



## **COVID19 - TODAY**

<b>INDIA</b>	<b>30-3-20</b>	<b>31-3-20</b>
INFECTED PEOPLE	<b>1,071</b>	<b>1,251</b>
CURED	<b>99</b>	<b>102</b>
DEATH	<b>29</b>	<b>32</b>
UNDER TREATMENT	<b>943</b>	<b>1,117</b>
<b>WORLD</b>		
INFECTED PEOPLE	<b>7,59,302</b>	<b>8,23,194</b>
CURED	<b>1,59,415</b>	<b>1,74,333</b>
DEATH	<b>36,432</b>	<b>40,633</b>
UNDER TREATMENT	<b>5,63,455</b>	<b>6,08,228</b>

## **'Nationalise all private banks!'**

By SHOBHA WARRIER March 31, 2020

*Rediff.com* » Business »

'One by one we are seeing these private banks taking people's money and mismanaging it.'

'In the last 30 years, 30 private banks have collapsed.'

'Nationalise all banks so that people's money is safe.'

**Will the clamour for privatising public sector banks stop** now that Yes Bank, a private bank run by 'professionals', faced setbacks due to reported mismanagement?

Was it a good idea for the government to ask the largest public sector bank, the State Bank of India, to take over Yes Bank?

Who is to be blamed for the collapse of some private sector banks when you have a Reserve Bank of India monitoring all the banks in India?

**"Government banks are like Nilkant Mahadev; they have to swallow the poison that is private sector banks. We cannot swallow it, but we will keep it in our throat,"** C H Venkatachalam, general secretary, **All India Bank Employees Association**, tells **Rediff.com's Shobha Warriar**.



C H Venkatachalam

**The first of a two part interview:**

- **When the NPA crisis at public sector banks came to light, there was talk of privatising all public sector banks to solve the crisis. With the problems confronting a large private bank like Yes Bank with over 1,000 branches all over India, do you think the talk will subside?**

They will not stop talking about privatisation of public sector banks.

The propaganda will continue that the public sector is inefficient and the private sector is efficient. But it is getting exposed repeatedly.

Look at what happened to Global Trust bank. We also saw the problems at ICICI Bank. Now, everybody knows what the head of the bank who was given a Padma Bhushan has done. And now, Yes Bank.

It is not just the failure of the bank, it is misuse of people's money.

Just like the propaganda for privatisation, corporates taking loans from banks and defaulting will also continue.

- **With this, do you think people will start trusting public sector banks more than private sector banks?**

Yes, this will make people realise that all said and done, public sector banks are far better. The Yes Bank collapse will make people have more confidence in public sector banks.

- **I remember you telling me that in 1960, when T T Krishnamachari was finance minister, after the AIBEA President raised the issue of private banks collapsing, Section 45 of the Banking Regulation Act was added as a special amendment so that governments can tell the RBI to close the bank and merge it with another bank. So, according to you, is the government asking the State Bank of India to take over Yes Bank a good decision?**

Of course. We fully appreciate the government interfering, and asking SBI to take over Yes Bank. That is because there are about Rs. 250,000 crores of deposits of common people in the bank. We are interested in the safety of the deposits of common people.

Even if the public sector bank loses some money while taking over Yes Bank, ultimately people and their money are important.

That's why we always say that government banks are like Nilkant Mahadev; they have to swallow the poison that is the private sector banks. We cannot swallow it, but we will keep it in our throat.

- **The SBI has put in around Rs 7,500 crores which is tax-payers's money in a private bank that was reportedly mismanaged...**

We can't help it. Who else will save the bank and people's money? It is to protect people's money that the SBI had to put in Rs 7,500 crores in a private bank that has failed miserably.

It may look odd, but it is essential. Because SBI has stepped in, some other banks are also adding some money.

I am of the opinion that government banks have the responsibility of safeguarding people's money. That's why we welcome the move. **We will go on to say that all private banks should be nationalised.**

- **Would you say the safety of people's money lies in nationalisation and not privatisation?**

One hundred percent!

