

# THIRD WORLD TRAVELER



excerpted from the book

## Water Wars

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Destruction of water resources and of forest catchments and aquifers is a form of terrorism. Denying poor people access to water by privatizing water distribution or polluting wells and rivers is also terrorism. In the ecological context of water wars, terrorists are not just those hiding in the caves of Afghanistan. Some are hiding in corporate boardrooms and behind the free trade rules of the WTO, North American Free Trade Agreement (AFTA), and Free Trade Area of the Americas (FTAA). They are hiding behind the privatization conditionalities of the IMF and World Bank. By refusing to sign the Kyoto protocol, President Bush is committing an act of ecological terrorism on numerous communities who may very well be wiped off the earth by global warming. In Seattle, the WTO was dubbed the "World Terrorist Organization" by protestors because its rules are denying millions the right to a sustainable livelihood.

Greed and appropriation of other people's share of the planet's precious resources are at the root of conflicts, and the root of terrorism. When President Bush and Prime Minister Tony Blair announced that the goal of the global war on terrorism is the defense of the American and European "way of life," they are declaring a war against the planet-its oil, its water, its biodiversity. A way of life for the 20 percent of the earth's people ~ who use 80 percent of the planet's resources will dispossess 80 percent of its people of their just share of resources and eventually destroy the planet. We cannot survive as a species if greed is privileged and protected and the economics of the greedy set the rules for how we live and die.

The ecology of terror shows us the path to peace. Peace lies in nourishing ecological and economic democracy and nurturing diversity. Democracy is not merely an electoral ritual but the power of people to shape their destiny, determine how their natural resources are owned and utilized, how their thirst is quenched, how their food is produced and distributed, and what health and education systems they have.

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Although two - thirds of our planet is water, we face an acute water shortage. The water crisis is the most pervasive, most severe, and most invisible dimension of the ecological devastation of the earth. In 1998, 28 countries experienced water stress or scarcity. This number is expected to rise to 56 by 2025. Between 1990 and 2025 the number of people living in countries without adequate water is projected to rise from 131 million to 817 million. India is supposed to fall into the water stress category long before 2025.

A country is said to be facing a serious water crisis when available water is lower than 1,000 cubic meters per

person per year. Below this point, the health and economic development of a nation are considerably hampered. When the annual water availability per person drops below 500 cubic meters, people's survival is grievously compromised. In 1951, the average water availability in India was 3,450 cubic meters per person per year. By the late 1990s, it had fallen to 1,250 cubic meters. By 2050, it is projected to fall to 760 cubic meters. Since 1970, the global per capita water supply has declined by 33 percent. The decline does not result from population growth alone; it is exacerbated by excessive water use as well. During the last century, the rate of water withdrawal has exceeded that of population growth by a factor of two and one-half.

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Market assumptions are blind to the ecological limits set by the water cycle and the economic limits set by poverty. Over-exploitation of water and disruption of the water cycle create absolute scarcity that markets cannot substitute with other commodities. The assumption of substitution is in fact central to logic of commodification. For example, economist Jack Hirshleifer and his colleagues state:

This is not to deny that as a commodity, water has its special features, for example, its supply is provided by nature partly as a store and partly as a flow, and it is available without cost in some locations but rather expensive to transport to others. Whatever reason we cite, however, the alleged unique importance of water disappears upon analysis.

Such abstract arguments miss the most crucial point - when water disappears, there is no alternative. For Third World women, water scarcity means traveling longer distances in search of water. For peasants, it means starvation and destitution as drought wipes out their crops. For children, it means dehydration and death. There is simply no substitute for this precious liquid, necessary for the biological survival of animals and plants.

The water crisis is an ecological crisis with commercial causes but no market solutions. Market solutions destroy the earth and aggravate inequality. The solution to an ecological crisis is ecological, and the solution for injustice is democracy. Ending the water crisis requires rejuvenating ecological democracy.

