Global Economic Trends

Global economic growth is projected to be 3.4 per cent in 2014 according to the IMF mid-year review. The global economic growth was 3.2 in 2013. The EU countries have come out of a prolonged recession with growth registered from the second quarter of 2013. But the recovery is weak and fragile with unemployment levels at an aggregate 11 per cent. The US growth rate for the year 2014 is not expected to cross 2 per cent. China’s growth rate is expected to be 7.4 per cent in 2014 compared to 7.7 per cent in 2013 which is in line with the government’s focus on raising the quality of development and restructuring the economy.

While there is a general upswing in all the major developed economies in North America, Europe and Asia, nevertheless, after five years of being mired in the aftermath of the financial crisis, the present growth rates are insufficient to recover the output and job losses in most of these countries. The limited recovery that is taking place in Europe is at the expense of the working people. The austerity measures and drastic cuts in government and social sector expenditure has increased the level of poverty for 123 million people, or roughly 25 per cent of the population. All the European countries had instituted wage cuts and pay freezes of public sector workers. In the United States too real wages for most workers have virtually stagnated since the 1970s. In contrast, there is an upswing in the pay packets and bonuses of the CEOs and top executives of the big corporates and financial companies.

Protests and strikes against the austerity measures and pay freezes have been going on in many countries in the recent period. Notable among them were the strike struggles in Spain in the first two months of 2014; the one-day strike in France in May involving 5.5
million employees; the strike of municipal workers including teachers and social workers in Italy against wage cut, the five month long strike by platinum miners in South Africa and the strike by over a million public sector workers including teachers, civil servants and transport workers on July 10 in Britain.

**West Asia: Cauldron of Imperialist & Islamist Violence**

The past few months have seen a veritable reactionary offensive in the Arab countries and West Asia. An Islamic extremist force, the Islamic State in Iraq & al-Shams (ISIS) has carved out a “Caliphate” in Northern Iraq and parts of Syria; in Libya rival armed militias mainly Islamist ones have plunged Libya into a civil war situation; in Egypt the army chief Sisi assumed the presidency and has ushered in a military-authoritarian regime and the Israelis have launched yet another round of brutal aggression in Gaza.

The democratic potential of the Arab uprising which took place in Tunisia, Egypt and other places has been drowned in a welter of imperialist intervention, sectarian Shia-Sunni strife, extremist Islamist attacks and authoritarian responses. The twin forces of imperialism and Islamist fundamentalism are responsible for these violent and reactionary turn of events.

US imperialism had intervened in order to assert its hegemony over the region and its oil resources by targeting the secular nationalist States of Iraq, Libya and Syria. The result has been the destruction of these states and the rise of Islamist forces. It has used the Islamist forces for its political aims which have resulted in the rise of Islamic fundamentalist forces who have gone out of control and are now on the rampage. Iraq, after US aggression and occupation stands divided with sectarian strife. The Al Qaeda extremists who came up during the US occupation have metamorphosed as the ISIS. They were given a free run in Syria in the Western backed rebellion against the Assad regime. It has now come back to Iraq strengthened and has occupied the Sunni areas of Northern Iraq threatening the Al Maliki government. Iraq is in real danger of becoming trifurcated. The Kurdish state in the north is more or less autonomous; the ISIS and its allies have occupied the northern area and the Shia dominated south is under the control of the Baghdad government. Part of the oil reserves are now under the control of the ISIS after the fall of Mosul and the neighbouring areas.

As in Iraq, the US and Nato intervention led to the ouster of the Gadaffi regime. The Western powers backed the militias and the Islamist forces to accomplish this. Three years later, Libya is riven by
rival militias battling for control. Benghazi has fallen into rebel hands. The US Embassy in Tripoli was vacated in haste, while the country slides into anarchy. In Syria, the Saudi and Gulf states like Qatar have been financing the Sunni extremist forces along with US and Nato powers. The ultimate beneficiary has been the ISIS and other extremist forces. The Syrian government under Assad has retained control over a substantial part of the country, but Syria is divided and millions have fled as refugees to neighbouring countries.

