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**POWER SECTOR REFORMS IN ANDHRA PRADESH
AND THE RESISTANCE MOVEMENT**

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The three month long militant agitation in Andhra Pradesh against the power sector reforms during June-August 2000 attracted the attention of even the captains of global capitalism. The President of the World Bank Wolfenson reacted significantly defending the reform process in Andhra Pradesh from his headquarters in Washington. The Microsoft chief Bill Gates enquired about this agitation during his deliberations with the State Chief Minister N. Chandra Babu Naidu in Delhi. Even the World Bank took serious note of this agitation, which is evident from its own literature.

“.....In the wake of power tariff increases in June, the opposition was able to turn what was initially scattered protests of leftist groups in to major and bloody demonstrations. Naidu has managed to ride out this storm, and remain in control of the party and state while remaining committed to the reform program. However, this episode has highlighted the potentially explosive politics of AP, the vulnerability to crises, and the political sensitivity of Naidu’s perceived close relationship with the Bank. Naidu’s popularity will be tested soon in the upcoming elections for rural local bodies (panchayats). These elections were originally scheduled to be held in October but the political fall out from the power reforms may have influenced Naidu to postpone them (source: Mr.James D. Wolfenson Visit to India (November 6-15, 2000) Briefing Book 3; World Bank office in India page 3 (AP))”.

The significance of this movement also stems from the fact that the World Bank has decided to rethink the manner in which its reforms’ package has to be sold to the people of Andhra Pradesh. This can be understood from the following:

“.....India cannot afford to lose him (Naidu) as a champion of reform. But with the pressures he has faced in the past few months, there is a risk that his commitment to difficult reforms may, understandably, be wavering: there is talk for example of his postponing the power sector distribution privatization, and there are questions over whether another round of tariff increases by the electricity regulator will be allowed by the Government..... The

increased focus on poverty is critical for AP both in terms of the interventions themselves, but also for reinforcing the message that reforms are not anti-poor, and that the Bank is in fact on the side of the poor” (Source: Ibid. Page 5)

With the backdrop of this massive agitation, the World Bank decided to fine tune its strategy and has now decided to sell them in AP in such a way that they are the programmes of state government, rather than that of an overseas dictator. This can be understood from the following abstract from the World Bank Document.

“The irony in AP is that despite strong ownership of reforms by key politicians and bureaucrats, the perceptions of the Bank driving the reform agenda has gained ground in public opinion. Learning from this experience the proposed adjustment operation takes as its starting point the govt’s own A.P. Vision 2020 document ...(source: Ibid. page 4)

The World Bank dictated power sector reforms and the movement of people’s resistance are of course not unique to Andhra Pradesh. However the experience of Andhra Pradesh offers an illuminating case study of people’s movement against World Bank reforms.

ANDHRA PRADESH AS WORLD BANK LABORATORY:

The World Bank’s partnership with Andhra Pradesh is deep and wide. Even the Bank considers this relationship as most significant one as it treats the state as its laboratory for furtherance of its anti-people reformist program in the entire country.

The World Bank literature makes it clear that this imperial institution sees the state as its laboratory, and its Chief Minister as the example for others. Why was Andhra Pradesh chosen as its laboratory?

The World Bank prepares ‘*Country Assistance Strategy*’ for every nation in which it wants to operate. It chalks out the policies and programs to suit this strategy. It periodically reviews these programs and policies and sharpens their implementation. India has embarked upon process of economic liberalization since 1991. The World Bank is not fully satisfied with the speed with which the reforms of structural adjustment are implemented in India. The Bank considers the coalition and minority governments at the Centre as an impeding factor in the way of fast implementation of reforms. Besides the World Bank recognizes the fact that in the Indian federal setup, administration takes place both at Central and State levels. The full effect of reforms could be possible only if they are taken up at the state level also. This is euphemistically called as second generation reforms. The divergent political landscape of India was also taken cognizance of by the Bank. In several states either the

opposition party or the regional political formations or the Left Parties are at the helm of affairs. As a result, the centrally sponsored reform measures can either be rejected or implemented at a tardy pace. Given these facts, the World Bank consider that the process of economic liberalization would be complete and comprehensive only if it concentrates on the state governments. In a country of such a magnitude, the World Bank is aware that it can not focus on all the states at a time. Therefore, it wanted to concentrate all its energies and resources on two or three states, which are more enthusiastic to implement its reforms, and thus project its reforms package for all over the country. The World Bank can also put pressure on the Centre to carry on its reforms with the help of reforming states. It also intends to create competition among different state governments to come forward for a partnership with the Bank. This is the essence of the proclaimed Country Assistance Strategy. The World Bank states this clearly in the following words in the appraisal report on Andhra Pradesh Economic Restructuring Project (APERP):

“As such it would also support a key strategic objective of CAS, which is to focus Bank resources on states that have embarked on a comprehensive program of economic and structural reform. The CAS aims to initiative 2-3 such programs in selected states in India over the next two years to support this objective”.

“APERP would be the first of these operations supporting the state of AP, which is not only among the poorest states in India but which has emerged as one of the leading reforming states in the past 3 years”. (APERP Appraisal Report page 3)

Yet another important reason for focussing on Andhra Pradesh is that the Bank has seen in N.Chandrababu Naidu, an unflinching loyalist prepared to not only accepts its dictates but implement them against all odds. Chandrababu Naidu is the first Chief Minister of the Country to embrace the World Bank wholehog. The Bank sums up its assessment of Mr. Naidu as follows:

“Andhra Pradesh is known as India’s first reforming state. Its Chief Minister, Chandrababu Naidu, has earned a well-deserved reputation as one of India’s top reformists and development-oriented politicians, Known as Andhra’s CEO...” (Source: Mr.James D.Wolfenson Visit to India op chit, page 1)

The World Bank assesses the commitment of Naidu to the reformist path and the need to support him in the following words.