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With globalization and privatization of water resources, new efforts to completely erode people's rights and replace collective ownership with corporate control are under way. That communities of real people with real needs exist beyond the state and the market is often forgotten in the rush for privatization.

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As natural rights, water rights are usufructuary rights; water can be used but not owned. People have a right to life and the resources that sustain it, such as water. The necessity of water to life is why, under customary laws, the right to water has been accepted as a natural, social fact.

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Parading as the anonymous market, the rich and powerful use the state to appropriate water from nature and people through the prior-appropriation doctrine. Private interest groups systematically ignore the option of community control over water. Because water falls on earth in a dispersed manner, because every living being needs water, decentralized management and democratic ownership are the only efficient, sustainable, and equitable systems for the sustenance of all. Beyond the state and the market lies the power of community participation. Beyond bureaucracies and corporate power lies the promise of water democracy.

... Water is a commons because it is the ecological basis of all life and because its sustainability and equitable allocation depend on cooperation among community members. Although water has been managed as a commons throughout human history and across diverse cultures, and although most communities manage water resources as common property or have access to water as a commonly shared public good even today, privatization of water resources is gaining momentum.

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John Locke's treatise on property effectively legitimized the theft of the commons in Europe during the enclosure movements of the 17th century. Locke, son of wealthy parents, sought to defend capitalism-and his family's massive wealth-by arguing that property was created only when idle natural resources were transformed from their spiritual form through the application of labor: "Whatsoever, then, he removes out of the state that Nature hath provided and left in it, he hath mixed his labor with it, and joined to it something that is his own, and thereby makes it his property." Individual freedom was dependent upon the freedom to own, through labor, the land, forests, and rivers. Locke's treatises on property continue to inform theories and practices that erode the commons and destroy the earth.

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Modern industrial papermaking and leather processing create massive pollution. Pulp uses 60,000 to 190,000 gallons of water per ton of paper or rayon. Bleaching uses 48,000 to 72,000 gallons of water per ton of cotton. Packaging green beans and peaches for long-distance trade can use up to 17,000 and 9 4,800 gallons per ton, respectively.

The overuse and pollution of scarce water resources is not restricted to old industrial technologies; it is a hidden component of the new computer technologies. A study by South West Network for Environmental and Economic Justice and the Campaign for Responsible Technology reveals that the process of chip manufacturing requires excessive amounts of water.

On average, processing a single six-inch silicon wafer uses 2,275 gallons of de-ionized water, 3,200 cubic feet of bulk gases, 22 cubic feet of hazardous gases, 20 pounds of chemicals, and 285 kilowatts hours of electrical power. In other words, if an average plant processes 2,000 wafers per week (the new state-of-the-art Intel facility in Rio Rancho, New Mexico, for example, can produce 5,000 wafers per week) it would need 4,550,000 gallons of water per week and 236,600,000 gallons ~ per year for wafer production alone.

The study finds that out of the 29 Superfund sites in Santa Clara County, California, 20 were created by the computer industry.

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#### The Principles of Water Democracy

At the core of the market solution to pollution is the assumption that water exists in unlimited supply. The idea that markets can mitigate pollution by facilitating increased allocation fails to recognize that water diversion to one area comes at the cost of water scarcity elsewhere.

In contrast to the corporate theorists who promote market solutions to pollution, grassroots organizations call for political and ecological solutions. Communities fighting high-tech industrial pollution have proposed the Community Environmental Bill of Rights, which includes rights to clean industry; to safety from harmful exposure; to prevention; to knowledge; to participation; to protection and enforcement; to compensation; and to cleanup. All of these rights are basic elements of a water democracy in which the right to clean water is protected for all citizens. Markets can guarantee none of these rights.

There are nine principles underpinning water democracy:

#### 1. Water is nature's gift

We receive water freely from nature. We owe it to nature to use this gift in accordance with our sustenance needs, to keep it clean and in adequate quantity. Diversions that create arid or waterlogged regions violate the principles of ecological democracy.