The United States is caught in a web of its own contradictions. Its closest allies Saudi Arabia, Qatar and the Gulf states are backing and financing the Islamist extremist forces who are now creating havoc in Iraq. The Shia dominated government it has propped up in Iraq has to look upto Iran for support and sees the Assad government as an ally in the fight against the Sunni extremist forces. What US imperialist policies have achieved in West Asia is to fuel Islamic extremism and terrorism which in turn endangers peace and stability in the region.

**Israel Attack on Gaza**

Israel launched a massive aerial and ground attack on Gaza in July. This attack which is the third in the past six years has been the longest. The aggression has continued for over 30 days. The indiscriminate missile and shelling attacks targeted the civilian areas. More than 1800 people died in this attack, a large number being women and children. The fact that over 400 children died in this attack make it a horrific war crime. The United States supported the Israeli action by saying the Israel has defended itself from rocket attacks from Gaza. The Egyptian government which is hostile to the Hamas which rules Gaza also added to the siege of Gaza by closing its border and the tunnels which were providing supplies.

Israel has a right wing government under Netanyahu in which there are reactionary racist parties and ministers. This government has sought to use the present disarray in the Arab world with the fighting in Iraq, Syria and Libya to launch this offensive in Gaza. It also wished to thwart the unity government being formed after the agreement between the PLO and the Hamas. The scale of the killings of civilians, women and children and the targeting of hospitals and UN schools, where people took refugee, and the barbarity of the attack has shocked the world.

There is widespread revulsion at the Israeli attack among people in the West despite the support their governments are extending to Israel. Five Latin American countries – Brazil, Chile, Peru, Ecuador and El Salvador withdrew their ambassadors from Israel in protest.
Ukraine: 
Cold War Politics Revived

The Ukrainian developments have led to a fresh confrontation between the US and Russia. The United States’ administration’s attacking President Putin and the cold war rhetoric is back in currency.

Ukraine has been in turmoil ever since President Viktor Yanukovych decided not to go ahead with the association agreement with the European Union. Yanukovych had instead signed an agreement with Russia. It led to the political demonstrations and the “Maidan” movement which was fully backed and financed by the Western powers. The organized violence led to the ouster of the elected President Yanukovych. The right wing Ukrainian Nationalists and the extreme right neo-Nazi elements took over. This in turn led to the rebellion in the Russian speaking parts of Eastern Ukraine. Crimea voted to join the Russian republic and the Russian parliament passed a decree legitimizing this.

The United States and European Union imposed sanctions on Russian entities and prominent business and political personalities. Parts of South Western Ukraine like the Donetsk region set up their own government. The Ukrainian armed forces have moved against the rebels and an armed conflict is going on in which a large number of civilians have been killed. The downing of the Malaysian Airline passenger plane has fuelled another round of charges against the rebels and Russia. More sanctions have been announced by the US and the European Union. Russia has retaliated by banning food imports from Europe and the US.

Underlying this struggle is the American and Nato interests to integrate Ukraine into the European alliance which is totally opposed by Russia. The United States has stepped up its confrontation with Russia. Russia has been removed from the G8 club which has reverted back to the G7. The Nato has strengthened its forces in the Black Sea in Eastern Europe and the United States has dispatched forces to Georgia and the Baltic Republics.

European Union Elections

The results of the European Union parliament elections held in May revealed a strong trend against the austerity measures. It reflected a vote against the national governments which are pursuing the austerity measures decreed by the European Union. While there was a drop in the support and seats won by the conservative right wing
parties, the extremist right wing parties succeeded in getting a substantial vote on the basis of their xenophobia, anti-immigrant platform and their rhetoric against the EU. The seats and percentage of votes of the social democratic bloc parties went down slightly while the Left, Communists and Green parties increased their tally to 45 members of parliament from the earlier 35 and getting 6 per cent of the vote. The Left made gains in Portugal, Greece and Spain.

**Japan**

**Constitutional Revision**

The Shinzo Abe government has reinterpreted the constitutional provision which prohibits Japan from using armed forces abroad. This will pave the way for Japan to send its armed forces to fight wars abroad in the name of the right to collective self-defence. This decision has brought about a drastic change which is tantamount to revising Article 9 of the Constitution, which is against the opinion of the majority of the people.

