



## **ADB's 2020 Strategy Confirms Corporate Bias**

10 April 2008, Manila – Civil society groups criticized the new strategic framework of the Asian Development Bank, saying it is moving towards private sector-led development, which is anti-poor and vulnerable to corruption.

The strategic framework suggests expanding the Bank's activities with the private sector to boost market-led economic growth in Asia and the Pacific region. This will result in a more "business-friendly" environment and could suggest disabling what's perceived as a corrupt public sector in favor of a less accountable private sector.

According to the LTSF, ADB will increase its support for private sector by 50% in 2020 which is presently only about 12% of its total operation. Basic need such as health, education, water and other infrastructure---sectors now largely being privatized anyway--- will gradually be increased to only 20%.

"It's a shame that the ADB is targeting poverty alleviation through its corporate friends but not through legitimate governments," said Hemantha Withanage, Executive Director of NGO Forum on ADB.

The LTSF recognizes that poverty remains the central challenge facing Asia and the Pacific region. Likewise, it states that rapid economic growth is putting severe strains on the environment. However, increasing private sector's leverage in development projects would be dangerous due to their profit-oriented activities and strong disregard of the existing Bank's policies safeguarding local communities and the environment from disastrous impacts.

"The private sector does not respect social and environmental safeguards of local communities. They are only interested about making profits. Corruption goes side-by-side with private sector operations," Withanage added.

According to the ADB, private sector is the engine of growth. However, Asian communities still believe that growth could still be best led by the public sector. In many occasions, citizens have opposed to private sector development projects due to corruption and violations of human rights. Recently, villagers from the Pulbari village in Bangladesh staged a mass action against a proposed private lending by the ADB for coal power project. The protest has forced the Bank to pull out from the project.

"ADB seems to miss out on a costly lesson that the most recent troubles of the global economy (as in the 1997 Asian crisis) were triggered and caused by the private sector aided by negligent governments," said Gani Serrano of PRRM, a founding member of the NGO Forum on ADB. He adds, "In any case, the private corporations can very well take care of themselves, it's Asia's poor millions that need ADB's undivided attention."

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