

Water Justice and Democracy: From Dream to Reality

By Nancy Price

Across Latin America, as one water-privatization project after another has failed, people from the largest urban centers to the smallest rural communities have continued courageously to assert their right to safe, affordable, and sufficient water — and to exercise direct democracy to ensure that right.

Commoditizing Water

Beginning in the early 1990s, the U.S.-dominated International Monetary Fund, World Bank, and InterAmerican Development Bank began to force privatization of essential public services as part of the neo-liberal policy of “structural adjustment.” State funds to provide water, health care, education, energy, and transportation were redirected to expand business and the export sector and to increase trade and imports from the global North.

Lenders and corporate executives targeted these mostly poor and developing countries of Latin America. Population growth and urban migration were creating such huge, overcrowded cities — with their vast slums and sprawling suburbs — that cash-poor governments could no longer provide adequate drinking water and sanitation services for all. And, they argued, government officials were corrupt and lacked the technical expertise to run these systems.

Negotiations with local and national officials were conducted behind closed doors, often with 15 percent annual profits guaranteed to corporate executives. As Wenonah Hauter of Food & Water Watch points out: “When contracts fail, as they inevitably do when private corporations are unwilling to provide the needed investment to maintain, build, and expand the water systems, [such] investor protections allow the companies to demand outrageous settlements from the countries they failed to serve.” Argentina alone has 30 pending “investor-state” cases against it for termination of contracts with water corporations, many of which had only met 10 percent of the terms of their contracts! Finally, corporate CEOs assumed public officials would quell popular demonstrations for the right to water by people unable to afford market-rate pricing and high fees for water and sewage hook-ups.

Resistance Brings Results

The stories below show that despite these challenges, national leaders are responding when the people demand water justice and democracy.

Bolivia, one of the poorest Latin American countries, has emerged as a leader in the global “Right to Water” movement, with two major victories in five years culminating with the election in 2005 of Evo Morales, its first indigenous president. In 2000 in Cochabamba, the third-largest city (pop. 800,000), activists stopped a \$200 million contract by the mayor to sell the public water utility to a multinational

consortium headed by the San Francisco-based Bechtel Corporation. People were outraged that Bechtel would control for profit water from local wells and falling rain, and that increased water rates would cost families up to 50 percent of the average national wage per month.

At first, peaceful protest was met with violent response — especially when two days of police and military action left 175 injured, two youths blinded, and one man shot dead.

President Hugo Banzer Suarez placed Bolivia under martial law, suspended civil rights, and set up an emergency government, installing a graduate of the School of the Americas as mayor. General strikes and transportation blockages sometimes brought the city to a standstill. In March, a survey of 60,000 Cochabambans showed 90 percent supported public water. Finally the Bechtel contract was cancelled, and though at first the company attempted to recover costs, it finally dropped its investor suit — the first time a transnational corporation has done so.

The story of El Alto, a poor suburb of 200,000 people above the capital, La Paz, is less well known. Its water system, privatized in 1997, was taken over by the French giant Suez. After facing problems similar to those in Cochabamba, but with peaceful protests, the mayor offered to terminate the company’s contract. After threats of an international lawsuit, and even lobbying by French President Jacques Chirac, the mayor was persuaded to consider a public-private partnership. The people rejected it, fearing Suez would still be in control. After years of protest and a hunger strike by community leaders, Suez was finally evicted from El Alto in early 2005.

From Collaborations to Constitutional Amendments

As an alternative to privatization, public partnerships have been shown to be mutually beneficial and lead to transparent and democratic management of water resources, with knowledgeable union workers retained. Recently the public water utilities of the cities of Huancayo, Peru, and La Plata,



Argentina signed an agreement for just this type of mutual cooperation based on shared technical assistance.

In Uruguay, years of failed privatization on the local level — especially in the suburbs of the capital, Montevideo — led to a different outcome. Finally, in early 2002, after learning the government had signed a “letter of intent” with the International Monetary Fund to privatize the country’s water and sanitation services, a grassroots network of social and political groups came together to create the National Commission for the Defense of Water and Life. This mobilization led to a campaign for a national water referendum, which passed by more than 60 percent in the 2004 elections.

This measure, the first in Latin America or anywhere, amends the Uruguayan constitution to state that “water is a natural resource essential to life” and that access to piped water and sanitation services are “fundamental human rights.” For-profit corporations are banned from supplying water for human use, which will now be supplied by state-owned entities. Furthermore, water policy is to be based on social conditions and principles of sustainability rather than economic and market factors.

