

THE GLOBAL WATER CRISIS:  
NGO AND CIVIL SOCIETY  
PERSPECTIVES

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Geneva, June 2003

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**The Programme on NGOs and Civil Society**

Worldwide, the role of civil society has been increasing at rapid speed. Non-governmental organizations (NGOs) have become significant and influential players and generate much interest. Created in 1986, the Programme on Non-Governmental Organizations and Civil Society aims at contributing towards a better understanding of NGOs and the solutions of complex and conflictive societal problems involving NGOs.

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## **SUMMARY**

The world's finite supply of freshwater is being threatened by increasing population, a rising standard of living, and pollution. Already, there are millions of people without access to drinking water or proper sanitation. In the near future, human demand will exceed supply leading to a situation of desperation and potential conflict.

Many financial institutions are promoting privatisation as a solution to the crisis. They argue that private sector investment is necessary and more efficient and that the commodification of water—that is, the application of market principles such as full-cost pricing and the end of subsidies to the poor—will end wasteful consumption.

NGOs and civil society groups reject this economic approach to water. They claim that water is not a regular commodity, it is necessary for human and ecosystem survival. Various schools of thought have emerged on the issue, though the overwhelming majority agrees that privatisation is not a solution.

Large corporations are quickly taking over the majority of water services. Under trade agreements such as the GATS and the FTAA and the privatisation condition imposed by lending agencies like the World Bank and the IMF, the 10 largest corporations are securing their dominance in the water service world. Conflicts between communities and private service providers are erupting around the world and a growing movement of NGOs, civil society actors, and concerned citizens is preparing to challenge the dominant corporate approach to the most basic source of life—water.



## **INTRODUCTION**

There is a growing realisation that water poses one of the greatest challenges to future generations. As statistics and research confirm that we are rapidly approaching a situation of potential crisis, a global debate on water has emerged. Within the debate, a variety of players are struggling to determine the issues, the priorities, and the potential solutions to the looming emergency. However, the urgency of the situation and their ideological differences have sometimes led them to clash, other times to cooperate. It has proven difficult to agree on a common definition of water, let alone determine the scope of the problem, the issues involved, or to advance possible solutions. While the business community advocates one solution, environmental organisations are focused on another. Human rights groups, environmentalists, consumer rights organisations and many others are also recognising that water has become an issue central to their own objectives and are thus becoming increasingly involved in water-related projects.

This paper, without attempting to be an exhaustive survey, examines the current players involved in the debate, focusing on non-governmental organisations and civil society. It begins with an overview of conferences and summits which have, to a large extent, defined how water is currently treated. The next section discusses the main issues of the debate, including access to water, sanitation services, privatisation, trade agreements, bottled water, bulk exports, and dam construction. The paper then briefly introduces the major players involved in the debate and goes on to examine the various definitions of water: economic, human rights, environmental, gender, Indigenous, international security, labour, spiritual, anti-dam, and consumer rights. The subsequent section describes in greater detail the specific perspectives, initiatives, and activities of several non-governmental organisations leading the water debate. The paper then discusses the Cochabamba “water wars” as a case study. The paper concludes with a brief discussion on the future of water as a global issue.

## **OVERVIEW OF BACKGROUND EVENTS**

Before launching into the debate surrounding global water issues, it is helpful to trace a bit of the history, beginning with the emergence of water as an issue of international importance.

In January 1992, five hundred participants from all social spheres attended the **International Conference on Water and the Environment (ICWE)** in Dublin, Ireland, to provide input on freshwater issues for the 1992 UN Conference on Environment and Development to be held in Rio de Janeiro later that year. The participants, including government-designated experts from over 100 countries and representatives from more than eighty international, intergovernmental, and non-governmental organizations, met to discuss the emerging global water crisis. Recognising that “scarcity and misuse of fresh water pose a serious and growing threat to sustainable development and protection of the environment” and that “human health and welfare, food security, industrial development, and the ecosystems on which they depend are all at risk”, the conference participants called for new approaches to the assessment, development, and management of freshwater resources.

The Conference Report established a list of recommendations for action at local, national, and international levels based on the four principles. The first describes that fresh water is a “finite and vulnerable resource, essential to sustaining life, development and the environment”. Second, water development and management “should be based on a participatory approach, involving users, planners, and policy-makers at all levels”. Third, “women play a central part in the provision, management, and safeguarding of water”. And last, but perhaps most significant, “water has an *economic value* in all its competing uses and should be recognized as an *economic good*”. This wording marked the beginning of what many NGOs and water activists term the “commodification of the global commons”.

In 1997, the World Water Council, an international water policy think tank established the year before, created the World Water Forum as a platform for discussing global water issues. With the objectives of raising the importance of water on the political agenda, supporting the deepening of discussions toward the solution of international water issues, formulating concrete proposals, and generating political commitment on water issues, the Council convened the **First World Water Forum** in Marrakesh, Morocco to develop a long-term vision on “Water, Life and the Environment”.

