



ELECTRICITY EMPLOYEES? FEDERATION OF INDIA

4th ALL INDIA CONFERENCE

APRIL 7, 8 & 9 - 2000 CHANDIGARH - PUNJAB

REPORT OF THE GENERAL SECRETARY









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REPORT OF THE GENERAL SECRETARY

Comrades,

1 THE SHORT HISTORY FROM 1992

- 1.1 In the inaugural speech and presidential address our beloved leaders com.M.K.Pandhe and Com.E.Balanandan properly narrated us the international and national situation related with the economical and political developments. So I don't want to go any further on those subjects. I am confining to the developments in power sector.
- 1.2 As you all know the restructuring of power sector started during 1991 in phase with the implementation with the liberalization, privatization and globalisation policies during the regime of Nrasimha Rao. The Electricity Employees Federation of India viewed these developments very seriously based on class interest and started opposing these policies from the very beginning. All the activities carried out till our third conference were properly discussed at Barakpore, including the two days workshop under the auspices of the National Co-ordination Committee of Electricity Employees, which brought out a study report on the power industry and the move of the Government to privatise it. This study report Viz., "Power Sector Problems and Prospects" was printed in thousands and distributed throughout India, which actually served as the viable of our activities against the unbundling and privatisation of power sector.
- 1.3 During the regime of Narasimha Rao, as a part of his liberalisation, privatisation and globalisation policy (LPG) few amendments were made to the Electricity Supply Act (1948) and Indian Electricity Act 1910. Subsequently number of executive orders were issued by Government of India to suit the new Economic Policy dictated by the World Bank, IMF and WTO. United front government also followed the same path of the Congress (I) Government in economic policies. The Chief Ministers meeting held by the Union Power Ministry on 10th of October and 3rd December approved a common minimum national plan of power in the name of "improving the performance of the power sector" the extract of which is given as annexure I. This could be approved because majority of the State were supporting the new economic policies as it is seen now. The United Front Government also has introduced a Transmission Bill in the Parliament with an ulterior motive of privatising the most strategic segment of the Power Industry. the Transmission sector. But due to the stiff opposition from the left parties, they could not press the bill and pass it. Now Ministry of Power has also prepared a concept paper for discussing how to privatise the Distribution System.
- 1.4 During early 1990's there was a flood of MOUs and PPAs signed by different State Government. This was the result of an avalanche of concessions and privileges declared by GOI to Independent power producers, especially to foreign capitals. Broad features of the policy on private power development is attached as Annexure II. The apostles of private power claimed that a new climate created by the liberalisation policy is the panacea for all the crisis in the power sector. Consequent to this more than 200 proposals have been received from the private promoters for a total capacity addition of over 78000 MW involving a total investment of about 3,00,000 crores

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(US \$ 90 Billion). Of these proposals 50 were from foreign investors for a capacity addition of about 31000 MW involving a investment of Rs.1,36, 000 Crores (US \$ 39 Million). But the gimmicks of the financial package was unveiled and the scam was exposed in the case of Enron's Dhabol Power Project Soon. The CITU and left Trade Unions spearheaded the fight. Congress (I) Government was forced to declare a committee of parliament to study the policy packages in power Sector. The Committee headed by Jeswanth Singh recommended among other things to do away with the MOU system and to put an end to issue of Counter Guarantee. So from 18th February 1995 Global bidding of power projects became mandatory.

1.5 Orissa power sector reforms were placed as a model for restructuring the power sector as envisaged by World Bank and IMF. The Orissa Electricity Reforms Act came into being in April 1, 1996. Other States were also asked to follow the suit. Haryana, AP, Rajasthan, U.P., Gujarath among the other State are embarking on similar exercise. In Orissa OSEB was divided into Orissa Hydro Power Corporation (OHPC) and GRIDCO. The OHPc inherited the assets and liabilities of the Hydel Generation Units of the erstwhile OSEB, while GRIDCO inherited the transmission and distribution networks along with their liabilities. GRIDCO was to handle distribution also, until separate distribution companies were set up. They divided the Distribution into four Zone called Business strategic Units (BSUs) and offered the Central Zone which comprises the posh area, to BSES for management for a period of three years from September 1996. The Management fee offered to manage the Zone and improve the Billing and collection was Rs.4.2 Crores per year. There were no definite targets. But BSES were allowed generous incentives to improve over certain minimum, and suprisingly there were no disincentives or penalty for low performance. Later during 1999 these business units were given to private companies both Indian and foreign as envisaged earlier.

2. IMPACT OF POWER POLICY

- 2.1 Eventhough concessions were pored on IPPs especially to 8 fast track projects declared by GOL, only three projects Vz. Jagorupadu (AP), Jojobera (Bihar) and Hazira (Gujarath) were only commissioned during 8th plan period. (But the authorities later gave a lower target to the private sector to save the face of private sector). There were tall talks of adding 10,000 MW by private sector in the 8th plan period. The expected additions from Public Sector was only 20,000 MW out of which the achievements was 18,000 MW. The shameful and miserable failure of private sector lead to 41.1% slippage from the set target addition of installed capacity which crossed over all the previous records. Consequently almost all States with one or two exceptions like West Bengal are facing acute power crisis culminating into loss of production and employment.
- 2.2 The foreign investor promoted power projects now coming up in the ninth plan are based largely on improved fuels. IPPs are preferring Hydro Carbon as fuel as combined cycle power plants and compression ignition machine power plants lower capital cost, shorter gestation period and easier to obtain clearance. India is already short of petroleum products and oil import bill is the single largest item in the import list comprising of about 60% of the entire import bill. The switch over to imported hydro carbons has three-pronged danger of mounting import bill, linking the power cost to international fluctuation of oil prices and currency and depending the power production on imported fuel. Once the power tariff and production linked to international market in this way, the entire domestic economy will open to further pressures. Further it will have a long term adverse impact on balance of payment.