“..... The Bank and AP have a close partnership of more than 3 years. This partnership however has become a political liability for Naidu....While recognizing that reforms in Andhra are now at a sensitive and complex stage, encourage the government to persist, particularly with fiscal restructuring and the privatization of distribution in power (Source: Ibid, Page 1).”

PROFILE OF REFORMS IN AP:

The deliberations between the World Bank and Andhra Pradesh Government have commenced since 1995. At the instance of State Government and with its active and full support, the World Bank has prepared a document entitled "Andhra Pradesh An Agenda for Economic Reforms" in 1996. This is the first ever report prepared by the Bank on fiscal situation in a particular state. The recommendations of this document formed the basis for the World Bank reforms in Andhra Pradesh.

The State Government is aware of the painful process of implementation of these reforms, which are bound to invite peoples' resistance. In a bid to offset this, the state government made a frantic effort right from the beginning to create illusions among the people that these reforms are its own creation rather than World Bank dictates. This process started from 1995-96 when the state government appointed a series of committees. For instance, Hitenbhayya Committee on Privatization of Power Sector, Subramanyam Committee on state level public undertakings, Gangopadhya Committee on staff reduction etc. The fanfare of appointment of committees and their reports with the bank brand of recommendations were part of the dress rehearsal for a full blown implementation of World Bank reforms. Subsequently the State Government released a series of white papers on different sectors in June, 1996. The contents of these white papers were nothing but the recommendations prescribed in the above said World Bank document with altered language and presentation. The State Government quickly concluded farcical public debates on these white papers and declared that the people have favourably understood the essence of the white papers and the physical compulsions faced by the State Government. Close on the heels of so called public debate on the white papers, the state government levied burdens on the people to the tune of around three thousand crores rupees during July and August 1996. Such measures included hike in price of subsidised rice, power rates to the tune of 37%, doubling the water cess, increasing the professional tax by 7 times and rise in turnover tax, tax on vehicles etc. These hikes were imposed on the people by the state government to convince the World Bank about its reformist credentials. The World Bank does not believe in promises, it wants commitment to reforms in action before extending the loan facility. This proven track record of Chandrababu Naidu Government in implementing the harsh reforms has obviously won the admiration of the World Bank and the international media.

During the 1996-97 period, meticulous details of the implementation of structural adjustment reforms were worked out in the talks between the representatives of the World Bank and of the State Government. These discussions reached a defining moment

when the resident representative of the World Bank Edward Lim met State Chief Minister Chandrababu Naidu on June 4, 1997. After protracted negotiations, as part of this, the World Bank agreed to extend loan for the two programmes called Andhra Pradesh Economic Restructuring Project and the Andhra Pradesh Power Sector Restructuring Program. The World Bank decided to provide loans of 543.2 million dollars for APERP and 1 billion dollars (1000 million dollars) for APPSRP. On May 14 1998, Naidu wrote a letter to World Bank President Wolfenson urging for the loan. He explained in his letter, his commitment and plan of action regarding the implementation of World Bank sponsored reforms. The World Bank board approved the appraisal reports of these projects in 1999 and final agreements were signed between the World Bank and the State Government on APERP & APPSRP in the end of 1999.

Though these two are different agreements but they are closely interlinked . This was explained by the World Bank itself in the APPSRP appraisal report as follows:

“Taken together, APERP and the proposed Andhra Pradesh Power Sector Restructuring Program would make a major contribution to modernizing the state’s infrastructure and social sectors, and they would be fundamental to the restructuring of the state’s finances and for the acceleration of Economic growth and longer term human development” (Source: Ibid page 3)

The World Bank claims that its reforms are aimed at poverty reduction and achieving over all human development. But the experiences of many countries reveal the contrary. There is voluminous documentation available to prove this. But the World Bank and the State Government aims at image management in favour of its reforms. This can be understood from its own literature, where it says

“ A key concern of Naidu’s government is to balance the “pain” of adjustment with visible attempts to deal with poverty and other social issues.. (Source: James D Wolfenson, op cit page 5) ”

The avowed object of poverty reduction is nothing but an attempt to make the people swallow the reforms given in the form of a sugar coated bitter pill. The hidden agenda behind the World Bank extended loan can be understood from what has been stated in the appraisal report of APERP as follows:

“ The project itself would support a massive investment program aimed at raising the welfare of a large segment of the population in the short run (eg.through DPEP, Primary health, ICDS irrigation, rehabilitation). These investments would partly counter balance the negative political impact of the reform program. In some instances, irrigation for example, cost recovery would be strengthened in tandem with much improved service delivery and

larger budget allocation for O & M”.

The World Bank conditions in the name of financial reforms hit the masses hard. This is because the conditionalities force the State to retreat from welfare and other social sectors, slashing the subsidies that provide relief to the poor and privatization of state undertakings. These steps harm the interest of the common man, and throw the workers out of jobs and impose burdens on the people by raising the cost of public utilities. The World Bank itself is aware that these reform measures would invite people’s anger, when it notes:

“Possibly strong opposition to politically sensitive aspects of reform program such as more effective targetting of the rice subsidy, staff rationalization, privatization, closure of unviable public enterprises and more effective collection of user charges” (APERP Appraisal Report).