The **Second World Water Forum**, held in The Hague, Netherlands in March 2000, followed up on the issues discussed in Morocco. The Second Forum resulted in a declaration identifying the key challenges for the future: meeting basic water needs, securing food supply, protecting ecosystems, sharing water resources, managing risks, and valuing and governing water wisely. Though the conference appeared to be an opportunity to discuss conservation strategies, civil society activists and non-governmental organisations accused the Forum of playing host to

big business and lobby organisations like the Global Water Partnership, the World Bank and some of the world's largest corporations involved in selling water—Vivendi, Suez, Nestle, and Unilever. More significantly, in the debate over whether water should be declared a “human need” or a “human right”, the Forum opted for the former. The decision allowed large corporations, like those present at the Forum, to continue to sell water on a for-profit basis, ignoring civil society's calls for water to be declared as a universal human right which would, in turn, make governments responsible for providing equal access to water on a non-profit basis.

In September 2000, the United Nations Millennium Summit was held to discuss the future of the UN in the 21<sup>st</sup> century. During the Summit, member nations adopted eight **Millennium Development Goals** and 18 targets, including the target to halve the number of people without sustainable access to safe drinking water by 2015. This represented a significant UN commitment to improving global access to freshwater resources.

In April 1997, in recognition of the “breakdown of dialogue on the construction of dams worldwide”, the World Conservation Union (IUCN) and the World Bank arranged a workshop meeting of governments, private sector, international financial institutions, civil society organisations, NGOs, and affected people to discuss the “contested nature of dams”. The meeting resulted in the establishment of the **World Commission on Dams (WCD)** with the mandate to review the development effectiveness of large dams and to develop internationally accepted criteria, guidelines, and standards for large dams. In 2000, the Commission released its final report, “Dams and Development: A New Framework for Decision-Making”, indicative of the need to review previous practices for the diversion of freshwater and discuss new ways forward for the future.

The first international civil society conference to respond to the commodification of freshwater resources, the **Water for People and Nature Forum: A Forum on Conservation and Human Rights**, was held in July 2001 at the University of British Columbia campus in Canada. Sponsored by the Council of Canadians, the forum brought more than 800 people from 35 countries together to “strengthen the global fight against the commodification of water”. Numerous panellists, public sector workers, scientists, environmentalists, human rights specialists, an international youth caucus, and an Indigenous caucus shared water-related experiences.

A coalition of NGOs, including the Public Citizen Water for All project, Friends of the Earth International, International Rivers Network and the Council of Canadians collectively launched the **Blue Planet Project**, a new civil society initiative to protect freshwater resources and endorsed the **Treaty Initiative to Share and Protect the Global Water Commons** (Appendix A), a pledge to “protect water as part of the global commons” and to “administer the earth's fresh water supply as a trust” designed to be signed by governments at the upcoming World Summit on Sustainable Development (WSSD). Additionally, the **Indigenous Declaration on Water** (Appendix B) was launched at the Conference, a declaration of Indigenous Peoples' rejection of an economic approach to water resources.

In December 2001, ten years after the Dublin Conference, the **International Conference on Freshwater** was held in Bonn in preparation for the upcoming WSSD. Participants included representatives from national governments, UN agencies, development banks, various NGOs, and large water corporations like Suez, Bechtel, and Vivendi. With an emphasis on multi-stakeholder dialogues, the Conference discussed how to meet the needs of people and ecosystems for freshwater. From the dialogues, a “sense of frustration emerged at the disconnect between the rhetoric of water conferences and declarations and the reality of actions that have followed past meetings”. The discussions also demonstrated a strong consensus that meeting water-related goals would require new partnerships, though many participants voiced deep concerns about public-private partnerships and the privatisation of water resources and services. The UN-affiliated Water Supply and Sanitation Collaborative Council (WSSCC) launched its **WASH campaign (Water, Sanitation, Hygiene)**, a global effort to raise consciousness about sanitation and hygiene, gain the commitment of political and social leaders around the world in order to effect change.

The **World Summit on Sustainable Development (WSSD)**, held in Johannesburg in September 2002, also dealt with water-related issues. In an effort to further the Millennium Development Goals, delegates committed to halving the number of people lacking adequate sanitation by 2015 and established other water-related targets, such as a commitment to develop integrated water resource management (IWRM) and water efficiency plans by 2005 as well as several voluntary (Type II) initiatives.

Two months later—on November 26<sup>th</sup>, 2002—the United Nations Committee on Economic, Social, and Cultural Rights passed a “General Comment” declaring the **Human Right to Water**. The text states that, “The human right to water entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses”. The text goes on to describe that the right to water includes a sufficient supply for drinking, personal sanitation, washing of clothes, food preparation, personal and household hygiene; water of acceptable colour, odour, and taste; and accessibility in terms of physical reach, economic affordability, and non-discriminatory access to all sectors of the population, including the most vulnerable and marginalized sectors.

With the declaration comes obligations on states to “refrain from engaging in any practice that denies or limits equal access to adequate water, arbitrarily interferes with customary or traditional arrangements for water allocation, unlawfully diminishes or pollutes water, or limits access to it”; and, to prevent third parties, including individuals, groups, corporations, and other entities, from interfering in any way with the enjoyment of the right to water. The implication of such a declaration is that “water should be treated as a social and cultural good, and not primarily as an economic commodity”.

The year 2003 was declared the **International Year of Freshwater** by the UN General Assembly in an effort to raise awareness and initiate action on managing and protecting global freshwater resources.