- 2.3 The MOU signed before 18/2/1995 have the facility to pad up the project cost and extract return on equity more than the normative of 16%, post tax, with provision to repatriate with the foreign currency of equity holder, treating the foreign exchange rate variation as pass through. This, along with the foreign debt, the servicing of which is also sensitive to foreign exchange rate variation, is raising the tariff very high. It is to be noted that average tariff of different States in India during 1995 1996 is only Rs.1.41. A minimum of Re.1/- is required to bring the power from generating station to the consumers.
- One of the main conditionally of the power purchase agreements between IPPs and Electricity Boards now signed is the deemed generation payment. If the IPP cannot maintain the PLF agreed due to the purchaser's fault the EBs have to pay the fixed cost to the IPP, for the deemed generation. This conditionality compels the Electricity Boards to purchase the costly power, even when the cheap power produced by Electricity Boards or by other agencies are available which deteriorates the financial health of Electricity Boards.
- Another conditionality detrimental to the Electricity Boards in the live PPAs is the Escrow Account. Revenue from an earmarked are is pledged and channelised through a bank to clear the bills of IPPs, selling power to the Electricity Boards. Generally this security packages inclusive of a Letter of Credit. In many of the cases, the security package is inclusive of a State Government guarantee also. The IPPs are accepting this escrow mechanism where revenue is related to a healthy area. Consequently Electricity Boards are left with low-income areas. In certain States, a stage has come where any more escrow account cannot be operated. This situation also worsens the financial health of the Electricity Boards.
- 2.6 The Indian PSUs, engaged in manufacturing power equipments are facing serious problems of liquidity consequent on the financial ill health of SEBs. So PSUs like BHEL are finding it difficult to raise funds from Indian market and offer suppliers credit. Since the FIPP/IPP design their own stations and make their own specifications, they are providing the equipment based on the standards most suitable to the equipment suppliers, who is providing suppliers credit. So the wide and further growing Indian Power Equipment market is grabbed by MNCs. Standardisation of power equipments and subsequent reduction in capital cost and power tariff are out of reach in such a chaotic situation. Thus denial of market, technology and finance, organisations like BHEL is poised to face serious business crisis. Thus these PSUs are gradually reduced to auxiliaries of MNCs who are in need of a base for their Indian and South East Asian operations
- The unbundling of OSEB started with a tracheae of \$ 350 millions from World Bank which is counter guaranteed by GOI. GRIDCO the baby of unbundling as per World Bank prescription was facing a serious financial crisis even after frequent tariff hike. Before the so called reform process in Orissa was taking place, the average power tariff was 97 Paise per Unit. This has been increased to 3.90 paise by 1999 in five phases, transforming electricity a luxury item. T & D losses are reported to be at a dangerously alarming level. When the first six monthly review came up in 1997 on the privatized management of central zone distribution, by BSES, GRIDCO found the BSEs had notched a negative incentive of 28.02 crores, indicating a decline in performance. It is also reported that number of privileges of the employees of the erstwhile OSEB was enjoying, were also curtailed while fixing up the service conditions of OHPC and GRIDCO. Thus all the privatisation initiatives in Orissa which was a guinea pig for the World Bank model of restructuring and reform has created more problems than

it had solved. It has proved that it cannot serve as a model for restructuring the electricity sector, elsewhere in the country.

3. PRESENT SCENARIO

- 3.1 Six States have passed the Reform Act Viz.,
 - 1. Orissa Electricity Reform Act, 1995
- 2. The Haryana Electricity Reform Act, 1997
- 3. The Andhra Pradesh Electricity Reform Act 1998.
- 4. The Uttar Pradesh Electricity Reform Act, 1999
- 5. The Karnataka Electricity Reform Act, 1999
- 6. The Rajasthan Electricity Reform Act, 1999

According to reports 14 Electricity Boards are at different stages of reforms.

- A paper report says that GOI is thinking to divest NTPC. Also reports say that GOI denied the request of PGCIL management to increase the equity stake for increased mobilisation of funds and asked to sell few interstate transmission lines to private investors. This is another way of pressuring privatization of transmission sector, the most strategic segment in power sector, which an control the total power supply in the country, and there by the total production in the country. Another strategic area the Nuclear Power Production is also going to be privatised. NPC management is inviting private participation for its Kaiga 3 & 4 Units.
- 3.3 Recently Central Power Minister P.R. Kumaramangalam declared that those cities having more than 5 lakhs of consumers are to be privatised, failing which central share of power will not be allocated to the concerned utility. This is a pressure tactics to privatise the profitable area of distribution.
- 3.4 The Central financing agencies i.e., RECC, PFC etc, are imposing a higher interest rate to those states which have not constituted SERC.
- 3.5 CERC has ordered an availability based tariff instead of the present PLF based tariff for thermal stations. Now we are not paying for any deemed generation, for the power we are getting from central generating stations, as per the agreements prevailing before the implementation of the new power policy. When the availability based tariff is implemented, all the SEBs shall have to pay for deemed generation also, in effect.
- 3.6 The new grid code formulated by PGCIL and approved by CERC will be introduced by April 2000. Eventhough it will enable to enforce GRID discipline, it is harmful to those States which are starving for power. In such States frequency will be low and over drawal of power will be taking place usually. There will be heavily penalty for under frequency and over drawal.
- 3.7 All the IPPs are insisting for Escrow agreement as a part of the PPA between the IPPs & Electricity Boards. Escrow agreement is a document by which the revenue return of a distribution area is being pledged to the IPP who is selling power to Electricity Board. This escrow agreement is said to be a lender's conditionality, as a security package to the money they are lending. But now it is being insisted by the Central Agencies such as NTPC, PGCIL etc on the pretext that it is a lender concern. But surprising these agencies are asking escrow coverage not only for the amortisation, but also for their ROE, O & M cost and interest on working capital as directed by GOI.