This step is in line with the hawkish position of the Prime Minister. This change has come in the background of increased tensions with China on territorial disputes in the East China sea and Japan’s quest for a security alliance in Asia directed against China.

**BRICS Bank**

The sixth BRICS Summit meeting in Fortaleza, Brazil has made two important announcements – the setting up of the New Development Bank (NDB) and the establishment of a Contingent Reserve Arrangement (CRA). The NDB will have an initially subscribed capital of $50 billion with the five countries contributing equal amounts of $10 billion. The authorized capital would be $100 billion. The bank will fund infrastructural projects in the partner countries and the membership of the bank will be open in the future to other developing countries. The bank will, thus, be undertaking some of the functions similar to the World Bank.

The CRA of $100 billion will have China contributing $41 billion, Brazil, India and Russia $18 each and South Africa $5 billion. The CRA will help the members tide over liquidity crisis and short-term balance of payments problems, a small step to undertake one of the functions of the IMF.

The BRICS countries have set-up the NDA and the CRA as a response to the dominance of the US and the Western countries in the IMF and the World Bank. The IMF reforms proposed in 2010 which should have increased the share of the major developing countries in the
quota-funds and voting rights were not implemented due to the
United States Congress not approving it. The Fortaleza Declaration
of the sixth Summit has referred to this failure to adopt the IMF
reforms “which negatively impacts on the IMF’s legitimacy, credibility
and effectiveness”.

The NDB has a positive potential if it can be run on effective lines. It
can reduce the dependence of the developing countries on the IMF
and the World Bank. Though given the nature of the ruling classes of
the member countries, with the exception of China, and their
integration with global finance capital, it would be unrealistic to
expect an alternative financial architecture to emerge. The decisions
taken at the BRICS Summit with regard to the NDA and the CRA and
the steps proposed for trade and investment cooperation have a
political significance in the context of the growing trend of
multipolarity.

**South Asia**

**Afghanistan**

The country is at a crucial juncture with Hamid Karzai’s term as
President coming to an end and the deadline for the American forces’
withdrawal by the year end. The Presidential election held in July led
to the victory of Ashraf Gani, the nominee of Karzai defeating
Abdullah Abdullah, in the second round run-off. Abdullah Abdullah
refused to accept the election verdict charging large scale fraud. Gani
belongs to the largest nationality group, the Pasthuns, while Abdullah
is a representative of the earlier Northern Alliance, mainly comprising
the non-Pasthun groups. The deadlock over the election threatened
the US plans for arriving at a agreement on the status of the US
armed forces to remain after the withdrawal. Karzai had refused to
sign such an agreement and had left it to the new President. The US
State Secretary John Kerry visited Kabul and brokered an agreement
to have an internationally monitored audit of the votes to ascertain
their veracity. Whether this exercise will resolve the issue remains to
be seen.

The United States’ efforts to retain some military bases in
Afghanistan is not acceptable to Russia and Iran. In the meantime,
Taliban attacks have continued in different parts of the country
including suicide bombing attacks. Whether the Afghan army will be
able to counter the Taliban offensive after the US withdrawal of
troops remains a big question.
Bangladesh

The elections to the Bangladesh parliament were held on January 5. The 18 parties opposition led by the Bangladesh Nationalist Party boycotted the polls. The year 2013 had seen large scale disruption of normal life with 85 days of general strikes and blockades called by the major opposition parties who demanded that elections should be conducted under the auspices of a caretaker government. Due to the boycott 154 of the 300 seats went uncontested and the Awami League led coalition swept the elections, though the polling was only 22 per cent. The Islamic fundamentalist forces are continuing their aggressive activities. After the elections there were attacks in some areas on the Hindu minorities by these elements.

Nepal

After the elections to the Constituent Assembly in November 2013, the coalition government headed by Sushil Koirala was formed in February 2014 comprising the Nepali Congress and the CPN(UML). The third largest party the UCPN(M) is in the opposition. The Constituent Assembly is to take up the work of drafting and finalizing the Constitution which could not be done by the previous assembly. The committees for the drafting of the Constitution and political consultations have been constituted. The three major parties have to come to an understanding on the federal system and the political structure on which they have differing views.