POWER SECTOR REFORMS IN AP:

There is a change in the strategy of the World Bank with regard to Power Sector reforms since 1993. Based on the lessons of the past, the bank decided in 1993 to lend its financial support to only those states that demonstrate a commitment to implement a comprehensive reform of their power sector. The first state to implement power sector reforms as per the new strategy of the Bank was Orissa followed by Haryana, Andhra Pradesh and Uttar Pradesh. Now other states like Karnataka are queuing up before the Bank. Andhra Pradesh initiated the power sector reforms from 1999 by reaching an agreement with the World Bank for a loan to the tune of Rs.4000 crores. The objectives of the power sector reforms were stated in the APPSRP appraisal report as follows:

“The reform of the power sector is the single most important element of structural and fiscal reform in Andhra Pradesh. The underlying broader development objective of the Andhra Pradesh Power Sector restructuring program is to bring about a permanent shift in public expenditure in the power sector, from major drain on the budget, to a contributor of fund to social sectors and other priority areas for public investment. This fiscal dimension links the program to the broader APERP” (page 3)

“The power sector specific development objective of APPSRP is to ensure that, by 2007 the energy requirements of the state are met, and that consumers are provided with reliable high-quality and cost-effective electricity supply by credit worthy commercially operated power utilities functioning in a competitive and appropriately regulated power market with significant private ownership and participation” (page 3)

“The ultimate objective of the reforms initiated by Andhra Pradesh is for the Government to withdraw from the power sector as

an operator and regulator of utilities and to have commercially operated largely privately owned utilities functioning in competitive and appropriately regulated power market". (page 8).

The essence of the power sector reforms is to hand over this vital sector to private players and prepare the ground for these players to appropriate huge profits. Conditions for maximizing profits for the private sector is done primarily by two ways. Firstly, to increase the power tariff substantially to ensure reliable profits for the private companies. Secondly, using the Bank funds for creating a reliable power infrastructure so that the private players can use it to accumulate profits at the cost of public money. The crude logic of reforms is evident when it aims at withdrawing subsidies for the poor consumers but desires to establish subsidized high cost infrastructure for the private companies through the funds obtained from the Bank, whose burden will have to be borne by the people subsequently.

Prior to the reforms, the Andhra Pradesh State Electricity Board managed the production, distribution and transmission of power. As part of the reforms, APSEB was unbundled to set up AP Transmission Corporation and AP Generation Corporation. Distribution was separated from APTRANSCO and 4 distribution companies were formed and they will be handed over to private companies in future. A law entitled Andhra Pradesh Electricity Reforms Bill was enacted in 1998 to regulate the entire power sector. Andhra Pradesh Regulatory Commission was set up to decide and regulate the power tariff. Private power companies like GVK, Spectrum and Kondapalli power were allowed into the generation sector. The State Government clandestinely reached power purchase agreements with these private companies (PPAs). There were reports in the media suggesting large scale irregularities in the PPAs and bribes changing hands. As usual, the APTRANSCO is paying higher tariff to the private companies. As a result these private companies have become a big burden for APTRANSCO.

The World Bank stipulated a condition to effect 15% rise in power tariff in the year 2001 and 2002 each and an annual average tariff hike of 10% for the next four years. The power sector will be modernized in the next seven years by spending Rs.28000 crores, which will be mobilized as follows. The World Bank provides Rs.4000 crores, the State Government shall provide Rs.5400 crores and the remaining funds would be mobilized from commercial banks. The tariff hike shall ensure reliable profits for private generation companies. The modernization of power infrastructure will ensure reliable profits for private distribution companies. The poor shall have to bear the burden. This is the essence of the power sector reforms imposed by the World Bank on Andhra Pradesh. The World Bank imposes four important conditions as part of the power sector

reforms. They are (1) Privatization of the power sector (2) Setting up of Regulatory Commission (3) Raising the power tariff (4) Slashing subsidies. All these four conditions were faithfully implemented by the State Government.

The Andhra Pradesh State Electricity Regulatory Commission announced the first tariff order on May 21, 2000. The Regulatory Commission decided the tariff based on cost to serve formula. The Commission's investigation for deciding the tariff was severely criticized by several sections. Many organizations opposed the presence of World Bank officials in the meetings of Electricity Regulatory Commission. While the real culprit was the inefficient APTRANSCO and the government which implemented disastrous reforms, the people had to face the burden. The main reason for the losses in the power sector are paying high cost for the private power, failure to prevent power theft, billing being less than 40%, high transmission and distribution losses and accumulating payment arrears. Instead of correcting these malaise resorting to tariff hike, evoked wide spread condemnation from all sections of consumers.

REFORMS AND MANUFACTURING CONSENT:

Liberalization is always associated with an attempt to distance people from real issues. The State Government resorted to various methods of image management to sell this poisonous pill of power reforms to the consumers with bogus claims. The Government propagated that the tariff hike was inevitable for providing reliable and quality power in future and preventing the power sector from sliding into a bigger crisis. The Government's deceitful propaganda included mock public debate in the name of white papers, ruling party and government officials holding meetings, and especially through an orchestrated media management. The nature of media ownership and concentration has also helped the Chief Minister. One single media group whose management openly and blatantly supports Chandrababu Naidu, controls a majority of newspaper readership and television viewership through cross-media ownership and monopoly. Not only influencing the newspaper management, individual journalists were also pampered to join this chorus of consent. The general pro-liberalization mindset of the media and its functionaries also help the government in this propaganda. Chandrababu Naidu who claims to be the champion of information society has in fact resorted to worst kind of information maneuvering to influence the minds of the people. A newspaper management was forced by the Government to stop publication of articles of two columnists, who were critical of World Bank reforms. Even an editor of a Telugu paper belonging to a national newspaper chain was sacked by the management at the behest of Government for providing a relatively truthful account of the struggle. During the

three month long agitation the police let loose a reign of repression even on individual journalists, who sincerely tried to portray the reality. All these were a part of a process, which can be described as manufacturing consent, to borrow Noam Chomsky's phrase.