#### 2. Water is essential to life

Water is the source of life for all species. All species and ecosystems have a right to their share of water on the planet.

#### 3. Life is interconnected through water

Water connects all beings and all parts of the planet through the water cycle. We all have a duty to ensure that our actions do not cause harm to other species and other people.

#### 4. Water must be free for sustenance needs

Since nature gives water to us free of cost, buying and selling it for profit violates our inherent right to nature's gift and denies the poor of their human rights.

Water is limited and exhaustible if used nonsustainably. Nonsustainable use includes extracting more water from ecosystems than nature can recharge (ecological nonsustainability) and consuming more than one's legitimate

share, given the rights of others to a fair share (social nonsustainability).

#### 6. Water must be conserved

Everyone has a duty to conserve water and use water sustainably, within ecological and just limits.

#### 7. Water is a commons

Water is not a human invention. It cannot be bound and has no boundaries. It is by nature a commons. It cannot be owned as private property and sold as a commodity.

#### 8. No one holds a right to destroy

No one has a right to overuse, abuse, waste, or pollute water systems. Tradable-pollution permits violate the principle of sustainable and just use.

#### 9. Water cannot be substituted

Water is intrinsically different from other resources and products. It cannot be treated as a commodity.

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The United States ... produces 25 percent of the world's greenhouse gases, more than any other nation, has officially announced that it will make no cutbacks.

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John Widtsoe, an irrigation scientist with the Bureau of Reclamation:

The destiny of man is to possess the whole earth; and the destiny of the earth is to be subject to man. There can be no full conquest of the earth, and no real satisfaction to humanity, if large portions of the earth remain beyond his highest control. Only as all parts of the earth are developed according to the best existing knowledge, and brought under human control, can man be said to possess the earth. The United States ... might accommodate its present population within its humid region, but it would not then be the great nation that it now is.

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By the late 1890s, Los Angeles had already tapped its local supplies and city officials were secretly purchasing land and water rights in neighboring Owens Valley. In 1907, bonds were issued to finance a 238-mile aqueduct that would divert the eastern runoff of the Sierra Madre. This clandestine agreement to transfer water from the farms to the city led to intense conflict between Owens Valley residents and Los Angeles water users. "Non-local residents were equipped with private and public investment and backed by the might of the army. In 1924, Owens Valley residents blasted an aqueduct to prevent water diversion to Los Angeles." The water war had begun.

After 12 more blasts, armed guards were stationed on the aqueduct with orders to kill. In 1926, the Saint Francis Dam was built, but it broke soon after, killing 400 people. During the 'drought of 1929, groundwater pumping began but quickly dried up the 75-square mile Owens Lake. New scarcity had bred new conflicts. In 1976, the aqueduct was bombed again.'

Irrigation in the western United States was spurred by the need to provide food for gold-rush miners. By 1890, 3.7 million acres of land were irrigated. But by 1900, many water companies were facing bankruptcy, and public agencies were providing support to private developers. Water projects continued to be driven by the private sector but financed by public investments.

The Hoover Dam on the Colorado River was commissioned by the Bureau of Reclamation during the Great Depression and was completed in 1935. The 726-foot-high dam used 66 million tons of concrete-enough to build a 16-foot-wide highway from New York to San Francisco. The reservoir, Lake Mead, could hold the river's entire flow for two years.

The dam marked the beginning of the large dam era and the partnership between government and corporations in control over water. Six companies-Henry Kaiser, Bechtel, Morrison-Knudson, Utah Construction, MacDonald Kahn, J. F. Shea, and Pacific Bridge-were awarded the bid for the dam. The Colorado River Compact, which approved the dam, excluded local governments and communities from the negotiations and decisions. Native Americans, who had been living in the Colorado River basin for centuries, were completely shut out of the decision to dam the river. As

historian Donald Worster observes, "No one asked [Native Americans] to participate in the Colorado Compact negotiations, and the Bureau of Indian Affairs, supposedly their guardian angel, failed to look out for their interests there." Arizona, which considered the dam a theft of the state's natural resources, refused to ratify the compact.

