

## Water Grab

*Water has always been the cradle of what we like to think of as civilization. The history of civilization shows us very clearly that our misuse of water has always led to epochal decline.*

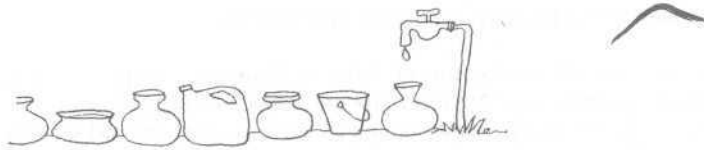
*In not so ancient times, we just migrated to the next water-hole. This is just not possible today, with human beings having colonized every nook and cranny of the earth.*

*Nowhere is the innate destructiveness of our dominant lifestyles more apparent than in the rampant destruction of water bodies, and the attendant water-grab by the rich and the powerful.*

*Today, Water-Grabbing takes place on a national scale, and has reached global dimensions.*

*But that need not deter us. It can be fought, as is happening all across the country for rivers and oceans as well as for ponds and wells. These struggles do not make the front-page, and are kept out of sight. A singular success in communalizing water in urban Bolivia is hidden from us.*

*Yet these struggles have many dimensions, and simmering beneath the surface are the pulls and contradictions within the fraternity of those committed to supporting the comfortable availability of good water for every member of the community in a village or city.*



**Water Woes** by Sarosh Bana, Business India, March 31, 2003. [C.ELDOC1070741]

**A Bid... for Water** by Darryl D'monte, The Hindu, Sunday, April 13, 2003  
<http://www.hinduonnet.com/thehindu/mag/2003/04/13/stories/2003041300140200.htm>

**The Last Common Property – 'A historical reminder** by Richard Mahapatra, Down to Earth, March 15, 2003 [C.ELDOC1070741]

**Water Crisis** by email from Anil Laul, February 2, 2003. [C.ELDOC6006561]

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## Water Woes

by Sarosh Bana

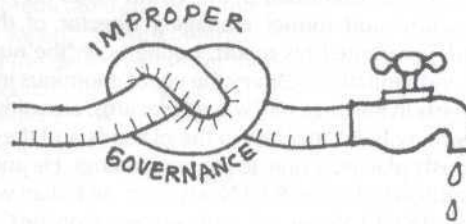
Few issues in India have roused such concern of late as that of water... or the lack of it. The failed monsoons last season brought with them the scourge of drought that wreaked havoc on the rural population. And there is already mounting scepticism about the ambitious Rs. 5,70,000 crore river-linking project that over the next 15 years seeks to establish 30 links across 37 of India's rivers to solve the regional imbalance of water, and to create navigable waterways, 30,000 MW of hydroelectric capacity and additional irrigation of 22 million hectares.

India, with its burgeoning population, polluted resources and expanding arid tracts, faces a particularly severe threat as attested by the World Water Development Report. It has ranked the country a poor 120th for its water quality in the UN's system-wide evaluation of global water resources. Only Morocco and Belgium are ranked lower.

India also ranks 133rd among 180 countries for its poor water availability of 1,880 cubic metres per person, annually. The water dilemma seems to prevail in both urban and rural India, with the former Union urban development minister Jagmohan acknowledging that as many as 20 per cent of India's urban households are denied any access to safe drinking water, there is no sanitation worth the name for 58 per cent of the urban population and toilet facilities are available to only 24 per cent of the urban population. He deems the question of solid waste disposal of still greater concern with even the most conservative estimates suggesting that 28 per cent of urban wastes are left to decompose and putrefy on roadsides and in the vicinity of houses. Quite a substantial portion of this waste flows into the drains, choking them and spawning breeding grounds for pests.

The national debate on the use of water is, however, sharply divided. Agricultural scientists say that farm water use, especially irrigation, must be increased 15 to 20 per cent in the coming 25 years to maintain food security and reduce hunger and rural poverty for a growing world population. Environmental scientists, on the other hand, say that water use will need to be reduced by at least 10 per cent to protect the rivers, lakes and wetlands on which millions of people depend for their livelihoods and to satisfy the growing demands of cities and industry. Many of these ecosystems have already been eliminated or severely damaged over the last decades.