Despite police repression and state manipulation several sections of media were compelled to prominently cover this agitation. This is evident from a quick content analysis of front pages of different Telugu newspapers during June, July, August months.

Number of days in which the agitation figured on the front pages

Newspaper Name	June	July	August
Eenadu	19	9	21
Vaaritha	19	21	31
Andhra Bhoomi	26	25	28
Prajasakti	28	29	28

The whole process of implementation of reforms was shrouded in secrecy. The World Bank conditions, correspondence between the State Government and the Bank and the related documents were withheld even from the state assembly. The state government withdrew the proposal to enact the right to information bill which was suggested by group of its own ministers. The Chief Minister who has a craze for conducting all-parties meetings even on unimportant issues refused to hold all-parties meeting on the crucial issue of power tariff hike even at a time when the agitation was at its peak. The power purchase agreements reached with private companies, which entail a huge drain of public resources remain official secrets. This is the style of governance of a Chief Minister, who makes repeated claims of transparency, plain speaking and accountability when it comes to World Bank reforms.

THE CPI(M)'S CRUSADE:

Referring to the responsibility of the Communist Party even at a time when the ruling classes manipulate ideas in their favour, Lenin had said:

"We must untiringly combat any and every bourgeois ideology, regard less of the fashionable and striking garb in which it may drape it self" - (p.342, Collected Works , Vol.5)

The CPI(M) consistently opposed the World Bank sponsored reforms right from the beginning. The Party intervened on every occasion to expose the hypocrisy behind the false claims of the Chief Minister and the sinister designs of the reforms. The CPI(M) has released the secret documents proving the state government's abject surrender to the World Bank conditions. The CPI(M) ran an elaborate

campaign in 1995 opposing the Hitenbhayya committee recommendations aimed at privatization of power sector.

Similarly, the CPI(M) conducted campaigns to oppose the Subramanyam and Gangaopadhyaya committees recommendations. It effectively exposed the World Bank document entitled "A.P. Agenda for Economic Reforms" in 1996. The discussions between the state government and World Bank had reached crucial stage in June, 1997. The CPI(M) made public the aide memoir documents and enlightened the people about the World Bank conditions and the consequences of the reform's process in different sectors and for different people. The CPI(M) has also made public the document entitled "*Summary of the meetings between Chief Minister Chandrababu Naidu and World Bank Resident representative Edward Lim on June 4, 1997 at Hyderabad*".

These disclosures by the CPI(M) sparked off a major debate. The contents of these documents helped immensely in the CPI(M)'s consistent propaganda that the Naidu's Government was succumbing to World Bank's conditions. The State Committee of the CPI(M) published the book entitled "*World Bank Loan: Boon Or Bane?*" which included all the relevant documents and literature of the World Bank regarding its relationship with the state government. An introduction to the World Bank papers explaining CPI(M)'s perspective was published in Telugu and thousands of copies were circulated among the people. The CPI(M) also successfully made public the appraisal reports of APERP and APPSRP and exposed the hidden danger of these World Bank sponsored projects. The CPI(M) by disclosing these documents challenged the state government to reply and release all the documents concerning its relationship with the World Bank. The opposition parties especially the CPI(M) effectively used the assembly forum to expose the state government's surrender to World Bank.

The opposition relentlessly pressurized the government to disclose the World Bank documents during the assembly sessions February-March, 1999. The CPI(M) demanded that the government place the documents before the State Assembly or allow it to place the same. The other opposition parties also supported the CPI(M)'s demand. Cornered by this, the state government ultimately placed the APERP documents before the state assembly. Until then, it was maintaining that the World Bank had not imposed any conditions.

The state government changed its argument. The new argument was that the conditions are common, when a loan is taken, and these conditions are not harmful. The CPI(M) effectively countered this new rhetoric. The CPI(M) also exposed the fallacy in the argument of the state government that the World Bank loan is the cheapest possible assistance. The Party countered with full facts and figures and pushed the government to the wall.

Rattled by the effective campaign of the CPI(M), the ruling party especially its supremo Chandrababu Naidu indulged in a false propaganda that even the West Bengal took loans from the World Bank and the CPI(M) was indulging in double talk. Countering this motivated campaign by the ruling party the CPI(M) made it clear that the Party is not opposed to taking project-specific loans without conditions from the World Bank. But is opposed to an economic restructuring agreement, which the Andhra Pradesh state government had agreed to with the World Bank.

When the state government brought the Andhra Pradesh Electricity Reforms Bill for the approval of the state assembly in 1998, the Left parties strongly opposed the bill. The bill was adopted by the house after suspending the members of Left. The power sector employees observed two days strike against the power bill in April, 1998. Though the INTUC betrayed, the strike was successful under the leadership of an independent union. Though the CITU has a weak presence among the employees, its consistent and effective campaign in exposing the danger of power sector reforms, significantly contributed to the success of the strike. The State Government made every effort to suppress the strike. The government tried to divide the working class, by entering in to an agreement with a union led by INTUC All India President. The Government successfully distanced the Engineer's association from the strike and also the contract and casual workers by promising that they would be made permanent. It threatened to bring in the army to suppress the strike. The strike was successful despite all the efforts and threats of the state government to crush the strike. This is a notable success when viewed against the fact that the strike was observed against all odds. The World Bank unabashedly appreciated the state government for suppressing the strike. The World Bank said

“Approval of the Reform Bill by the legislature in April 1998 had triggered a state wide strike by APSEB workers. The Government had to mobilize large contingents of police force and kept the army on the standby to protect installations and keep the system running. The Government stood firm and did not retreat from the reform measures” (APPSRP Appraisal Report of Page 19)

The CPI(M) during the last four years has conducted an intense campaign against the World Bank and the State Government through several forums. Since 1998, the Party and the mass organizations circulated 142 pamphlets in lakhs and 12 booklets.

