

# Indian Independence: Forged in Washington?

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*India commemorates the end of British rule 70 years ago on 15 August. Now might be an apt moment to consider where India might be heading, especially given recent developments. If one policy stands out over the past 12 months, it would have to be demonetisation.*

Removing all 500- and 1000-rupee notes from circulation overnight was in part a bail out for the banks. It injected much needed liquidity into the banking system that had been bled dry by the outflow of cheap money (and loan waivers) to large corporations which had been milking the well dry. You can read about this [here](#) and [here](#). However, the other aspect of demonetisation which will be focused on in this article, is that it also formed part of a push for a cashless society and the wider global 'war on cash'.

Demonetisation was a massive, ill-thought-out experiment that was destined in a place like India to cause immense hardship for most of the population who rely on cash transactions. Economist **Norbert Haring** provides [insight](#) into the wider policy machinations of a Washington-based elite that fuelled demonetisation and which went over the heads of the hundreds of millions who would be affected.

Based on what took place, it is not too far off the mark to suggest that, courtesy of a handful of strategically placed figures within India, the Indian state is being co-opted into a CIA-Pentagon-Wall Street nexus of global domination by surrendering financial sovereignty and curtailing the individual freedoms of Indian citizens.

## **Demonetisation and international capital**

The shift from cash towards digital transactions is being spearheaded by **Bill Gates** and US financial corporations who will profit from the mark up on digital payments. Modi is seemingly a [willing](#) partner in this. His brand of nationalism is a cheap diversionary con-trick to make India a fully paid up client state of the US. Control food you control people. Control digital payments (and remove cash), you can control and monitor everything a country and its citizens do and pay for.

Bill and Melinda Gates (Source: [Bill & Melinda Gates Foundation](#))

The Gates Foundation is a prominent proponent of the global 'war on cash', and Bill Gates has the backing of some heavy hitters: the big banks and likes of PayPal, Citi, Visa and Mastercard all smell huge profits in this.

Haring notes that the cooperation of the Gates foundation and the Reserve Bank of India (RBI) is a very tight one. For example, Nachiket Mor, a 'Yale World Fellow', is head of the Gates Foundation India. He is also a board member of the RBI with responsibility for financial supervision.

Apart from More and Modi, there are also other key individuals with their hands on the relevant levers of power in India to do Washington's bidding. For instance, there is [Avrind Subramanian](#), the chief economic advisor to the government, and **Raghuram Rajan**, who was until recently Governor of the Reserve Bank of India. He was chief economist at the International Monetary Fund from 2003 to 2007 and was a Distinguished Service Professor of Finance at the University of Chicago Booth School of Business from 1991 to 2013. He is now back at the University of Chicago.

Aside from Rajan acting as [a mouthpiece](#) for Washington's strategy to recast agriculture in a corporate image and get people out of farming in India, Haring [implicates](#) Rajan in the demonetisation policy. He indicates that the policy was carried out on behalf of USAID, MasterCard, Visa and the people behind eBay and Citi, among others, with support from the Gates Foundation and the Ford Foundation.

Haring calls Rajan the Reserve Bank of India's "IMF-Chicago boy" and based on his employment record, memberships (not least of the elite [Group of Thirty](#) which includes heads of central, investment and commercial banks) and links, place him squarely at the centre of Washington's financial cabal.

Securing payments that accrue from each digital transaction would of course be very financially lucrative for the financial institutions pushing for a cashless world. However, for a low income country such as India, which [runs on cash](#), the outcomes so far have been

catastrophic for hundreds of millions of people, especially those who don't have a bank account (almost [half the population](#)) or do not even have easy access to a bank.

Regardless of the effects on ordinary people, demonetisation used the Indian population as a collective guinea pig to see how far the interests of international finance capital could be secured. The ultimate aim seems to be to displace the informal (i.e. cash-bashed and self-organised) economy with Western corporations and with supply chains controlled by them.

### **Co-opting the development paradigm**

Development used to be about breaking with colonial exploitation and radically redefining power structures. Now we have dogma masquerading as economic theory that compels developing countries to adopt neo-liberal policies. The notion of 'development' has become hijacked by rich corporations and the concept of poverty depoliticised and separated from structurally embedded power relations.

Whereas some want to bring about a fairer, more equitable system of production and distribution to improve people's quality of lives (particularly pertinent in India with its [unimaginable inequalities](#) which have [spiralled](#) since India adopted neoliberal policies), Washington and its unelected oligarchs like Bill Gates regard 'development' as a way to further US interests globally. Whether it involves aid, investment, trade deals (not least the [Knowledge Initiative on Agriculture](#)) or other partnerships, development and economic and strategic US self-interests are one and the same.

Haring notes that it is US policy to:

“... promote and elevate development as a core pillar of American power and chart a course for development, diplomacy, and defense to reinforce and complement one another. As stated in the 2010 National Security Strategy and the Presidential Policy Directive on Global Development, the successful pursuit of development is essential to advancing our national security objectives.”

He adds that the start of the direct cooperation of the Gates Foundation with the Reserve Bank of India on digital payments coincides with the work of the Gates foundation in the President's Global Development Council, which was to promote cooperation with foreign governments and the private sector with a view to US defence and commercial interests.