**The People's National Water Forum**, held in New Delhi, India, took place from March 15-16<sup>th</sup>, representing the “national mobilisation of public opinion and articulation of the public interest prior to the Third World Water Forum”. The two-day gathering of water experts and activists, including Dr. Vandana Shiva and Bolivian water activist Oscar Olivera, discussed urgent water issues such as privatisation and river linking. Participants also issued a declaration of their shared principles and commitment to keep water as a common good to be read at the Third World Water Forum held in Kyoto the following week.

Meanwhile, on the heels of last November's European Social Forum in Florence, thousands of activists regrouped for the **First People's World Water Forum**, held March 21-22<sup>nd</sup>, 2003. Considered one of the most significant gatherings of water activists, the meeting was designed as a “social forum” alternative to the Third World Water Forum in Kyoto. The forum's objectives included the creation of a common platform for campaigning for universal water rights, environmental protection, and increased social responsibility (individual and corporate) and the establishment of a world water authority responsible for the democratic and public control of freshwater resources. Rejecting the visions and approaches of the World Water Council and the World Water Forums, the People's World Water Forum mirrored the civil society declaration issued in Kyoto in denouncing the notion that water is a “resource to be bought, sold, and monopolised by wealthy nations and corporations” and claiming that the Kyoto Forum is merely “one more celebration of market forces, capital, and private investment”. Similar Social Water Fora took place in Brazil and New York.

During the same week, more than two hundred civil society groups gathered to sign the **Civil Society World Water Vision for Action** (Appendix C), a statement that also rejects the founding principles of the World Water Council Vision Statement adopted at the 2<sup>nd</sup> World Water Forum in The Hague and outlines civil society priorities in terms of policies and plans to be considered at the Third World Water Forum in Kyoto.

In preparation for the Third World Water Forum, Michel Camdessus, formerly the Managing Director of the International Monetary Fund and now Honorary Governor of the Banque de France, headed a report, “**Financing Water for All**”, commonly referred to as the **Camdessus Report**. In this paper, the World Panel on Financing Water Infrastructure recommends that the World Water Council adopt radical changes in the financing of water delivery systems, advocating public-private partnerships as the solution to water scarcity. NGOs and civil societies openly rejected the report arguing that it promotes major dams and water diversions at the expense of the poor and ‘public-private partnerships’, a thinly veiled attempt at pushing privatisation under “public” wording which essentially translates into the use of public money to protect investors against the risks involved in providing universal water access. The report also calls for full cost recovery—what the Council of Canadians has termed “World Bank lingo for increasing consumer fees to cover the full cost of operation fees, including profits” and argue that this model targets poor populations who cannot afford increased water rates.

The **Third World Water Forum**, held in Kyoto in March 2003, brought together more than 10 000 delegates, including 150 ministers, and several heads of state to discuss issues of water and climate, water supply, sanitation, hygiene, water pollution, poverty, etc. The Ministerial Declaration adopted at the forum pushed for a doubling of global investment in order to achieve the goal set at the WSSD in 2002 as well as making the following commitments: the reduction, by half, of the number of people without access to clean water by 2015, advocating for efficient use of water for agricultural purposes, the prevention of water pollution, ecosystem conservation, flood reduction, and better management of water resources.

Though forum participants touched on issues of providing safe and clean water for all, participation in resource management, and environmental concerns, the forum was heavily criticised by NGOs and civil society leaders for failing to deal adequately with the needs of the poorest and for being sponsored by large corporations. In particular, many NGOs and civil society representatives were disappointed that water was not declared a human right and that privatisation dominated the discussions on water service provision. The Forum ended, as one participant noted, with “participants feeling that they had failed to achieve their objectives: NGOs were unable to secure the characterisation of water as a human right in the final declaration and the Camdessus panel recommendations for a global watchdog to monitor progress towards the Millennium Development Goals was not adopted—neither were gender issues, the impact of climate change on sea levels, and water management through poverty reduction discussed”. For the text of the **Civil Society Call to the Ministerial Conference at the Third World Water Forum “Keep Water and Water Services out of the WTO”**, please see Appendix D.

## **WHAT ARE THE MAIN ISSUES?**

Though the global debate on water involves a plethora of issues, much of the discussion is focused on several recurring themes: access to water, improved sanitation, the privatisation of public water services, international trade agreements on water issues, and, to a lesser extent, the bottled water industry, large-scale dam construction, and bulk water exports.

### **ACCESS**

*“Currently, twenty percent of the world’s population does not have sufficient access to drinking water for the basics of life. In twenty years, barring large change in current consumption patterns, more than three million people will be the victims of water scarcity. These statistics need no further comment.”*<sup>1</sup>

For millions around the world, insufficient access to water precludes the basic needs of life—drinking, cooking, cleaning, sanitation, and so on. Given that the world’s freshwater resources are finite, the combined pressures of increasing population, pollution, and rising standards of living pose a serious threat to achieving the goal of universal access to safe drinking water.<sup>2</sup> And, with less than one percent of global water resources readily available for human consumption, access to water has become an increasingly urgent issue. Universal access to water is arguably the priority issue in the global debate.