The issue of who controls water and how they use such controls, called "governance," was a major topic of debate at the World Water Forum. Ravi Narayan of the NGO Water Aid believed that the lack of good governance was the single biggest cause for failure in providing safe water to people. "It is first essential to accept access to water as a human right and to determine the ownership of water," he said. "Water is a public good and belongs to the people that empower the government to govern it wisely." It was widely felt that the current water crisis arose from improper governance, rather than from the shortage of water. ▶



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## A Bid ... for WATER

by Darryl D'monte

at the Third World Water Forum (March 16 to 23, 2003),  
held in Kyoto, Shiga and Osaka, Japan.



### A resource that gushes profit

While Mr. Camdessus, Chairman of the World Panel on Financing Global Water Infrastructure and former managing director of the International Monetary Fund, presented his report, noting how "the numbers (of those without water and sanitation) convey the cry of enormous injustice" all over the world, activists in the huge hall waved placards, accusing him of uttering lies. There were tiny bells attached to the placards and they tinkled gently, lending a curiously placatory note to the proceedings. He and other speakers carried on regardless but when Ravi Narayanan, an Indian who is director of the London-based NGO, Water Aid, and also served on the Camdessus group was speaking, the activists clambered on to the stage and shielded the speakers from the audience by holding long banners in front of them, proclaiming: "Water for Life and not for Profit!"

### What is it about the Camdessus report that raises people's hackles?

- Its first thrust is to call for a doubling of financial flows into the water sector, supposedly to meet the U.N. Millennium Development Goals of halving the numbers of those without access to water (1.2 billion) and sanitation (2.4 billion) by 2015. This is unexceptionable, since the connection between the provision of these two most basic amenities and people's well-being is well understood. According to the Camdessus report, these funds would come from "financial markets, from water authorities themselves through tariffs, from Multilateral Financial Institutions, from governments, and from public development aid, preferably in the form of grants".

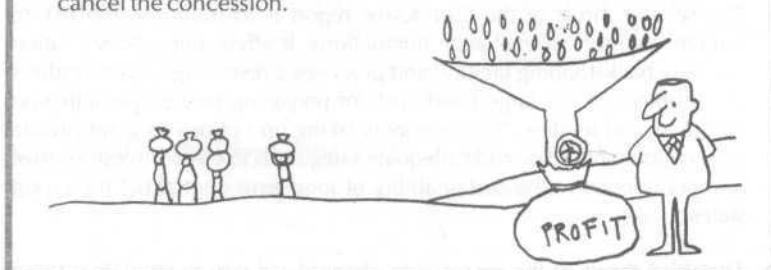
But, the timing of this appeal for greater funding for water is no accident. In many parts of the world, private water companies – the two biggest of which are Suez-Ondeo and Vivendi, both French, with RWE from

Germany, which has bought Thames Water from the U.K. – are on the retreat, facing opposition from consumers and heavy financial risks due to foreign exchange volatility. Manila and Buenos Aires are two prime examples, while Ondeo has recently pulled out after unsuccessful attempts in India. According to Olivier Hoedeman of Corporate Europe Observatory, a watchdog organisation, "After a decade of sweeping privatisation, 460 million people around the world are now supplied water by private corporations (up from just 51 million in 1990). Water industry analysts expect the privatisation trend to accelerate and predict the number to reach 1.6 billion people in 2015. "Whereas the water corporations during the 1990s primarily conquered newly privatised markets in developing countries, their focus is now increasingly shifting to the more predictable and profitable consumers in Europe, the U.S. and presumably Japan." These countries, with the exception of France, till today retain the delivery of water in the public domain, but faced with growing uncertainties in the developing world this may soon change. However, developing countries still present a huge market. Vivendi, the world's largest company, saw its Asian sales double to \$647 million last year and China and India are the biggest prizes.

- The second thrust of the Camdessus report is to minimise the risk to foreign investors of exchange fluctuations. It advocates a "devaluation liquidity backstopping facility" and proposes a revolving fund to address the problem of the large fixed costs of preparing private participation contracts and tenders. "Governments taking up options to grant private concessions should provide adequate safeguards to create investors' trust and confidence in the sustainability of long-term contracts," the report states.
- The third thrust of the report is to channel aid which has fallen to an average of \$3.1 billion annually to water and sanitation in 1999-2001 from \$3.5 billion in 1996-98, through private hands. There were objections raised by the International Rivers Network in Berkeley, California, which cited key recommendations to international financial institutions to increase guarantees and other public subsidies for private investors in water infrastructure and supply, as well as to "resume lending" for "dams and other major hydraulic works". This refers to the widespread opposition over Sardar Sarovar in this country, among others to big dams and, consequently, the reluctance of these institutions to fund such controversial projects.