In October 1998, the CPI(M) organized campaign jathas from all corners of the state. Though the CPI(M) alone was raising the issue of World Bank conditions at the initial stage, all opposition parties subsequently joined the campaign.

The CPI(M)'s consistent and effective campaign intervention on every occasion has enhanced the Party's prestige and credibility among the people and the media. The ruling party and especially the Chief Minister Chandrababu Naidu targetted the CPI(M) for criticism and misinformation campaign. The Party state centre became a source of information on the subject of World Bank conditions and reforms for the media and other political parties. Its effective disclosure of the secret documents and convincing presentation of an alternative brought the Party to the centre stage of the debate on reforms during the last four years. The wider campaign of the Party was informed by the systematic and deep study of the materials concerning the power sector reforms.

The CPI(M) was also successful in turning the struggle against World Bank reforms into a political battle through its effective campaign. The CPI(M) could successfully bring the World Bank reforms and the state government surrender to the centre-stage of the public agenda. In every aspect of the campaign, the Party targetted both the State Government and the World Bank. Through wider mobilization of people on the issue, the Party could effectively immobilise the powerful ruling party.

However, the Party acknowledges the fact that the movement against the power sector reforms in particular and World Bank reforms in general could not have achieved the much needed political striking power without uniting the largest possible forces and masses. The State CPI(M) implemented the Leninist organisational principle "*Work Independently and strike unitedly*". The Party combined independent initiative and the broadest possible united action in the ongoing struggle against the World Bank and the State Government.

THE PRICE HIKE AND AFTER:

The steep hike in power tariff galvanised the entire struggle against the power sector reforms in particular and the World Bank reforms in general.

Even after failing to answer the questions raised by the experts, political parties, mass organizations, intellectuals and several individual consumers, the Electricity Regulatory Commission announced a 20% hike in the power tariff on May 27, 2000. It amounted to the tune of Rs. 1050 crores. Especially a hundred per cent of hike hit hardly the domestic consumers. All the sections were horrified at the burden imposed on them. Faced with opposition from everywhere including from a section of the ruling party itself, the state government announced a 5% relief on June 3 and maintained the price hike at 15 per cent. Even after this reduction, the burden was still at its peak high i.e. of 800 crores. In fact, this is what World Bank had asked. The 20 per cent hike by the regulatory

commission and subsequent relief announced by the state government was nothing but a pre-planned attempt to reduce opposition to the tariff hike. The CPI(M) effectively exposed this drama enacted by the State government in collusion with so called independent regulatory commission. Thus the demand for a complete roll-back of increased tariff continued to gain momentum.

INNOVATIVE CAMPAIGN AND UNITED ACTION:

The success of this campaign was to a great extent due to the meticulous planning, adoption of innovative forms and widest possible mobilization. The CPI(M) immediately responded to the price hike and called for public demonstrations to oppose it.

The Congress also called for protest actions. The disgruntled TDP leader and the deputy speaker of the state assembly wrote an open letter to Chief Minister opposing the power tariff hike. This raised a storm of controversy. On June 2, on the initiative of the CPI(M), nine Left parties formed a united platform to continue the struggle. The state government hope that the movement would subside after the announcement of 5 per cent relief in the increased tariff was shattered. In fact the movement continued to spread and gain momentum. The nine Left parties announced a month long agitation program in June 2000 which included rastaroko, picketings, massive signature campaign and burning the double headed effigies depicting Chandrababu Naidu and the World Bank. The success of these agitation programs drew wider public attention and further brought the issue to the fore.

The nine Left parties met on June 24 and announced the subsequent plan of action. Week long campaign padayatras, dharnas, picketings, conventions at regional level involving peoples from different walks of life followed. This second phase of agitation programme culminated on July 31 with picketings at Collectorate offices. The response for this agitation program was massive and militant. The united action of nine Left parties made the Congress announce its intention to work with the Left Parties in the struggle. Due to the ambivalent stand of the Congress on the question of the World Bank reforms, the nine Left parties decided to conduct the campaign only in synchronization with Congress. Because of people's mood, Congress also started talking of Telugu Desam government's surrender to World Bank dictates. The nine Left parties felt that it is essential to rally all the forces and energies opposing the state government's surrender to the World Bank, into a single united action. The Left was aware of the fact that it was fighting not only the government at Hyderabad but an imperial finance institution in Washington. The synchronized action between the Left and the Congress was immensely helpful in instilling confidence among the people in the struggle against the State Government and the World Bank.

Different mass organizations representing working class, peasantry, women, youth and students formed a broad platform of mass organizations to spearhead the struggle. The leaders of the Left parties and Congress participated in the state level convention held under its aegis on June 12 in Hyderabad. Subsequently similar conventions were held at district level. This further reinforced the co-ordinated efforts and gave the movement greater fillip.

