it would fall "under consideration for collective 'Fast-Track' authority in Congress," WikiLeaks noted in a statement.

However, TISA stands out from this trio as being the most secretive and least understood of all, with its negotiating sessions not even announced to the public.

The leak provides the largest window yet into TISA and comes on the heels of two other leaks about the accord last year, the first from WikiLeaks and the other from the Associated Whistleblowing Press, a non-profit organization with local platforms in Iceland and Spain.

While analysts are still poring over the contents of the new revelations, civil society organizations released some preliminary analysis of the accord's potential implications for transportation, communication, democratic controls, and non-participating nations:

Telecommunications: "The leaked telecommunications annex, among others, demonstrate potentially grave impacts for deregulation of state owned enterprises like their national telephone company," wrote the global network Our World Is Not for Sale (OWINFS) in a statement.

Transportation: The International Transport Workers' Federation (ITF), comprised of roughly 700 unions from more than 150 countries, warned that the just-published documents "foresee consolidated power for big transport industry players and threaten the public interest, jobs and a voice for workers." ITF president Paddy Crumlin said: "This text would supercharge the most powerful companies in the transport industry,

giving them preferential treatment. What's missing from this equation is any value at all for workers and citizens."

Bypassing democratic regulations: "Preliminary analysis notes that the goal of domestic regulation texts is to remove domestic policies, laws and regulations that make it harder for transnational corporations to sell their services in other countries (actually or virtually), to dominate their local suppliers, and to maximize their profits and withdraw their investment, services and profits at will," writes OWINFS. "Since this requires restricting the right of governments to regulate in the public interest, the corporate lobby is using TISA to bypass elected officials in order to apply a set of across-the-board rules that would never be approved on their own by democratic governments."

Broad impact: "The documents show that the TISA will impact even non-participating countries," wrote OWINFS. "The TISA is exposed as a developed countries' corporate wish lists for services which seeks to bypass resistance from the global South to this agenda inside the WTO, and to secure an agreement on servcies without confronting the continued inequities on agriculture, intellectual property, cotton subsidies, and many other issues."

The warnings follow concerns, based on previous leaks, that TISA poses a threat to net neutrality, internet freedoms, and privacy.

Moreover, global social movements charge that the deal poses a threat to democracy itself.

In a letter released in September 2013, 241 civil society groups from around the world aired concerns about the TISA deal: "Democracy is eroded when decision-making about important sectors– such as financial services (including banking, securities trading, accounting, insurance, etc.), energy, education, healthcare, retail, shipping, telecommunications, legal services, transportation, and tourism– is transferred from citizens, local oversight boards, and local or provincial/state jurisdiction to unaccountable trade' negotiators who have shown a clear proclivity for curtailing regulation and prioritizing corporate profits."

Analysts note that the leak underscores the intense secretiveness of the talks, whose texts are supposed to be kept completely secret for five years following the reaching of a deal or abandonment of the process.

"That the negotiating texts say they are supposed to stay secret for five years is quite shocking, and therefore it is really important that the text is made public," Melinda St. Louis, international campaigns director for Public Citizen's Global Trade Watch, told Common Dreams.

(Courtesy: Commondreams.Org)

The American People Have Spoken: Get Money Out of Politics

By: Sarah Lazare

At the outset of an election cycle expected to attract unprecedented levels of outside spending from ultra-rich donors like the Koch brothers, a new poll finds that the American people, in fact, oppose the unlimited flow of dollars into politics, do not think money equals speech, and want to restrict the power of the one percent to buy ballot outcomes.

Released by The New York Times and CBS, the findings "reveal deep support among Republicans and Democrats alike for new measures to restrict the influence of wealthy givers, including limiting the amount of money that can be spent by 'super PACs' and forcing more public disclosure on organizations now permitted to intervene in elections without disclosing the names of their donors," the Times summarizes.

A stunning 84 percent of respondents said that money has "too much influence" in American political campaigns today. Furthermore, 85 percent of respondents said that victorious candidates either sometimes or most of the time "directly help the people and groups who donated money to their campaigns." Interestingly, the majority of respondents—58 percent—think that both the Democratic and Republican parties benefit equally from "money in political campaigns."

From across the political spectrum, people in the U.S. are calling for change with "near unanimity," the study finds. "There is strong support across party lines for limiting the amount of money individuals can contribute to political campaigns, limiting the amount of money groups not affiliated with candidates can spend, and requiring unaffiliated groups to publicly disclose their donors if they spend money during a political campaign," states a summary of the survey's findings.

The findings come at a time of record inequality between the ultra-rich and the poor and working classes in the United States. A recent report from the Organization for Economic Cooperation and Development finds that the richest 10 percent of U.S. households own 76 percent of the country's entire wealth. A report released by Reuters finds that, as a result, there are signs of growing awareness—and resentment—of the ability of billionaires to buy elections.

"Whether these are the beginning of a new trend is far too soon to say, but polls show there is wider discontent about the perceived influence of big money in U.S. politics and a growing gulf between the country's very rich and very poor," the report states.

What We've Learnt about the TISA Leaks So Far

By: Guy Taylor

Across the world there is outrage at what is being decided in secret on our behalves. A huge leak of documents, marked with the opinions and edits of negotiators from many different countries, from the TiSA (Trade in Services Agreement) has appeared, on Wikileaks.

The first lesson here is the obvious secrecy that our governments have attempted to hoist upon these negotiations. TiSA is an essential part of the latest round of 'trade agreements', a huge stage of the neo-liberal project that seeks to deregulate, marketise and decrease state influence in every sector of commerce.

Incredibly, the texts leaked were intended to remain secret until five years after the implementation of TiSA, such is the agreed need amongst our governments to keep the populations of participating countries in the dark over TiSA negotiations. The obvious question here is why? Any previous reason proffered in the defence of such secrecy has been the effect public knowledge of negotiations would have been upon the negotiations themselves. There is no reason for such a long embargo, other than the public outcry this could cause. As Nick Dearden, director of Global Justice Now, said:

"These leaks reinforce the concerns of campaigners' about the threat that TISA poses to vital public services. There is no mandate for such a far-reaching programme of liberalisation in services. It's a dark day for democracy when we are dependent on leaks like this for the general public to be informed of the radical restructuring of regulatory frameworks that our governments are proposing."

The focus of opposition and activism in the US and Pacific region has primarily been on the Transpacific Partnership (TPP), and in Europe on the Transatlantic Trade and Investment Partnership (TTIP). These agreements have, thanks to the efforts of campaigners, been dragged into a more public arena – although not nearly enough, we have a fair enough assessment of the contents. TiSA has been different in that the secrecy surrounding it has been comparatively impenetrable – until now.

TISA is a geographically wide-ranging agreement between the US, EU and twenty-two other countries. As with TPP and TTIP, the BRICS (Brazil, Russia, India, China & South Africa) are not included.

We've not had the time to fully assess the 17 documents that have been leaked but initial inspection from organisations who've focused on specific areas tells us we have every reason to be concerned with the deal:

The International Transport Workers' Federation sound the alarm over safety in air transport services. TiSA rules, being written by trade negotiators are set to take precedence over rules upheld by the International Civil Aviation Organisation (ICAO), a United Nations agency which has incomparable expertise and a proven track record in this quarter.

The New Zealand Public Services Association has issued a call for their government to stop this move to abandon public control of services including public health, childcare, water, broadcasting and the postal service.

The Our World Is Not For Sale network hase given the texts a quick reading and point out that the domestic regulation texts aim to "remove domestic policies, laws and regulations that make it harder for trans-national corporations to sell their services in other countries".

The protection of data has been a big concern in TTIP, and these concerns are magnified in TISA. Professor Jane Kelsey, trade expert from the university of Auckland said:

"[TISA] could limit or even prevent governments from requiring firms to hold data locally, and allow them to choose to store it offshore in countries with minimal privacy protection and intrusive spying laws."