This is the appropriate time to nationalise all private banks. One by one, we are seeing these private banks taking people's money and mismanaging it.

In the last 30 years, 30 private banks have collapsed.

Indira Gandhi was right in nationalising all banks.

Our demand is, nationalise all the banks in our country so that people's money is safe.

Secondly, when the economy is in a bad condition, and to revive the economy we have to create demand. There is no demand in the country right now so, there is no development.

To create demand, banks should give more loans to people so that they have the money to spend.

The private banks will give loans only where they see profit. But the government can give loans where demand is possible.

So, not only for safeguarding the deposits of the people, but to give more loan to revive the economy, public sector banks are important.

From any angle, it is very, very necessary to nationalise all private banks.

- **Do you feel the government should not give licences to start any private bank?**

In fact, they are trying to do much more dangerous things. All types of people are opening small finance banks.

- **Should the collapse of Yes Bank started by a well regarded banker and run by professionals, be an eye-opener for the government?**

Definitely. The Yes Bank collapse is a big eye-opener. The government must stop believing that the private sector is very efficient.

What they should do is bring in professionalism in the public banking system. Instead, they are interfering in the functioning of public sector banks.

For example, the government should help public sector banks to recover bad loans. Now, the emphasis has changed from recovery to resolution.

With the introduction of the Insolvency Bankruptcy Code, the priority is to resolve and not recover.

Banks have given money to people like (*Vijay*) Mallya and Nirav Modi and they have not given back the money. But the government says you resolve the issue.

Now all the corporate defaulters are going to the tribunal, and instead of helping banks recover the money, it is getting resolved.

What is the result of this resolution according to the IBC? It results in banks losing money.

For example, public sector banks have given Rs 56,000 crores to Bhushan Steel Ltd. It is a wilful defaulter and the government should have taken action against the firm. But it was referred to a resolution court and the court resolved it by giving that loan to Tata for Rs 35,000 crores.

Tata got a loan of Rs 56,000 crores for Rs 35,000 crores. So, Tata is happy. Bhushan Steel is also happy because it is absolved of the loan. But the bank has lost Rs 21,000 crores! And this Rs 21,000 crores is people's money.

So, by resolution, banks are losing money.

Another glaring example is Alok Industries, a textile manufacturing company. Banks had given a loan of Rs 30,000 crores. Instead of taking action, it was asked to resolve the problem.

Reliance came in the picture and said they would take over for a loan of Rs 5,000 crores. But banks do not want to accept this too low an offer.

Then, it went to voting among the lenders. 72% was in favour of a resolution and 28% did not agree for the amount.

As per the IBC law, only if 75% of the people vote in favour of a resolution, should it go through. So, it did not go through and was referred to the government.

What did the Modi government do? Overnight, they brought in an ordinance reducing the number from 75% to 66%.

What happened you know ? Rs 30,000 crore given to Alok Industries was resolved in favour of Reliance for Rs 5,000 crores.

A sacrifice of 83%! Who is the loser here? The Banks.

That's why we say that this government is helping only the corporates instead of helping the banks with more stringent laws to recover the money.

Earlier, if the banks had a profit of Rs 1,000 crores and lost Rs 200 crores as bad loans, they still had Rs 800 crores. Today, the entire profit of banks is wiped out by bad loans.

In March 2019, all public sector banks put together made a record operating profit of Rs 150,000 crores. But because of the sacrifice and bad loans to corporates, banks had Rs 216,000 as bad loans.

What does it mean? A net loss of Rs 66,000 crores.

To offset the loss, banks are increasing the minimum balance penalty charge, service charges for cards, cheque books, etc from common people.

You are penalising poor people and giving concessions at the top level.

Is this democratic? Banking democracy means banking services and benefit for the majority of people. What is happening is, a few people are enjoying and majority are suffering.

PART **II** TO CONTINUE

# Pandemic and Socialism

As COVID-19 grips the world, in country after country, there is socialisation of healthcare and of production of some essential goods, which markedly departs from the capitalist norm.