THE GOVERNMENT'S RESPONSE:

Rattled by the growing response to the opposition movement against the power tariff hike the state government has set in motion a dual strategy of counter campaign on one hand and on the other letting loose a reign of repression on the opposition. The incident at Ongole on June 15th epitomize the government's repression. The activists of Left Parties who assembled to gherao state minister Srinivasa Reddy at Ongole were brutally beaten up. Two important functionaries of the Left parties were tied with chains to the hospital beds. This has raised many an eye-brow. Severe protest to this heinous repression was demonstrated all over the state.

As part of the diversionary tactics, the state government conducted meetings of electricity consumers, dwacra groups etc. The State Government began giving new slogan of regularizing illegal connections and giving new connections in the name of preventing power theft. The meetings of power consumers were held all over the state with government sponsored fanfare. Chief Minister, Ministers and ruling party legislators participated in these meetings. The Left parties took an innovative decision to intervene in these meetings and challenge the government rather than ignoring them. The meetings of the consumers convened by the Government were successfully turned by the opposition parties into protest meetings against the power tariff hike. The Government tried its best to exclude the activists of the Left parties and tried to prevent their entry into these meetings using police brutal force. But innovative forms adopted by the Left parties helped in effectively overcoming government's strategy. The innovative style in which the Left tried to brave the government's efforts to prevent them is epitomized in the event at Kurnool in which Chief Minister participated. The following report published in the press stands testimony to this.

Deadly deception

By our staff Reporter

Kurnool, July 29: A group of protestors led by CPI(M) leader, Mr.E.Pulla Reddy outwitted the police and manage to reach the centre of the town in the guise of a "dead body" and pallbearers during the visit of the Chief Minister to the town on Friday.

The Police launched a crackdown on the activists of all left parties day before the visit and took many in to preventive custody to foil any demonstration before the Chief Minister. However, the left activists challenged the police and vowed to carry out their protest. About 300 activists, many from villages whose identity is not known to the local police played mourners. While Pullareddy wrapped himself in white cloth and laid out on the funeral stretcher.

All rituals associated with the funeral procession like funeral band smearing of vermillion turmeric powder, sprinkling of coins and puffed rice were scrupulously followed. The police who watched the procession disdainfully throughout the length of two km, did not stop it anywhere. After reaching the targetted place at Alankar centre, the dead man got up and distributed red flags concealed under him. They created a scene until the police reinforcements arrived and arrested them. Mr.Reddy said..... the motive behind enacting the mock funeral procession was to divert the attention of the police from security arrangements at the venue so that his colleagues there could perform better. (THE HINDU July 30th).

The Andhra Prajanatya Mandali cultural troupes stayed for a full day in the 190 bus stations in the entire state and conducted campaign in every Road Transport Corporation bus. Through this message of struggle reached nook and corners of the state.

On June 21, the activists of the Left parties, who tried to submit a memorandum to the State Agricultural Minister V.S.Rao in Vijayawada, were severely beaten up, even the women and leaders of the party were also not spared. The police brutality did not spare even the media persons who tried to discharge their duty by covering the scenes. This incident roused the people's anger all over the state. The movement gained further strength after this incident and the protest bandh in Vijayawada in response to the call given by the Left parties and Congress was total.

The intensity of the repression on the movement can be understood by the fact that the ruling party announced 'Telugu Sena' to be formed to counter the opposition campaign. The plans of the ruling party to mobilise a goonda force to curb the legitimate democratic protest of opposition was met with widespread condemnation by all sections of the society. Taken aback by the hostile response, the ruling party later announced that formation of Telugu Sena was only a proposal. However, the ruling party used goonda elements to attack the opposition protestors at many places in the state.

Another milestone in this three months struggle was the Left-led demonstration on June 23 at Grand Kakatiya Hotel, the venue of

a World Bank workshop. The nine Left parties called for picketing in front of the Hotel. The Government left no stone unturned to ensure that the protestors did not reach the venue and the World Bank officials do not hear the voices of protest. Despite this brazen display of government loyalty to the World Bank and its machinery the Left parties cadre could penetrate the police cordon and successfully hold the demonstration. The police once again resorted to a brutal lathicharge. Even women activists were subjected to the police attack. Some of the participants representing different voluntary organizations expressed their reservations over the reforms during the meeting which was delayed due to the Left demonstration.

Soon the movement assumed a much wider character involving different sections. By the end of the June, 2000 – several non-governmental organizations and consumer forums started questioning the power price hike. Intellectuals formed forums in Visakhapatnam and Hyderabad to oppose the tariff hike. The AP Chamber of Commerce and Trade formed a forum on June 29 to oppose the upward revision of the power tariff and announced a phased action.

On July 4, 2000, traders in Chikkadapally area observed black out of electricity between 7.00 p.m. to 8.00 p.m. and conducted business by lighting kerosene lamps/candles. Traders wore black badges and hoisted black flags as a protest.

The government did not take kindly to the protests of traders. The sign boards of shops were dismantled using cranes. This vandalism evoked sharp protest from the trading community. Traders began to join the agitation in a big way all over the state. They expressed their protests by resorting to black-out by switching off the lights and lighting kerosene lamps. This novel form of protest later became popular as Bijli Bandh. The state wide bijli bandh was held on August 24 as a culmination of similar such acts at the local and district level.

The owners of small scale industry observed a protest on July 13 and the managements of private educational institutions observed bandh on July 19.

