

THE INDEPENDENT PEOPLE'S TRIBUNAL ON THE WORLD BANK GROUP IN INDIA



21-24th September 2007, Jawaharlal Nehru University, New Delhi

Preliminary Findings by the Jury of the Independent People's Tribunal on the World Bank Group in India

24th Sept.2007

We, the twelve jury members, have listened to four days of testimony and depositions from affected people, experts and academics from some 60 grass roots, civil society groups and communities from all over India. The presentations covered 26 different sectors of economic and social development, ranging in scope from the macro-economic impact of wide ranging economic policies to testimony from representatives of communities said to have been harmed and impoverished by specific World Bank financed projects. Our members include former justices of the Indian Supreme Court and High Courts, lawyers, writers, scientists, economists, religious leaders, and former Indian government officials. We note that the World Bank Delhi office received an invitation to attend the Tribunal two weeks in advance, but did not wish to participate in the proceedings.

First and foremost, the evidence and depositions we have witnessed presents a disturbing and shocking picture of *increased and needless* human suffering since 1991 among hundreds of millions of India's poorest and most disadvantaged in rural areas and in the cities. It is clear to us that a significant number of Indian government policies and projects financed and influenced by the World Bank have contributed directly and/or indirectly to this increased impoverishment and suffering. All this has taken place while a minority of India's population that constitutes the middle class and rich has enjoyed the fruits of an economic boom.

The most disturbing leading indicator for this suffering is the alarming increase in farmer suicides since the 1990s. From 2001 to 2007 alone, according to the Indian Minister of Agriculture, 137,000 poor farmers have killed themselves. These deaths are not random events; the evidence we heard points to increasing financial pressures on farmers all over India as a result of some or all of the following policies, such as: reduced subsidies from the Center and states, higher prices for poor farmers for irrigation water, electric power, and seeds; reduced subsidies for agricultural inputs, reduced access to low interest loans for the poor, and opening up of the Indian economy to an uneven playing field in international trade in agricultural commodities. India's farmers must now compete with imports from the heavily subsidized farms of the European Union and North America, at the same time when even the most meager state assistance for the poorest farmers is reduced. India was once self-sufficient in food production; its food security is now dependent on imports. It is clear to us that major World Bank Economic Restructuring, Structural Adjustment, and Sector Loans have directly promoted and helped to finance these economic policy changes which are a disaster for much of India's more than 700 million rural inhabitants, and most disastrous of all for poor farmers.

Other World Bank loans have promoted the institution of user fees in the health and education sectors, as well as partial privatization in these sectors. Whatever the justification for these policies, we heard how in practice, they have further disadvantaged the poor. The Bank is promoting legal and regulatory changes the main focus of which appears to lessen the social and environmental compliance burdens for industry and investors, rather than protect the vulnerable livelihoods and environments of India's poor majority. The net effect of many Bank prescribed policy "reforms" appears to be the reorientation of the Indian

State priorities from striving to secure a safety net for the poor and vulnerable to providing a safety net for large domestic and international corporations and investors.

We heard witnesses from the poorest Dalit and Adivasi communities describe the deterioration for their communities from poverty to destitution because of forced displacement caused by World Bank financed projects. A number of these projects are notorious and communities have sought redress for years: the Bank's massive loans for thermal power development in Singrauli in the 1980s displaced many tens of thousands of poor, who have sought economic rehabilitation and improvement of toxic environmental conditions, with no redress from the Bank or its Indian government borrower, NTPC. We heard of the plight of hundreds of families impoverished by displacement in the Bank financed Coal Sector Rehabilitation Project, despite the claims of a separate Bank Coal Sector Environmental and Social Mitigation Project. Although the Bank's own Independent Inspection Panel found in 2002 that Bank management violated its own environmental and resettlement policies on 37 counts, Bank management has taken no effective measures to ameliorate the condition of these families. These examples are only a small sample of a massive pattern of forcible displacement of India's poorest and most vulnerable populations for large scale natural resources extraction, infrastructure and urban projects, a number of which have been directly financed by the Bank. The Bank has announced its intention to increase its financing of large scale projects while at the same time there is disturbing evidence of its widespread failure to implement its environmental and social safeguards, as well as indications of intentions to even dilute the effective rigor of these safeguards.

One of the disturbing impressions we gathered from the presentations is that the bank seems to have developed the art of making policies whose safeguards are only on paper. It has developed a language game in which words like empowerment actually mean disempowerment, sustainable means unsustainable, public-private partnership means using the public to promote the interests of the private.

It is impossible to do justice in our short preliminary statement to the volume, scope and intensity of the scores of depositions, expert presentations, and eye-witness accounts we have heard over the past four days. The Tribunal will be publishing more detailed accounts, and we will submit a more detailed set of findings and recommendations in future weeks. What emerges is a picture of an institution whose influence on the economic and social policies of the Indian government is much greater than the amount of its lending might indicate. The Indian Government, of course, shares at the very least equal responsibility for all of the abuses we have witnessed, indeed a significant number of officials in key ministries such as finance and planning have either worked at the Bank or IMF, or share their assumptions and biases. Together all bear considerable responsibility for wide reaching policies and specific investments which in the name of growth and development have had the cruelest impact on the most vulnerable groups in our society.

We hold the Indian government accountable and call for changes in these policies. India and the international community must join to hold the World Bank accountable for policies and projects that in practice directly contradict its mandate of alleviating poverty for the poorest.