At Kyoto, activists cited opposition to privatisation in the U.S. Atlanta cancelled a 20-year-old contract this January due to poor service. A concession has been thwarted, for the time being, in New Orleans. In Detroit, as Michele Tingling-Clemons from the Michigan Welfare Rights Organisation told this writer, opponents are concerned that the poor will subsidise the rich. Penny Bright voiced the same fears regarding Auckland in New Zealand and regaled delegates by demonstrating how to sabotage the metering of water.

Oscar Olivera from Cochabamba made no bones about the fact that "many of the people here are stained with the blood of our compatriots". He was referring to a consortium formed by the U.S. firm Bechtel (one of Enron's partners in Dabhol) and United Utilities of the U.K., which was awarded a contract four years ago to run the city's waterworks, without any bidding. The company announced tariff hikes of 150 per cent and threatened to cut off connections if anyone didn't pay. "They wanted to privatise the rain!" Olivera exclaimed. When protests erupted in 2000, the police and army were called in and five died in the rioting, forcing the government to cancel the concession.



#### **'No' to water as an economic good**

Maude Barlow, from The Council of Canadians, which was instrumental in bringing several activists to Kyoto, stated: "Nothing is more crucial than the privatisation of this commodity: who owns and controls it. They are treating water as an economic good, where it will be governed by market principles and put on the market to the highest bidder. Some of the top 100 corporations in the world are in water and they are protected by powerful trade agreements. It's a question, in the end, of human rights versus corporate rights."

## Wars and water

Mr. Gorbachev called for "Water for Peace" and "Peace for Water".

Contrary to the popular belief that the next world war will be over water, not oil – triggered off by a remark by former World Bank Vice-President Ismail Serageldin, now in the World Water Council – conflicts over water take a long time to build up. They do not present flashpoints, although they can remain a festering sore between hostile countries.

Not many may be aware that the Indus Water Treaty, now 43 years old, sharing the tributaries between India and Pakistan, has never been abrogated even during two wars. The agreement was brokered by the World Bank and remains a model for amicable sharing of resources.

The experience with the Ganga Treaty with Bangladesh, over the Farakka barrage, has not been as harmonious, but it nevertheless addresses a long-standing dispute between the two countries.

The Mekong treaty, between Thailand, Cambodia, Laos and Vietnam, is yet another example where countries have chosen to cooperate on sharing resources. As Mr. Gorbachev appealed in Kyoto, **"Water must become a powerful vehicle for peace." Without powerful agreements, it has the potential of being the opposite.**

D'monte (2003)

## The Last Common Property...

'A historical reminder'

by Richard Mahapatra

The soft-spoken Olivera is spokesperson for La Coordinadora, Coalition in Defence of Water and Life, the pivotal organisation in the movement. Olivera, a former shoemaker, admits that the fight against privatisation of water was "unexpected, given the political situation". Bolivia is a quasi-democracy that has suffered decades of dictatorship.

He explains, "The government privatised everything, except air and water. So when they went ahead with privatisation of water, people were losing their last common property." "Water," he says, "is a shared right, and that right is not for sale."

The World Bank (WB), it seems, does not agree. Its June 1999 country report for Bolivia prescribed privatisation of water for Cochabamba. In 1999, WB conditioned its US \$25 million loan towards water services in Cochabamba on privatisation of these services. The water supply system was sold to a subsidiary of San Francisco-based Bechtel Enterprises. Bechtel got a 40-year lease in a secretive, one-bidder deal. This is where Olivera's struggle began. He says that the investors put up less than US \$20,000 as capital for a water system that is worth millions. The new owner of Cochabamba's water supply system lost no time in raising prices. Bolivians with a minimum wage at less than US \$65 a month were presented with water bills that came to a whopping US \$20 or more.

With the Bolivian Act of 1999, water was declared a commercial commodity, and people were debarred from access to traditional sources of water. With this, even collection of water required the purchase of permits, effectively depriving the poorest citizens of all access to water. Even water from community wells was subject to access permits. Peasants and small farmers, in fact, had to buy permits even to gather rainwater on their own lands.