Yet an another novel form of protest was peoples' ballot. The CPI(M) called for a people's ballot on the tariff hike on July 25. The nine Left parties held state wide people's ballot on July 29 in the presence of the media. About 5 lakhs of people participated in this people's ballot held in 395 centres for two hours all over the state. about 96.98 per cent of the people who participated in the people's ballot opposed the government's move. This remarkable response to people's ballot pooh-poohed the government's claim that the opposition protest lacks people's support. Instead of accepting the people's ballot as a genuine feed back from the people, the

government alleged opposition of resorting to rigging. But the opposition effectively countered the government's allegation by demanding government to conduct people's ballot to know the feelings of the people.

The Mahila Janmabhoomi organised by the government in the first week of August was also similarly used by the opposition to corner the government representatives. The all party meeting convened by some intellectuals on August 3 called for non-cooperation movement in the form of refusing to pay the power bills. To support this movement the left parties gave a call for picketing before electricity revenue offices. Despite government's propaganda to the contrary, consumers actively responded to the opposition's call by refusing to pay the bills. The efforts of TDP leaders to mobilise consumers for paying bills incurred the wrath of people at many places.

The echoes of public protests reverberated on the floor of the house when the state assembly met in August. The opposition legislators were on their feet protesting. The opposition members were suspended and marshaled out on August 18th. The Congress legislature party unilaterally called for mass fast unto death. Despite having the reservations on this form of protest at that particular stage, the two CPI(M) legislators joined the fast unto death to preserve the unity of the struggle. This programme enthused the masses and increased their confidence in the movement. And hunger strikes were observed all over the state to express solidarity with fasting legislators. The vacillations and internal feuds in the Congress came to the fore during the hunger strike. Some legislators were disgruntled with this form of protest action and wanted to discontinue it. However, the Congress postponed its decision to withdraw the hunger strike due to the pressure from the Left.

The nine Left parties called for Chalo Assembly programme on August 28. Despite initial vacillation the Congress finally decided to join the protest. The Government spared no efforts to thwart the opposition mobilization. Heavy rains disrupted normal life in several districts. Due to government inefficiency the Hyderabad twin cities faced unprecedented floods. The Government tried to utilize the flood situation for obstructing the Chalo Assembly program. The nine Left parties decided to go ahead with the program, while participating in the flood relief work. The CPI(M) being in the forefront of the relief work in the twin cities could counter the Government's campaign. After failing to stall the opposition from going ahead with its program, the government and the ruling party launched a false propaganda that contagious diseases were widely prevalent in twin cities due to floods and appealed to the people not to respond to the opposition's call. The city police rejected permission to the Chalo Assembly program. The transport officials

were used to pressurise truck owners not to give their vehicles to the opposition parties. Obstructions were also created for the movement of protestors by rail. Despite the government's obstacles, the people rallied in impressive numbers.

The government strategy was to suppress the movement by letting loose a reign of terror on the people. Much ahead of August 28, government started fabricated propaganda that extremist elements had penetrated the agitation and violence would occur. On August 28, at the behest of the state government, police resorted to firing on the demonstration killing three. The TEJA television channel telecasted the police brutality live. The unprecedented police repression created a storm of anger in the people across the state. All those killed and injured had bullet injuries above the chest level indicating that the police resorted to shooting aimed to kill. The scenes telecast on the network was testimony to government repression. The state government refused to institute a judicial enquiry in to the incidents. The government has even tried to prevent the TEJA telecasts by threatening the cable operators with the help of district administrations in many places.

The state witnessed a peaceful and spontaneous bandh on August 29. Protest demonstrations were held all over the country.

The Congress legislators withdrew the hunger strike on August 28. Though the CPI(M) disagreed with the Congress, the CPI(M) legislators too called off their hunger strike keeping in view the future unity of the movement. The police brutality and the withdrawal of the hunger strike dampened the morale of the people and their confidence in the movement. The increased payments of power bills after August 28 reveals this dampened spirit. The Government launched hectic campaign to propagate blatant lies about August 28 events.

The Left parties observed a protest week in September against police repression and false propaganda. During this week-long campaign, the Left parties countered the campaign of the government among the people at large through pamphlets, video shows, exhibitions, sale of photo albums. State level convention against repression were also held. We were able to put the government in a dock for criminal action on August 28.

UNIQUE FEATURES OF THE CAMPAIGN:

The CPI(M) utilized every forum organized by others on this issue to voice its stand. Such a multi-media effort helped to give much broader and wider appeal to the Party's campaign.

The Party combined the mass campaign and a selective campaign among different classes, which provided cultural leadership to the masses. The campaign was continuous and multifarious in character.

The CPI(M)'s campaign against the World Bank reforms was characterized not only by consistency and spontaneous intervention but a determined effort to utilize all possible avenues. The CPI(M) pamphlets reached wherever people mobilized including the ruling party congregations. For instance the party distributed lakhs of pamphlets among the people attending TDP's annual conference called Mahanadu. The meetings of self help DWACRA groups were also utilized to reach the Party's voice. The CPI(M) wrote letters to MLAs, MPs, sarpanches and other representatives of the local bodies irrespective of their party affiliation explaining the dangers of the World Bank path and urging them to resist. The Party utilized the forums of non-governmental organizations (NGO), intellectuals and other opinion leaders in the society. The Party activists went to every meeting participated by ruling party legislators, Ministers, Government officials to raise the issue of power tariff hike and peacefully demanded reply from the Government. Many a time the ruling party and government leaders especially the Chief Minister made vituperative public utterances against communists specially CPI(M). The Government charged that the opposition was preventing it from discharging its democratic and legitimate right to administrate. Effectively countering this, the CPI(M) argued that the government was resorting to unilateral administration without taking the people or political parties or even the state legislature into confidence. The Government was not explaining its stand to the people but implementing and thereby imposing its policies on the people and therefore the people were left with no choice except to exercise the right to protest as a legitimate attempt to make an autocratic government to heed the grievances.