- This is to safe guard the interest of the private investors coming to purchase equity stakes of these public sector companies as a part of disinvestment policy as mentioned earlier.
- 3.8 As in the case of IPPs the Return on Equity (ROE) of central agencies have been raised to 16% from 12% by GOI. This will increase the cost of power sold. As a result of all these, the differences between IPPs and Public Sector are minimised.

4. THE PRESENT POWER POSITION:

4.1 The 9th Five Year Plan envisaged a capacity addition of 48000 MW initially. But later on the target was curtailed to 40,245 MW amidst the tall talks of Privatisation and its achievements. Even after poring plenty of concessions to the private sector, the 9th Plan is also going to be a big failure, behind 8th Plan as a result of the new Power Policy pursued by the GOI. The table given below will reveal these facts:

Particulars	Central Public Sector (MW)	State Public Sector (MW)	Private Sector Sector (MW)	TOTAL (MW)
Target of 9th Plan	11909	10748	17588	40245
Completed during 1st Year	333	1676	1277	3246
Completed during 2nd Year	992	1675	1575	4442
Completed during 3rd Year	1625	2507	533	4685
Total Completed	2950	5858	3385	12213
Total expectation during this plan period based on the progress achieved	9759	9858	8494	28811
Percentage	81.9%	91.7%	48.3%	69.8%

- 4.2 The slippage expected is 30%. The best performance will be that of State Public Sector with a slippage of 8%. The slippage of private sector is expected to the tune of 51.7%. The failure in the Plan is mainly attributed by the so called "efficient private sector".
- 4.3 The installed capacity details of India at present is also given below:

Sector	Hydro	Steam	Gas	Diesel	Sub Total	Nuclear	Total	Wind	Grand Total
State						allow out	edenied !	Se sont	tan Sakania
Sector	20502.27	35458.60	2236.00	528.04	38222.64	0.00	58724.91	52.59	58777.50
Private									
Sector	456.00	3751.38	3047.90	200.34	6999.62	0.00	7455.62	971.41	8427.03
Central									
Sector	2569.01	19977.50	4275.00	0.00	24252.50	2240.00	29061.51	0.00	29061.51
Grand									
Total	23527.28	59187.48	9558.90	728.38	69474.76	2240.00	95242.04	1024.00	96266.04

5. U.P. ELECTRICITY BOARD EMPLOYEES STRIKE:

5.1 The 11 day strike by the employees and engineers of the Uttar Pradesh State Electricity Board which started on 15th of January 2000 literally shook the Government of UP, the Central Government and the whole of pro-reform lobby in the country on the one side and, on the other, it electrified the whole of the trade union movement, especially the electricity employees of the country except those who are temporarily immunised from their labour instincts by the "union leaders". The pro-reform lobby was afraid that the strike will engulf the electricity workers through the country and paralyse power generation and distribution so that their plan of implementing the World Bank dictated reforms in the electricity sector will be jeopardised. However, the workers could not succeed in forcing the government to retrace from the trifurcating proposal, though they were able to wrest some checks and guarantees through the agreement entered on January 26th.

In the agreement, it was agreed that all the service conditions of the employees would be protected including promotions and wage revision. In the newly formed corporations workers will be given representation. There will be a review each year and in that the system is found not properly working, remedial measures will be taken including the restoration of old system.

For a long period, the electricity employees were agitating against the plan to trifurcate the electricity sector which they properly understood is a prelude to privatisation. However, they came to an understanding with the government that this reform will be implemented only after studying the situation in States where these are implemented like Orissa, Haryana and Andhara Pradesh. But in their hurry to get a long of Rs.15,000 crores from the World Bank for which the precondition is to implement the reforms and therefore, they ignored the promise given to the workers and sought to enforce the bifurcation by a notification. This provoked the workers and the engineers to go for immediate strike.

5.2 Brutal Repression:

The Government in their panicky used all their powers to suppress the strike. The strike was total. The whole of the engineers and the workers numbering 82000 joined the fray, including BMS - the ruling party supported organisation ESMA, MISA and NSA have been invoked. Thousands of workers and engineers were arrested. Military engineering personnel has been deployed to man the power stations. The Government went to the extent of denying water and power in worker's colonies. Thus, the Government virtually declared war on the employees.