Prabhat Patnaik, 28 Mar 2020



**A hospital built in Wuhan, China under 10 days to treat Coronavirus infected patients. | Image Courtesy: Al Jazeera**

It is said that in a crisis everybody becomes a socialist; free markets take a back seat, to the benefit of the working people. During the Second World War for instance, when universal rationing was introduced in Britain, the average worker became better nourished than before. Likewise, private companies get commandeered to produce goods for the war effort, thus, introducing *de facto* planning.

Something of the sort is happening today under the impact of the pandemic. In country after country, there is socialisation of healthcare and of production of some essential goods, which markedly departs from the capitalist norm; and the more severe the crisis, the greater is the degree of socialisation. Thus Spain, the second worst-hit European country after Italy, has nationalised all private hospitals to cope with the

crisis: they are all now under the control of the government. Even Donald Trump is directing private companies to produce goods urgently needed during the pandemic. Tightening government control over production does not just characterise China at present; it marks U.S. policy as well, not to mention several European countries.

There is a second reason why a pandemic-hit world takes an apparently socialist turn. This has to do with the enforced need for a scientific temper; and a scientific temper itself is a big step towards socialism. The utter vacuity of the "theories" peddled by the Hindutva outfits for instance, like cow dung and cow urine being antidotes to the coronavirus, are met by people with contempt at a time like this. The peddlers of these theories themselves, quite sensibly, either rush to hospitals on their own, or are rushed to hospitals by their kin, at the first sign of a cough. Superstition proves expensive in such a situation. An enforced change in attitudes occurs which is also conducive to the idea of socialism.

True, India is lagging far behind other countries, both in terms of the enforced adoption of a scientific temper, and in terms of the enforced turn to socialisation of production and of healthcare. The prevalent penchant for *kitsch* has still not been abandoned despite the crisis. During Modi's "Janata curfew" on March 22 for instance, when he had called for five minutes' bell-ringing for health workers, enthusiastic Modi-devotees not only stretched the period to as long as half an hour, but even assembled together for noisy demonstrations, and took out processions in places while blowing conch-shells, all of which nullified the very rationale of the "curfew", which was to enforce social distancing.

Likewise, while the government has now widened testing facilities by including private hospitals, it has still not made testing, and treating patients who test positive, free of charge at these hospitals.

But the continued prevalence of Hindutva *kitsch* to the exclusion of a scientific temper, and the continued deference to the desire for profit-making at private hospitals, can be attributed to the fact that the crisis has so far been less severe in India. If its severity increases, which one

hopes does not happen, then India, too, will have to change its attitude and pursue the path of socialisation followed by other countries.

An alternative, opposite tendency is also discernible at present, which is to adopt a "beggar-my-neighbour" policy. Trump's offer to buy exclusive rights to a vaccine being developed by the German firm CureVac captures this tendency. Trump, in other words, was trying to ensure that the vaccine will be available only for the US and not for others, an attempt that got negated by the German government. Likewise, the temptation, by no means negligible, to concentrate on protecting only one segment of the population, and to leave the others--which would include the old, the women and the marginalised groups--to their fates, is another expression of this tendency. And Trump's persistence with sanctions on Iran, despite that country being very badly hit by COVID-19, is another obvious instance of this tendency.

The thinking in all these cases is typical of capitalism, which is to leave the poor and the vulnerable to the mercy of the pandemic while ensuring that the rich, the strong, the well-heeled, remain protected. The setback for Bernie Sanders, an avowed socialist who had been advocating universal healthcare in the US, in the build-up to the US elections, would only strengthen this tendency.

This tendency, however, has a natural limit. The hallmark of the current pandemic is that it is difficult to keep it restricted to just one country or one segment of the world or one segment of the population. The jejune attempt to do so, which Trump revels in, is bound to fail. To say this is not to suggest that mankind would somehow seamlessly move to a new understanding of the necessity of going beyond capitalism for tackling the crisis, but, rather, that in the welter of anti-pandemic measures, the ones going beyond capitalism will eventually have to take a dominant position. And the longer the pandemic lasts, the more true this is likely to be.