The entire South Asian region is witnessing a growth in ethnic and religious chauvinism. While Islamic fundamentalist forces have been active in Pakistan and Bangladesh, in India the Hindutva forces have got a fillip after the BJP’s victory in the parliament elections. In Sri Lanka the Buddhist chauvinist forces have stepped up their activities. Chauvinist organisations like the Sinhala Raviya and Bodu Bala Sena have been targeting the Muslim minorities. In June 2014 attacks on the Muslims and mosques took place in South West Sri Lanka in which three Muslims were killed and 52 injured. Sinhala Buddhist chauvinism which the ruling party does not counter, will only worsen the ethnic situation in Sri Lanka and harm communal amity.
National Situation

It is nearly two and a half months since the Narendra Modi government took office after the Lok Sabha election. During this short period the policy steps taken by the government indicate a rightward shift. The government has also begun to take steps to consolidate its hold over the State apparatus and to place personnel belonging to the RSS-BJP orientation in key positions in the educational and cultural institutions.

The Modi government which was sworn in on May 26 is essentially a BJP government with all the key portfolios like Home, Defence, Foreign Affairs, Industry and commerce, HRD and Rural Development held by the BJP ministers. The allies have received minor portfolios. There are clear indications that there will be a concentration of powers in the hands of the Prime Minister and the Prime Minister’s office.

As pointed out in the Election Review of the Central Committee, this is a government which has come to power with the full backing of the big bourgeoisie and the corporates. During the election campaign and till the time the government was formed, the stock markets rose steadily to new heights. The Modi Government represents a combination of corporate power and the RSS-led Hindutva forces.

It was expected that the Modi Government would embark on a policy trajectory in the interests of big business and to woo international finance capital. The Union Budget and the railway budget have conformed to this expectation. The government is moving for changes in the labour laws as demanded by the corporates; it is also working for the revision of the The Right to Fair Compensation And Transparency In Land Acquisition, Rehabilitation & Resettlement Act to meet the demands of industry; and there is a fresh push for privatization in all spheres.

Railway Budget:
Towards Privatisation

The Railway budget has proposed FDI in the railway sector and reliance on the PPP model for its future development, which are steps towards privatisation. Prior to the budget passenger fares were hiked by 14.2 per cent and freight charges by 6.5 per cent. Passenger and freight fares have been deregulated and will be determined by the fuel price index as decided by the UPA government. The corporate media has duly acclaimed the budget for eschewing ‘populist’ approach.
The railways which are facing a resource crunch and unable to provide adequate funds for safety measures and amenities for passengers will now go for bullet trains and high speed ventures involving lakhs of crores of rupees. This will provide a bonanza for foreign and domestic investors. What will be put in place will be a two tier railway service – an elite category of fast trains with for high fares and inferior second class trains for the mass of the people.

**Union Budget**

The direction of the Union Budget for 2014-15 is to provide concessions to the corporates and the upper middle class at the expense of the poorer sections. It is a trajectory for significant privatization of the economy through largescale sale of public sector shares and greater reliance on public-private partnership. The fiscal deficit can be reined in only by expenditure cuts and squeezing the people further.

The current budget entails a net revenue loss of Rs. 22,200 crores on account of direct taxes and a revenue gain of Rs. 7052 crores on account of indirect taxes. The adjustments in customs and excise duties have the potential of raising the profit margin of the corporates; the adjustments on the side of the direct taxes proposed are providing tax relief to the foreign institutional investors and the higher income groups. The fiscal deficit target of 4.1 per cent is not realistic and can be met only if the government further cuts expenditures which are proposed in the budget. The provision for the MGNREGA is Rs. 34,000 crores, almost the same as last year which is far short of what it should have been for maintaining the same real level. The curtailment of the rural employment guarantee scheme s on the cards.