To this day, the primary beneficiary of the Hoover Dam has been California. In fact, the state leads the world in water consumption. Water from the Hoover Dam is transferred to California through a 242-mile aqueduct from the Colorado River, and nearly a third of the hydropower generated by the dam is used to pump water to the state. Although it accounts for a mere 1.6 percent of the 243,000-square-mile Colorado basin, California uses one-fourth of its water. Much of this goes to big farms.

Large water-diversion projects are said to augment water. In reality, they take water from one community to another and from one ecosystem to another. The expansion of irrigated agriculture in the and American west has come at the cost of agriculture in the eastern and southern parts of the country. Although cotton cultivation on lands irrigated by the Bureau of Reclamation increased by 300 percent in the west, it dropped by 30 percent in the south. In the north, fruit and nut cultivation declined by 50 percent, while it grew by 237 percent in the west; land devoted to bran cultivation fell by 449,000 acres across the United States, but doubled in the west; rice cultivation was abandoned in wet Louisiana while it expanded in the arid west.

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In the Americas, conflict between the United States and Mexico over Colorado River waters has intensified in recent years. In 1944, a treaty allocated a 1.5 acre-foot of Colorado River water to Mexico. In 1961, Mexico protested that water flowing from the United States was heavily salinated by dams at Glen Canyon, Lake Mojave, and Lake Havasu as well as the Hoover Dam.<sup>9</sup> In 1974, the United States built a plant to desalinate the Colorado River water before it entered Mexico. The total cost to build the project was \$1 billion. Irrigation water provided for \$350 per acre-foot in the United States cost \$300 per acre-foot for desalination alone.

Large dam-related conflicts are not restricted to states—they also involve wars between nations. The Tigris and Euphrates Rivers, the major water bodies sustaining agriculture for thousands of years in Turkey, Syria, and Iraq, have led to several major clashes among the three countries. Both rivers originate in Eastern Anatolia, Turkey, and the country holds absolute sovereignty over water in its territory. Turkey's position is "The water is as much ours as Iraq's oil is Iraq's." On the other hand, to assert its historical rights, Iraq invokes the "prior use" doctrine, which bases water rights on the cowboy logic of "first in time, first in right" and traces the use of the rivers to the people of Mesopotamia 6,000 years ago. In recent years, conflicts have been triggered by increased water demands for industrialization...

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The conflict between Iraq and Turkey is expected to intensify as Turkey attempts to move with its \$32 billion plan to build 22 dams on the Euphrates for the irrigation of 1.7 million hectares of land. When the two dams operate along with the Ataturk Dam, Iraq would lose 80 to 90 percent of its allotment of Euphrates water.

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The war between Israelis and Palestinians is to a some extent a war over water. The river under contention is the Jordan River, used by Israel, Jordan, Syria, Lebanon, and the West Bank. Israel's extensive industrial agriculture requires the river's water as well as the groundwater of the West Bank. While only 3 percent of the Jordan basin lies in Israel, the river provides for 60 percent of its water needs.

Israel's very formation was based on ensuring access to water. "It is necessary that the water sources, upon which the future of the Land depends, should not be outside the borders of the future Jewish homeland," wrote Israel's former prime minister David Ben-Gurion in 1973. "For this reason we have always demanded that the Land of Israel include the southern banks of the Litani River, the headwaters of the Jordan, and the Hauran Region from the El Auja spring south of Damascus."

Water conflicts began in 1948, when Israel undertook the National Water Carrier Project, which involved a gigantic water pipeline extending from the Jordan River to the Negev Desert to irrigate crops. This project led to a dispute with Syria. In 1953, United States envoy Eric Johnston initiated the Unified Development of Water Resources plan to resolve conflicts between Israel, Syria, and Jordan. Syria rejected the plan, and since then, Israel-Syria border conflicts have been closely connected to river diversions by Israel. Former Israeli prime minister Levy Eshkol declared in 1962 that "water is the blood in our veins" and that being prevented from accessing it would be cause for war.