When considered with the provisions of TTIP, these rules will effectively give such enormous powers to corporations, that the boardrooms of big business could have more direct power over our lives than the local council chamber or even the supposed corridors of 'power' in Westminster.

These leaks serve to remind us of the severity of the threat posed in the latest round of trade deals, they should act as a wake up call to all who value public services, regulations that protect safety and workers' right and data privacy.

The future could possibly be a chilling one unless we organize a vibrant resistance.

(Courtesy: Global Justice Now)

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All This Economic Inequality Sucks, Say Most Americans

By: Jon Queally

The populist sentiment that is sweeping the nation has both a source and a solid base, according to new polling that shows a majority of Americans feel like the growing gap between the rich and the poor is cause for serious concern and should be proactively addressed by government policies.

The new poll, conducted jointly by the New York Times and CBS News, found that a "strong majority"—more than six out of 10 people across party lines—think the nation's "wealth should be more evenly divided" among its people and only slightly less (with Republican support falling off) think government policies should drive the effort to reduce the gap between the rich and the poor.

In total, the survey covered three areas of interest—economic inequality, workers' rights, and international trade—and found, at least in broad strokes, overwhelming support for the positions of most progressives.

In abbreviated terms, the results show that Americans:

1) Recognize and dislike current levels of economic inequality and want something done about it;
2) Think low-wage workers deserve a significant raise, paid sick and parental leave, and better workplace protections; and
3) Don't know much about pending so-called "free trade deals" being negotiated in secret and largely ignored by the mainstream media, but what they do know, they don't like very much.

On specific policies that could help reduce inequality, a full 68 percent of all respondents said they would support raising taxes on individuals who make more than $1 million a year.

The findings of the poll, according to the Times,

Help explain the populist appeals from politicians of both parties, but particularly Democrats, who are seeking to capitalize on the sense among Americans that the economic recovery is benefiting only a handful at the very top.

Far from a strictly partisan issue, inequality looms large in the minds of almost half of Republicans and two-thirds of independents, suggesting that it will outlive the presidential primary contests and become a central theme in next year's general election campaign.

The survey also looked at people's sentiments regarding workers' rights in the country and showed that, across the board, support exists for stronger protections, better wages, and increased worker benefits. Among those questions, more than 71 percent think the federal minimum wage should be raised from its current rate of $7.25 per hour to $10.10; an larger majority (81 percent) favor policies that would require employers to offer paid parental leave, and a still larger proportion (85 percent) think an increase of paid sick leave for workers is a good idea.

Strikingly, there was significantly less support for the idea the fast-food restaurant employees and other low-wage workers should enjoy the $15 minimum wage a growing number of them are fighting for, but a large majority of people believe that scheduled workers in those industries should have better protections when it comes to their scheduling.

Another finding that will bolster the position and arguments of many progressives—as they continue their fight against the Trans-Pacific Partnership agreement and Fast Track authority that would give the Obama administration (and his successor) the ability to rush through the TPP and other corporate-friendly deals like TTIP and TISA in the future—is that basic support for such deals is low. Additionally striking is how little Americans feel they know about these deals, a fact that supports the argument made by critics that the mainstream and corporate media have done a terrible job of informing the public about such complex and secretive agreements over the last year or more.

(Courtesy: Commondreams.org)

The Corporate Takeover of Africa's Food is on Shaky Grounds – It's Time for Action

By: Chris Walker, Global Justice Now

"We, the small holder farmers, want to have good lives," says Victoria Adongo from the Peasant Farmers' Association of Ghana. "We have our seed systems that we like and are proud of. So we do not want multinational companies to come in and take over."

Not only can agroecology increase Africa's farming yields, unlike corporate-led farming, it can help farmers control their land, seeds and livelihoods, and build resilient local economies.

Adongo, speaking in Global Justice Now's new short film— Whoever Controls Seeds, Controls the Food System, is explaining what could be at stake if Ghana's parliament passes new seed laws backed by G8 governments. Traditionally, Ghana's farmers have saved, swapped and bred seeds to suit their local conditions over generations. Yet the proposed Plant Breeders Bill would give corporations control over new kinds of seeds. Farmers would be restricted from saving and swapping them, and many who buy them would end up in debt. Meanwhile, traditional seed varieties could be lost forever.

Ghana's Plant Breeders Bill (often referred to as 'the Monsanto law') is just one of the many new laws being pushed by the G8's New Alliance for Food Security and Nutrition across ten African countries. In return for aid and investment, African governments are reforming laws to help big businesses like Monsanto and Unilever access land, push corporate seeds and control markets in the name of tackling hunger and poverty. Yet the Peasant Farmers' Association of Ghana are one of nearly a hundred farmer and campaign groups around the world to renew their call this week to governments to end their support for the initiative. The call comes at the same time as the politicians and agribusiness representatives come together for a secretive meeting of the New Alliance in Cape Town ahead of the G8's Leadership Council at the beginning of June. The groups claim that the New Alliance and other programs "facilitate the grabbing of land and other natural resources, further marginalize small-scale producers, and undermine the right to adequate food and nutrition."

In stark contrast to the fanfare with which the New Alliance was launched in 2012, G8 countries including the US and the UK have gone notably quiet on their support for the initiative in the last year. With reports of the farming communities being hit hard by new laws and corporate investments associated with the initiative, it seems the G8 are more cautious to sing its praises. In January, a report co-published by Global Justice Now exposed how farmers in Nigeria's Taraba State are resisting a land grab by US company Dominion Farms. As part of Nigeria's New Alliance agreement backed by the US and UK governments, Dominion Farms are planning to establish a 30,000 hectare rice plantation that will displace farmers who have worked the land for generations. The community has yet to receive any proposals for compensation or resettlement.

Then in March, Action Aid released a report detailing the impacts of a New Alliance-backed investment by EcoEnergy on communities in Bagamoyo, Tanzania. EcoEnergy project has been held up as a flagship investor under the New Alliance and the G8-backed Southern Agricultural Corridor of Tanzania (SAGCOT), a scheme to help corporations including Monsanto, Unilever and Nestle access resources across 350,000 hectares of prime farming land. With land grabs under fire from farmers and NGOs, G8 states have been keen to champion outgrower schemes like EcoEnergy that contract farmers to grow produce for corporate processing and export instead of buying up land directly. Yet Action Aid's report shows that farmers working on the scheme are being pushed into dangerous levels of debt and the company appears to have vastly over-estimated its financial benefit to the local population. Meanwhile, farmers who have been displaced by the scheme are getting little choice in where they are resettled.

All this follows three years in which the New Alliance has struggled to show its positive impact. The program's latest progress report didn't indicate any impact on poverty or food security, and highlighted that many corporations were failing to report on their benefits for local communities. In May, the UK's Independent Commission for Aid Impact claimed that programs including the New Alliance "can serve as little more than a means of promotion for the companies involved and a chance to increase their influence in policy debates." In other words, the £600 million of aid money that the UK has poured into the New Alliance has been spent subsidising the publicity campaigns of the multinational corporations involved in the scheme.

Yet with the case against the New Alliance strengthening, the looming threat of Ghana's seed law shows that, without action, the program will continue to hit farmers hard. Global Justice Now is among many voices calling on our governments for a radical change in the way we support better food systems. Small-scale farmers are the main investors in African farms, and feed 70% of the continent. Our recent report— From the Roots Up: How Agroecology Can Feed Africa—shows how with the right support, these farmers can use their own solutions to sustainably feed their communities, free from corporate control. Not only can agroecology increase Africa's farming yields, unlike corporate-led farming, it can help farmers control their land, seeds and livelihoods, and build resilient local economies. The New Alliance is on shaky ground – it's time to call for change.