5.3 Unprecedented Support:

This unprecedented repression unleashed against the striking employees invoked enormous sympathy for the strike and strong protest against the government. On 17th January, the northern area electricity engineers met and decided to go for "work to rule" in the adjoining states of UP and organise demonstrations throughout the country on 21st. The Central Trade Unions too met at Delhi on the same day decided to send a delegation to Luncknow to sit in dharna together with the agitating employees and called upon the workers throughout the country to join in protest demonstration on 21st. Accordingly the Trade Union leaders lead by Sri.E.Balanandan MP., went to Lunckow and took part in the Dharna. They had occasion to meet the senior Minister of the UP Government. During the talk, they requested that status quo anti should be restored

and start negotiations withdrawing all the penal actions taken against the employees. But the Minister vehemently insisted that without withdrawing the strike, he will not negotiate. On the 20th of January, the national platform of mass organisations met at New Delhi declared wholehearted support for the electricity employees strike, and called upon the electricity employees of the country to go for a day's strike in support of the striking workers on the 24th. This strike of electricity employees and engineers was an important landmark in the electricity workers movement. More than 5 lakh workers took part. The increasing support of the people and the strike really isolated the UP government and forced them to negotiate with the striking employees leaders.

5.4 Why Electricity Board in the Red?

The argument being made by the Government that the electricity board is loosing heavily and, therefore, it is not wise to continue with it. Though the electricity board is an independent entity, the fact was that on everything they had to go by the government directives. The power distributed in the state at the users end, the average cost charged per unit is Rs.1.82 paise while the production cost per unit is Rs.2.60 paise. Therefore, the State Electricity Board had to loose Rs.2,600 Crores per annum on this account.

The Comptroller and Auditor General of India in his report stated that UP state Government owes to the State Electricity Board Rs.13,000 crores. Of which - a) Rs.11,226 crores unpaid agricultural subsidy, b) Rs.1,674.12 crores due from the government department, and c) Public lighting Rs.251.99 crores and said that if this Rs.13,000 Crores are paid to the Electricity Board, the Board will have a marginal profit. It can be seen from the above that the story of losses which is being tom-tomed is the result of implementing the government directives. The central government has offered to the private operators, foreign and Indian, 16% return on investment with several guarantees while they do not take care to ensure 3% return for the State electricity Board, though is a legal liability. Here, we see the double standard. For the private operators, 16% return is guaranteeing while the electricity boards are practically denied even the legally stipulated 3% return.

5.5 Privatisation is no Remedy:

There might be umpteen areas sin the functioning of the State Electricity Board, which needs correction. But, the privatisation if so facto will not bring in efficiency to the system, but only pave the way for squeezing super profit from this basic infrastructure facility.

The experience of privatisation of the power sector has resulted in delaying installed capacity as envisaged and the power rates charged by the private operators were also sky high. The experience of 8th and 9th plan shows that the plan target could not be achieved. The notorious ENRON Company supplies bulk power to the Maharashtra State electricity Board for Rs.4.96 and the GMR Vasavi is to sell power at the rate of Rs.4.10 in Tamilnadu. As per the World Bank expert's study, the power rates in UP will go up from 200 to 600 percent for different category of consumers. The average rate will go up from existing 1.80 paise to 5.60 paise. In Orissa, after the introduction of the policy of privatisation, the existing rate which was Rs.97 paise per unit has been raised to Paise 390 now. In Haryana and Andhara Pradesh, where the reform programme implemented also the rates had been hiked very much and after the ongoing assembly elections, these rates are going to be further hiked. Therefore, the policy of privatisation, as noted above, increase the power rate atleast 3 to 4 times.

The argument advanced for privatisation, electricity boards was that they are making heavy losses. But why then the profit making entities which has performed very we according to all standards, the NTPC, the Power Grid corporation and the Nuclear Power Corporation is also listed for privatisation. Therefore, the objective of government of India is under any plea whether profit or loss is to privatise the whole of the public sector. The vital power sector, if privatised as stated above, will only result increasing the power cost sky high, which will increase the cost of our agricultural and industrial production so that the competitiveness of these sectors will be negative and pave the way for foreign multinationals to dominate Indian market. This will again lead to deindustrialisation and domination of Indian economy as a whole by foreigness So the Electricity employees were fighting against the privatisation policy to protect the national interest, besides to protect their service conditions.

The Trade Union movement must explain to the people that the total privatisation police of the government of India is only to allow garnering billions of crores worth of public property for a song by the big capitalist of the country and their foreign collaborators. In the case of UP alone, it is estimated that the wealth of the state electricity board comes around one and a half lakh crores of rupee which will finally be privatised as indicated above for a song. This is the single agenda of the big bourgeoisie.

6. ELECTRICITY BILL 2000:

The State power Minister's Conference has been convened on 26th February 2001 6.1 by the Union Power Minister. The main agenda of the meeting was the proposed Electricity Bill, 2000. The Bill seeks to revoke all the three existing Acts 1910, 1945 1988 and replace them. The Bill proposes for reaching changes in the structure of the Industry and substantially alters the relationships between the various Governments and the institutions that have been built up over the last five decades. Central Electrical Authority is to be replaced by a new establishment with more powers in favour privatisation. The Bill makes it mandatory for the Sate Governments within six months to abolish the State Electricity Boards and replace them with unbundled organisations like TRANSCO, Distribution Companies, etc and create State Regulatory Commissions. The notorious Bill not only paves the way for privatisations but places a statuton obligation to facilitate privatisation. The posting of employees after unbundling will be purely provisional. All these will have very serious implications for all those associated with the industry, the Government, Electricity Boards, the Consumers the employees The consequences would be a retardation of growth in the industry as has been witnessed during the last several decade. Therefore, it was correctly protested and alternative proposals were given to retain SEBs in Public sector, by the Electrical Ministers of West Bengal, Kerala and Thripura. However, the Central government is determined to dash through the Bill during current parliament Session. The meeting of the Power Secretary and Chairmen of Electricity Boards and State Power Utilities convened by the Secretary, Ministry of Power, Government of India on 23/3/2000 gave a very clear signal about this. (Summary of the bill is separately circulated to discussion).