Haring says:

“Bill Gates gave an example of the link between worldwide digitalization of payments (via the large US payment companies) and US security interests in his speech in 2015. Talking about the problem that overly strict rules for payment providers might do the opposite of the intended: “If financial flows go into a digital system that the US is not connected to, it becomes much harder to find those transactions that you want to be aware of or you want to block”.”

In a recent report on the digitalization of the Indian payment system, Haring notes that Boston Consulting Group and Google urged payment providers to “Mine customer data to build additional revenue streams.” They promise that mining customer data will help them to manipulate consumers into buying more. “Payments will drive consumption - and not the

other way around.”

On the steering board of the study were Visa and Vodafone (M-Pesa). These days, the government of Kenya, Bill Gates’ poster-child for financial inclusion, is trying to force mobile phone providers to give them the opportunity to monitor all phone calls and mobile payments. They are telling the phone companies to let a contracted (private) company hook up to all routers.

So, apart from increasing the (unconstitutional) surveillance capabilities of the Indian state (and Washington), what we are seeing is a push for a consumer-based model of development driven by some of the world’s largest corporate players: a model of capitalist development that is [corrupt and unsustainable](#) and by its very nature leads to environment catastrophe:

“... our economic system demands ever-increasing levels of extraction, production and consumption. Our politicians tell us that we need to keep the global economy growing at more than 3% each year – the minimum [necessary for large firms](#) to make aggregate profits. That means every 20 years we need to double the size of the global economy – double the cars, double the fishing, double the mining, double the McFlurries and double the iPads. And then double them again over the next 20 years from their already doubled state.”  
– [Jason Hickel](#), writing in The Guardian.

### **Capitalism and environmental catastrophe joined at the hip**

Whether it is the war on cash, massive loan waivers and hand-outs for corporates, demonetisation, mining data, creating revenue streams or the fixation on consumption and endless growth, the prevailing paradigm is blind faith in a [failed neoliberal globalisation and a ‘free’ market that exists only in the warped delusions of its supporters](#).

And for what is still an agrarian society, the plan for India’s countryside follows the same path. There is a plan to displace the majority of India’s rural population in the coming years. Hundreds of millions which will be shifted to the cities. A 2016 [UN report](#) said that by 2030, Delhi’s population will be 37 million. Quoted in The Guardian, the report’s principal authors, **Felix Creutzig**, says:

“The emerging mega-cities will rely increasingly on industrial-scale agricultural and supermarket chains, crowding out local food chains.”

In India, the push to drive at least 400 million from the land and into cities is [already underway](#) at the behest of the World Bank which India is [heavily indebted](#) to: a World Bank that is, under the guise of ‘enabling the business of agriculture’, committed to opening up economies to corporate seeds and agrochemicals and securing global supply chains for transnational agribusiness from field to plate. The drive is to entrench industrial farming, commercialise the countryside and to replace small-scale farming, the backbone of food production in India (and globally).



Source: Scientific India Magazine

If current policies continue, it could mean [hundreds of millions](#) of former rural dwellers without any work. Moreover, given [the trajectory](#) the country seems to be on, it does not take much to imagine vast swathes of chemically-drenched monocrop fields containing genetically modified plants or [soils rapidly turning](#) into a chemical cocktail of proprietary biocides, dirt and dust.

Thanks to the [model of agriculture](#) being supported and advocated by [neoliberal ideologues](#) (again, with [Bill Gates and his 'corporate America' entourage](#) to the fore) under the banner of 'growth', it also does not take much to imagine a state of [near-permanent drought](#), [spiralling rates of illness](#) throughout the population due to bad diets, denutritified food and agrochemical poisoning. Industrial agriculture will be the norm (with all the social, environmental and health [devastation and externalised costs](#) that the model brings with it).

[Look no further than the current situation](#) in South India and the drying up of the Cauvery river in places to see the impact that chemical-intensive farming has already had. What is happening there is a farming and ecological crisis partly fuelled by environmental devastation due to mining, deforestation and unsustainable agriculture based on big dams, water-intensive crops and Green Revolution ideology imported from the West. [Wrong-headed policies](#) have resulted in drought, population displacement and degraded soils. The rivers are dying, farmers are dying (and killing themselves due to them being "[at the mercy of global economics](#)") and the cities cannot be sustained. The [solutions](#) (also see [this](#) about **Bhaskar Save**) are there for all to see, but still they are not being taken seriously. It's a catastrophe that's rapidly unfolding.

Since the 1990s, India seems to have decided to hitch a ride to the future by [tying itself to a US-led system of neoliberal globalisation](#), an [unsustainable, crisis- and conflict-ridden](#) system that fuels national debt and relies on [hand-outs](#) for banks and corporations.

It's a system based on a credit/debt-based consumer economy, financial speculation, derivatives and bubbles, with nations no longer able to carry out their own policies, tied down by undemocratic trade deals, beholden to rigged World Trade Organization rules and following a path prescribed by the World Bank.

India is under siege from international capital. It is not only on course to become an even weaker and more hobbled state permanently beholden to US state-corporate interests, but it is heading towards environmental catastrophe much faster than many may think. You do not have to [imagine](#) the eventual outcome; visit the Cauvery, the reality has already taken hold.

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