The budget has proposed increase of FDI in defence production and insurance sector of 49 per cent from the existing 26 per cent and further relaxation of FDI in real estate. There are proposals for a massive disinvestment of shares of public sector enterprises and nationalized banks. There is PSU disinvestment of Rs. 43425 crores. The Finance Minister has said that nationalized banks will offload shares in the retail market to raise capital to meet Basel III norms. Already the SEBI has proposed that there should be a minimum 25 per cent public holding of shares of nationalized banks. There is a steep decline in the subsidies to the petroleum sector which will lead to further fuel price increase and inflation.
Price Rise and Inflation

The Modi government’s failure to curb price rise has been exposed within a short time. The government is pursuing the same policy of deregulation of petroleum prices. Petrol prices were increased by Rs. 1.69 per litre and diesel prices has been raised by Rs. 0.50 per month in May and June. The prices of non-subsidised gas cylinders has been increased by Rs. 16.50. The railways passenger and freight charges were hiked steeply. All this has contributed to the continuing price rise. The prices of onions have shot up and there is no let up in the food inflation.

The monsoon has made uneven progress so far. In the month of July there was 22 per cent shortfall of the average rainfall for this month. The shortfall has already created drought like conditions in certain parts of the country. The delay in rainfall in various places has affected the Kharif crop sowing. If there are inadequate rains in the rest of the monsoon season, it can have an adverse affect on agricultural production and the economy and lead to further rise in prices of foodgrains and essential commodities.

It is the economic policies pursued by the Congress-led UPA government which has led the country into the present state of economic difficulties. The Modi government is set to pursue the same neo-liberal policies. The first substantive legislative measure moved by the Modi Government in Parliament is the amendment to the insurance laws to raise the cap of FDI from 26 to 49 per cent. This amendment had been brought by the Congress led UPA government in 2008.

Change in Labour Laws

The government has announced its intention to bring labour law reforms. This is something promised in the BJP election manifesto. Already the BJP government in Rajasthan has proposed amendment to the Industrial Disputes Act, Contract Labour Act and Factories Act. These amendments approved by the State Cabinet concern raising the limit of workers from 100 to 300 in enterprises where government permission is required for retrenchment of workers. Recognition of trade unions for collective bargaining to be based on minimum requirement of 30 per cent of the total workforce being enrolled in the union; contract labour legislation would be made applicable only in establishments where there are 50 such workers (earlier it was 20). Amendment to the effect that the Factories act will apply to an establishment which uses electricity and employees 20 workers and which does not use electricity and employs 40 workers (earlier it was 10 and 20 respectively).
The amendments to the laws have been adopted by the Rajasthan assembly. The Congress MLAs supported the legislation. The Central government has announced that it will take up amendments to the labour laws to make doing business easier for the employers. There has to be a strong movement developed to fight against such measures and for changes in the labour laws which would protect the interests of the workers and strengthen their rights.

**Amending the Land Acquisition Act**

The government has decided to call an all Party meeting to discuss proposed changes in *The Right to Fair Compensation And Transparency In Land Acquisition, Rehabilitation & Resettlement Act, 2013*. This move is in line with the demand made by the industry bodies and some state governments. There is talk of bringing down the consent required to 50 per cent of the land owners instead of 80 per cent. It is to be made not applicable for PPP projects. Other changes are also being proposed.

The efforts to dilute the Land Acquisition and Rehabilitation Act should be opposed. Recently the CAG report on land acquisition based on the old law in Odisha has shown how the whole exercise has been harmful for the interests of the land owners whose lands were taken over. It has also concluded that the process of land acquisition did not serve the purposes of industrialization either with much of the land lying unutilized or being diverted for other purposes.

**Establishing Control**

The Modi government has been in various spheres trying to consolidate their hold and to place their own personnel in the State apparatus. Change of Governors is taking place with some Governors being pressurized to resign and some being transferred. BJP-RSS men are replacing them. The BJP government is misusing the post of Governors by appointing BJP-RSS leaders, just as the Congress did in the past.

The Modi Government scuttled the proposal of appointing Gopal Subramaniam as a judge of the Supreme Court, indicating how it will seek to influence the judiciary. Subramaniam who was selected by the Supreme Court collegium of judges was not acceptable as he had been the amicus curiae for the Court and played a key role in getting the chargesheet registered in the Shorabuddin encounter case which included Amit Shah and other police officers.
Communalising
Education & Text Books

As it happened during the Vajpayee Government in 1998-2004, we had anticipated that there would be efforts to infiltrate RSS and Hindutva minded people into various higher educational and research institutions. This has already begun to happen. The BJP government has appointed Prof. Sudershan Rao as the Chairman of the Indian Council of Historical Research. This person has no academic standing as a historian. The only “research” he has done is to prove the historicity of the Hindu epics. He has also written to defend the ancient caste system as an ideal social arrangement. The RSS outfit, Shiksha Sanskriti Utthan Nyas headed by Dinnath Batra has set up a commission to rewrite text books so that they will conform to the Hindu viewpoint. Batra’s books are already prescribed as textbooks in schools in Gujarat.