(Courtesy: Commondreams.org)

Interview:
'We Are In a Revolutionary Moment'- Chris Hedges

By: Elias Isquith/Salon

In recent years, there's been a small genre of left-of-center journalism that, following President Obama's lead, endeavors to prove that things on Planet Earth are not just going well, but have, in fact, never been better. This is an inherently subjective claim, of course; it requires that one buy into the idea of human progress, for one thing. But no matter how it was framed, there's at least one celebrated leftist activist, author and journalist who'd disagree. He is ***Chris Hedges.***

In his latest book, ***"Wages of Rebellion: The Moral Imperative of Revolt,"*** *Hedges argues that the world is currently at a crisis point the likes of which we've never really seen. There are similarities between our time and the era of the 1848 revolutions throughout Europe — or the French Revolutionary era that preceded them — he says. But in many ways, climate change least among them, the stakes this time are much higher. According to Hedges, a revolution is coming; we just don't yet know when, where, how — or on whose behalf.*

Recently, Salon spoke over the phone with Hedges to discuss his book, why he thinks our world is in for some massive disruptions, and why we need revolutionaries now more than ever. A transcript of our conversation which has been edited for clarity and length is given below.

Do you think we are in a revolutionary era now? Or is it more something on the horizon?

It's with us already, but with this caveat: it is what Gramsci calls interregnum, this period where the ideas that buttress the old ruling elite no longer hold sway, but we haven't articulated something to take its place.

That's what that essay I quote by Alexander Berkman, "The Invisible Revolution," talks about. He likens it to a pot that's beginning to boil. So it's already taking place, although it's subterranean. And the facade of power — both the physical facade of power and the ideological facade of power — appears to remain intact. But it has less and less credibility.

There are all sorts of neutral indicators that show that. Low voter turnout, the fact that Congress has an approval rating of 7 percent, that polls continually reflect a kind of pessimism about where we are going, that many of the major systems that have been set in place — especially in terms of internal security — have no popularity at all.

All of these are indicators that something is seriously wrong, that the government is no longer responding to the most basic concerns, needs, and rights of the citizenry. That is [true for the] left and right. But what's going to take its place, that has not been articulated. Yes, we are in a revolutionary moment; but maybe it's a better way to describe it as a revolutionary process.

Is there a revolutionary consciousness building in America?

Well, it is definitely building. But until there is an ideological framework that large numbers of people embrace to challenge the old ideological framework, nothing is going to happen. Some things can happen; you can have sporadic uprisings as you had in Ferguson or you had in Baltimore. But until they are infused with that kind of political vision, they are reactive, in essence.

So you have, every 28 hours, a person of color, usually a poor person of color, being killed with lethal force — and, of course, in most of these cases they are unarmed. So people march in the streets and people protest; and yet the killings don't stop. Even when they are captured on video. I mean we have videos of people being murdered by the police and the police walk away. This is symptomatic of a state that is ossified and can no longer respond rationally to what is happening to the citizenry, because it exclusively serves the interest of corporate power.

We have, to quote John Ralston Saul, "undergone a corporate coup d'état in slow motion" and it's over. The normal mechanisms by which we carry out incremental and piecemeal reform through liberal institutions no longer function. They have been seized by corporate power — including the press. That sets the stage for inevitable blowback, because these corporations have no internal constraints, and now they have no external constraints. So they will exploit, because, as Marx understood, that's their nature, until exhaustion or collapse.

What do you think is the most likely way that the people will respond to living in these conditions?

That is the big unknown. When it will come is unknown. What is it that will trigger it is unknown. You could go back and look at past uprisings, some of which I covered — I covered all the revolutions in Eastern Europe; I covered the two Palestinian uprisings; I covered the street demonstrations that eventually brought down Slobodan Milosevic — and

it's usually something banal.

As a reporter, you know that it's there; but you never know what will ignite it. So you have Lenin, six weeks before the revolution, in exile in Switzerland, getting up and saying, We who are old will never live to see the revolution. Even the purported leaders of the opposition never know when it's coming. Nor do they know what will trigger it.

What kind of person engages in revolutionary activity? Is there a specific type?

There are different types, but they have certain characteristics in common. That's why I quote theologian Reinhold Niebuhr when he talks about "sublime madness."

I think that sublime madness — James Baldwin writes it's not so much that [revolutionaries] have a vision, it's that they are possessed by it. I think that's right. They are often difficult, eccentric personalities by nature, because they are stepping out front to confront a system of power [in a way that is] almost a kind of a form of suicide. But in moments of extremity, these rebels are absolutely key; and that you can't pull off seismic change without them.

You've said that we don't know where the change will come from, and that it could just as easily take a right-wing, reactionary form as a leftist one. Is there anything lefties can do to influence the outcome? Or is it out of anyone's control?

There's so many events as societies disintegrate that you can't predict. They play such a large part in shaping how a society goes that there is a lot of it that is not in your control.

For example, if you compare the breakdown of Yugoslavia with the breakdown of Czechoslovakia — and I covered both of those stories — Yugoslavia was actually the Eastern European country best-equipped to integrate itself into Europe. But Yugoslavia went bad. When the economy broke down and Yugoslavia was hit with horrific hyperinflation, it vomited up these terrifying figures in the same way that Weimar vomited up the Nazi party. Yugoslavia tore itself to pieces.

If things unravel [in the U.S.], our backlash may very well be a rightwing backlash — a very frightening rightwing backlash. We who care about populist movements [on the left] are very weak, because in the name of anti-communism these movements have been destroyed; we are almost trying to rebuild them from scratch. We don't even have the language to describe the class warfare that is being unleashed upon us by this tiny, rapacious, oligarchic elite. But we on the left are very disorganized, unfocused, and without resources.

In terms of a left-wing populism having to build itself back up from scratch, do you see the broad coalition against the Trans-Pacific Partnership (TPP) as a hint of what that might look like? Or would you not go that far?

No, I would.

I think that if you look at what's happened after Occupy, it's either spawned or built alliances with a series of movements; whether it's #BlackLivesMatter, whether it's the Fight for $15 campaign, whether it's challenging the TPP. I think they are all interconnected and, often times — at least when I'm with those activists — there is a political consciousness that I find quite mature.

Are you optimistic about the future?

I covered war for 20 years; we didn't use terms like pessimist or optimist, because if you were overly optimistic, it could get you killed. You really tried to read the landscape as astutely as you could and then take calculated risks based on the reality around you, or at least on the reality in so far as you could interpret it. I kind of bring that mentality out of war zones.

If we are not brutal about diagnosing what we are up against, then all of our resistance is futile. If we think that voting for Hillary Clinton … is really going to make a difference, then I would argue we don't understand corporate power and how it works. If you read the writings of anthropologists, there are studies about how civilizations break down; and we are certainly following that pattern. Unfortunately, there's nothing within human nature to argue that we won't go down the ways other civilizations have gone down. The difference is now, of course, that when we go down, the whole planet is going to go with us.

Yet you rebel not only for what you can achieve, but for who you become. In the end, those who rebel require faith — not a formal or necessarily Christian, Jewish or Muslim orthodoxy, but a faith that the good draws to it the good. That we are called to carry out the good in so far as we can determine what the good is; and then we let it go. The Buddhists call it karma, but faith is the belief that it goes somewhere. By standing up, you keep alive another narrative. It's one of the ironic points of life. That, for me, is what provides hope; and if you are not there, there is no hope at all.

By: C.P. Chandrasekhar & Jayati Ghosh

A significant part of China's recent recovery and boom after the Global Financial Crisis was driven by construction and real estate. As the economy slowed down, it was obvious that these sectors would also decelerate. But the slowdown in real estate has been much sharper, and now threatens a new front that could further add to the economic dilemmas facing the Chinese government.