This was really the last straw in a country that had long resented privatisation. Before Bechtel had even finished painting its logo on all its newly-acquired water supply structures, the country saw massive protest rallies. Bolivians marched by the hundreds of thousands to Cochabamba. Mid-January 2001, a four-day general strike over water price hikes brought the city to a halt. By



early April, Bolivian president Hugo Banzer declared martial law, freezing all civil rights.

Olivera went underground, continuing to lead the movement. The Bolivian army killed one, injured hundreds and arrested several leaders.

On April 10, Banzer could hold on no longer. The government had no choice but to cancel its contract with Bechtel. But even before the contract was cancelled, Bechtel officials had fled Bolivia. They had even started the process to claim US \$12 million as exit payment. Olivera addressed a jubilant gathering at the heart of Cochabamba. "We have arrived at the moment of an important economic victory".

With this victory, Olivera had the mandate to evolve an alternate model for water management in the city. The challenge was to evolve a structure that keeps corporate houses and a corrupt government at bay. Working on a community-based city water supply system, Olivera now propagates a democratic way to exercise shared rights like water. Today, Bolivia has the only city water supply system run by democratically-elected people. Citizens elect the board of directors through secret ballot.

Olivera was awarded the Goldman Environmental Prize in 2001 for his role in the struggle. India and Bolivia are placed similarly on their water concerns. The Bolivian experience, therefore, is a lesson for India as well, he says. ▶



From: Anil Laul  
Subject: water crisis  
Date: Sat, 22 Feb 2003 11:27:29+0530

### **Water water everywhere, but not a drop to drink**

Is the recent water scam for real?  
For the past few days we have been deluged by screaming headlines from the dailies and the visual media that bottled water is unfit for consumption.

The Government, the Media and the NGO's have made a bugbear out of drinking bottled water, scaring people silly. This indeed is a poser: *Drink the Government supplied tap water and you end up in a hospital and perhaps die for want of reliable medical care as a consequence of having drunk the tap water. But drink the bottled water and you have a safer bet.* May not be safe all the way as per the Euro norms but then what do we have as good as the Euro norms? Transparency as in the Euro norms? Governance as in the Euro norms ? etc.

If at all the NGO concerned did discover that the level of pesticides was indeed higher than allowed by the Euro norms but was within the BIS norms, concerted efforts should have been made to suggest the corrective action required and then taken up with the BIS for enforcement. Instead the NGO went to town on this one. *Don't drink the municipal water and don't drink the bottled water.* What does the hapless consumer do when thirsty? Quite like Marie Antoinette's solution of asking people to "eat cake", instead of bread. Maybe there is good business here for Coke and Pepsi.

Not to be outdone the political heavy weights from the Civil Supplies raid several bottled water units when in fact bottled water sold by the railways is grossly unfit for consumption. The Baboo raj swings into action. No permissions without the permission of the CGWB

How about another scarier Scam? The same Government Civil Supplies Department went to the High Court with a plea that 4% MOUSE DROPPINGS AND HAIR be permitted in the wheat supply as hygienic levels below this are difficult to meet. This was front page news in a daily but was never followed up. Psst..NGO, where were you then?

Something STINKS in the State of Delhi. Ban plastics, ban building on the ridge but don't build in the basin area either and of course Lutyen's Delhi is to be conserved at all cost. Ban cutting trees even if they fall in the middle of the road and kill. Ban Ban Ban but no one throws up the solutions.

#### TAILPIECE

Advice to the STAKEHOLDERS (not the average citizens):NGO's -- Try not to be GONGO's (Government Owned Non Government Organisations). If indeed you must say what is wrong, then also suggest what is right.

MEDIA - Please try not to sell by blowing perceived scams out of proportion for the sake of promoting the Media as the only mandate. Quiz yourself and the repercussions of your so-called lead stories

GOVERNMENT (POLITICAL)-Try not to promote the Baboo raj. One day you will fall victims to this hell hole. Political life is not forever

GOVERNMENT (BUREAUCRACY)-Downsize yourself, for you will be the average citizen when you retire. Then and only then, will you understand our plight. But then of course you will float your own GONGO as have so many of my now retired friends.

#### BOTTOMLINE

Regret of another even bigger NGO. "We have had the same equipment for the past ten years and it is a pity that this NGO hit a GOLDMINE after having had the same equipment for only a year and blowing the whistle." Says all.