

# Sacrificing our Country's Banking Business at the altar of Big Corporations of Trans-National Capital

With every passing day the true nature of our rulers representing the ruling-classes is becoming more and more clear. That they are sub-servient to imperialism is manifested through the big-corporations of trans-national capital is being confirmed leaving no doubt. That our rulers and ruling classes have taken up the 'holy' task of sub serving the big-capital even at the cost of the interests of our people and the country is becoming more and more evident.

After betraying the workers of the country-the wealth creators-by enacting four "Labour Codes" that remove whatever the statutory rights and protections provided by various labour laws and after betraying the farmers of our country-the backbone of our country's economy and the providers of food security to the people of our country-by enacting three anti-farmer and anti-agriculture laws that created conditions for trans-national agri-business big corporations to seize the control of Indian agriculture menacing our country's food sovereignty and survival of peasantry, without any compunction our rulers are now paving a way to sacrifice our banking business at the altar of big-corporations of transnational capital. At the same time they are posturing as if they are the crusaders for progress and development of our country's economy. They are even boasting as if they are leading our country to become a 'Super Power'.

With such 'heroic' postures and attractive slogans, they are pulling the wool on to the eyes of people and hood-winking them brazenly. Even at the time of our people seething with anger against their anti-worker, anti-farmer and anti-people policies and betrayal and against their miserable mismanagement of the covid situation, our rulers with unremitting zeal are pursuing their task of sub-serving the interests of imperialism.

During the third week of november-'20, the Reserve Bank of India released the report of the R.B.I.'s Internal Working Group (IWG) to review extant owner-ship guidelines and corporate structure for Indian sector banks.

The recommendation No.14 of this IWG mooted that "large corporate/ industrial houses may be permitted to promote banks". The report while admitting that "all experts except one were against allowing the large corporate/industrial houses to promote a bank" still recommends to allow it, with a purported 'Pious' aspiration that "the Indian economy may require a fundamental rethink of current regulatory stance towards the question of how a banking business would be organised". With such a so called futurist "Vision" the IWG of RBI, has hurled its recommendation as an 'Idea'; If we can remember that such past recommendations and ideas of so-called experts have led to the enactment of anti-worker labour codes and anti-peasant farm laws, we can perceive the depth of this innocently appearing idea of 'Pious' aspirations. This is the initial attempt keeping the 'idea' to permeate for some time in the public domain to prepare for the intended 'sacrifice'. This is the modus operandi adopted by our rulers, to push through their anti-people laws and the implementation of anti-people policies.

It is not that the members of the IWG are unaware about the history of investigations conducted in 1913 by a Committee in USA about the 'concentration of control of money and credit' by a cartel found officers of J.P Moegan, the U.S-bankar who used finance to control rail and pricing and stitch together a steel business.

One need not think that the IWG members are unaware about the financial crises of 1950s and 1960s of our country that was caused by India's 'Rich Class' treating banks run by them as their personal piggy banks, which was one of the main causes that led to the nationalisation of banks.

It is no secret that even at present the directors of 20 leading banks held, 1,452 director-ships and controlling interests in 1,000 companies. It shows the corporate nexus with our banking business.

There are fresh examples of the bailouts of Yes Bank and Lakshmi Vilas Bank, about how the risk posed by any move to lose bank licensing norms is heightened. We have seen how a major private sector lending ICICI bank is facing investigation over loans given out to connected parties.

It is a well known experience that unchecked and non-financial activities with a corporate group in Indonesia, pushed up the cost of bank rescue to 40 percent of its GDP in 1998, during the Asian financial crises of 1997-98.

Even at the present time when the nationalised banks and the banking business are supposed to be under the control of RBI, the big corporates have looted the banks in the form of NPAs, defaulted loans to grand tune of Rs.7.4 trillions even before Covid Pandemic.

We have seen how the financier IL&FS reported bankrupt in 2018. During the period of 5 years from 2015-16 to 2019-20, while the public sector banks have gained an operating profit of Rs.7,75,633 cores, they had to make a provision of Rs.10,13,004 crores for bad debts and to accrue a net loss of Rs.2,07,366 crores. The main people behind these bad loans are the corporate delinquents and willful defaulters. Even as on March, 2020 the NPA with in corpo-rate sector is at a high of 13%.

Though agriculture is a priority sector, this sector is denied credit and the corporate business houses are favoured with credits by diluting the norms and de-risking the lending.

But despite knowing all these bitter experiences, and facts that point out of the great risk of handing over bank business to big corporates, the IWG of RBI has the audacity to push forward this menacing recommendation to open up bank ownership to large corpo-rate houses, with the so called aspiration of "Indian economy for the future?"

That is why even the financial and banking experts like former governor of RBI Raghuram Rajan, former deputy governor of RBI virael Acharya, Andy Mukherjee of Bloom-Berg, T.T.Ram Mohan, Professor at IIM Ahmadabad and some others who are the supporters of neo-liberal capitalist economic policies of imperialism, have deeply felt about the deception underlying such a recommendation and criticized it vehemently.

They reminded all the previous bitter experiences occurred due to the handing banking business to big- corporates, stating that the recommendation of IWG is ill-advised and deadly harmful to the interests of Indian economy. They have correctly appraised that such a move will "exacerbate the concentration of economic and political power in certain business houses" particularly at a time while "from telecommunications to transportation, Indian business landscape is already starting to resemble a monopoly board". They argued that such a move in the atmosphere of bad track record of corporate governance in the country, to ring-fence the corporate banks from lending to their own group of companies is highly difficult. They warn that concen-tration of economic power heightens inequalities. They point out that even in U.S.A., the role model country for our rulers that "the prohibition on the banking and commerce combine still exists". They also appraise that this recommendation is likely to be a prelude to privatisation of banks, and they emphatically say 'no' to corporate houses in Indian Banking.

After these criticisms, the present Governor of RBI, Shaktikanta Das states that this is not the idea of RBI, but IWG of which there are two external members. He simply states that "for now the working groups report has been put in the public domain for comments". Thus he intends to hush the opposing opinions and criticisms for the time being. However at the same time he mentions that "the IWG proposal had specified that such decisions should only be taken after the RBI's supervisory arm is strengthened", implying a future possibility of corporate owner-ship of banks.

Thus the Damocles' sword is hanging on the Indian Banking, to be handed over to the corporate bank owner-ship.

This is not a question of mere bank ownership, but the question of dealing with people's money and public savings. Thus it is a matter of concern of people's larger interests. Therefore every effort has to be made, to resist and oppose the move to the corporate takeover of the banks!

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