For it seems that the property bubble is clearly over in China, at least for the time being. Real estate prices in many Chinese cities have been falling continuously for at least seven months, despite several rounds of quantitative easing and various policy measures designed to boost the market. According to the National Bureau of Statistics, total property sales in China fell by 7.6 percent in 2014. New land purchases by developers fell by 31.7 per cent year-on-year in the first two months of 2015.

The index of housing prices for 70 cities shows that average new home prices in China's 70 major cities dropped 6.1 percent in March compared to the earlier year. This was the seventh consecutive monthly fall, and followed February's 5.7 percent decline and the 5.1 per cent fall in January, which were already seen as too sharp.

House price declined in the two biggest cities of Beijing and Shanghai, at between 4-5 per cent in the period since May-June 2014. But house prices declines have been even bigger (more than 8 per cent) in some second-tier cities – such as Hangzhou, Shenyang, Shaoguan, Guilin, Dandong and Quanzhou – suggesting that the problem is widespread.

Associated with this, many Chinese developers are facing financial difficulties, and some like the Kaisa Group have already defaulted on some of their loans. Various real estate companies have turned to new measures like internet marketing, and some are offering discounts that implicitly involve further price cuts on purchases in new buildings.

Some of this decline was clearly inevitable. Residential and commercial property prices in major urban areas had risen so rapidly that they became unaffordable for all but the very rich. And the frenetic almost steroid-driven pace of construction had created massive oversupply. The "ghost cities" of massive roads and half-finished buildings that are now globally remarked upon are only one indication of this oversupply. Across the country, the chosen form of economic expansion has become construction, and property developers were egged on both by national and provincial governments eager to show higher GDP figures and by developments in banking and finance that provided easy access to credit for such development.

The property boom and now possible bust have created a dilemma for the government. The property sector is estimated to account for around 15 percent of China's economic output, and land sales are critically important for Chinese local governments, amounting to more than 40 per cent of their revenues. So the government needs to prevent bubbles from growing too large and then bursting, but also cannot really handle too much of a decline in real estate prices.

As a result, the government has gone in for a range of measures designed to revive the property market, mostly directed to the banking and financial conditions of housing sales. In 2009, the Central Bank of China and the China Banking Regulatory Commission had earlier halted the process of securitisation of housing loans by banks, after the US financial crisis exposed the risks involved in this. On 30 September 2014 they announced that this curb had been lifted and they would now encourage lenders to issue mortgage-backed securities. Chinese banks were allowed to relax the rules on loans for people purchasing their first home, and to offer discount rates and seek lower down-payments on second home loans in urban areas other than the top metros.

Interest rates were cut in November 2014. In January the reserve requirements of major banks – or the minimum amount of cash banks need to hold back from lending – were reduced. Most recently, on 30 March 2015, another slew of measures was announced. The required down payment for some second homes was brought down to 40 percent from 60 percent and the minimum down payment for first-home buyers using public housing funds was cut from 30 to 20 per cent. The Finance Ministry removed the 5.6 per cent sales tax on homes that had been owned for more than two years, reversing a policy introduced in 2011 to cool the "overheating" market.

But so far, banks have not passed on interest rate cuts and lower down-payment requirements to home buyers, and one survey has found that a majority of banks continue to charge rates above the benchmark level. Since they now have possibilities for higher returns from stock market investments given the current securities boom, they are less interested in pushing housing loans. It may well be that, with real

estate accounting for 25 per cent of total lending. They are reluctant to increase their exposure further. Since they are also exposed to the shadow banking system of trusts and other entities that dominantly provide housing loans, this may in fact be prudent.

A different strategy is the proposal that has been mooted of converting unsold properties into "social housing" as part of its goal of providing millions of subsidised and affordable homes for people. Unsurprisingly, private real estate developers have been reluctant to participate in this plan, finding potential profits too low.

However, this set of policies may be missing the point. Further easing of banking regulations and providing more credit for housing may not be successful in reviving the housing market because of the basic and growing imbalance between real earning and prices of assets like houses. Indeed, trying to generate more housing debt is really kicking the can down the road in terms of hoping to create another credit-driven bubble. The more realistic and viable solution would be to resolve that basic imbalance, by encouraging wages and real earnings to increase so that housing become more affordable relative to current incomes.

(Courtesy: Business Line)

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Revealed: Major Homecare Company Paying Staff Below Minimum Wage

MiHomecare, one of the UK's biggest providers of care to elderly and disabled people, is paying workers less than the minimum wage, an internal company document leaked to Corporate Watch reveals.

Owned by outsourcing giant Mitie, MiHomecare is also scheduling home visits with no travel time in between, meaning carers have to leave appointments early.

In response to the disclosure, Mitie told Corporate Watch: "We really value all of our homecare support workers".

Caring pay

Mitie says their workers receive at least the minimum wage for the care work that they do. However, legally carers should also be paid for the time it takes to get from one visit to the next. An internal analysis of pay rates shows that many MiHomecare workers are not being paid for travel time and as a result are earning less than the minimum wage, once this is included.

The leaked document, titled 'MiHomecare - National Minimum Wage Review of Penarth Branch', considers how to respond to an HMRC investigation into two of the company's Welsh branches.

It gives a breakdown of unpaid travel time for 44 members of staff in the Penarth branch for the week starting 22nd September 2014, and estimates they could be owed as much as £80,000 over three years.

According to Mitie's latest annual report, MiHomecare has 6,000 employees working out of 57 branches.

The document does not comment on whether other MiHomecare branches include travel time in carers' pay but says that there is no system in place to check minimum wage rates are paid across the business: "[MiHomecare] does not have a common audit or assurance process for [National Minimum Wage] compliance".

Prepared by Mitie, the internal review considers how to respond to an investigation by HMRC into pay rates at MiHomecare branches in Penarth and Swansea. It recommends:

"The discussion [with HMRC] should not be widened to the whole of [MiCareHome], although in reaching any settlement… we should be aware of the wider implications for the group."

MiHomecare is the fourth biggest homecare services company in the UK, providing care for 10,000 people in England and Wales. Over three quarters of the company's revenue comes from the public sector, with local councils paying for the majority of home visits. MiHomecare made an £8.2m profit in 2014.

'Clipping'

The leaked analysis estimates that wage arrears owed to MiHomecare staff in the Penarth branch could amount to £51,702.06 for just one year, if all of their travel time is taken into account. However, after assessing different arguments that could be made to

HMRC, it concludes the "likely arrears costs before penalties for this branch range from £8,000 to £80,000", over a three year period.

One way the company can reduce its liability is by acknowledging a practice called "clipping" - the scheduling of appointments so that no time is left for travel in between. As a result:

"the employee is expected to travel within the time allowed for the appointment with actual time spent with the client varying depending upon journey times".

This practice is apparently widespread:

"There appears to be significant 'clipping' or travel during plan hours as frequently no gaps are scheduled between appointments."

This may lower the amount of money the company has underpaid, as staff working these appointments are effectively already being paid for travel time. However, by making this argument the company is admitting that it is scheduling people's care visits to be cut short, and the review cautions:

"the wider commercial and contractual implications of acknowledging clipping shifts also requires consideration".

Care companies have been heavily criticised by staff and unions for the lack of time provided for home visits - which can be as short as 15 minutes - and the news that one of the biggest providers is arranging appointments so that staff have to leave early will add to scrutiny of their business.

Even if the clipping argument is used and accepted by HMRC, the arrears could still be as much as £80,000 over three years, as many appointments are not scheduled back-to-back.

The document suggests the liability could be reduced to a minimum of £8,000 by "excluding significant gaps between appointments" - which it defines as those which last "more than 110% of the actual travel time". This appears to mean that if it took a carer 10 minutes to travel between appointments, anything over an 11 minute window in her schedule would render her ineligible for travel payment. However it says that previous legal cases would make this "challenging" to argue.