Between 1987 and 1988, Israel used 67 percent of its water for agriculture and allocated the rest for domestic and industrial purposes. Although Israel's agricultural water consumption had been reduced to 62 percent by 1992, it

remained the leading sector for water use. In 2000, 50 percent of the total cultivated area in Israel was irrigated; in contrast, Palestinian villages consumed only two percent of Israel's water. The water apartheid, demarcated along ethnic and religious lines, is fueling the already heated Israeli-Palestinian conflict.

The 1967 war, which led to the Israeli occupation of the West Bank and the Golan Heights, was in effect an occupation of the freshwater resources from the Golan Heights, the Sea of Galilee, the Jordan River, and the West Bank. As Middle-Eastern scholar Ewan Anderson, notes, "The West Bank has become a critical source of water for Israel, and it could be argued that this consideration outweighs other political and strategic factors."

Between 1967 and 1982, West Bank waters were controlled by the military. Now they are controlled by Israel's water company, Mekorot, and integrated into Israel's overall water network. West Bank waters supply 25 to 40 percent of Israel's water; Israel consumes 82 percent of the West Bank's water, while Palestinians use 18 to 20 percent. Palestinian water use is controlled and restricted by the Israeli government. A 1967 military order decreed:

No person is allowed to establish or own or administer a water institution (any construction that is used to extract either surface or subterranean water resources or a processing plant) without a new official permit. It is permissible to deny an applicant a permit, revoke or amend a license, without giving any explanation. The appropriate authorities may search and confiscate any water resources for which no permit exists, even if the owner has not been convicted.

In 1999, Palestinians were allowed to dig only seven wells. In addition, Palestinian wells could not exceed 140 meters in depth, while Jewish wells could be as deep as 800 meters.

As drought and overuse aggravate the water scarcity, water conflicts are bound to intensify. The water level of the Sea of Galilee is at a 100-year low; since 1993, it has fallen 13 feet. Because of drought, Israel had to reduce its water use in agriculture by 10 percent in 1999. It is predicted that Israel will have to cut water use further, cease its cultivation of cotton and oranges, and shift drought-resistant crops.

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The Nile is the longest river in the world and is shared by 10 African countries, including Ethiopia, the Sudan, Egypt, Uganda, Kenya, Tanzania, Burundi, Rwanda, the Democratic Republic of Congo, and Eritrea. It is also another complicated site of water conflict. In 1990, the total population of the Nile basin countries was estimated at 245 million and projected to reach 859 million by 2025. Ethiopia contributes 86 percent of the total annual flow of the Nile, while the remaining 14 percent comes from Kenya, Uganda, Tanzania, Rwanda, the Democratic Republic of Congo, and Burundi.

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Neither international nor national water laws adequately respond to the ecological and political challenges posed by water conflicts. No legal document in contemporary law mentions the most basic law related to water—the natural law of the water cycle. Claims are derived from and protection is limited to artificial concrete structures. This limitation has propelled regions and states to enter a contest for the most extravagant water projects as a means of establishing their rights to water—the more you extract and divert water through giant projects, the more you can claim rights. Water conflicts continue to escalate and, to date, no appropriate legal framework exists to resolve these conflicts.

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Giant water projects, in most cases, benefit the powerful and dispossess the weak. Even when such projects are publicly funded, their beneficiaries are mainly construction companies, industries, and commercial farmers. While privatization is generally couched in rhetoric about the disappearing role of the state, what we actually see is increased state intervention in water policy, subverting community control over water resources. Policies imposed by the World Bank, and trade liberalization rules crafted by the World Trade Organization (WTO), are creating a sweeping culture of corporate-states all over the world.