7. ACTIVITIES OF EEFI SINCE BARAKPORE CONFERENCE:

7.1 On 26th and 27th of September 1992, EEFI held its 3rd Conference at Barakpore West Bengal. 370 delegates from all corners of India assembled in this conference

During the journey from Thiruvananthapuram to Barakpore our Organisation has become stronger and larger. 29 Electricity Organisations from different SEBs, Central Public Sector Utilities, and Private Sector were working affiliated and associated with EEFI. The Conference critically examined the deficiencies and weakness of the Federation, the challenges to be faced, unity among Electricity Employees, etc. And decided:

- To demand a National minimum wage of Rs.2000 based on 800 points of CPI and to restructure the wages of employees suitably. Also to demand the Government of India to appoint a tripartite Committee for the above purpose.
- To demand GOI a complete reversal of economic policies and to call upon Electricity Employees to join with other workmen and people to fight back this policy.
- To demand the Government of Rajasthan to order revocation of suspension and termination of Engineers who struck work against the Privatisation policies and to come to a negotiated settlement on the demands of the employees. Also to intensify the campaign of solidarity with the struggling Engineering of Rajasthan.
- 4) To fight against communalism.
- To participate in large number in the march to parliament on November 25th organised by the sponsoring committee of Trade Unions against the LPG Policies.

The Conference was followed by a mammoth rally of electricity employees and a public meeting in which tens and thousands people of West Bangal participated. The meeting was inaugurated by Com.Jothi Basu.

7.2 November 25th 1992, Parliament March and National Convention of Electricity Employees:

As decided in the third conference of EEFI the electricity employees from the nearby State of Delhi participated in thousands in the November 25th 1992 Parliament March. Representatives from all other States also came to Delhi and participated in the unprecedented March to Parliament. Verbally, all the streets of Delhi were converted as human rivers. The police tried to block the flow of the people to parliament but it was in vain., The Parliament March was really successful and showed a strong protest of not only of the class and mass organisations, but also of the toiling people of India.

A joint convention of electricity employees were also convened by EEFI and AIFEE on 26th at New Delhi at Constitution Club Hall. In the conference other than EEFI and AIFEE accounts and executive Staff Union of Tamil Nadu, TNEB Engineers Association, RSEB Engineers Association, KSEB Officers Association, Power Engineers Association, Rajasthan, etc., participated. This convention fully shared the grave concern expressed in the resolution adopted by the mammoth rally on 25th November 1992. The convention called upon the Electricity employees all over the country to see that the danger of Privatisation of power generation, transmission and distribution, invitation of foreign monopoly capital to make mass entry to power sector, engagement of contract labour in large numbers, enormous increase of work load, systematic reduction of work force etc., are part and parcel of the new economic policies, aimed to undermine the infra structure for developing a cell reliant economy and to build a high cost economy at the dictates of Bank - Fund combine. So the convention decided to organise regional conventions and to strengthen the campaign against the power policies based on the study report "power sector problems and prospects".

7.3 Zonal Conventions

As decided in the Zonal National conventions of electricity employees on 2 November 1992, North Zone conventions could be held at Chandigarh 7th February 1993 Electricity employees from Jammu and Kashmir, Panjab, Hariyana, Himader Pradesh, Rajasthan and Chandigarh participated in the meeting. Leaders from different States and different organisations in their speeches explained the consequences the new economic and power policy. The convention also evolved an action plane be carried out in States. The convention evoked big enthusiasm among employers

Though it was decided to convene meetings in other Zones it could not be materialise. This experience is a general phenomena whenever we decide such conventions. The weakness of our Organisation reflex here, which is to be discussed for begreformance in future.

7.4 Proposal of AIFEE for Unification

The All India Conference of AIFEE held at Madras during June 1993 passed a resolution on the unification of the two All India Federations. The working committee met at Madrey seriously discussed this proposal and evaluated the joint activities going on Swise. It is observed that on many states AIFEE is refraining themselves from the joint actions against the policies of State and Central Governments. So before unificate a close and joint activities at State level is to be pursued. In this context the Madrey working Committee proposed the formation of a confederation with the objective merger. The Confederation need not be consisting of these two organisations Maximum number of Organisations in the power sector, who can work jointly to seguard the interest of the Nation, Industry, and the Power Sector employees could be wooed in this endeavor.

Eventhough we have put forward this suggestion of formation of confederation at time when it was badly needed, we could not move ahead not even a foot. This another arc of our lacuna which is to be discussed in this session of the conference.

7.5 National Convention of Power Engineers and Employees

A joint meeting of the representatives of the Organisation in power sector with working group in power sector met on 3/6/94 at Consortium Club New Delhi. 6 Working Group in power sector met on 3/6/94 at Consortium Club New Delhi. 6 Working Committee Members from EEFI participated out of the 15 Organisation representative The Organisation participated were EEFI, AIFEE, NCOA, AIPEF, HMKP and Descience Forum. Technical and Management stalwarts of power sector like Sambamoorthi (Ex Chairman, CEA), Sri.N.A. Basanth (Ex Chairman, PSEB), Sri.B.N.O. (Ex Chairman, BSEB), Sri.S.N.Singh (Ex-Member Hydro) participated on behalf working group. There was general consensus on the opinion formulated by the working group that the policy pursued by the Government in power sector is anti-national every sense and to be fought out.