What this pandemic demonstrates is that, while the current globalisation has been under the aegis of capitalism, it does not have the wherewithal for dealing with its fall-out. Capitalism has led to a situation where

commodity and capital movements, including those of finance, have become globalised; it believed that matters could just be kept confined to such movements alone. But that was impossible. Globalisation also means the rapid global movement of viruses, and hence the global outbreak of pandemics.

Such a global outbreak of a pandemic with very high mortality had occurred just once before and that was in 1918 with the Spanish flu virus; and that had spread worldwide because it occurred in the midst of a war when thousands of soldiers had crossed thousands of miles to fight in trenches and then had gone back home as carriers of the virus. The war, in short, had broken down national exclusion during the period it raged, causing a global pandemic. The 2003 SARS outbreak affected 26 countries and while serious, led to an estimated mortality of 800 while the current pandemic has already claimed over ten times that number.

Now, however, the breaking down of national exclusion has got built into the system, which is why global outbreaks of the sort we are witnessing will be common phenomena in the current phase of capitalism. And which is also why Trump-style efforts to restrict the crisis to only some population segments and protect others, are bound to fail. Capitalism, in short, has now come to a stage where its specific institutions are incapable of dealing with the problems that get created by it.

The pandemic is only one example of this phenomenon; several others claim our attention urgently, of which I shall mention only three. One is the global economic crisis which cannot be resolved within the existing institutions of capitalism. At the very least, it requires a globally-coordinated stimulation of demand through fiscal means, by several governments acting together. How very far we are from such global coordination is illustrated by the fact that the leading capitalist country--the United States--can only think of protecting its economy for overcoming the crisis, which is an approach of segmentation analogous to what it is attempting in the context of the pandemic. The second example refers to climate change, where again capitalism has created a crisis which it cannot possibly resolve within the parameters that define it. My

third example relates to the so-called “refugee crisis” or the global movement of those devastated by capitalism in the course of its wars, and also its peace.

These crises suggest an end-game for the system. They are not mere episodes: the economic crisis is not a mere cyclical downturn, but represents a protracted structural crisis. The crisis caused by global warming is, likewise, not just a temporary episode that would go away on its own. And the pandemic shows the shape of things to come in the era of capitalist globalisation when the entire world will be struck by rapidly moving viruses that afflict millions of people, not once in a century, but far more frequently. For mankind to survive all these challenges, the institutions of capitalism are grossly inadequate. A movement towards socialism is needed, towards which the current measures superseding the “free market” and the profit motive, though apparently only temporary and emergency measures, are unwitting pointers.

## Locking down two different Indias

Aruna Roy - Nikhil Dey, MARCH 31, 2020 THE HINDU



*"The lockdown has a disproportionate impact on the socioeconomic conditions of the poor and unorganised sector."*

**While some can practise social distancing, most Indians simply cannot as they have no social security**

What could possibly have been the reason for Prime Minister Narendra Modi to give only a four-hour notice for the lockdown? If the requirement was to keep the population indoors, strictly enforcing social distancing, how abjectly this has failed! Lakhs of migrant labourers have been jostling to get any form of transport back home; walking and sleeping in the heat and rain, in the open, through day and night, dodging the police and sometimes even hiding under tarpaulin in trucks. Almost as many have died undertaking this inhumane journey as people have lost their lives due to COVID-19 so far. What answers does Mr. Modi have for them? This is the largest manually induced distress migration in independent India. Tragically, it could have been handled much better.

### **Decision without planning**

COVID-19 is a disaster that came with prior warning, and therefore did not warrant an arbitrary, unplanned and ill-prepared decision. The Prime Minister's 8 p.m. top-down lockdown announcement was not accompanied by practical and necessary relief measures. It brought uncertainty, confusion, and insecurity to an unprepared people. The announcement was rapidly followed by suspension of all public transportation — again with practically no notice. A unilateral lockdown order, keeping millions of migrant labourers in suspended animation, was bound to fail. With doomsday predictions and no work, and no guarantee from the government, migrant labourers logically sought the security of their distant homes, like all of us have. They decided to travel any way they could, including by foot, to go home. Policymakers and the ruling elite have no clue about the lives of the unorganised workforce.