Last month HMRC announced that it had launched investigations into some of the largest providers of social care for elderly and disabled adults after becoming concerned that they may be failing to pay workers properly. HMRC has promised those found to be in breach of minimum wage laws will be "named and shamed" and fined.

Mitie provides a range of services to the public sector and is one of the largest cleaning companies in the UK. It has previously been criticised for not paying the living wage to cleaners in sites including the Royal Opera House and the Houses of Parliament. Last week, secret filming obtained by Corporate Watch revealed a range of problems at the Harmondsworth immigration detention centre, which Mitie also runs.

The Mitie group as a whole posted profits of £49m in 2014, with CEO Ruby McGregor-Smith making almost £1.5m.

Mitie told Corporate Watch:

"We really value all of our homecare support workers who provide invaluable support to the elderly and vulnerable people that they look after. They work in an increasingly underfunded social care system with local government facing unprecedented funding constraints.

"All of our homecare workers are paid the minimum wage or higher for the care work that they perform.

"In the care industry support workers have flexibility around working hours and appointment patterns. Consequently there is no standard approach to the treatment of travel time across the industry. We recognise that this creates uncertainty and can be unsatisfactory for care workers.

"MiHomecare is a responsible business and we will meet all of our contractual and legal obligations. Whenever we find any cases where the treatment of travel time has resulted in our people not being paid the correct amount or if there are billing queries from our clients, we will sort them out."

(Courtesy: Corporate Watch)

Will the Recent Changes in Labour Laws Usher in 'Acche Din' for the Working Class?

By: Anamitra Roychowdhury

The clear continuity in economic policies between the United Progressive Alliance (UPA) Government and the National Democratic Alliance (NDA) Government is discernible to any observer of the Indian economy. Finance Ministers (FM) of both the governments being deficit hawks walk the path of strict fiscal consolidation. For example, the UPA FM, P. Chidambaram, in his Interim Budget set the target of Fiscal Deficit at 4.1 per cent of the Gross Domestic Product (GDP) in 2014-15; this target has actually been achieved by the present FM of the NDA Government. (See the Budget speech of 2015-16; http://indiabudget.nic.in/bspeecha.asp) In fact, in order to meet the fiscal deficit target for 2014-15, the Modi Government implemented a savage cut in social sector spending—curtailing the actual expenditure on health and education by Rs 6691 crores and Rs 12,266 crores respectively (Revised Estimate), than what was allocated in the full Budget of 2014-15. Similarly, deregulation of petrol prices by the UPA Government has been carried forward by the present government in the form of complete withdrawal of subsidy for determining diesel prices. Their attitude towards the material condition of the working class is no different. This is clearly reflected in their labour policies, which we shall discuss here in the context of the recently changed labour laws brought about by the Union Government.

The UPA Government unveiled a National Manufacturing Policy in 2011, where it envisaged creating 100 million jobs in the manufacturing sector along with increasing the sector's share in the Gross Domestic Product to 25 per cent by 2022 (from its current level of 15 per cent). One of the major policy instruments through which this was sought to be achieved is by changing the labour laws. The Modi Government, in order to ensure its "Make in India" campaign a success, has proposed far-reaching amendments to the Factories Act, 1948; Apprentices Act, 1961; and Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establish-ments) Act, 1988. The Factories Act, 1948 has been introduced in the Lok Sabha for discussion. As regards the amendment Bills pertaining to the next two Acts, these have indeed been passed in the Rajya Sabha and are only awaiting the consent of the President for turning into law. Let us see the likely impact of these changes on the constituency of labour.

Factories Act, 1948

In the proposed amendment to the Factories Act the eligibility of paid leave for workers has been reduced from 240 days to 90 days; also establishments liable to provide restrooms or shelters has been reduced from 150 workers to 75 workers. These are positive developments. Similarly, the Bill enhances safety measures for workers exposed to hazardous processes and increased penalties for contravention of certain offences. But the moot question is: how far will these provisions be implemented, when the inspection standards relating to labour and industrial regulations in the factory sector are recorded to be abysmal? There is evidence of a sharp drop in inspection rates in the factories in the recent past.

Moreover, the Bill also allows women workers to work in night shifts (7 pm-6 am), of course with proper safety measures. Now, whether adequate safety measures are adopted or not remains to be seen. However, it would certainly help firms in cutting down on wage cost through substitution of men by women workers, since women workers' wage is typically half of their male counterparts even in the organised manufacturing sector. (Table 2) A third major change has been the increase in the limit of overtime work across the board. Overtime limit for shift workers has been raised from 50 to 100 hours per quarter (that is, per three months period). The same has been raised for typical workers from 75 to 115 hours per quarter (and up to 125 hours per quarter for public utilities). This move would definitely elongate working hours (thereby thwarting fresh job creation) and further help firms in depressing labour costs as 'overtime wages' would not include allowances which are complimentary in nature (otherwise to be paid to new workers) such as house rent allowance, transport and small family allowance.

Apprentices Act, 1961

There is a view that the employability of the youth can be increased by imparting a proper set of skills, normally demanded by the industry. Consequently, apprentices are provided on-the-job training for imparting requisite skills to match the requirements of the industry. On the basis of the argument that the vast magnitude of open involuntary youth unemployment and under-employment in India is

primarily due to skill mismatch and the Apprentice Training Scheme (ATS) is not performing satisfactorily (typically around 30 per cent of sanctioned apprentices seats remain vacant), far-reaching changes have been introduced in the Apprentices Act. However, if skill mismatch was the main problem then we would have seen tightness in some segments (typically requiring unskilled labour) of the labour market, of which there is no evidence.

In the amended Apprentices Act the definition of workers has been changed to include workers employed through a contractor (contractual workers). Earlier workers with only regular contracts (regular workers) were considered for determining the number of workers in an enterprise. However, this restricted the number of apprentices an enterprise could appoint, as it has to maintain a fixed worker-to-apprentice ratio prescribed by the government. Thus, by making the definition of workers more inclusive would help firms in increasing the number of apprentices they can hire. Moreover, to ensure that the firms do not face any difficulty in hiring someone for apprenticeship training the eligibility qualification for undergoing apprenticeship training has been broadened to include students from non-engineering back-ground. In fact, to provide further flexibility to employers with respect to the areas of deployment of apprentices — new categories of economic activity (to be solely decided by employers under the name of "optional trade") have been allowed to use apprentices.

Further, until now daily (and weekly) hours of work an apprentice has to put in an enterprise was decided according to the norms prescribed by the Central Apprenticeship Council. In the recent amendment, employers have been given the power to unilaterally decide on the daily (and weekly) working hours of an apprentice. Thus, working hours of apprentices would now depend on the vagaries of the employers. Similarly, under the existing rules although there was no obligation on employers to offer job to an apprentice successfully completing training; however, there was an option that if such an agreement was mentioned in the contract of an apprentice at the time of joining training, then the firm was bound to offer employment (in fact this is a strategy to attract and retain apprentices) at remunerations effectively decided by the Apprenticeship Adviser (appointed by the government). This has been drastically changed with the employers now being given full freedom to formulate their own policies regarding recruitment of apprentices. This move is clearly going to increase the discretionary power of employers in recruiting apprentices.

However, the most important change in the current amendment is with respect to the penalty meted out to firms failing to comply with the provisions of the Act. Earlier offending employers, either failing to employ the minimum number of apprentices prescribed in the Act (which of course vary across firms) or not complying with the terms and conditions mentioned in the contract of an apprentice (including employing the apprentice overtime without prior approval or to any work unconnected with training, among others), were liable to pay monetary penalty or/and jailed. With the current amendment any employer contravening the Act is only liable to pay monetary penalty and cannot be put behind the bar under any circumstances.All these changes are unambiguously in favour of employers.