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Not only has the World Bank played a major role in the creation of water scarcity and pollution, it is now transforming that scarcity into a market opportunity for water corporations. The World Bank currently has outstanding commitments of about \$20 billion in water projects, \$4.8 billion of which are for urban water and sanitation, \$1.7 billion for rural water schemes, \$5.4 billion for irrigation, \$1.7 billion for hydropower, and \$3 billion for water-related environmental projects. South Asia receives 20 percent of World Bank water loans.

The Bank estimates the potential water market at \$1 trillion. After the collapse of the technology stocks, Fortune magazine identified the water business as the most profitable industry for investors. Large corporations, such as the biotech giant Monsanto, covet this lucrative market. Monsanto is currently plotting its entry into the water business and is anxiously eyeing the funding available from development agencies ...

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The World Bank's use of loan conditions to privatize and trade water suits Monsanto well, and the two have already begun to talk of collaboration. Monsanto is "particularly enthusiastic about the potential of partnering with the International Finance Corporation (IFC) of the World Bank" and expects the IFC to "bring both investment capital and on-the-ground capabilities to our efforts." For the company, sustainable development is the version of an ecological crisis into a market of scarce resources.

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The erosion of water rights is now a global phenomenon. Since the early 1990s, ambitious, World Bank-driven privatization programs have emerged in Argentina, Chile, Mexico, Malaysia, and Nigeria. The Bank has also introduced privatization of water systems in India. In Chile, it has imposed a loan condition to guarantee a 33 percent profit margin to the French company Suez Lyonnaise des Eaux.

Not only does privatization affect people's democratic right to water, it also affects the livelihoods and employment rights of those who work in municipalities and local water and sanitation systems. Public systems worldwide employ five to ten employees per 1,000 water connections, while private companies employ two to three employees per 1,000 water connections. In most Indian cities, municipal employees have resisted privatization of water and sanitation services.

Privatization arguments have been based largely on the poor performance of public-sector utilities. Government employees are seen as excess staff, responsible for the low productivity of public water agencies. The fact that poor public-sector performance is most often due to the utilities' lack of accountability is hardly taken into account. As it turns out, there is no indication that private companies are any more accountable. In fact, the opposite tends to be the case. While privatization does not have a track record of success, it does have a track record of risks and failures. Private companies most often violate operation standards and engage in price gouging without much consequence. In Argentina, two of the largest private French firms, Lyonnaise des Eaux and Compagnie Generale des Eaux, two of the largest private British firms, Thames Water and Northwest Water, and the largest public Spanish firm, Canal Isabel II, formed a consortium to bid for a World Bank-financed water privatization project. Employees at the public-sector utility provider Obras Sanitarias de la Nacion (OSN) in Buenos Aires were reduced from 7,600 to 4,000 in 1993. The unemployment of 3,600 workers has been touted as the most important achievement and indicator of success. While employment in water services went down, the price of water went up. Within the first year, water rates increased by 13.5 percent.

In Chile, Suez Lyonnaise des Eaux insisted on a 35 percent profit. In Casablanca, consumers saw the price of water increase threefold. In Britain, water and sewage bills increased 67 percent between 1989-90 and 1994-95. The rate at which people's services were disconnected rose by 177 percent. In New Zealand, citizens took to the streets to protest the commercialization of water. In South Africa, Johannesburg's water supply was overtaken by Suez Lyonnaise des Eaux. Water soon became unsafe, inaccessible, and unaffordable. Thousands of people were disconnected and cholera infections became rampant.

Despite its unpopularity among local residents worldwide, the rush to privatize water continues unabated. Encumbered by exorbitant debts, countries around the world are forced to privatize water. It is common for the World Bank and IMF to demand water deregulation as part of their lending conditions. Out of the 40 IMF loans disbursed through the International Finance Corporation in 2000, 12 had requirements for partial or full privatization of water supply and insisted on policy creation to stimulate "full cost recovery" and eliminate subsidies. In order to qualify for loans, African governments increasingly succumb to water privatization pressures. In Ghana, for instance, World Bank and IMF policies forcing the sale of water at market rate required the poor to spend up to 50 percent of their earnings on water purchases.

