

natural resources to fuel overseas expansion. External linkages between the third world business houses and the multinationals require vast amounts of capital and, in a dependent capitalist setting like India cheap labour and pillage of natural resources are necessary incentives for accommodation of capital.

### *Structural Adjustment and its Impact:*

The rejuvenating of the economy has created only 7 lakh additional jobs in the organised sector - Private and Public, since the 90's. This paltry addition to employment is to be seen against an estimated annual addition to the labour market of about 80 lakh youth a year. An estimated 2 lakh workers have been retrenched in 1991-94 period through retrenchment called the Voluntary Retirement Scheme or Golden handshake - 75000 in the Public Sector and 1,25,000 in the Private Sector. In Delhi alone, in the name of environment the courts have rendered more than 1 lakh workers jobless with no guarantee of compensation.

Two-thirds of our workers are in the rural sector. During the last 50 years the State Governments have refused to implement various land reforms Legislation. Instead now most of the State Governments have agreed to allow commercial farming, horticulture and floriculture by Corporate interests for which land ceiling laws are being amended or dismantled. Further price increases have turned millions of these daily wages earners into virtual beggars. While the GDP has been growing the real wage growth of unskilled farm labour is on the decline.

Social banking by the nationalised banks has been abandoned affecting the poor peasants. Whatever loans are given now are linked to value of assets and capacity of repayment. Subsidy cuts on fertiliser, diesel and electricity has pushed small and marginal farmers into abandoning their lands and into mass indebtedness.

### *Social Clauses in Trade:*

Growing protectionist policies of G-7 countries on one pretext or the other affecting exports from India have resulted in for example.

- step taken to cut textile exports ( accounts for 32% of total export earnings) since strong inroads were being made into the European countries and USA (in the name of Indian skirts being inflammable).
- banning of use of Azo dyes.