The Labour Laws Act, 1988

This piece of legislation was first proposed to be amended by the UPA Government. Towards that a Bill was introduced under the name of the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment and Miscellaneous Provisions Bill, 2005 in Parliament. The Bill was referred to the Standing Committee on Labour (SCL), which advised its withdrawal observing that the proposed amendments were overwhel-mingly in favour of employers. It was reintroduced in 2011 with some changes but met the same fate with the SCL noting: "The Committee strongly feel that the amendments proposed need to be revisited to secure the rights and welfare of labour." (21st SCL Report, 15th Lok Sabha) Notwithstanding the reservation of successive Standing Committees, the 2011 Amendment Bill was tabled by the Modi Government and now has been passed in the Rajya Sabha. The question arises: how does it affect the working class?

In order to answer this we need to understand the changes that have been introduced. The Labour Laws Act, 1988 in its original form exempted "very small establishments" (employing up to nine workers) and "small establishments" (employing 10 to 19 workers) from maintaining registers and filing returns individually/separately for nine labour laws (about meeting the prescribed norms/standards), if these establishments provided a consolidated account for the same. The basic reason for such exemption is to facilitate business by curtailing the transaction/ compliance costs.

Now the recent amendment has changed the definition

of "small establishments" and allowed consolidated submission of returns for seven additional labour legislations. The threshold for determining "small establishments" has been increased from 19 to 40 workers. This is clearly a business-friendly move since a larger set of firms would now come under the Act; additionally, they would now be exempted from separately furnishing information for sixteen labour laws (as against nine) subsumed under the Act.

In fact, the Ministry of Labour and Employment noted the consequence of increasing the workers' threshold in defining "small establishments" as follows — "If the number is 40, then almost the entire MSME [Micro, Small and Medium Enterprises] sector is covered. The purpose was to reduce the administrative cost of compliance of labour laws" (21st SCL Report 15th Lok Sabha); and provided the following justification for such a move: "What we found in the field was that because the number was 19 [workers], many industries that were employing more than 19 but were showing only 19 so that they can take the advantage of this Bill." (Ibid.) Therefore, the Ministry admits violation of the law at present and proposes to tackle it by broadening the definition of "small establishments".

The question that arises is: do we have adequate enforcement machinery to counter future violations? The Ministry does not think so. "It is mandatory for the [small] establish-ments to compile information for filing returns and maintaining registers. However, all establishments cannot be inspected given their large numbers vis-a-vis labour inspection machinery. This may lead to laxity in maintenance of records and furnishing them on demand." (Ibid.)

Precisely due to this reason the Standing Committee (15th Lok Sabha) recommended withdrawal of the Bill by observing the following: "The Committee find that there is shortage of man-power for regular monitoring of the implementation of labour laws. During their study visits to some establishments across the country, the Committee observed that there was acute shortage of human resources with the Labour Commissioner entrusted with the responsibility of enforcing the plethora of labour laws. The Committee are of the considered view that strengthening of enforcement machinery is an imperative need of the hour and therefore the field staff needs to be augmented urgently and adequately so as to facilitate regular inspection of the establishments and strict enforcement of labour laws ... The Committee are apprehensive that there would be total mess as hundreds of new establishments [following the rise in workers' threshold] would come under the ambit of the Bill, if enacted." (Ibid.)

From the foregoing discussion it is clear that the recent amendment, without addressing the concern raised by the Committee, would potentially lead to pervasive violation of labour laws—compromising workers' welfare due to the weak enforcement machinery.

Conclusion

From the above analysis it is clear that the recent labour law changes at the level of the Union Government are overwhelmingly in favour of the employers and detrimental to the cause of the working class. These changes are primarily aimed at improving India's rank in the "Ease of Doing Business" index, which actually slipped from 140 to 142 in 2014-15 (out of 189 countries). Narendra Modi, by his own admission, noted that the "ease of business is the first and foremost requirement if Make in India has to be made successful". (October 17, 2014, The Indian Express) It appears then that the Modi Government is more concerned with improving India's "doing business" ranking, even at the cost of diluting the worker's rights and deteriorating his/her material well-being.

(Courtesy: Mainstream)

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Lessons from the Coal Block Auction

By: C.P. Chandrasekha

The first round of the coal blocks auction points to the fact that coal extraction is an extremely lucrative activity that the government could have benefited from by expanding public sector coal production and garnering the profits.

The first round of the auction of mining rights in 18 coal blocks to user firms in the private sector in the power, steel and cement industries has been completed. If the figures being circulated of the revenues or benefits that would accrue to different sections as a result are true, the process has been remarkably successful. According to estimates for 17 of the 18 blocks, over a 30-year period the coal producing States would receive a sum of Rs.1,08,010 crore as proceeds from the e-auction and from royalties due. In addition, as per an estimate that is less robust, consumers in States receiving power from plants attached to seven coal blocks reserved for the power sector are projected to benefit to the extent of Rs.37,050 crore a year because of lower tariffs. This is only the first tranche of auctions, with the process for the second already under way. If the numbers are right, when the process is complete the gains to beneficiaries are likely to be huge.

The current auction was forced on the government by a Supreme Court judgment delivered in September last year to cancel all but four of 218 coal block allocations made between 1993 and 2010, on the grounds that they were arbitrary and illegal. Since 24 of these allocations had been withdrawn for various reasons during this period, there are 194 blocks that remained effectively allocated.

The Supreme Court's judgment, in essence, upheld the findings of a 2012 performance audit by the Comptroller and Auditor General (CAG) on Allocation of Coal Blocks and Augmentation of Coal Production. The audit noted that while an inter-ministerial screening committee decided on the allocation of coal blocks to end-users in the private sector, the "minutes of the steering committee did not indicate how each one of the applicants for a particular coal block was evaluated", rendering the process non-transparent. This mattered because the cost of production of coal from the captive mines was much less than the price of equivalent grade coal supplied by Coal India Limited (CIL). Since the prices of end-products are administratively or otherwise linked to the "official" price of coal as charged by CIL, producers of such products with access to captive coal blocks stood to make windfall gains. This not only deprived the government of revenues, but also amounted to a profit transfer to an arbitrarily chosen set of producers.

It was not that the government of the day did not recognise the anomaly involved. In fact, as far back as 2004, the Ministry of Coal had declared the need to shift to a system of competitive bidding to decide on the allocation of captive coal blocks to private players. A note on "Competitive bidding for allocation of coal blocks" prepared by the Coal Secretary in July 2004 made a case for the shift, arguing that "the bidding system will only tap part of the windfall profit for the public purpose…." However, for a variety of reasons, including delays in ensuring legislative amendments needed for the shift, two successive United Progressive Alliance (UPA) governments continued with the arbitrary and commercially unsound system of allocation. The CAG report estimated that the loss to the exchequer on account of this was as much as Rs.1.86 lakh crore. The results of the first of the auctions, covering 18 of 194 blocks, suggest that this estimate is possibly not just plausible, but an underestimate.

A unique feature of the auction process was the different methods adopted for bidders from the power sector, where the prices are regulated through power purchase agreements or price fixing authorities, and other user industries. In the case of captive blocks for the power sector, the method adopted was a reverse auction with the price charged by CIL for equivalent grade coal serving as the ceiling price. In the absence of auction, CIL's price would define the coal cost for pricing electricity irrespective of the actual cost of extracting coal. Under the reverse auction scheme, the bidder for the block quotes a price equal to or below the CIL benchmark, which would be taken into consideration when pricing electricity produced with coal extracted from the block. Besides this, the bidder must offer to pay the State government concerned a quoted price per tonne for the coal extracted. The reserve or minimum price to be paid to the State government was set at Rs.100 per tonne. What is surprising is that in the case of many blocks, bidders have agreed to set the fuel cost in the power tariff calculation at zero. That amounts to absorbing the costs of extraction by reducing the margins they receive. In addition, these bidders have, in an associated forward bid for the sum per tonne they are willing to pay the State government, agreed to pay the government concerned much more than the reserve price.