The opinion of the pioneers in power sector is very much inspiring. Also it found their opinion will woo rapt attention of the media and well known personalities in accountry. So we manage to organise a meeting of the employees organisations are on 4/6/94 at Consortium Club Hall itself to discuss about the future course of accountry and the future course of accountry. So we manage to organise a meeting of the employees organisations are of accountry. After discussion this meeting decided to hold a national convention of electron employees on 20/6/94 at Delhi. Maximum number of Organisations are to be persuate to attend the convention. The meeting also decided to bring 50 delegates from National Federations and 10 delegates from other Organisations. There was acconsensus to approve a draft resolution to be adopted in the proposed convention.

by the 4 All India Federations. The working committee of EEFI met on the same day decided to make the convention a grand success. The committee also decided to collect Rs.10/- from each member to purchase a flat for the functioning of EEFI Office.

7.6 Convention of Power Engineers and Employees

EEFI, AIFEE, AIPEF, NCOA, UTUC AND HMKP participated in this All India Convention. 14 States were represented. NS Basanth (National Working Group in Power Sector) Sri.A.B. Bradhan, Sri.E.Balanandan, Sri.K.Ashoka Rao and Harbajan Singh (AIEEF) presided this convention. The participation from different organisations were as follows:-

EEFI	45
AIFEE	14
AIPEF	7
NCOA	5
HMKP	2
UTUC	2
INDEPENDENT ORGANISATIONS FROM M.P.	1
DELHI SCIENCE FORUM	1

The convention decided to send an appeal to the Prime Minister from all the Organisations at State level. It was also decided that other organisations irrespective of political affiliations will be approached and requested to co-operate with this movement. The appeal to the Prime Minister finalised by the National Co-ordination Committee is appended herewith (Annexure III). The convention also formed a National Co-ordination Committee consisting of 31 Members in which EEFI was represented by Coms.E.Balanandan, D. Janakiraman, B.S. Meel and K.R.Unnithan. It was also decided to create a fund for which the National Federation have to contribute Rs.5000/- each and Rs.1000/- each by the independent Organisations. A press conference was also held by the Leaders on which they warned the Government that unless these policies reversed, the Engineers and Employees are no other option but to take recourse to all democratic methods to defeat this policy. EEFI Working committee met on the same day, decided to implement the decisions of the convention successfully including conducting of the exhibitions on power sector problems and problems as it is done successfully by KSE Board Officers Association.

The working committee met on 16th November 1994 at New Delhi reiterated to make the above decisions successful.

7.7 The Government with unbundling and privatisation move

In spite of the activities narrated above, the Government of India under Narasimha Rao and Deva Gouda had gone ahead with unbundling of the State Electricity Boards and privatising it. An amendment on Electricity Supply Act 1948 was passed to suit the restructuring of the State electricity Boards. Orissa Government had gone ahead even with privatisation of the Distribution Sector. Orissa was preached as a model for restructuring by the top Brasses in the Government and beaurocracy. There was tremendous increase in tariff, elimination of subsidies, reduction in cross subsidy, reduction of staff and wage- consequent to the unbundling and restructuring in Orissa EEFI self critically accept the fact that it could not make a head way during this period when the leadership of such a class organisation was badly needed. We could not publish even the VOICE during such a long period. There are so many macro and micro level reasons for this weakness.

7.8 EEFI Committee at Chennai

The working committee met Chennai on 30th November and Ist December 1996 decided to revamp the activities of the Organisation. The Committee decided to publish VOICE from Chennai. A fund of Rs.50,000/- was allotted COTEE for this. The price of VOICE has been increased to Rs.8/- and the annual subscription to Rs.30/-. The 4th All India Conference was also decided to be conducted at Punjab. It was also decided to collect the dues of affiliation fee from Unions. The building fund which was collected was decided to be kept as fixed deposit as an office was proposed to start functioning at No.6 - Thalkathora. Also it was decided to send telegrams by all the affiliated unions to Government of Orissa against the unbundling of Electricity Board and privatising it.

7.9 Memorandum to the Hon'ble Prime Minister

During July 1997 five All India Federations in power sector jointly submitted a memorandum to the Hon'ble Prime Minister regarding the power industry a copy of which is given as **Annexure IV**.

7.10 National conventions of Trade Unions and Concerned Citizens

As we have convincing programmatic and scientific alternative to the policies of Government of India, that is to retain the strategic industry in public sector to develop and to make it more efficient. This is inevitable to safe guard the self reliance and hard earned independence of the country. The alternative policy ensures rapid industrial and agricultural growth. It will provide better service to the rural masses. To focus all these aspects in the national horizon which was briefed in the memorandum to the Prime Minister. The Organisations EEFI, AIFEE, AIPEF, PEF and NCOA jointly proposed and organised a national convention of electricity employees and concerned citizens on the future of electrical power industry on 19th September 1997. Eventhough it was a joint effort we took the lead and co-ordinated the activities including organising the convention. About 1300 delegates participated in the convention out of which 1161 was from the EEFI. The conference adopted an alternative policy as envisaged in the memorandum to the Prime Minister. Also it was decided to go for country agitation if the Government continue with its new power policy.

7.11 Meeting with the Central Energy Minister

As per the decisions of the leaders of the various unions based on the National Convention during September 1997, the leaders of unions had an interview with the Energy Minister of the Government of India on 8th October 1997. The record of notes of the meeting between the Minister of State on Power and the representation of the Union are appended as **Annexure V**.