New BJP President

The RSS is exercising its direct hold on the BJP. This was evident in the period after the election and the formation of the government. The RSS leaders including its Chief Mohan Bhagwat held consultation with the BJP leaders on the formation of the government and the relations to be maintained with the Sangh.

Amit Shah has been selected as the President to succeed Rajnath Singh. The fact that he is chargesheeted and undergoing trial in the false encounter case involving the murder of Soharabuddin Sheikh and his wife and another eyewitness Tulsiram Prajapati has not prevented the BJP-RSS from taking this decision. Amit Shah was the right-hand man of Modi in Gujarat in both the government and the party. The strategy of creating communal polarization in Uttar Pradesh for the election is also credited to him. The RSS, thus, has its “pracharak” as the Prime Minister and its staunch cadre as the President of the BJP. The RSS has also decided to place two of its pracharaks, Ram Madhav and Shiv Prakash as office bearers in the party.

Communal Incidents/Activities

Since the Lok Sabha elections ended and the new government assumed office there were more than a dozen communal incidents across the country. Communal clashes have taken place in Ahmedabad and Vadodara (Gujarat), in Meerut and Faizabad (U.P), in Bijapur and Mangalore (Karnataka), in Gurgaon (Haryana) and in three places in Maharashtra. A major outbreak of violence took place in Pune where the Hindu Rashtra Sena and other extremist minorities
went on a rampage after some derogatory content on Shivaji and Bal Thackeray was posted on social networking sites. Muslim shops, madrasas and some houses were attacked. A young Muslim IT professional was brutally killed while returning from work.

In UP communal tensions and incidents are occurring at an alarming rate. In Moradabad, clashes took place about the dispute over the use of a loudspeaker in a temple. The BJP and the RSS tried to fan tensions and escalate the trouble. In Saharanpur, there was a clash between Sikhs and Muslims over a land under dispute next to a gurudwara. Three people were killed and shops burnt and curfew had to be imposed for three days.

The mood of triumphalism after the BJP victory has led to such communal incidents often targeting the minority community. It is also a fall out of the intense communal campaign conducted during the elections.

The Vishwa Hindu Parishad and other RSS outfits are planning to strengthen and expand their activities. The Vishwa Hindu Parishad is going to celebrate the 50th anniversary of its foundation in August. It has announced that it will heighten its activities to track cow slaughter; monitor religious conversions and organize re-conversions and work for the reform of the educational system to purge it of “western values”, which would mean communalizing it.

What should be realized is that the RSS and its outfits will step up the activities of its network of organisations in the social, cultural and educational fields, with the BJP government at the Centre providing support and cover for all these activities. At the official level the RSS can get to infiltrate into the various institutions of the State.

The aggressive stance of the Hindutva communal outfits has repercussions on the Muslim minority community. It provides fertile grounds for the extremist Muslim groups to enhance their appeal. They seek to flourish on the feelings of insecurity amongst the minority. There is a danger of a counter communal and fundamentalist response. Such a development, in turn, will only strengthen the forces of majority communalism.

This situation underlines the necessity for the Party and the Left to concentrate and step up the political-ideological work to counter the influence and activities of the communal forces. This campaign and work has to be integrated with the mobilization of the people against the economic burdens and the policies of the Modi Government.
**Article 370**

Soon after the Modi Government took office, the Minister attached to the PMO made a statement that steps would be taken to abrogate Article 370 from the Constitution. This statement evoked widespread opposition and criticism. Here again, it seems to have been a move to test public opinion and to explore what steps can be taken in this direction.