The debate over access to water has been divided with some groups focusing on the economic and financing issues behind providing improved access and others focusing on the fundamental right to water. In general, the debate has evolved past discussing access as an issue and into a heated discussion over the means of providing access—whether through public service provision, public-private partnerships (PPPs), or the private sector. This debate will be outlined in greater detail in following sections.

### **SANITATION**

*“The greatest environmental crisis isn’t something that might happen in the future. It’s something that is happening right now to a third of the world’s people... One of the greatest failures of the last fifty years has been the failure to lay*

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<sup>1</sup> From Atlas mondial de l’eau: une pénurie annoncée. UNEP, 2003.

<sup>2</sup> The Millennium Development Goals aim to: “By 2015, reduce by half the proportion of people without access to safe drinking water.”

*the foundation stones of public health in the developing world—hygiene, sanitation, and water supply.”<sup>3</sup>*

In addition to the debate on access to water, there is a parallel debate over improving access to basic sanitation services. It is estimated that, currently, more than 2.4 billion people lack adequate sanitation around the world.<sup>4</sup> Poor sanitation results in the contamination of water supplies, further depleting scarce water resources, and resulting in millions of water-related illnesses and deaths. As a result, poor sanitation not only deprives millions of people of health, it also impacts their productivity and condemns them to live in miserable and unhealthy conditions. Though access and sanitation go hand-in-hand, sanitation is frequently overlooked in the water debate or is dismissed for being too costly or of ‘secondary importance’ to access. Though the issue of sanitation gained some attention at the World Summit on Sustainable Development in 2002 when the Summit adopted the goal of halving the proportion of people without safe sanitation and sanitation was recognised as being central to the struggle for sustainable development, much of the focus on international water issues remains on access to water.

## PRIVATISATION

*“Privatisation of water services is now virtually compulsory for developing countries: both the World Bank and the IMF impose it as a precondition for funding assistance. The privatised water sector worldwide is dominated by a handful of multinational companies. They are not interested in serving the poorest people, who are not seen as profitable customers. Water services are becoming the privilege of those who can pay high prices.”<sup>5</sup>*

Though there is general agreement that the world is rapidly approaching a water crisis, there is no consensus on how to solve the crisis. In fact, differing suggestions on how to provide improved water services to those facing the dual challenge of limited access and water scarcity have divided those involved in the debate, adding yet another dimension of difficulty to the crisis.

On one side, there are those claiming that transferring the production, distribution or management of water or water services from public entities into private hands—or privatisation<sup>6</sup>—will spur economic growth, aid in the

<sup>3</sup> From “Kyoto, the agenda has changed...”, World Supply and Sanitation Collaborative Council (WSSCC) WASH campaign, 2002.

<sup>4</sup> From The United Nations World Water Development Report: Water for People, Water for Life, 2003.

<sup>5</sup> From “The Great Water Robbery”, Gunnar Aegisson, OneWorld Action, August 2002.

<sup>6</sup> “The privatisation of water encompasses an enormous variety of possible water-management arrangements. Privatisation can be partial, leading to so-called public-private partnerships, or complete, leading to the total elimination of government responsibility for water systems. At the largest scale, private water companies build, own, and operate water systems around the world with annual revenues of approximately \$300 billion, excluding revenues for sales of bottled water. At the smallest scale, private water vendors and sales of water at small kiosks and shops provide many more

development of the private sector, and result in improved performance of utilities. This has been the argument of many of the international financial institutions, including the World Bank and the IMF who have increasingly linking their financial assistance to “privatisation” in one form or another—whether it is referred to as privatisation, public-private partnership (PPP) or private sector participation (PSP). Privatisation is now being used as a condition for providing loans, grants, and debt relief, a tactic called ‘tied aid’ or ‘conditionality’.

Proponents of privatisation also claim that, in recognition of the growing problem of scarcity, water is becoming increasingly valuable. Therefore, if water were treated as an “economic good” to be bought and sold, a market-established price would ensure that it is not wasted. Additionally, they claim that public water systems are failing the poor and, in order to reach the Millennium Development Goals, the privatisation of systems is necessary. Only the private sector, with its advanced research and technology and its financial capital will be able to extend services to the poorest of the poor.

On the other side, there are numerous organisations vehemently opposed to the privatisation of water. Maintaining that water has vital social, cultural, and ecological roles to play that cannot be protected purely by market forces, they demand that water remain within public control. They also argue that public services are unable to provide adequate services not because they are public, but because they are critically under-funded and institutionally weak. This they blame on the IMF and the World Bank for their roles in the debt crisis and structural adjustment programmes.

Many NGOs also refute that privatized systems are somehow more ‘efficient’. Given that water provision is, by nature, a monopoly, critics charge that privatisation does not solve the ‘inefficiencies of the monopolistic public system’. Though private companies may wish to reduce costs in attempt to maximize their profits, this does not necessarily equate into more efficient service provision. In fact, many argue that cutting corners leads to poorer service. In order for the private sector to truly perform efficiently without jeopardizing quality of service or the environment, many argue that strict regulation needs to occur. They also note that most developing countries lack such a regulatory capacity or are faced with institutional weakness and cannot provide the level of regulation needed to keep corporations in check.

