

ALL INDIA FORUM AGAINST PRIVATISATION (AIFAP)

AN ATTACK ON ONE IS AN ATTACK ON ALL!

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Press Statement

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CONDEMN THE GOVERNMENT'S DECISION TO GO AHEAD WITH THE LIC IPO

The All India Forum Against Privatisation (AIFAP) strongly condemns the central government's decision to go ahead with the IPO of LIC despite the strong opposition of the workers of the insurance sector and a large number of policyholders of LIC. It has ignored all the apprehensions and pleas of workers and of people in order to benefit big Indian and foreign financial investors and institutions.

The government's claim that the disinvestment of 3.5% shares of LIC does not amount to privatisation is false. There can be no doubt that this disinvestment is the beginning of privatisation of LIC. As per the SEBI listing norms, the government will have to disinvest at least 25% of the shares of LIC in the next few years. Moreover, it is learnt that SEBI is considering raising the limit from 25% to 35%.

It is well known that once LIC shares are listed, the whole objective of the LIC will change from maximising the benefit to policyholders to maximising gain of the shareholders. The first step has already been taken by reducing the share of profit for policyholders to 90% from 95% to make the IPO attractive for investors. The share of policyholders is expected to further come down in coming years to increase the shareholder value. The Chairman of LIC has already announced that many other steps have been planned after the IPO to increase the shareholder value. LIC is likely to resort to riskier investments to maximise profit. Over 40 crore policyholders of LIC will be the biggest losers as a result of the IPO.

Over Rs. 35 lakh crore of assets of LIC have been built with the hard work of lakhs of workers and agents and the money of tens of crores of policy holders over 65 years. The government had put in only Rs. 5 crore of capital into LIC at the time of nationalisation. Only a few years back the government's investment in LIC was raised to Rs. 100 crore. LIC really belongs to its policyholders. The IPO ignores the interests of its real owners.

The focus of LIC after IPO will be to reduce cost so that profit can be increased. This will lead to remote areas and small policy holders getting deprived insurance as they are not very profitable. LIC had spread insurance widely in the country and among small policy holders due to which its average premium is Rs. 11,000 as against that the average premium Rs. 76,000 for private insurance companies due to their focus on large policy holders and cities. Workers will see their workload increase and numbers reduced due to privatisation.

The government has gone out of its way to help large Indian and financial speculators at the cost of crores of people availing insurance from LIC by rushing through the IPO and by drastically reducing the valuation of LIC. These speculators told the government to first postpone the IPO from March to a later date by giving the excuse of the Ukraine war. They then asked the government to reduce the valuation of LIC from Rs.16 lakh crore to Rs. 6 lakh crore. How can the value of LIC reduce to less than half in just two months? Once the government

agreed to the lower valuation, which meant substantially lower share price for the IPO, the government was advised to rush through the IPO even though the war is continuing! The government is getting deprived of nearly Rs. 35,000 crores due to reduction in the share price so that financial speculators can earn huge profit later when the LIC share price rises to its true value. The loss to the Government by this lowering of the valuation to favour speculators is another attack on the policy holders of LIC and the people of India.

The LIC IPO is undoubtedly an anti-people, anti-worker step to benefit big private Indian and foreign financial institutions.

We the members of the All India Forum Against Privatisation condemn the anti-people privatisation of LIC and other public sector enterprises. We are determined to strengthen our unity cutting across all sectors and affiliations and involve users and consumers to defeat the anti-people, anti-social and anti-national policy of privatisation.

Dr. A Mathew

For All India Forum Against Privatisation

Constituents in alphabetical order

1. Air India Employees Union (AIEU),
2. Air India Service Engineers Association (AISEA),
3. All India Bank Officers Association (AIBOA),
4. All India Coal Workers Federation (AICWF),
5. All India Confederation of SC/ST Organisations (All India Parisangh),
6. All India Defence Employees Federations (AIDEF),
7. All India Federation of Electricity Employees (AIFEE),
8. All India Federation of Power Diploma Engineers (AIFOPDEE),
9. All India Guards Council (AIGC),
10. All India Loco Running Staff Association (AILRSA),
11. All India New Pension Scheme (NPS) Employees Federation,
12. All India OBC Railway Employees Association - Northern Railway,
13. All India Pointsmen Association (AIPMA),
14. All India Port and Dock Workers Federation (AIPDWF),
15. All India Power Engineers Federation (AIPEF),
16. All India Railway Employees Confederation (AIREC) – Western Zone,
17. All India Railway Track Maintainers Union (AIRTU),
18. All India Railwaymen's Federation (AIRF),
19. All India Scheduled Caste Scheduled Tribe Railway Employees Association (AISCSTREA),
20. All India State Government Employees Federation,
21. All India Station Masters Association (AISMA),
22. All India Train Controllers Association (AITCA),
23. Andhra Pradesh State Power Employees Joint Action Committee (APSPEJAC),
24. Bahujan Samajwadi Manch (BSM),
25. Bharat Earth Movers Limited (BEML) Employees Association, Palakkad, Kerala,
26. Bharat Petroleum Technical and Non-Technical Employees Association (BPT-NTEA)- Mumbai Refinery,
27. Bhartiya Railway Mazdoor Union (BRMU), SW Railway, Hubli,
28. Bihar Phule Ambedkar Yuva Manch
29. Brihanmumbai Electricity Supply and Transport (BEST) Employees Union,
30. Brihanmumbai Electricity Supply and Transport (BEST) Kamgar Sanghatana,
31. Central Railway Mazdoor Sangh (CRMS),
32. Chittaranjan Loco Works (CLW) Railwaymen's Union, Chittaranjan, W.B.,