**Foreign Policy**

Prime Minister Modi is to visit the United States and meet President Obama in September. This visit will be important in setting the base for the bilateral relations. The fifth strategic bilateral meeting between India and the United States took place in July with the US State Secretary, John Kerry and External Affairs Minister, Sushma Swaraj leading the two sides. An important aspect of the strategic alliance will be defence cooperation. The United States is interested in stepping up arms sales to India, while the Modi government will be hoping for joint production of defence equipment.

The Prime Minister is expected to visit Japan soon. The Abe government is keen to have a strategic tie up with India as part of the trilateral US-Japan-India alliance. Given the ideological orientation of the BJP, the Modi government will move for closer ties with Israel. Already, on the Israeli aggression in Gaza, the Modi government has betrayed its pro-Israeli bias. The first statement of the Ministry of External Affairs sought to equate Israel and Palestine for the hostilities. In parliament, the government refused the demand for a statement of condemnation of the Israeli attack. In the Rajya Sabha, it even tried to avoid a discussion on the matter. However, in the UN Human Rights Council, India had to support a resolution which condemned the killing of civilians in Gaza and for an international probe on the human rights violations.

On South Asia, the Modi government has adopted a more cautious approach. All the SAARC countries’ leaders were invited to the swearing in of the Modi government. The foreign minister has visited Bangladesh and tried to keep relations on an even keel though the BJP is against the land boundary agreement which was signed by the previous government. Prime Minister Modi has paid an official visit to Nepal and the talks there and agreements made have had a positive impact on bilateral relations.
WTO Talks

The trade facilitation agreement could not be finalised in the WTO talks held in Geneva. This was because of the stand taken by the Indian government that the issue of food stocks and food subsidies which are vital for the food security of the country has to be settled before the trade facilitation agreement can be approved. Earlier during the Bali round of negotiations this matter was not resolved and only an "interim peace clause" was put in place. India wants a change in the WTO norms which limit the value of food subsidies at 10 per cent of the total value of foodgrain production. But this value is calculated at 1986-88 prices as the base year which does not take into account inflation and currency fluctuations in the two decades hence.

The government’s stand on safeguarding food security and farmers interests is correct. It should pursue the matter so that India’s interests are safeguarded in this regard.

Malin Tragedy

The CPI(M) has demanded an independent time-bound inquiry into the tragedy of Malin the adivasi village in Pune district which was wiped out in the collapse of the hillside. So far 135 bodies, majority of them of adivasi women and children have been recovered with a large number of the inhabitants of the village still reported missing. In fact the heavy rain only accentuated the problem, which was caused by reasons linked to callous Government policies. The construction of a dam in the area had already caused considerable damage to the hillside. This was compounded by the use of heavy machines in the name of development of adivasi land to benefit a nexus of corrupt local leaders, officials and machine owners. This tragedy highlights the plight of many adivasi villages situated in remote hillside areas which in the name of "development" are at risk through large projects which threaten the lives and livelihood of the inhabitants.

Violence Against Women

The continuing cases of sexual violence against women and children is a matter of deep concern. The shocking case of gangrape of a child in a Bangalore school which led to mass outrage and protests once again draws attention to not only the horrendous deterioration of security of children and women but also points to the utter failure of the police and Governments to put in place standard procedures to ensure quick arrest and prosecution of the accused. This failure of the system compounds the crime and allows the criminals to escape
punishment. At the same time as crimes are increasing the utterly insensitive and objectionable public pronouncement of a section of politicians in positions of power such as two Ministers in the BJP Government in MP who blamed the victims should be immediately stopped. The highly condemnable statement of TMC MP Tapas Pal who threatened to send his men to rape CPI(M) women deserved immediate prosecution and suspension from parliament. Instead the shameless TMC Government is spending public money to defend the accused in appeal against a High Court verdict to file an FIR against him which the police have been refusing to do. It is high time that Parliament and State Assemblies adopt a code of conduct for its members regarding their statements about women, the violation of which will invite punishment.

**West Bengal**

In West Bengal the Party and the Left Front had to face post-poll violence unleashed by the TMC. Four people were killed in the days immediately after the elections were over on May 12. A number of Party members and supporters were injured in the attacks. Many had to leave their houses and the means of livelihood of many were threatened with their shops being forcibly shut or their not being given work in the agricultural fields and contract workers being refused work.

