

Mumbai Resolution of the

People's Convention on Infrastructure Financing

**Challenging Undemocratic & Destructive Global Finance:
Building Political and Economic Alternatives**

23 June 2018 : Mumbai

Social movements and peoples organisations representing Adivasis, Dalits, indigenous peoples, women, farmers, fisherfolk, forest workers, hawkers, artisans, unorganised workers and civil society from across India, together with solidarity groups from Asia Pacific, Europe and Americas who have gathered at the Peoples' Convention on Infrastructure Financing in Mumbai, 21-23 June, 2018, resolve that undemocratic International Financial Institutions (IFIs) have no role in a democratic polity, and therefore need to be shut down. These institutions, including AIIB (Asia Infrastructure and Investment Bank), trample on peoples' rights, disregard national sovereignty, tear into the very fabric of constitutionally guaranteed governance and thus undermine India's economic and political security.

The China led AIIB is being promoted as an institution that serves as a healthy and essential alternative to undemocratic International Financial Institutions (IFIs) such as the World Bank, Asian Development Bank and International Finance Corporation that are controlled by western powers. The Peoples' Convention rejects such rhetoric. We assert that the \$100 billion AIIB is designed and structured to function equally undemocratically. What's worse, AIIB invests in projects that do not conform with necessary environmental and social safeguards. Consequently, billions of dollars invested by AIIB in critical sectors such as energy, road building and urbanization is causing extensive environmental and social impacts. As a result, India, the largest recipient of AIIB loans, has become a site for corporate land grabs which is resulting in massive loss of livelihoods and displacement of rural and urban communities. The prime example of this is the proposed Amravati capital city of Andhra Pradesh state which is being developed on the fertile flood plains of the Krishna river and 50,000 acres of the most fertile agricultural land is being forcibly 'acquired' from farmers and workers.

IFIs are harbingers and promoters of corporate globalisation and neoliberal economic reforms that benefit the elite at the cost of the poor and working classes. These institutions have systematically disrupted evolution of democratic governance forcing Governments to implement regressive policies, legislations and schemes, commodify and financialise land, essential services and food production systems, which attack environment, food security and labour.

IFIs operate with legal immunity and thereby their functioning is outside the scope of review of even the Parliament and the Judiciary. This immunity encourages IFIs to finance projects without proper appraisal of their environmental and social impacts, and due diligence of their financial and economic consequences. IFIs typically invest in massive projects in critical sectors. A slew of such highly destructive and economically disastrous mega projects include Industrial corridors, Bharatmala (roads and highways expansion project), Sagarmala (creating sea-routes linked to tens of new ports), bullet train, and smart cities. The massive scales of such projects have little to do with need and necessity. More often than not, a network of transnational corporations are the beneficiaries of the massive contracts that ensue. Its a way of making money out of money.

The shocking irony is that governments cry off investing in public welfare schemes claiming shortage of resources: to provide *roti-paani (food and water)*, *kapda (clothes)*, *makaan (housing)*, *swasthya (health)*, *shiksha aur rozgaar (education and livelihoods)*. But the same governments seem to find ways to divert public funds in support of IFI invested mega projects, even when the need for such projects is not tested by statutorily mandated participatory public review.

In recent decades, under the overbearing influence of IFIs, countries like India have outsourced the formulation of critical policies relating to labour, food security, defense, water, land, farming, etc., to a variety of think-tanks and foreign consultancies who work to maximise corporate control over peoples' lives and natural resources. Private and foreign direct investment is being facilitated even in the defense sector, IFIs, such as China led AIIB, are gaining significant access to sovereign decision making processes. This when sacred and sacrosanct decision making institutions of democracy, such as the Parliament, are kept in the dark. This is resulting in dangerous portents for democracy and national security as global financial powers are making deep forays into sovereign decision making. We resolve and commit to tirelessly resist such efforts to destabilise constitutionally mandated governance.

In supporting such capital intensive projects, which are also predicated on privatisation of public sector and public services, governments are incentivising the building and ownership by the private sector of massive energy systems and urban and industrial infrastructure projects. This hegemony of capital is intended at maximising profits for the rich, promotes crony capitalism and loot of public resources. The aggressive privatisation of essential services such as of electricity, water, health, food supply, public transport and education, is causing a rapid escalation of the living cost of the majority population. This must be halted immediately and public control restored over public services and sectors. We reject this model of 'growth' and also such governments and political parties who promote this extractive systems. We assert that such anti-people governments have lost the moral and political legitimacy to govern.

The result of such development is systemic human rights violations, social disruption, and environmental destruction. These mega projects typically end up in massive financial losses and lead to devastating economic instability in regional and national economies. Communities in farms, coastal areas and cities are uprooted in the process, accentuating impoverishment and unemployment at massive scales. People end up burdened with crippling debts merely to survive. Building on Liberalisation, Privatisation and Globalisation policies, which have miserably failed to deliver on their much hyped promises of financial and economic gains for all, IFI influenced economic policies are merely working to maximise wealth of the elite-rich, substantially weakening socio-economic security of middle classes and the poor. Such paradigms of development produce a police state and advances a climate of fear and xenophobia, which is often associated with heavy investment in defence expenditure and militarization. All of this is resulting in a dehumanised pattern of growth that widens social divisions, and furthers the rapidly worsening civilizational and climate crises.