33. Chittaranjan Railwaymen's Congress (CRMC), Chittaranjan, West Bengal,
34. Cochin Refinery Employees Association (CREA-INTUC),
35. Cochin Refineries Worker's Association (CRWA) - CITU,
36. Container Corporation (CONCOR) Employees Union,
37. Coyla Mazdoor Union (AITUC),
38. Dakshin Railway Employee Union (DREU),
39. Diesel Loco Modernisation Works (DMW) Railwaymen's Union, Patiala, Punjab,
40. Diesel Loco Works (DLW) Men's Union, Varanasi, Uttar Pradesh,
41. DMW Railway Workers Union (DMWRWU), Patiala, Punjab,
42. Electricity Employees Federation of India (EEFI),
43. Haryana Roadways Workers Union (INTUC),
44. Hind Khadan Mazdoor Federation (HKMF),
45. Hind Mazdoor Sabha (HMS) - Telangana,
46. Hindustan Petroleum Employees Union, Vishakapatnam Refinery,
47. Indian National Electricity Workers Federation (INEWF),
48. Indian Railway Catering, Tourism, e-Ticketing Staff Federation (NFIR)
49. Indian Railway Loco Runningmen's Organisation (IRLRO),
50. Indian Railway Ticket Checking Staff Organisation (IRTCSO),
51. Integral Coach Factory Mazdoor Sangh (ICFMS), Chennai, Tamil Nadu,
52. Integrated Coach Factory (ICF) Labour Union, Chennai, Tamil Nadu,
53. Jammu Kashmir Power Employees and Engineers Coordination Committee (JKPEECC),
54. Joint Action Front of Public Sector Trade Unions of Bangalore,
55. Kamgar Ekta Committee (KEC)/Mazdoor Ekta Committee (MEC)/Tozhilalar Ottrumai Iyakkam (TOI),
56. Lok Raj Sangathan (LRS),
57. Madhya Pradesh United Forum of Power Employees and Engineers,
58. Maharashtra State Bank Employees Federation (MSBEF),
59. Maharashtra State Electricity Operators Union
60. Maharashtra State Electricity Workers Federation (AITUC),
61. Men's Congress Diesel Loco Works (MCDLW), Varanasi, Uttar Pradesh,
62. Mumbai and Suburban Secondary School Teachers Association,
63. Mumbai Port Trust Flotilla Workers Association,
64. National Federation of Indian Railwaymen (NFIR),
65. National Federation of Telecom Employees (NFTE)-BSNL,
66. National Movement for Old Pension Scheme (NMOPS),
67. National Railway Mazdoor Union (NRMU), (Central Railway/Konkan Railway),
68. Neelachal Executives Association, Neelachal Ispat Nigam Limited (NINL),
69. Port, Dock & Waterfront Workers Federation (AITUC),
70. Purogami Mahila Sanghatan (PMS),
71. Rail Coach Factory (RCF) Men's Union, Kapurthala, Punjab,
72. Rail Coach Factory (RCF) Men's Union, Rae Bareilly, Uttar Pradesh,
73. Rail Coach Factory Mazdoor Union (RCFMU), Kapurthala, Punjab,
74. Rail Coach Factory Men's Congress (RCFMC), Raebareli, Uttar Pradesh,
75. Rail Wheel Factory (RWF) Mazdoor Union, Bangalore, Karnataka,
76. Rail Wheel Factory Karmika Sangh (RWFKS), Bangalore, Karnataka,
77. Research Design and Standards Organisation (RDSO) Karamchari Sangh, Lucknow, U.P.,
78. Sanchar Nigam Executives Association (SNEA)-BSNL,
79. Shipping Corporation of India (SCI) Officers Association,
80. Singareni Collieries Workers Union (AITUC),
81. Singareni Miners and Engineering Workers Union (HMS), Telangana,
82. South Central Railway Catering, Helpers and Workers Union

83. Southern Railway Employees Sangh (SRES),
84. Subordinate Engineers' Association (MSEB),
85. Surat Trade Union Council (STUC),
86. Tamil Nadu Electricity Board Engineers Association (TNEBEA),
87. Teachers Democratic Front Mumbai (TDF),
88. Union Territory (UT) Powermen's Union, Chandigarh,
89. Unorganized Workers and Employees Congress,
90. Uttariya Railway Mazdoor Union (URMU),
91. Water Transport Workers Federation of India (CITU),
92. West Central Railway Employees Union (WCREU),
93. Western Railway Mazdoor Sangh (WRMS).