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Press Release

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## THE BASE YEAR CHANGE FOR CONSUMERS PRICE INDEX FOR-INDUSTRIAL WORKER A DESIGN TO MANIPULATE THE REALITY OF PRICE MOVEMENT IN ESSENTIAL ITEMS TO DEPRIVE THE WORKERS OF THEIR LEGITIMATE DUES

The Centre of Indian Trade Unions expresses serious concern over the change in the base year of consumer Price Index for the industrial workers (CPI-IW) from 2001 to 2016 announced by the BJP Govt through its Labour Minister, arrogantly ignoring all the questions raised and suggestions made by all the trade unions in the country through their joint letter dated 25<sup>th</sup> August 2020.

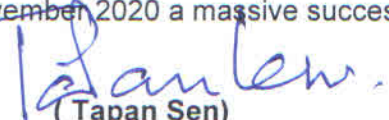
Entire exercise made by the Labour Bureau functioning under Ministry of Labour on this matter has been thoroughly arbitrary, deliberately designed to suppress the real impact of the price rise of essential items for human survival and also to deprive the workers of their entitlement for legitimate DA. The Labour Bureau deliberately ignored the very fact that even in the midst of economic slowdown, the prices of essential items, food items in particular always remain on the rise and did not hesitate to arbitrarily as well as drastically reduce the weight assigned to food items in the standard consumption basket from 46.2% to 39% for the purpose of computation of consumer price index. Minister's statement justifying this arbitrary reduction as change in the consumption pattern of the working people away from food item is absolutely ridiculous and cruel inhuman joke; this is done when the average consumption expenditure marked a sharp decline with the rural consumption expenditure falling by more than 9 per cent as per CSO estimate (suppressed by the Modi Govt); and also when in global hunger index, India has been ranked as low at 94 out of 107 nations under survey below Bangladesh and Pakistan.

Manipulation by the Govt with a dubious intent does not end here. It is also done in the linking factor for converting the numbers of 2016 to 2001 series equivalent to suppress the impact of actual price rise. Two previous changes of base year witnessed a higher linking factor of 4.93 (1960 to 1982 -22 years gap) and 4.63 (1982 to 2001—19 years gap); now a 16 years gap (2001 to 2016) entailed a linking factor of only 2.88 (62% reduction for difference in 3 years in gap.). Can fraud go further ?

Then the choice of base year in 2016 is also designed for manipulation to suppress the impact of price rise. Originally till July 2020, exercise was being done with the idea of 2013-14 as the base year. Changing it to 2016 is an afterthought by the Modi regime as the same year, the notorious demonetisation was undertaken affecting negatively the price-level of the items in standard consumption basket for CPI-IW owing to virtual collapse of the economic operation in the country in the last quarter of 2016. This change is also done with the purpose of suppressing the real impact of price rise.

The employers' organisations have long been demanding upon the Govt to freeze the variable DA payment to workers as a relief to them during the period of economic slowdown. Govt has now responded to that demand of their capitalist bosses through backdoor. The present exercise of changing base year of CPI-IW to 2016 with all its components, some of which are mentioned here, is meant for that at the cost of the working people.

CITU denounces such anti-worker pro corporate step by the BJP Govt and calls upon the workers and unions to protest and oppose the nefarious design to loot the workers and the people for the benefit of the corporate class. March forward for making the Countrywide General Strike on 26<sup>th</sup> November 2020 a massive success.

  
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