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The General Agreement on Trade and Tariffs (GATT) was created along with the World Bank and IMF to manage the global economy in the postwar era. The 1944 Bretton Woods Conference gave shape to these institutions and instruments. GATT was intended to become the International Trade Organization in 1948, but the United States blocked the move since the rules of trade favored the South. GATT therefore continued as an agreement until 1995, when the WTO was established on the basis of the agreements made at the Uruguay Round.

Before 1993, GATT dealt only with trade in goods beyond national borders. The Uruguay Round, negotiated between 1986 and 1993, expanded the scope of trade and the power of GATT by adding rules beyond goods and international trade. New rules were introduced on intellectual property, agriculture, and investment. Services were subjected to trade via the General Agreement on Trade in Services (GATS). By the time the WTO formed in 1995, the stage had

been set for its unregulated power to override domestic policies and hijack common resources.

While the World Bank is promoting privatization of water through structural adjustment programs and conditions, the WTO is instituting water privatization via free-trade rules embodied in GATS. GATS promotes free-trade in services, including water, food, environment, health, education, research, communication, and transport. The WTO markets GATS as a "bottom up" treaty, citing the freedom of countries to liberalize trade progressively and to deregulate different sectors incrementally. In reality, GATS is a treaty with no reverence for or accountability to national democratic processes. In many cases, governments do not have the liberty to use cultural issues and resources in their WTO negotiations.

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... GATS is a tool to reverse the democratic decentralization to which diverse societies have been aspiring. GATS can challenge measures taken by central, regional, or local governments as well as nongovernmental bodies. Its rules are shaped entirely by corporations without any input from NGOs, local governments, or national governments.

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Water has become big business for global corporations, which see limitless markets in growing water scarcity and demand. The two major players in the water industry are the French companies Vivendi Environment and Suez Lyonnaise des Eaux, whose empires extend to 120 countries. Vivendi is the water giant, with a turnover of \$17.1 billion. Suez had a turnover of \$5.1 billion in 1996. Vivendi Environment is the "environmental services" arm of Vivendi Universal, a global media and communications conglomerate involved in television, film, publishing, music, the Internet, and telecommunication.

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The privatization of water services is the first step toward the privatization of all aspects of water. The American water market for water supply and treatment, estimated at \$90 billion, is the largest in the world, and Vivendi is investing heavily in order to dominate it. In March 1999, the company purchased US Filter Corporation for more than \$6 billion and formed the largest water corporation in North America. Vivendi's projected revenue is \$ 12 billion.

Once the water giants enter the picture, water prices go up. In Subic Bay, the Philippines, Biwater increased water rates by 400 percent. In France, customer fees increased 150 percent but water quality deteriorated; a French government report revealed that more than 5.2 million people received "bacterially unacceptable water." In England, water rates increased by 450 percent and company profits soared by 692 percent-CEO salaries increased by an astonishing 708 percent. Service disconnection increased by 50 percent. Meanwhile, dysentery increased six-fold and the British Medical Association condemned water privatization for its health effects.

In 1998, shortly after Sydney's water was overtaken by Suez Lyonnaise des Eaux, it was contaminated with high levels of giardia and cryptosporidium. After water testing had been privatized by A&L Labs, in Walkerton, Ontario, seven people, including a baby, died as a result of E. coli. The company treated the test results as "confidential intellectual property" and did not make them public, just as Union Carbide withheld information about the leaked chemicals in its Bhopal, India, plant while thousands were dying. In Argentina, when a Suez Lyonnaise des Eaux subsidiary purchased the state-run water company Obras Sanitarias de la Nacion, water rates doubled but water quality degenerated. The company was forced to leave the country when residents refused to pay their bills.