We note with deep concern that the Government of India is hosting the AIIB AGM at a time when the Indian economy is reeling from multiple crises, which is largely the outcome of a series of reckless and draconian actions by the Prime Minister Narendra Modi led administration. The colossal disaster of demonetisation (November 2016) was quickly followed by an unplanned unveiling of the Goods and Services Tax (GST) regime (2017). The autonomous functioning of the Reserve Bank of India and other such financial regulatory institutions, as also that of public sector banks, has been systematically derailed due to interference from the Finance Ministry of India. This has endangered the resilience of the financial architecture of India which withstood multiple economic and financial crises over time.

Prevailing fiscal indiscipline has also aided in such defrauding of public exchequer and deprived public budgets of necessary investments in social programmes. As a result, billions of dollars of bad debts remain unrecovered, and their volume is also mounting. Some of India's richest men, and the massive and powerful corporations they lead, are major debtors to India's banks. Because of their deep access to high political power, their bad loans and 'Non-Performing Assets' are being systematically written off without attaching their personal assets, thus obviating the need for legal action to tackle such serious economic violations.

The crisis in farming and SME (small, medium enterprises) sectors is extensive and being worsened further by short-sighted government policies. The long-standing demand that small, marginal and vulnerable farmers must be assisted with remunerative pricing is not being addressed, resulting in continuing spate of farm suicides (3.5 lakh farmers have taken their lives in the last 20 years) and distress driven migration. Regardless, Corporations are induced into massive grab land deals, assisted with financial incentives, all of which results in hurting the farming community and causing their further displacement.

Instead of helping farmers in distress, the Government appears to be assisting economic offenders escape the consequences of their crime, by providing them safe passage abroad. We demand that bad corporate loans must be immediately recovered by sparing no effort. Peoples resources must be recovered and invested in eliminating hunger and poverty, to extend education, health and employment for all. The dharma of governance demands that the Government in power works to serve its people. We demand that the government must waive loans of those who are really deserving of such public support: small and marginal farmers, workers, Adivasis, artisans, indigenous peoples, and small enterprises.

Communities on the frontlines of resistance to mega, undemocratic and socially and environmentally destructive projects, such as the Bullet Train project that Prime Minister Modi is wantonly promoting, are facing egregious forms of violence and terror and becoming victims of systemic abuse of executive power of the State. Such projects, often a result of Mr. Modi's frequent trips abroad and agreements with leaders of foreign powers, are being rushed through without any appraisal by regulatory and financial institutions for their financial, environmental and social viability. Such styles of administration result in social chaos. Instead of responding to popular and peoples genuine demands, when farmers, Adivasis, Dalits and workers organise to demand just action by the State, they have often been met with state repression. The police firing in Tuticorin and Mandsaur, and a range of arrests of social activists across India based on fabricated cases are indicative of increasing repression. We strongly condemn such efforts and ask the Governments to conform to the rule of law and constitutionally mandated processes of governance. We demand that Governments assist communities in controlling their resources and their rights. Dignity and sovereignty of people and the country must be protected.

Specific resolutions:

- We extend our solidarity to the communities across the world fighting against destructive developmental projects and financial institutions.
- We resolve to push for people-centred alternatives in all sectors of the economy and to advance an inclusive model of development in which finance and infrastructure support the vulnerable and the poor communities.

- We resolve to oppose IFIs which work to advance the financial clout of the super-rich and the elite, whose interests are clearly opposed to wide public interest.
- We resolve to build a movement towards creating dignified and decent jobs, promote sustainable farming, equitable access to public services, advancement of the entrepreneurial skills of artisanal and natural resource dependent communities, and of labour intensive small and medium enterprises.
- We stand for democratic and decentralised decision-making (in the Indian context this would involve strengthening of the Local Self Government institutions and systems) based on the principles of cooperative federalism.
- We resolve to resist prevailing financial hegemony of undemocratic and unaccountable financial institutions such as the AIB.

We pledge and rededicate to build a new pluralistic society, nation and the world. We resolve to tirelessly work against subordination of governments to corporate power, against exploitation of human and natural resources, against discrimination, against social, economic and environmental injustices, against corruption, loot and violence. We are dedicated to building a society based on democratic and secular principles that ensures freedom, equality, equity, dignity, fraternity, love and respect for all, all of which we assert is possible only by acknowledging and being deeply respectful of Mother Earth's rights.

(This resolution was adopted at the closing plenary of the three day (June 21-23 Peoples' Convention on Infrastructure Financing attended by more than 1000 delegates from 200 organisations from India, and other parts of the world. The convention organised ahead of the forthcoming AIB Annual General Body meeting being hosted by India in Mumbai.)