Additionally, critics of privatisation question the ability of the private sector to provide water services to the poorest of the poor when recent studies indicate that privatisation frequently leads to price increases. This has resulted, in many cases, in water shut-offs for those who cannot afford to pay higher prices for water. If the

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individuals and families with basic water supplies than they did 30 years ago. Taken all together, the growing roles and responsibilities of the private sector have important and poorly understood implications for water and human well-being.” From *The New Economy of Water: The risks and benefits of globalisation and privatisation of freshwater* by Peter Gleick, Pacific Institute for Studies in Development, Environment, and Security, 2003.

private sector cannot manage to provide lower cost water to the poor, many question its 'superiority' to the public system. If the government is required to continue subsidizing water for the poor by paying corporations, then it becomes further questionable.

Though supporters of privatisation have claimed that corporations are likely to be more publicly accountable and transparent than elected governments operating public systems, many dispute this, arguing that the exact opposite tends to be the case. Sceptics claim that the main goal of private corporations is not to serve the public or to provide adequate water services regardless of ability to pay, but rather, corporations are driven by the goal of increasing profit and satisfying their shareholders.

Other groups are concerned that under private sector control, corporations profit at the public's expense. Given that most public infrastructure, when privatized, is sold far below actual cost, taxpayers are angry that corporations are receiving an 'indirect subsidy' that will be used to increase corporate profit. Community groups are also concerned that the erosion of standards in pursuit of profit maximization will lead to unsafe water provision, a risk to the public's health. They also worry that private companies are less likely to address issues of economic externalities such as environmental pollution. These concerns, combined with a loss of public sector jobs due to downsizing, make many skeptical of the much-touted economic benefits privatisation. Additionally, as the vast majority of water corporations are foreign-owned multinationals, there is doubt that local economies will benefit at all. NGOs and civil society organizations are beginning to question why, if privatisation is such a 'good solution', the vast majority of countries in the developed world continue to operate public systems and privatisation is being forced upon the developing world.

## TRADE AGREEMENTS

*"As with other WTO agreements, GATS aims to liberalise trade...However, contrary to trade in goods, the main barriers to trade in services are not border tariffs but rather internal regulations. Thus, the effort to liberalise trade in services necessarily targets domestic regulations that restrict trade in any way. This is problematic because such regulations also serve valid policy purposes, including social objectives (to ensure the provision of basic services to the poor and marginalized), consumer protection objectives (to ensure that consumers are well-informed or otherwise protected from poor quality services), developmental objectives (to promote positive spill-over effects from services into other sectors), or environmental objectives (to avoid negative environmental effects in sensitive services sectors such as water, energy, transport, or tourism)."*<sup>7</sup>

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<sup>7</sup> From "What is GATS and Why does it Matter?" by Elisabeth Tuerk, Centre for International and Environment Law (CIEL).

In addition to fears over privatisation, many organisations are concerned that international trade agreements are going to further commodify water, reducing access to water for the poorest of the poor and securing the domination of large multinational corporations over the world's water resources. Under international trade agreements in the World Trade Organisation (WTO), regional trade agreements like the North American Free Trade Agreement (NAFTA), and bilateral investment treaties (BITs), water has already been classified as a tradable commodity—either as a “good”, a “service”, or an “investment”. As a result, many are worried that national governments are restricted in their ability to regulate these items as doing so may be viewed as a “barrier to trade” which can be legally challenged as a violation of international trade rules.

The agreement currently attracting the most attention is the General Agreement on Trade in Services (GATS), a legally binding treaty within the WTO that aims to liberalise trade in services such as water provision. As with many international trade agreements, GATS creates certain legal obligations for national governments, though GATS particularly affects sub-national governments and non-governmental entities involved in service delivery or regulation. As such, it has been heavily criticised for overriding national legislation on social and environmental issues and for forcing privatisation on sectors previously operated under public control.

Many are also concerned that the “progressive liberalisation” of the GATS agreement allows only for the removal of access conditions and performance requirements on foreign investors, not the restoration of old ones or the introduction of new regulatory measures. As such, it aims to achieve a progressively higher level of liberalisation each round. Once a country has agreed to negotiate on water services under GATS, it is bound by all subsequent agreements—in essence, it is “locked in”, regardless of whether or not it foresaw the full extent of its actions. This has generated much fear among sceptics who claim that GATS constitutes an “irreversible” agreement.

Additionally, GATS has been criticised for affecting the ability of governments to provide subsidies to public facilities providing essential water services to the poor or those living in remote areas. Because GATS requires equal treatment for foreign service providers, governments are no longer able to assist domestic firms or to promote local employment, production, targeted service provision for the poor, etc.

Several NGOs have also denounced GATS for representing the trade agendas of rich countries. As many of the major water corporations are based in France, Britain, and the US, NGOs are worried that powerful corporate interests are influencing the negotiating positions of these countries and will ultimately result in a biased agreement in favour of privatisation and corporate control of water services. Pointing to the “close consultation” that took place between European Union trade negotiators and Vivendi, Suez-Lyonnaise des Eaux, and Thames Water during the drawing up of the EU position on GATS, NGOs are becoming increasingly worried that GATS is a tool for global corporate dominance. Recently leaked documents

have also shown that the EU is pushing for GATS liberalisation on water services in 72 countries, including developed, developing, and least developed countries, in an attempt to open markets on behalf of European multinationals, while the majority of EU services remain in public hands.

