

# Against Privatisation of Visakha Steel Plant

**100% Disinvestment of the Visakhapatnam Steel Plant is neither in the Interest of the Workers nor the Nation –But to Loot Thousands of Acres of the Plant's Land**

Workers of all districts of AP, not just the people of Visakhapatnam, have been fighting for the development of the Visakhapatnam region and for the protection of Visakhapatnam Steel Plant (VSP), the prestigious Navaratna Company in the State of Andhra Pradesh. The people of the state are participating in solidarity with the struggle. Except the ruling party BJP, all opposition parties, workers, peasants, students, intellectuals and democrats extended their support to the struggle. The Plant has constantly been asking the central government and the ministry of steel to allocate own captive iron ore mines. With no captive mines the workers have been operating the plant for the past 30 years in profits except for few years since its inception. The Central Government is only considering the losses of the last 2-3 years period. It is aware of the fact that the Plant has to spend Rs 60/- in every Rs100/- earned to purchase raw material. The process of strategic disinvestment in the public sector units (PSUs) has been underway since the previous government. Workers have earlier jointly fought the government's decision to sell a 10 percent stake in VSP. They were able to push back the BIFR with massive agitation and the Plant was expanded. Former Prime Minister Manmohan Singh during his tenure lauded the VSP for making profits while all other public sector units were at a loss. Union Steel Minister RCP Singh stated in Lok Sabha that the public sector has produced more compared to private sector, and as a single unit VSP has the highest production. But why the decision to privatize 100 percent stakes of VSP is taken and for whose benefit is some -thing the Central Govt. has to answer.

They did not allocate captive mines to the Plant as part of their strategy to sell it. Salary arrears payable from 01-01-2017, 6 % pay revision in pension and allowances were set aside. Although the Plant's capacity has expanded to 7.3 million tonnes, no new recruitments were made but the work pressure increased on the employees. Last year, 245 management trainee posts were advertised in two phases but did not fill the posts citing Covid pandemic as an excuse. The examination was held on January 24<sup>th</sup> in AP and other states and 750 candidates were selected. Interviews were conducted in March and April, but no appointments were made. The government, which is in a rush to privatize, has put aside the issue of wages and also the recruitments. It is understood that the government has left these issues behind due to its plan of privatizing the plant by reducing the workers and forcing the workers and employees to take voluntary retirement.

If the Plant is privatised, the number of permanent employees will be reduced, contract and outsourcing employees will be hired at lower wages which permits for zero enforcement of labour laws. Workers will be sent home if they raise voice for their rights. Newcomers can be recruited for even lower wages. The plight of displaced people will be ignored and no reservation for SC, ST, Minority and Disabled will be implemented.

As part of accelerating privatization, the CCEA (Cabinet Committee on Economic Affairs) decided on January 27<sup>th</sup> for 100% strategic disinvestment and invited proposals for engagement of a Legal Adviser (Legal Adviser) by the Department of Public Asset Management (DIPAM). Details of the necessary documents to be submitted along with the required Pre bid EMD 50,000/- are put on the website. This marked a step ahead in the sale of the steel plant. Further decisions will be taken on the basis of the estimates and recommendations given by these two committees. Despite the continuous struggle of the workers for months, the government's apathy towards them has provoked the workers. Not heeding to the workers plea, Govt. is adamant on privatizing VSP at any cost.

The attitude of the government is like rubbing salt on the wound. Thousands of workers and employees raised slogans against government policies in front of the Plant's main gate around 8 a.m. on Jan 28<sup>th</sup>, Thursday. The management, anticipating that workers would react strongly to the arrival of the committees, deployed police force in large number. Workers raised slogans against the central government's provocation and betrayal and stated that private players won't be allowed to enter the Plant which was a result of many struggles and sacrifices and reaffirmed to even sacrifice their lives to save the plant. On 10<sup>th</sup> a massive rally was held from the steel plant to the GVMC. From Aganampudi to BHPV, 10 km long, massive human chain was formed with 10 thousand people. A two-day dharna was also held with thousands of workers at Jantar Mantar in Delhi. Workers are demanding the state government to take appropriate action to retain VSP-Navratna public enterprise of the State in the public sector itself.

### **Govt. Adamant towards People's Struggles**

Any government that is committed to the protection and development will consider solutions proposed by the workers for the development of the Plant. Govt. should have optimistic approach towards Plant which accrued crores of money to the treasury in the form of taxes and dividends. While people were left to die due to lack of oxygen during Covid Pandemic, as a social responsibility VSP supplied tons of oxygen and saved thousands of lives which is to be applauded.

But the pro-fundamentalist, pro-imperialist, pro-capitalist Modi government wants to surrender the welfare of the people of the nation for the benefit of their masters, the Imperialists and for the benefit of their corporate allies, most importantly Adani and Ambani, rather than the people of the nation who voted for them. After spending crores of rupees flying around the world to attract foreign investment, not a single company came to invest. Establishing a new industry requires thousands of crores of investment. 5 lakh crores is required to build a new Steel Plant. Rather than investing such huge amount, they chose the easiest way, grabbing the readily available industry, loot the Plant and thousands of acres of land cheaply lobbying with the politicians. The working class must repel the fraudulent conspiracies of the government.

With lockdowns and curfews enforced during Covid, people lost jobs and their lives were shattered. Govts' have failed to provide medical care to the affected people. Many families sold all their assets and were robbed by corporate hospitals. Many died due to lack of oxygen supply. Govt. utterly failed to take the necessary precautionary measures to supply oxygen.

To add injury to the insult during lockdown, prices of all essential commodities, gas, petrol and diesel were raised, left the people stranded with job losses and struggling to make both ends meet. The state government is burdening the people with house taxes and garbage taxes. Small and medium-sized industries were shut down. Unable to raise capital to operate the industries with limited aid from the banks and raising raw material prices, nil sales of the products led to forced shut down of many industries. As a result, 4.2 lakh workers dependent on these industries lost their jobs. Some Industries reduced the number of employees. These actions of the rulers have created job insecurity in both the organized and unorganized sectors.