As opposed to this procedure adopted for power, in the case of user industries such as steel and cement the price of coal was set by a process of regular forward bidding, with a reserve price linked to CIL's

prices. For the user plant, the bid determines the cost of coal which consists of the extraction cost, royalties, bid price and freight charges for transportation from the coal mine. Here, too, the bidders have been aggressive in offering prices much higher than those that were expected. But in many cases this seems to be justified by the fact that the bid price is lower than the cost of imported coal, which they had been partly relying on.

The real issue then is, what is to be made of the outcome of this auction? The outcome does question the rationale behind the government's decision not to exploit these mines and allocate it instead to the private sector on the grounds that it is not in a position to undertake the investments needed to extract the coal. That failure was presented as explaining the growing import dependence as the demand for coal rose, resulting in the outflow of foreign exchange on account of coal despite the availability of domestic reserves. What emerges now is that coal extraction is an extremely lucrative activity. The government could have stuck to expanding public sector coal production without handing it over to the private sector and garnered the resulting profits, without handing it over to the private sector.

Moreover, even if coal blocks were to be handed over to private players in user industries as a captive facility with restrictions on use, this should have been done through a process that was not only transparent but also priced the resources such that the resulting revenues could be used by governments for other developmental purposes. Allocating coal blocks to selected private parties without a transparent pricing system, and without regulating the pricing of the end-products to ensure that the lower fuel cost benefit is shared between the producers involved and consumers, amounted to an arbitrary transfer from the government to selected private players reflective of a kind of crony capitalism. The aggressiveness that has characterised this round of bidding points to the huge gains that those favoured with an allocation would or could have made.

The auction experience also seems to suggest that the argument that the UPA's block allocation policy helped rein in power prices is completely misplaced, since producers seem willing to set fuel costs at zero to calculate power tariffs, as well as pay State governments a price for the coal extracted that was much higher than the reserve price set by the auctioneer. As a result, despite power producers paying huge sums to the government, power tariffs are expected to come down rather than rise.

The shock generated by the aggressive bidding has led to the view that the outcome was partly the result of excessive competition and a degree of irrational exuberance that would disappear in later rounds, and also reflective of the inclination of firms to ensure secure supplies of the raw material, even if that resulted in much lower profits. The basis for that reasoning is weak, and it seems to be a way of concealing the fact that private sector operators who were allocated captive coal blocks had made huge windfall gains. Some of them did not get those gains since they had not begun to work the block before the allocations were cancelled.

In sum, along with the spectrum scam, the coal scam is proof of the fact that, far from increasing transparency in economic policy matters, "economic reform" by privileging measures that incentivise private participation in economic activity leads to arbitrary decision-making. The only defence that those who supported the direct, as opposed to bidding-based, allocation policy had was that it was a way of accelerating domestic production of coal with the help of the private sector. That too does not tally with the evidence, since many of those arbitrarily chosen as candidates for allocation chose to sit on rather than exploit their extraction rights. They must have presumed that the benefits in terms of windfall gains could be cashed in due time since these were long-term lease arrangements.

Further, given the presence and volume of the windfall gains that could be made, it is difficult to believe that all of those involved in arbitrarily directing those gains to one private player or the other did not receive any of those gains. The possibility of graft, therefore, needs to be investigated. And if found, it would only strengthen the view that "economic reform" not only encouraged arbitrariness in decision-making, but also promoted corruption.

The BJP-led National Democratic Alliance (NDA) is not only crowing about the success of its auction, but is using that success as a justification for the coal ordinance it has issued and is now seeking to push through Parliament. Clearly, no such ordinance was needed to launch the competitive bidding process, and the NDA would possibly not have resorted to such bidding for already allotted blocks had the Supreme Court not forced it. The real need for the ordinance is to take liberalisation of the coal sector further and allow individual private players mining rights not just for captive extraction to support their own end-use capacities, but for sale in the open market. The ordinance is a mandate to privatise or denationalise the coal sector, and therefore would only worsen the loss that the exchequer and the people would suffer at the expense of private profits.

(Courtesy: Frontline)

Facing Government Crackdown, Greenpeace India 'Refuses to be Intimidated'

By: Deirdre Fulton

Greenpeace India, which has been fighting for its life in the face of a government suppression, said on Wednesday that its office in the eastern city of Chennai had been inspected—with little notice—by government authorities.

The Times of India reports that the investigators "refused to submit their request in writing, but verbally confirmed that they were looking into the organization's society status—the legal basis on which Greenpeace operates in India. The investigation is ongoing."

The non-governmental organization (NGO) suggested the surprise inspection came in response to Greenpeace India's resilience in the face of ongoing government hostility.

"Greenpeace India has turned out to be stronger than the [Indian Ministry of Home Affairs] expected," program director Divya Raghunandan said. "As a result, the bureaucrats in Delhi are searching desperately for new ways to shut us down. We refuse to be intimidated, and we will cooperate fully with this investigation, as we have done throughout."

Greenpeace India also revealed that it has been summoned to a tax hearing on June 12, for which its accountants have been told to prepare for a large tax bill—an amount representing most of Greenpeace India's operational budget for the next few months.

The Indian government had previously frozen the bank accounts Greenpeace India uses for receiving foreign funds, as well as certain domestic accounts. This funding crackdown at one point cast doubt on the organization's future in the country. However, the Delhi High Court has ordered the government to unfreeze two of the charity's domestic bank accounts, a move the NGO described as "a lifeline." Other bank accounts used to receive and distribute foreign donations remain frozen.

In an email beseeching supporters to call on United Nations Secretary General Ban Ki Moon to "support free speech in India," the organization outlined some of its achievements in the country:

We worked with the forest community of Mahan to save the lands on which their livelihoods depend. Small communities that might otherwise not be heard worked together to take on the might of giant coal companies — and won.

Together with the people of Dharnai, we've shown the possibilities of solar energy in India. A whole village now has electricity for the first time — clean, renewable electricity.

And after a Greenpeace India investigations showed unsafe pesticides in tea, four major Indian tea producers agreed to phase out their use.

"This week our society status is under investigation, next week we will face a huge tax bill," said Raghunandan. "The pattern here is so obvious it is frankly embarrassing for the government. It is using the bureaucracy to strangle us because of our successful campaigns, to protect our forests from mining especially those that call for cleaner air in our cities and greater transparency from coal companies."

Raghunandan concluded: "Our response to this is simple. We will continue to campaign against air pollution and for a cleaner environment for all Indians. These arbitrary attacks have only made us more determined to win our campaigns."

(Courtesy: Commondreams.org)

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North America

In tune with global movement, people of guatemala are rising up for dignity and justice

A long history of military dictatorships, brutal civil war, and generalized violence fueled by drug cartels and gangs effectively silenced the people of Guatemala for decades. This prolonged period of civic inaction has resulted in widespread feelings of resignation and cynicism that have allowed the status quo to perpetuate itself. That all changed recently, as a citizen movement has taken to the streets amid growing feelings of indignation prompted by the country's rampant corruption and impunity problems.

Last month, the UN-backed International Commission Against Impunity in Guatemala (CICIG), exposed a massive corruption network – involving more than a dozen high-ranking government officials – set up to defraud the state of customs revenues. (prosecutors estimate the amount at US $120 million.) The news rocked the Central American nation, rightfully sparking a feeling of outrage and indignation among Guatemalans.