7.12 Further Agitations Mooted

All India working committee met at Chennai on 20th and 21st of June 1998 had taken the following important decisions:

- 1) Extensive propaganda against the Electricity Regulatory Commission Act.
- Conduct joint conventions at State level.
- 3) Prepare a resolution for propaganda and to circulate among affiliated Unions.
- To collect the dues towards VOICE of Electricity Workers.

Punjab and Andhra conducted State conventions.

call was given by the NPMO for a one day strike on 24th January 2000 to express solidarity with striking employees of U.P. The strike was a great success as per our information. The States such as Panjab, West Bengal, Andhra Pradesh, Rajasthan, Tamil Nadu (CITU Union only) Madhya Pradesh etc., participated in the strike in a big way. It is expected that nearly six lakhs of Electricity Employees including Engineers participated in this unprecedented electricity strike. Details of this struggle is mentioned elsewhere in this report.

8. VOICE OF ELECTRICITY WORKER:

One of the important task of the Federation is to give an intellectual leadership and co-ordination to all the affiliated and co-ordinated organisations. With this aim VOICE of Electricity Worker was started. Right from the year of formation of the EEFI, it was almost regularly published till the last conference. The printing and publishing was shifted from Delhi to Madras during November 1996. It has been published from Madras till 2/99 and published only 7 issues since last conference. For the regular publication of the Magazine, it was again shifted to Calcutta during 2/99. But no issues could be published thereafter.

Proper attention on the circulation of the Magazine and payment for the Magazines distributed are not properly cared by the affiliated organisations. Self critically we have to analyse the weakness of the Organisation and to find out a way to over come this.

9. FOR THE WELFARE OF ELECTRICITY EMPLOYEES:

No doubt, the EEFI in their periodical meeting of office bearers and working committee meeting, had given guidance for improving the service conditions and improve their wage revisions and fringe benefits. Even in some Electricity Boards, the minimum wage is fixed at Rs.3050/- and Bonus with ex-gratia to the level of 20% per annum. Similarly in NTPC their economic condition have been substantially improved. In Tamil Nadu with continuous struggle both in the streets and courts, nearly about 20,000 contract workers have been made permanent. In West Bengal there is a rule about 30% of contract workers are being given preference for regularisations and 10% in CESC out of total new recruitment.

10. WAGE REVISION AHEAD:

The next wage revision for powermen of the country is to come during 2000 to 2001. The process of wage revision faced by the All India Electricity Employees has its own history. Prior to the formation of Electricity Boards, vast majority of employees were under the Government Sectors. Almost in every respect they were governed by the Government rules and structure of wage revision etc. In the year 19972-73 there was an attempt for a separate wage Board and the same was formed. But the way in which the wage Board was functioning, the employees lost their hopes and started their own agitation forms in every State electricity Boards and got their wage revision according to their bargaining strength and agitations. After the formation of EEFI and some other all India Organisations a National guidelines were evolved and call given from time to time to fight for their economic and service improvements. In every Electricity Board, they were above to agitate, negotiate and settled their wage revision, permanency etc.

In the year 1996, there was a different Government called united front Government led by left and other democratic and secular parties. When the Central Government Employees unitedly agitated for the implementation of their 5th pay Commission Report, in view of the

left pressure on the Government a good-wage revision and fringe benefits were achieved by the Central Government servants. Consequently the State Government and State Electricity Employees also got benefits.

Now the situation is entirely different. Consequent to the new economic policy, globalisation, liberalisatin and privatisation bring a very big havoc on the toiling masses including that of Government and Public Sector Units. Almost all the private and public sector employees are being denied the wage revision. In several areas serious attempts are made to reduce the wage and DF.A. contractorisation is being introduced rapidly in every sector. In the name of austerity measures only the employees belt is being tightened and manpower reduced. Trade Union rights are being curtailed by bringing amendments to the existing Labour Legislation. The reference provided to the 2nd Labour Commission are in such a manner that unlimited scope will be given to the industrialists and in the government and Public Sector Units stringent measures will be taken against employees.

Any wage revision to the power workers will only be a dream, unless the entire electricity employees and engineers including Officers join unitedly and fight vigorously as an industrial unit, together with other toiling masses like, Government, Public Sectors and Private Sectors both organised and unorganised, we are not going to get any wage improvement in the future. I request the delegates should come forward and discuss on this issue.

11. SECURITY OF JOB

Of late, security of job of power employees is in question. Nearly a decade several lakhs of employees have lost their job, by way of lockout and closer of industries, retrenchment due to mechanisation and modernisation, introducing VRS and Golden Shake Hand etc. Except in Orissa where restructuring processes started as beginning, no other SEBs tasted the bitterness of reduction of staff strength. However, it is not far away that every State Electricity Board which succumbs to the dictate of Central government for restructuring process, will reduce the strength of permanent staff and contractorisation is going to take place. This is very relevant in the context of the introduction of Electricity Bill 2000 in which it is specifically mentioned that the appointment of employees in the new entities after dismantling of the Electricity Board will be purely provisional. It is high time, that we should educate the entire workers irrespective of shades of trade unions, categories etc the change of job reduction in advance and prepare for a joint struggle.