For the text of the Civil Society Call for the EU to Withdraw its GATS Water Requests—the “Evian Challenge”, please see Appendix E.

## **BOTTLED WATER**

*“Bottled water, like Evian, are straight-forward targets because they exemplify the final consequence of capitalism: the disappropriation and profit maximisation of the most pristine sources of life, because water is life, and environmental destruction is for human greed and luxury. As a consequence, groundwater is being depleted at incredible rates to fill the millions of plastic bottles and cans with which we quench our thirst, leaving behind a massive mountain of rubbish. The water business is greater in turn-over than oil, incredible but true, and well-known brands such as Evian or Perrier, both owned by Nestlé, are the most prominent high-value sales, the diamonds in Nestlé’s portfolio, in a global water market that is dominated by transnational capital.”<sup>8</sup>*

According to recent estimates, the bottled water industry is growing at an annual rate of twenty percent. Last year, the leading bottled water corporation, Nestlé Waters, which includes international brands Perrier, Vittel, and San Pellegrino and controls roughly sixteen percent of the global bottled water market, reported sales of \$5.03 billion.<sup>9</sup> Alongside its competitors, Coca Cola (producer of Bon Aqua) and Pepsi (Aqua Minerale), Nestlé Waters is vigorously seeking new supplies of water in an attempt to expand the “boutique” or “luxury” water industry. This has generated some tension over access to water in areas where water is already scarce. In Michigan, citizens have taken Perrier to court over a licence granting water removals from the aquifer that feeds the Great Lakes. In India, Coca Cola has successfully secured access to whole river systems, such as the River Bhavani in Tamil Nadu.<sup>10</sup>

Private corporations claim that the bottled water industry is one of the most successful revenue generating schemes for private corporations. As water becomes increasingly scarce and as pollution threatens to exacerbate the problem, bottled water is being promoted by corporations as a solution. In developing countries, however, where bottled water is often more expensive than in developed countries, many reject this proposal, claiming that the provision of an expensive substitute is unacceptable—the solution involves universal access and improved sanitation.

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<sup>8</sup> From “Water, the G8, and People’s Global Action (PGA) by ‘Phil’.

<sup>9</sup> From “Nestlé buys up Holy Water”, Moscow Times, July 19<sup>th</sup>, 2002.

<sup>10</sup> From “The Tide is High” by Maude Barlow, The Council of Canadians, February 26<sup>th</sup>, 2003.

However, as many corporations stand to turn a larger profit from water than from other products such as Coke and Pepsi, the industry is only growing.

## **BULK EXPORTS**

*“In recent years, Alaskan, Canadian, Icelandic, Malaysian, Turkish, and other waters have been proposed as sources for international trade in bulk water. Besides the historically important environmental and socio-economic implications of water transfers, the possibility of large-scale bulk trading has now become an issue in international trade negotiations and disputes. The possibility of bulk water transfers has caused concern in water abundant regions that a global water-trading regime might lead to the requirement that abundant resources be tapped to provide fresh water for the rest of the world at the expense of local environment and people.”<sup>11</sup>*

Much of the public’s attention to water issues has been focused on access, sanitation, and privatisation, not the bulk export of water. In fact, only recently has bulk water exportation emerged as a major concern. However, as water scarcity becomes an increasingly urgent issue, some are advocating large-scale water transfers as a possible solution. Though water exports have generally only occurred between neighbouring countries, new proposals for global transfers have been made. This has been met with intense opposition from several sectors of society.

There are those who are primarily concerned that bulk water exports will lead to environmental destruction, bio-invasion (the invasion of non-native species), trade wars, jeopardised international security, and diminished access for those who cannot pay an internationally competitive price. Critics fear that bulk water exports will lead to a situation where “water runs uphill for those who can pay”.

## **DAM CONSTRUCTION**

*“We have lost fisheries and our vegetable gardens along the riverbanks. We live in fear and all the time we worry that water from the dam will flood our lands. Sometimes we almost drown. We want our natural river returned to us.”<sup>12</sup>*

Though large-scale hydro-projects came under intense fire in the past for both their effects on local communities and environments as well as for failing to meet their promised benefits, big projects have reappeared on the agenda. At the Third World Water Forum in Kyoto, mega-dams were once again being pushed by

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<sup>11</sup> From *The New Economy of Water: The risks and benefits of globalisation and privatisation of freshwater* by Peter Gleick, Pacific Institute for Studies in Development, Environment, and Security, 2003.

<sup>12</sup> Ethnic Tampuan woman from Cambodia in “Damned Rivers, Damned Lies” by Friends of the Earth Japan and International Rivers Network, March 2003.

the World Water Council, the World Bank, and other large agencies working in the water field. Big infrastructure projects like dams and diversions are seen as the ticket to spurring industrial and agricultural development. They are also linked to large investment and private sector participation. Even the UN World Water Development Report emphasises the importance of large-scale hydro projects as the solution to limited access to electricity in the developing world. The report advocates hydro-power over other sources because it “can reduce the emissions of greenhouse gases and other atmospheric pollutants from thermal power plants, as well as minimise pollution associated with the mining of fossil fuels needed for them.”<sup>13</sup>

Environmental and human rights groups, however, are intensely opposed to such large-scale projects. They cite that between forty and eighty million people have been displaced from their homes and lands to make way for dams, and argue that the majority of these people, already living in conditions of poverty, have been left further impoverished as a result of being stripped of their traditional livelihoods and resources. Human rights activists also tend to reject claims that dams will benefit the poorest of the poor by providing them with electricity and present statistics that show that women and Indigenous Peoples tend to suffer most from hydro projects.