What began as a call for action on social media by a group of youth has quickly materialized into a series of mass non-violent demonstrations. These protests have quickly scaled up -- the last ones drawing 60,000 people -- bringing together a broad swath of Guatemalan society, which has a history of deep division. Indigenous and mestizos, young and old, rural and urban people have converged to demand an end to the corruption. For the first time in decades, public and private university students have unified and began working together.

The mounting grassroots pressure has already forced the resignation of Vice President Roxana Baldetti whose private secretary has been accused by prosecutors of being the ringleader of the exposed corruption ring. Rather than placating demonstrators, the move galvanized their resolve to pursue deeper change. The emerging citizen movement took the resignation as a first victory and celebrated it in the streets by passionately chanting "yes, we did!" and "this is just the beginning" in the streets amid signs reading, "resign already," alluding now to President Otto Pérez Molina.

With an impending general election in just four months and no clear anticorruption candidates emerging the big question in people's heads now is what's next. This Guatemalan civic reawakening has already caused such a disruption that what was politically unfeasible, if not impossible, a month ago doesn't seem far-fetched anymore.

Emboldened with a newfound political self-respect, Guatemalans must now find ways to keep this momentum going and seize the unique opportunity they themselves created by pushing for significant reforms to the system that can ameliorate the country's chronic case of corruption in both the government and the corporate sector and ensure transparency moving forward. In doing so, the movement will have to articulate a clear propositional agenda. This won't be hard, a wide collection of anticorruption measures have already began to surface including deep reforms to the system. These measures include reforming the electoral system, government contracting law, establishing a meritocratic civil service, abolishing bank secrecy, among others.

While there is no exact formula for social change, the most long-lasting and transformational social change has historically occurred when social movements are able to align three essential components: an engaged grassroots base, political opportunity, and organizational infrastructure. The emergence of these key components working together can often determine whether a movement will achieve significant change or fizzle out. The first two conditions are clearly surfacing in Guatemala but the movement currently lacks robust infrastructure.

Guatemalans can look to other social movements from across the world for valuable lessons. A timely example of strong organizational infrastructure can be found in Spain's 15-M anti-austerity movement, which emerged from the public discontent resulting from the prolonged economic crisis. The movement initially manifested itself through massive demonstrations in public squares four years ago and has since evolved to become the third political force in Spain, as evidenced by gains made during its recent regional and municipal elections. Anti-evictions activist Ada Colau -- an M-15 movement leader -- won the mayoral race in Barcelona. The movement-backed Madrid mayoral candidate came in strongly in second and could become the city's mayor if she can negotiate an alliance with other parties.

M-15 has managed to sustain its grassroots energy by building effective infrastructure that simply did not exist a few years ago. They built this infrastructure around a neighborhood assembly model that organizes and engages people through weekly meetings while continuing to use social media as a key communications tool.

Guatemala's new civic movement has enormous potential that extends far beyond solving the issue of corruption (Guatemala is the #10 most unequal country in the world based on the Gini index) but it will have to build organizational infrastructure that generates mechanisms for articulation and coordination necessary to maintain its momentum. If Guatemalans can sustain their current energy they may just hold the key to solving more of their country's pressing social-problems.

India

Tribal protestors at Kanhar dam resist state suppression

Police on 14th April shot live rounds at tribal protesters gathered at the Kanhar dam site in Sonbhadra district of Uttar Pradesh to condemn the land acquisition for the project. Tribal leader Akku Kharwar, a resident of Sundari village, and eight others were seriously injured in the gun fire. Around 35 others received minor injuries.

"Our demand is to stop construction work of the dam which

will cause displacement and livelihood crisis for the villagers. We all sat at the site to register our silent protest against the project", said protest leader Ganbheera Prasad.

"The administration has not been taking any notice of our protest and so we chose to go and organise a sit-in at the construction site. The police tried to disperse us and subsequently opened fire on us. A bullet hit the left side of the chest of Akku Kharwar and he fell unconscious."

The protest was initiated under the banner of Kanhar Bandh Virodhi Sangharsh Samiti (KBVSS), an anti-dam association, of which Prasad is the president. Also supporting the protest is the All India Union of Forest Working People (AIUFWP), an association fighting for the rights of tribals and Dalits, which has strongly condemned the shooting. Sonbhadra superintendent of police Shiv Shankar Yadav confirmed the shooting, claiming that it took place after a mob attacked the police. Five police personnel were injured in the incident, Yadav insisted in his account of the incident, speaking to Down To Earth.

Dam to flood 87 villages, 2,500 hectares of forest

Village residents had gathered at the dam site to intensify their agitation against the alleged land acquisition for the project. The protesters were carrying the photo of B R Ambedkar to mark his 125th birth anniversary.

Ambedkar was a highly respected Indian jurist, economist, politician and social reformer who campaigned against social discrimination against Untouchables (Dalits), women and labour. As Independent India's first law minister and the principal architect of the Constitution of India, he continues to inspire human rights activists today. The villagers united in their opposition to the project as it will destroy around 2,500 hectares of dense forests and cause the submergence of 87 villages.

Tribes like Bhooinus, Kharwars, Gondhs, Cheros and Panikas who dominate the region have also not been informed about the environmental and social impacts of the project, according to Mirzapur-based non-profit Vindhya Bachao Andolan - a clear violation of the 'prior informed consent' principle applying to indigenous land seizures.

In 1973, the Central Water Commission proposed a dam on the Kanhar river which originates in Chhattisgarh, passes through Jharkhand and then enters Uttar Pradesh. The Kanhar dam project was first conceived in 1976 to provide irrigational facilities to Dudhi and Robertsganj tehsils of Sonbhadra district in southeast Uttar Pradesh. The then Uttar Pradesh chief minister, N D Tiwary, inaugurated the project in the same year. Land was partially acquired between 1978 and 1982 and people received compensation at the time.

However, the project remained a non-starter due to the alleged non-availability of funds for several years. "In 1984 the project lapsed as the funds meant for it were diverted for the Asian Games", said Roma Malik, the deputy general secretary of AIUFWP.

Uttar Pradesh acting 'in contempt of court'

The Uttar Pradesh government finally started construction work on December 5, 2014. Nineteen days later, the National Green Tribunal (NGT) stayed further construction at the dam site after a petition was filed before it by Debadityo Sinha. Sinha alleged that the project could not be started based on clearances obtained in the 1980s. It required a fresh assessment taking into account the significant environmental changes which occurred in the past 30 years, he argued.

Prasad also insists that the state's attempt to seize the land at this stage is illegal: "According to the new Land Acquisition Act, the right to fair compensation and transparency in Land acquisition, Resettlement and Rehabilitation Act, 2013, has a retrospective clause which states if the acquired land has not (been) used or (were) not in possession for five years, the process of acquisition would have to start afresh." As part of protest against the state government's decision, the gram sabhas of all the affected villages also filed a petition in the Allahabad High Court regarding discrepancies in the land acquisition process.

In January 2015, Sinha approached the court with a contempt petition against the Uttar Pradesh government for its non-compliance with the NGT's directive. On 4th February 2015, NGT sought a reply from the state government, but the latter failed to comply within the stipulated 10-day period.

On February 21, NGT sought a report from the Union environment ministry within a week and set 4th March 2015, as the final hearing date, according to news reports.

At this hearing, the project proponent was asked to produce the forest clearance report. Since the state government failed to do so, NGT granted them time to produce the valid forest approval at the next hearing on 12th March 2015.

However (for the second time in a row) the ministry failed to comply with the green body's directive. It was first asked to submit a compliance report on 19th February about the progress made by the UP government on the Kanhar dam construction. The matter was reserved for judgement by NGT in its order dated March 24, 2015. As such it appears that the state's moves to resume dam construction is unlawful and in direct violation of court orders, raising the question: are Uttar Pradesh's police answerable to the law? Or only to an executive acting in open defiance and contempt of court rulings? ***(Courtesy: Down to Earth)***

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