



The World Bank's "new" approach to development: Corporate interests first

The points made in this article are from the IBON International paper, "The World Bank Group's Corporatization of Development." The paper could be downloaded [here](#).

The World Bank Group (WBG), in the two decades of the 21st century, has continued to offer financial assistance and policy "guidance" to developing countries together with the International Monetary Fund (IMF). The WBG has also been active in peddling its private sector-led vision in international development conversations, including that of the sustainable development agenda.

Since 2017, the WBG has been working with its "Cascade" approach, later renamed as "Maximizing Finance for Development" or MFD. This approach presents a "cascade objective and algorithm" which means "consistently testing—and advising clients [i.e. countries] on—whether a project is best delivered through sustainable private sector solutions (private finance and/or private delivery)."

A "new" approach, serving old private interests

Piloting of the MFD approach is programmed in nine countries, with focus on infrastructure sectors: Cameroon, Cote d'Ivoire, Egypt, Indonesia, Iraq, Jordan, Kenya, Nepal, and Vietnam. Implementation is to be scaled up both at geographic and sectoral levels, with Peru and Sri Lanka in the pipeline. The Cascade or MFD approach also promotes Public-Private Partnerships (PPPs) in "development," and with it, greater role for the "private sector" – which in practice refers more to transnational corporations.

Based on a document titled "Forward Look – A Vision for the World Bank Group in 2030 – Progress and Challenges," the WBG is proudly proclaiming strong progress in its agenda to mobilize private finance. The IFC is now focusing on "creating markets" which is in collaboration with the WBG efforts to create "enabling policy and regulatory environments and on de-risking the private sector's entry into these environments."

People's rights and the MFD

The WBG's Cascade/MFD approach assumes that the interests of the private and public sectors are unified and that it is serving both the people's welfare and sustainable development. MFD threatens to interfere not only on domestic policies but also on decision-making processes, in which the interest of the corporations and rich investors are primary instead of the public's voice and needs.

There is a risk that the people will continue to be deprived of their rights – to social services, to development – as the WBG promotes a new wave of privatization through more PPPs and so-called blended financing. This would mean that WBG will keep on supporting a scheme that uses public money to subsidise and support private and large infrastructure investments; that increases the costs of services such as transport, water supply and electricity; and that infringes on grassroots communities self-determination through big infrastructure projects

Towards people's rights and development

People's organisations with the help of civil society should continue to claim the primacy of people's rights. This means taking back the development narrative that has been dominated not only by large corporations but also institutions like the WBG, where private gain comes at enormous social and ecological costs.

A rights-based approach to development must be asserted to enable people's participation and empowerment; prioritise the marginalised sectors and honour accountability to rights-holders. Asserting a rights-based approach means forwarding an agenda based on social justice and respect for people's sovereignty over their own development processes. ###