From an environmental perspective, critics point out that sixty percent of the world’s rivers have already been fragmented by dams and water diversions resulting in more than one million square kilometres of land (nearly one percent of the world’s land surface) being flooded for reservoirs. This has led to an enormous loss of habitats and biodiversity and fertile farmland. New statistics also question hydro-power as a clean source of power. One study shows that there is “growing evidence suggesting that reservoirs emit significant quantities of greenhouse gases. Emissions are particularly high from hydropower in the lowland tropics—in some cases greater than those from similarly sized gas-fired plants”.<sup>14</sup>

As a result, many critics of mega hydro projects are advocating the end of wasteful water use for large-scale agriculture and industry, arguing that dams and diversions have failed to provide adequate benefits to offset human and environmental costs. Instead, they promote smaller solutions such as rainwater harvesting, micro hydro dams, and renewable energies, including wind and solar photo-voltaics.

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<sup>13</sup> From “Water for People, Water for Life: The UN World Water Development Report”, World Water Assessment Programme, 2003.

<sup>14</sup> From “Damming the CDM: How Big Hydro is Ruining the Clean Development Mechanism” by International Rivers Network and CDM Watch, 2003.

## **WHO IS INVOLVED?**

Within the sphere of water issues, there are numerous different players. Without going into great detail, this section outlines some of the activities and objectives of the key players.

### **GOVERNMENTS & INTERNATIONAL ORGANISATIONS**

At the national and international levels, governments and international organisations are involved in the negotiation of water-related trade law, domestic water policies, privatisation agreements, and so on, as well as the monitoring of the global state of water issues, international water dispute settlement, and the like. Globally, many of the United Nations agencies and commissions are active in various aspects of water, including the United Nations Environment Programme (UNEP), the World Health Organisation (WHO), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific, and Cultural Organisation (UNESCO), the United Nations Food and Agriculture Organisation (FAO), UNICEF, and the United Nations Commission on Sustainable Development. The two main non-UN organisations are the World Water Council (WWC) and the Global Water Partnership (GWP).

### **DEVELOPMENT AGENCIES & DEVELOPMENT BANKS**

Given that water issues such as universal access and improved sanitation pertain to the development sector, there are also a variety of development agencies and development banks involved in water issues. Regional development banks such as the European Investment Bank, the Inter-American Development Bank (IADB), the Asian Development Bank (ADB), the African Development Bank, and the Islamic Development Bank have all financed water-related projects.

### **INTERNATIONAL FINANCIAL INSTITUTIONS**

Additionally, many international financial institutions (IFIs) are involved. These include, in particular, the World Bank and the International Monetary Fund (IMF). Both institutions promote, as a means of achieving the Millennium Development Goals, the increased involvement of the private sector and the privatisation of service in order to render them more accessible and more efficient. As such, they have frequently linked their lending to privatisation, a practice which has proven extremely controversial. Though the World Bank has historically been heavily involved in financing the construction of large-scale hydro-projects, many believe that its new mantra is that of water privatisation. As a result, the World Bank has been accused of working closely with multinational corporations in order to facilitate the negotiation of privatisation contracts with indebted countries. Critics reject this approach, claiming that the World Bank should not work on behalf of

corporations, but rather it should endeavour to provide universal public services to those in need.

## **MULTINATIONAL CORPORATIONS**

Multinational corporations also play a large part in the provision of water services around the world, especially within the privatised water sector. In fact, it is estimated that the top two multinationals, Vivendi Universal and Suez, control approximately seventy-five percent of privatised water in an industry worth more than one hundred billion dollars a year. Vivendi, currently the largest water multinational, operates more than eight thousand water systems in one hundred countries. Vivendi Universal currently ranks fifty-first on the Fortune Global 500 list of the world's largest corporations. Suez, the second largest, has operations in one hundred and thirty countries and ranks in the top one hundred global corporations. Both Vivendi and Suez are based in France. Their combined revenues total seventy billion dollars annually.

The next largest water corporations include Bouygues/SAUR, (French), Aguas del Barcelona (Spanish), RWE-Thames (German-British conglomerate), Biwater (UK), US Water (American), Severn Trent (UK), Anglian (UK), Kelda Group (UK), and Bechtel (US). Bechtel, the largest American player, currently has over nine hundred projects in sixty countries and annual revenues of roughly fourteen billion dollars. Bechtel also recently won a lucrative contract in the reconstruction of Iraq's power plants, water systems, and ports valued at roughly six hundred eighty million dollars, likely a result of CEO Riley Bechtel's ties to the Bush administration.

Regardless of their size, multinational corporations are becoming increasingly influential in determining the outcome of the global water debate. Many can exert strong pressure on their host governments, lobbying them for valuable contracts, and are also linked to banking and financial institutions, other businesses, and some of the most powerful international water organisations such as the Global Water Partnership and the World Water Council.

