

Independent People's Tribunal on the World Bank Group in India : Press Release 21 September

WORLD BANK GOES UNDER SCANNER AT PEOPLES TRIBUNAL

The Independent Peoples Tribunal on the World Bank Group in India got underway at New Delhi today at a packed auditorium at Jawaharlal Nehru University (JNU). The 4 day event is being organised by a coalition of over 60 groups in collaboration with the JNU Students Union and Teachers Association. Activists, academicians, policy analysts and project affected communities are expected to present their analysis on the World Bank in over 26 sectors to an expert jury. The tribunal will run from today till 24 September. The opening jury members at today's panel included eminent historian Romila Thapar, Former Supreme Court Justice P B Sawant, Former Maharashtra High Court Justice Suresh, Former Planning Commission member S P Shukla, Scientist Meher Engineer, Former Water Secretary Ramaswamy Iyer, Economist Amit Bhaduri and Mexican Economist Alejandro Nadal.

World Bank officials, including the Banks India Country Director Isabel Guerrero, and Government of India representatives have also been invited to the tribunal and have been given time to respond to the depositions. World Bank representatives are expected present their point of view on the closing day (24 September)

Questioning the supposed Bank developmental mandate of 'eradicating poverty', activist Smitu Kothari of Intercultural Resources argued that the Bank in fact functioned more like a commercial bank serving corporate interests. Kothari said, 'The Bank is the world's largest multilateral source of equity and loan financing to private enterprises and its loans to the private sector through the International Finance Corporation (IFC) in 2006 amounted to a massive US\$ 8.3 billion. 'The Bank claims that it is an apolitical institution but even a cursory look at its Governance conditionalities such as public sector reform, creating legislation to facilitate the private sector shows that it plays a profoundly political role in the country', he added.

Professor Arun Kumar from JNU said that due to World Bank and IMF structural adjustment conditionalities India had to undergo a complete policy overhaul after 1991. As evidence, he presented several national legislations that were overhauled after the structural adjustment programmes of the Bank; such as the RBI Act, introduction of Value Added Tax (VAT) in Andhra Pradesh and the revision of the Coal Nationalization Act. As further evidence of the influence

of the Bank on domestic policy he showed how an executive summary of a World Bank document in 1990 mentioned the need for a 22% devaluation of the Indian rupee. 'In 1991 the then Finance Minister Manmohan Singh effected exactly a 22% devaluation of the rupee.

In his deposition to the jury Supreme Court Advocate Prashant Bhushan presented evidence on how, since 1991, most of the key influential economic policy makers in India, including members of the planning commission, secretaries of the Finance Ministry and Economic Advisors to the Government have been people who have had stints at the World Bank. 'They have moved seamlessly between the World Bank and the Government of India as if the latter were just a division of the former', he said. Bhushan singled out the case of the current czar of economic policy Montek Singh Ahluwalia who spent the first 11 years of his career at the World Bank. Since then he has been Commerce Secretary, Finance Secretary and now Deputy Chairman of the Planning Commission. 'There are several dozen such instances and it should be of little surprise that the Bank has been able to easily impose its ideology and policies in India', added Bhushan.

Shripad Dharamadhikari, Coordinator of Manthan Adhyayan Kendra spoke about how the Bank was looking at being a 'politically realistic knowledge provider' in India. This was being done through thematic and sectoral studies called AAA - Analytical and Advisory Activities - in which it is funding studies on Land, Water and Agriculture which were being used as reference documents to push its policies.

In a written deposition Professor Michael Goldman of the University of Minnesota posed the question of whose interests the Bank served. Goldman said that Northern firms continue to win a majority of the foreign procurement contracts awarded. 'In 2003 a startlingly high 45 percent was channeled to firms in the big five countries (USA, UK, Japan, Germany and France)', said Goldman.

Professor Anil Sadgopal traced the policy framework for education in the country and showed how the target for universalisation of elementary education was constantly shifted following the intervention of the World Bank. 'The demarcation of certain districts in Madhya Pradesh as exclusively World Bank districts for the implementation of its DPEP programme was a gross violation of the sovereignty of the state', he said.

The days next sessions of the tribunal will cover the Banks interventions in Water, Health and its impacts on Human Rights. Speakers who will depose on Day 2 of the tribunal include

Narmada Bachao Andolan activist Medha Patkar (on Urban Development), Magsayay Awardee Arvind Kejriwal (on Delhi Water Privatisation) and Economist Jayati Ghosh (on private sector and the World Bank).

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