

ADB's Role in Privatization of Essential Services Is Being Protested in Different Asian Cities

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Social movements and civil society organizations simultaneously held protest actions in different Asian cities on Tuesday August 4, 201 morning as the ADB Annual Governor's meeting was about to conclude.

The protest actions in the Philippines, Indonesia, India, Bangladesh, and Pakistan raised critique and opposition to ADB's role in the privatization of essential services. All protesters are members of a larger Asian movement called Asia and Pacific Movement on Debt and Development (APMDD).

"The ADB bears a large share of the responsibility for the privatization of water and power services in Asia. The experiences of communities and peoples in Asia have shown privatization of these services cause harm to peoples and the environment", said APMDD coordinator Lidy Nacpil.

According to her, millions of impoverished and marginalized have much less access to safe, clean fresh water with the deterioration of the quality of service and the sharp increases in the cost of service resulting from privatization.

The ADB has been involved in privatizing water services in Indonesia, India, Pakistan, South Korea, Nepal, and Sri Lanka. Power privatization-related projects in Philippines, Bangladesh, Thailand, Pakistan, Indonesia, and at least nine states in India received financing from ADB. Example of these ADB-financed projects are Philippine's Electric Power Industry Reform Act (EPIRA) and Indonesia's Citarum Water Resources Management Project.

Job Bordamante of the Freedom from Debt Coalition - Philippines said that "after nine years of implementing EPIRA, electricity rates have doubled and government regulation remains incapable of protecting the consumers from the repeated overcharging of private corporations."

The Philippine's case is an example of what Nacpil explained as one major negative impact of power privatization - the segmentation of consumers from the most profitable to the un-electrified. She said "in India, while per unit cost of electricity has gone down for the rich consumers, the less-consuming households suffer from high tariffs and frequent power interruptions."

"Moreover, even before privatization projects become operational, thousands have already been unjustly affected for loss of land and livelihoods without consultation or compensation, as experienced by the Nepalis in Melamchi and Indonesians living along the Citarum river," she added.

Nacpil further said that the ADB has seemed to look on blindly as its own policies on public disclosure and resettlement is violated by the projects it is involved with.

Md Samsudohha of Equity and Justice Working Group, Bangladesh explained that the ADB's approach to essential services is "to ensure full-cost recovery plus profits combined with placing the private sector at the helm." "To illustrate, for the US\$50-million urban water supply sector reform of Dhaka, capital city of Bangladesh, the bank requires that the water utility be run as a commercial enterprise and as a consequence, water tariffs are expected to increase by 200% from current levels in nine years."

According to APMDD, ADB's faith in the private sector is supported by increased lending. "The bank is determined to scale up financing to push its agenda of giving the private sector a major role in its programs. In fact, in its Long-term Strategic Framework, the bank outlines its intent to "increase private sector lending to 50% by 2020, from 12% in 2007," explained Muhammad Reza of KRuHA, an Indonesian Water Coalition.

"And yet, the exclusion of millions of peoples in Asia from their most basic needs and right to access water and power services continue to be the most vivid and undeniable testament to the failure of ADB policies", said Saeed Baloch, of the Pakistan Fisherfolk Forum.

In its statement, the following demands are put forward:

1. For IFIs, especially the International Monetary Fund, World Bank, and Asian Development Bank to stop and reverse their policies imposing privatization and liberalization of essential services.
2. For the IMF, WB and ADB to give reparations for the continuing negative impacts of the privatization policy on peoples' communities, health, food and livelihood, and environment.
3. For all governments to stop and reverse the privatization of essential services.
4. For all governments to recognize and ensure peoples' rights and access to sufficient, affordable, clean, water and adequate, reliable, affordable, and sustainable power services and energy.

Protesters are also part of the Campaign Network on the Right to Essential Services and Natural Resources which includes members from more than 10 Asian countries. The Network declared April 4 as the "Asian Day of Action Against Privatization of Essential Services." ##

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