The Left Front decided to conduct a movement to protest against these attacks and to demand that the state government put a halt to it. A three day continuous sit-in was organized in central Kolkata on June 25 to 27. The sit-in evoked a good response and saw participation of a large number of people and the leaders of the Party and the Left Front sat in the dharna throughout the three days.

The BJP is making efforts to expand its influence in the state encouraged by the good performance in the Lok Sabha election. We have to seriously address this threat.

**Tripura Panchayat Elections**

The Left Front has won an unprecedented sweeping victory in the three-tier panchayat elections held in July. The Left Front has gained a majority in more than 95 per cent of the gram panchayats; 98.3 per cent of the panchayat samitis and 99 per cent of the zilla parishad seats. The scale of the victory shows how the Party has consolidated its influence among different sections of the people.
Other Political Developments

The Congress Party is suffering the aftermath of the electoral debacle in the Lok Sabha election. There is renewed dissidence in various states. In Assam, a senior minister Hemanta Biswa Sharma has resigned from the Cabinet renewing the demand for the resignation of the Chief Minister. A substantial number of MLAs are now in the dissident camp. In Maharashtra Narayan Rane resigned from the ministership to express his displeasure at the Chief Minister not being changed. He subsequently mollified and the resignation was withdrawn. In Haryana, some Congress leaders are threatening to revolt and leave the Party. For the Congress, the only silver lining was its victory in the assembly by elections for three seats in Uttarakhand. The Congress wrested two seats from the BJP.

In Bihar, the JD(U) and the RJD have come together after the Lok Sabha elections. The RJD extended support to the JD(U) candidates in the Rajya Sabha election. This has been followed by the JD(U), RJD and the Congress coming to an understanding to fight the ten assembly bye elections to be held on August 21. The JD(U) is advocating a broad unity against the BJP including the Congress. In response, the Left parties, the CPI(M), CPI and CPI(ML) have decided to contest the elections jointly and there is full agreement on seat sharing.

Among the regional parties, the AIADMK and the BJD which are running state governments in Tamilnadu and Odisha, seem to be adopting an issue to issue support to the Modi government. This is evident in the stand that they took on the railway budget, union budget and the FDI in insurance.

Current Tasks

The Modi government’s “bitter medicine” to tackle the economic situation is going to unfold in the coming days. The people’s expectations that the BJP government will deliver on development, jobs and provide good governance will be belied. The Party will have to take the lead in opposing the measures for privatization, increase of FDI and other neo-liberal policies.

The Party should conduct a campaign on the following issues: (i) against FDI in railways, insurance and defence production; (ii) against disinvestment in public sector shares; and (iii) against dilution of labour laws.
The Party and the mass organisations will have to be active in the struggles to defend the rights of different sections of the working people.

There has to be a countrywide campaign against the cutting down of the MGNREGA and the struggle for ensuring that hundred days work with the minimum wages paid will have to be stepped up. There will have to be struggles on the PDS and for the various provisions of the food security act to be implemented. There has to be opposition built up to the dilution of the Land Acquisition and Rehabilitation Act.

Issues of price rise, drought, unemployment and social security measures will have to be taken up. The Party has to take up the local issues concerning these matters and develop struggles.

The Party should mobilize public opinion against the changes in labour laws. There has to be united movement against the dilution of labour laws both by the trade unions and the Left.

The Party and the mass organisations should take up the political and ideological campaign against the Hindutva forces and all forms of communalism. We should be able to mobilize public opinion against efforts to communalise the educational system, research and cultural institutions. We have to intervene to take up all those issues where communal forces create incidents for communal polarization. We should foster the widest mobilization of the secular and democratic forces against the communal forces and their intervention.

As directed in the Election Review, attention should be paid to strengthen the independent functioning of the mass organisations and activising them to take up mass issues.

We have to observe the 50th anniversary of the foundation of the CPI(M) which falls in November this year. A month-long campaign should be observed to popularize the ideology and Programme of the Party.

The fight against the rightwing offensive has to be met by a more united and strengthened Left. The Party should take the initiative to rally all the Left forces so that a broad Left platform emerges to fight against the neo-liberal policies, communalism and imperialism. All the Left parties and groups should be brought together for a united stand and joint activities.