Contradictory and uncoordinated government orders followed in rapid succession adding to the chaos. Bus services were suspended, and then orders were revoked. On March 29, for

instance, with lakhs walking home, the Ministry of Home Affairs (MHA) issued orders to stop the home-bound and quarantine them for 14 days. The propagandists uttered platitudes of support reiterating mandatory 'social distancing'. The pretended ignorance of how the labour force lives — crammed together, 10 in a room — makes such statements pointless. In the slum or *basti*, social distancing is a non-existent concept. No order will work unless the government recognises and addresses the dire circumstances of the so-called informal sector. Those secure in isolated rooms in spacious homes, with a huge food stock, cannot wish this problem away.

This lockdown is shaping itself as the expedient response of an elite terrified of falling victim to a virus. There is clearly little imagination or application to work out a plan of action based on compassion and understanding of conditions on the ground. This virus upends the sharp divide of the two Indias we have manufactured. COVID-19 was spread by the callousness of those who arrived from abroad, many of them affluent and influential, and who violated quarantine. The lockdown has a disproportionate impact on the socioeconomic conditions of the poor and unorganised sector. Desperation has not robbed them of dignity or independence. There is surprisingly no anger being expressed — yet. All they want is to go home.

A week of the lockdown has brutally exposed the callousness and indifference to the realities of India's informal workers. Stranded without income security, transport or food, the walk home became a logical choice for these workers. Men, women and small children, wearing makeshift masks and walking for miles every day through different States, proclaim that if death comes, they would rather it be at home.

## **Ensuring food and transport**

People will stay where they are, only if real support is provided. It is impractical and perhaps impossible to force these workers into 14-day quarantine camps as the MHA order states. What's worse are the consequent orders taking action against officers who responded to the human tragedy by organising transport, or the callous Haryana government order setting up "jails" for the migrants on the road. These workers are not criminals and fugitives. If the government can ship Indians abroad back to India at substantial cost, there is no reason why this transit can't be better organised. Those already walking home should reach safely with proper screening en route, food in their stomachs, practical health protocols in their minds, and some reassurance in their hearts. When they reach their blocks, they can be put under observation, further screening, isolation, testing, and quarantine where required. Their families also have to be given minimum guarantees of food, health, and some income by the government for the next few months. We must remember that they are primary breadwinners, and the added anxiety of the survival of their families back home is also pulling them back.

Draconian orders and platitudes will not work. Governments must show leadership, resolve, commitment, and compassion. Resources have to be effectively and optimally used. There is no excuse for hoarding the 58 million tonnes of current foodgrains stock when only four million tonnes are required by the PDS every month. As many have demanded, over and above the Finance Minister's announcement of free grains to Food Security Act card-holders for three months, the government must use these resources to immediately provide States with at least an additional month's quota, without conditions, to help prevent hunger amongst those who may have no cards. Hunger today not only walks the road, it stalks the land.

We have enough material resources in the country. Districts like Bhilwara in Rajasthan, which are "corona-sensitive", have already requisitioned private hospitals, resorts, schools and college hostels for dealing with the crisis. Whether such resources are in private or public hands, this is a time that they must be made available for all, and put to use on the basis of greatest need.

While many front line functionaries such as sanitation workers, government officials and health care workers have been working zealously and extending assistance, the government needs to ensure that this response is uniform and persistent. Civil society must keep track of, and support, the most vulnerable. If supply chains of our most essential services are to be maintained, front line workers of all these services in the formal or informal sector must be given equipment, quick basic training, and adequate insurance. No life is more dispensable than the other.

There can be no social distancing without social security. Critically, to pull through this as a nation, we must reduce our inequalities and persevere in this together. An already individualistic tendency has been reinforced by forced isolation. COVID-19 will affect the producer and the consumer. We will live, or die, in this interconnected world together.

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