12. WORK CULTURE:

We cannot run the Trade Unions in the existing pattern. A sizable section of people and several Crores of power consumers are in general welcome privatisation of power sector. Normally they are not aware of the misdeeds and mismanagements of corrupt Technocrats and beauracrats. They also do not know about the low budget provisions earmarked to the power sector and malexecution of projects. They only see the powermen with or without uniform are responsible for power shortage, power cut, fluctuation in voltage and frequent power disruption. They are made to think that the only solution to all the above is privatisation. So we have to fight against the irresponsible behaviour, lethargy, culture of acceptance of bribe, etc by the electricity employees. We have to work hard for developing a consumer friendly environment in this industry. Accordingly our work culture should be changed. It should start from the leadership level and go to the ordinary rank and file. This is inevitable to get the support of the people and to fight back the offensives with their support.

13. BUILDING UNITY:

Many of our experiences and the recent experience of the U.P. struggle shows that Engineers and workers Unit at National level is a pre condition for fighting back the so called privatisation programme. This should be borne in mind and we must take steps to unify all the Electricity Workers and Engineers on a National platform. We have to seriously discuss on this score in this session of the conference.

14. INTERNATIONAL CONTACTS

14.1 IE & MO:

After the collapse of Soviet Union and set back caused to East European Socialist Countries and after the advent of imperialist offensive through globalisation, the international working class was divided and hence it was weak during 1990s. In order to face the onslaught of the international capital, the working class movement world over had task of uniting the toiling masses and in this gigantic task,. Confederation of General Trade Unions in France took the initiative and assisted trade unions in the energy sector all over the world.

CGT's initiative materialised and inaugural conference was held at Moutlugon in France from 16th to 18th June 1996, and 165 delegates from 51 countries, representing energy workers in electric power, atomic power, mines, gas and chemical industries attended the conference. From India Com.M.K.Pandhe, General Secretary CITU and Com. S.Pancharatnam, one of the Secretaries of the CITU represented and took part in the Conference.

On 18th June 1996, in the midst of great ovation, joy and show of unity of energy workers all over the world, international energy and mines organisation came into being as a bulwark against the offensive of globalisation and its disastrous effects on the masses in general and the working class in particular.

IEMO declared that the all pervasive offensive of globalisation could be met only by the united working class action and it could not be said that it was unassailable and that it should be understood that every imperialist offensive arising out of globalisation was aimed at divide the people and move particularly working people and in order to take on this challenge, energy workers all over the world should unite to save the energy sector from being pushed into the hands of capitalists and their transnational corporation. Therefore, IEMO's declaration and its objectives enjoin upon energy workers all over the world including the powermen in India to carry forward its call in the context of every national situation and its needs.

Again on 23rd and 24th of April, 1999 the International working committee of IEMO was held at Paris. In that meeting Com.M.K.Pandhe, as the Vice-President and Com.D.Janakiraman as the Working Committee Member representing EEFI attended the meeting. Nearly 25 Members from various countries participated. After discussing about the strengthening the organisation, it was decided that regional level conferences to be conducted. Improve the consciousness of the energy workers of the world for organising solidarity action if workers of one country is attacked by the national or transnational corporations. A separate international conference for Power workers was fixed during October, 1999 and in this conference a delegate from Kerala has participated.

15. ASIAN AND PACIFIC TRADE UNIONS CONFERENCE, CALCUTTA:

There was a conference of Trade Unions representing Asian and pacific countries at Calcutta. Nearly more than 60 representatives from 20 countries participated in it. One behalf of EEFI, Com.D.Janakiraman and Co. H.S.Minhas participated.

In another delegation sent to Australia Com.Rethin Sen from Calcutta represented EEFI.

In the WFTU Conference held at New Delhi from 23-28 March, 2000, Com.Kedar Mukkergee of West Bengal State Electricity Board participated on behalf of EEFI.

16. ORGANISATION:

Our membership are about 1,50,000 representing 24 Unions. We are yet to start our account in Bihar, M.P., Maharashtra, Gujarath, Karnataka. Even where we are EEFI is dominant in Punjab, Kerala, Calcutta Electricity Supply Company, Tamil Nadu, West Bengal State Electricity Board and Pondichery need greater improvement. Our Membership are moderate in Hariyana, Rajasthan, Andhra Pradesh. Organisationally we have to concentrate very much in areas, where we are not yet organised the workers, and where are already in existence, we should further strengthens it.

Electricity workers have also been organised on category and sub category basis. And also it is unfortunate that there are organisations based on castes and communities.. this should not be allowed. Our Federation should concentrate and to bring all the employees under a united strong organisation.

Very recently we have a place at 6, Talkotora Road and started our function with the cooperation of Com.Amarnath, Secretary of EEFI.

The meetings of office bearer and working Committee is meeting more or less with regular interval and discuss the issues facing in the power sector and decision taken. The attendance in the meeting was with an average of 45 to 60 percent. We need more improvement in this respect.

17. FUTURE TASK:

- 1) Fight against the policies of Globalisation, Liberalisation and privatisation.
- 2) Fight in toto against the Electricity Bill 2000.
- 3) Fight to preserve the Power Industry under Public Sector.
- 4) Organise and unite the electricity employees and Engineers all over in India under EEFI.
- 5) Satisfactory Service to the Consumers of the country is our motto.
- 6) Eliminate the caste and community among the powermen.
- 7) Fight to preserve Secularism and eliminate the divisive forces in the country.
- 8) Improve and increase the sale of voice of Electricity Workers.

18. CONCLUSION:

Various affiliated unions have sent their reports of activities and the service conditions. I thank those comrades who took pains to send those reports which has been printed separately. On both these reports I request to be enriched with your critisms and suggestions.

Thank you comrades,