Moving Multilateral Agreements

Uruguay was a strong supporter of the Bolivian vision of water justice presented at the 4th World Water Forum of 2006 in Mexico City by Abel Mamani, a leader of the earlier uprisings in El Alto and the newly appointed Bolivian minister of water.

Because the final Ministerial Declaration stated only that water was a “primary human need” and not a right, Mamani demanded four points be included:

- Water is a human right;
- Water is a social/cultural good, not a commodity;
- Water must be excluded from all trade agreements; and
- Water infrastructure *can* be financed by governments if they do not finance military operations

As expected, Mamani’s move was supported by those nations that had thrown out corporate water giants — Argentina, Brazil, Cuba, Paraguay, Venezuela, and Uruguay — as well as by some European countries. Unfortunately, though, because the United States and other nations strongly opposed the addenda, the final declaration did not include water as human right. However, it is expected that the four points will be included in Bolivia’s new democratically revised constitution, to be approved in December 2007.

In Costa Rica, the wealthiest and most democratic of the Central American countries, another kind of debate on privatization is under way. It has yet to ratify the Central American Free Trade Agreement (CAFTA) due for implementation March 1, 2008. In 2006, President Oscar Arias almost lost re-election to José Miguel Corrales, a fierce critic of CAFTA who, with his allies, has stalled its ratification. By February 2007, mass demonstrations led to the country’s Supreme Elections Tribunal ruling that a national vote could be held. Arias countered by asking the Costa Rican Congress to approve a national referendum on CAFTA

scheduled for October 7, 2007. Polls show that less than 40% support CAFTA. Opposition is increasing — from unions fearing job loss and lowered wages; farmers worried about dumping of agricultural products; increased concern about continued privatization of essential services including water, and the protection of corporate investor rights by such

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agreements. As one well-respected Costa Rican lawyer has said: CAFTA “quietly undermines our Constitution.” By the time you read this, results should be in.

The Struggle Continues

Most recently, however, President Antonio Saca of El Salvador, a country where 90 percent of water is contaminated and 50 percent of the population drinks untreated water, has taken a hard right turn. On July 2, he arrived in the village of Suchitoto, north of San Salvador, to announce a new National Policy on Water Decentralization. Fearing this might be the next step to local privatization of essential water services, dozens of social-movement organizations and people from surrounding communities peacefully demonstrated, but were met by the army and police who used rubber bullets, tear gas, and pepper spray. More than 25 people were wounded, and 13 social-movement leaders were arrested, held under deplorable conditions, and charged with terrorism, public disorder, and illicit association. Though they have been released, at this writing the terrorism charge has not been dropped. These charges are possible because Saca, Bush’s main Central American ally, forced an anti-terrorism law through the legislature last year modeled on the U.S. Homeland Security Act. Human rights groups claim the move is a violation of the constitution, which guarantees the right to dissent and protest. It is no coincidence that demonstration leaders and these communities are strongholds of the long-standing democracy movement. It will be important to follow developments closely.

Staying the Course on Public Water

In the United States, “structural adjustment” is not happening, Latin- American style, at the hands of the World Bank

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and the IMF. Rather, what the neo-conservatives and Bush/Cheney could not accomplish in peacetime to shrink government and privatize public services, they are accom-

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- A recent report, "Challenging Corporate Investor Rule" may be downloaded at: www.foodandwaterwatch.org/water/pubs/reports/corporate-investor-rule/
- For specific country reports on water issues, visit Food & Water Watch at www.foodandwaterwatch.org and click on the Water tab. Then click Communities and Privatization for maps by country.
- For information on water issues in Europe, visit www.waterjustice.org

plishing now by the "War on Terror" — spending billions that should be spent on our decaying water infrastructure and so many other public needs. This is what Bolivia's Pres. Morales means when he said that water infrastructure can be financed by governments — if they do not finance their military operations.

These water democracy victories show that solidarity is key: among strong neighborhood committees and trade unions at the community level, and among social movement groups at the national level. Solidarity among Latin American countries has also been crucial as each moves in its own way toward participatory democracy. These people are engaged in "radical democracy" as a life-and-death matter. Their courage and sacrifice are inspiring. The social and economic suffering in this country call for nothing less than that we also build and sustain our own radical democracy movement — community by community, coalition by coalition.

Nancy Price is a member of the Save the Water Campaign leadership team.