A significant feature of the Party campaign on the issue was an attempt to link the public policy which has an immediate bearing on the people to the overall programmatic understanding of opposing the imperialistic hegemony and the ruling class which permits perpetration of such a hegemony. This was precisely how the campaign and struggle against power price hike was turned in to a people's battle against the World Bank reforms. This was the significant achievement of the movement despite the fact that it could not achieve any further relief for the people in the increased tariff.

The three months long campaign saw one or other protest program every day. The movement militantly braved state repression. The police resorted to lathicharge on more than 200 occasions. Even the Home Minister declared in the state assembly that 20,414 people were arrested and 533 cases were registered. The Home Minister in his report to the state assembly also acknowledged that the role of women in the agitation was clearly manifest. The militancy and heroism shown by the cadre including large number of women needs special mention. Every party

functionary including party MLAs, MP and members of the Central Committee and State Secretariat directly participated in the struggle and suffered at hands of the police.

The campaign ranged from conventional forms like Dharnas, Rallies to innovative protest forms like Bijili Bandh and People's Ballot. The visual forms of campaign were a unique feature. The helplessness of the government during this entire agitation was clearly manifested as all the meetings of Chief Minister and Ministers turned in to virtual police camps. The spontaneous and timely intervention of the movement leadership was very useful in rousing people's consciousness during the entire agitation program at a time when the state government with its massive resources unleashed Goebbelsian propaganda both on the reforms and the movement. The literature produced by the CPI(M) was highlight of the campaign. The Party's literature was well documented and researched giving it greater credibility not only among masses but among media, intellectual and other opinion leaders.

During the entire agitation not a single ruling party legislator or a government official or a police man were injured at the hands of the protestors, which indicates the peaceful nature of the movement. On the other hand, as already explained, the state repression was brutal.

Interestingly the TDP state general secretary wrote a letter to the CPI(M) alleging that the later was resorting to violence. The CPI(M) effectively challenged the bankruptcy of the ruling party propaganda.

The Left and the Congress conducted this entire agitation by synchronizing their programs. The state government made a vain bid to divide the opposition's camp by trying to isolate CPI(M) or provoking the Congress by calling it a blind follower of the Left.

LIMITATIONS OF THE STRUGGLE:

A notable weakness was the lack of response from the electricity workers during the people's agitation and the inadequate response from the people earlier, when the electricity workers were on strike opposing unbundling and privatization of state electricity board. The power engineers who were with the people during the agitation backed the government during the electricity workers strike. Though the tariff hike affects all sections of the consumers, different sections of the society experienced differential levels of impact of the World Bank reforms. However at the later stage of agitation different sections and forces were successfully galvanized to join the struggle giving it the much needed momentum.

The middle class faced the maximum burden of this power price hike. These sections responded impressively in favour of the agitation. But due to their professional status, their participation in direct action was limited. The impact of the tariff hike on the poorer

sections and agricultural labourers was less when compared to others. Therefore their participation in direct action on the issue was also limited though their overwhelming sympathies lay with the movement. The state government deliberately chose the timing for the tariff revision as May end. This is the time when rainy season starts and the peasantry is fully involved in agricultural work. As a result their participation was also not at the full level.

The participation of the Congress helped to instill confidence in the people on the movement and sustain the movement for such a longer period. But the vacillating attitude of the Congress proved to be a weakness at the end.

The Chief Minister gave new slogans, new programs every day. The people were kept under illusion that the World Bank funds will result in development work. These illusions were yet to be dispelled in many sections which hindered their participation in the agitation.

The movement was not successful in forcing the government to declare any further relief in the increased tariff. This was because the state government was so committed that it was not ready to give an impression to the World Bank, that it retreats from the reform path due to political pressure. The World Bank has always been alert and prompt in warning the government on a possible retreat. The World Bank president Wolfenson not only made a public statement in the Washington defending the tariff hike but also paid a visit to the state to keep the Chandrababu Naidu Government firmly committed to reforms.

ACHIEVEMENTS:

The World Bank condition was to impose 15 per cent hike in the tariff again this year. Compelled by the agitation last year the state government submitted tariff proposals to Electricity Regulatory Commission without suggesting any further hike, but in fact an overall reduction in the tariff to the tune of Rs.40 crores was proposed. This is the partial, though delayed success of the movement. Even the media acknowledged this and the people have begun to understand.

The movement was successful to put the government in the dock on the question of power sector reforms in particular and World Bank reforms in general. The image of the World Bank and Chandrababu Naidu Government suffered a serious beating. This fact was acknowledged even in the Bank documents. The Bank decided to indulge in a public relations exercise to refurbish its image. The Bank itself concluded that Chandrababu Naidu Government postponed the Panchayat Raj elections fearing a political fall out of this agitation.

An important feature of the agitation lay in the appreciable unity

evident among the Left parties. This remarkable unity enthused the Left masses and helped instil people's confidence in the agitation. However this unity cannot be sustained in future with out achieving broad political unity. Such a political unity among Left parties would help to effect change in the correlation of political forces in the state. However such a political unity cannot be facilitated unless some left groups shed their sectarian attitudes towards the whole question of Left unity. This united action created a positive atmosphere to struggle for political unity among the Left parties.

Peoples' consciousness was roused about the perils of World Bank inspired structural reforms. The unity forged among the people during the agitation is a happy augury for the future. The militancy and heroism of the party cadre and alertness of party organization and the depth of its study on people's issues were demonstrated. The Party's prestige has been significantly enhanced.