### The Great Thirst

In the maquiladoras of Mexico, drinking-water is so scarce that babies and children drink Coca-Cola and Pepsi. Coca-Cola's products sell in 195 countries, generating a revenue of \$16 billion. Water scarcity is clearly a source of corporate profits. In an annual report, Coca-Cola proclaims:

All of us in the Coca-Cola family wake up each morning knowing that every single one of the world's 5.6 billion people will get thirsty that day. If we make it impossible for these 5.6 billion people to escape Coca-Cola, then we assure our future success for many years to come. Doing anything else is not an option.

Companies like Coca-Cola are fully aware that water is the real thirst quencher and are jumping into the bottled water business. Coca-Cola has launched its international label Bon Aqua (Dasani is the American version), and Pepsi has introduced Aquafina. In India, Coca-Cola's water line is called Kinley. In addition to Coca-Cola and Pepsi, there are several other well-known brands such as Perrier, Evian, Naya, Poland Spring, Clearly Canadian, and Purely Alaskan.

In March 1999, in a study of 103 brands of bottled water, the Natural Resources Defense Council found that bottled

water was no more safe than tap water. A third of the brands contained arsenic and E. coli and a fourth merely bottled tap water. In India, a study conducted by the Ahmedabad-based Consumer Education and Research Center discovered that only three out of the 13 known brands conformed to all bottling specifications. None of the brands was free of bacteria, even though some claimed to be germ-free and 100 percent bacteria-free. Such false and misleading advertising has forced the Indian government to amend its Prevention of Food Adulteration rules to include bottled water. It now differentiates between mineral water obtained from and packaged close to a natural source and treated drinking water.

... The consequences of bottled water extend beyond price hikes and unsafe water. Environmental waste is a major cost incurred by the bottling industry. In the 1970s, 300 million gallons of bottled water were sold in non-renewable plastic water consumers.

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Perhaps the most famous tale of corporate greed over water is the story of Cochabamba, Bolivia. In this semidesert region, water is scarce and precious. In 1999, the World Bank recommended privatization of Cochabamba's municipal water supply company, Servicio Municipal del Agua Potable y Alcantarillado (SENIAPA), through a concession to International Water, a subsidiary of Bechtel. On October 1999, the Drinking Water and Sanitation Law was passed, ending government subsidies and allowing privatization.

In a city where the minimum wage is less than \$100 a month water bills reached \$20 a month, nearly the cost of feeding a family of five for two weeks. In January 2000, a citizens' alliance called La Coordinadora de Defensa del Agua y de la Vida (The Coalition in Defense of Water and Life) was formed. The alliance shut down the city for four days through mass mobilization. Within a month, millions of Bolivians marched to Cochabamba held a general strike, and stopped all transportation. At the gathering, the protesters issued the Cochabamba Declaration, calling for the protection of universal water rights.

The government promised to reverse the price hike but never did. In February 2000, La Coordinadora organized a peaceful march demanding the repeal of the Drinking Water and Sanitation Law, the annulment of ordinances allowing privatization, the termination of the water contract, and the participation of citizens in drafting a water resource law. The citizens' demands, which drove a stake through the heart of corporate interests, were violently rejected. La Coordinadora's fundamental critique was directed at the negation of water as a community property. Protesters used slogans like "Water Is God's Gift and Not A Merchandise" and "Water Is Life."

In April 2000, the government tried to silence the water protests through martial law. Activists were arrested, protesters killed, and the media censored. Finally on April 10, 2000, the people won. Aguas del Tunari and Bechtel left Bolivia and the government was forced to revoke its hated water privatization legislation. The water company SEMAPA (along with its debts) was handed over to the workers and the people. In the summer of 2000, La Coordinadora organized public hearings to establish democratic planning and management. The people have taken on the challenge to establish a water democracy, but the water dictators are trying their best to subvert the process. Bechtel is suing Bolivia, and the Bolivian government is harassing and threatening activists of La Coordinadora.



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