## **BUSINESS ASSOCIATIONS & LOBBY GROUPS**

Alongside multinationals are various business associations and lobby groups involved in advocating business and private sector involvement as a solution to the global water crisis. Driven by the belief that global prosperity is dependent on trade and investment and that achieving sustainable development, including water-related goals, is dependent on nations doing business with each other, these groups are actively working to increase the role of business in the global water crisis. As such, they are also seeking maximum trade liberalisation in current WTO negotiations and are pushing for the involvement of the private sector in water provision. Supporters

of trade liberalisation and private sector involvement include the International Chamber of Commerce (ICC), the Trans-Atlantic Business Dialogue (TABD), and the World Business Council for Sustainable Development (WBCSD).

### **NON-GOVERNMENTAL ORGANISATIONS (NGOs)**

Perhaps the most important players in counter-balancing the power of multinational corporations and their supporters are non-governmental organisations (NGOs) and civil society actors. NGOs have long organised around water-related issues, ranging from human rights, children's rights, Indigenous Peoples' rights, environmental concerns, and consumer's issues. A diversity of organisations is emerging to inform the public of the issues, challenge the corporate approach to water, and campaign on behalf of the developing world and the environment. As water emerges as a global issue, NGOs and civil society organisations are involved in a wide range of activities and initiatives, many of which will be discussed later.

## **WHAT IS THE DEBATE?**

### **DEFINING WATER**

Though the definition may seem rather obvious, political leaders, businesspeople, NGO and civil society leaders, and citizens around the world are still struggling to define “water”. Once recognised as a ‘global common good’, and often taken for granted as an unlimited resource, water, the most basic ingredient for life, has since become a hotly contested issue—in some areas, it is a highly-valued commodity, a source of profit for industry and large corporations, while in others it is a sacred, common good, owned by no one, available to all, and a source of violent protest when threatened.

The dispute over water as an economic good—a commodity—versus water as a public good and a human right emerged as one of the most fiercely debated issues at the recent Third World Water Forum, one that created irreconcilable divisions between camps. As one water expert stated, the debate over water “highlights the relationship between the resource’s ecological sustainability, local and national development, or poverty and security. These linkages interweave at the local, national, and international levels and challenge current modalities of water management and international aid (debt and public/private funding). Water has become a major concern as well as an ideological issue.”

Though countless approaches to water exist, several ‘schools of thought’ on the status of water, and privatisation in particular, dominate the debate. These include: economic, human rights, environmental, gender, security, Indigenous, spiritual, labour, consumer rights, and the anti-dam movement. Many organisations are employing a multidimensional argument, targeting the various aspects of water in their activities and campaigns.

### *ECONOMIC*

On one side of the coin, there are those who believe that water is an economic good—no different from any other saleable commodity, like a television, a chocolate bar, or a windshield wiper. Proponents of this perspective argue that because water is a scarce good, the application of market economy principles (including full-cost pricing and the end of subsidization) will solve global shortages and prevent future disasters. Proponents also tend to support the privatisation of water services, claiming that private systems are more efficient and, because public systems are frequently under-funded, private capital provides a solution to extending services to the poorest of the poor.

## *HUMAN RIGHTS*

On the other side, there are those who believe that water is an inalienable human right, essential for human survival and inseparable from the right to life itself. Rejecting the economic approach entirely, the human rights approach argues that no profit should be made from “life’s essentials” (including water and air), maintaining that these things belong to the “global commons” and cannot be privatised, owned, or sold. They argue that water, unlike any other commodity, is the patrimony of mankind and not an exchangeable, marketable commodity that can be substituted by another good. Many human rights organisations are concerned that privatisation and full-cost pricing will lead to cut-offs for those who are unable to pay. They also worry that water corporations, with their business approach, will allocate more water for industry and agriculture than for the poorest of the poor because of their inability to pay. Privatisation, they warn, may also lead to bulk exports of water resulting in the provision of water for those who can afford it at the expense of those who cannot. Also concerned about the loss of local control over water resources under privatisation, many human rights advocates are calling for strengthened local and national water governance, claiming that it is a state responsibility to provide water for its citizens. Since the UN Declaration of water as a human right, many human rights activists are pushing for multi-stakeholder dialogues in an effort to determine appropriate roles and responsibilities for users, local communities, the private sector, and public utilities to ensure that the right to water is respected. The Water Manifesto, the civil society declaration launched in Lisbon in 1998, outlines the basic human rights approach to water.

## *ENVIRONMENTAL*

There are also those advocating an environmental perspective in the global water debate. Many of those advocating an environmental approach consider water an essential part of the environment, one that determines the overall health of ecosystem and water supply systems and, in turn, guarantees the continued supply of water. Most also link water and overall ecosystem health to food security and economic productivity, warning that poor water management will have widespread and devastating consequences for humanity, especially in the developing world. Environmentalists are also worried that privatisation will lead to overexploitation of freshwater resources in pursuit of profit and that this will leave little water for ecosystems as “non-paying” users of water. Others fear that privatisation will open the door to bulk water exports, a practice which would likely have horrific impacts on ecosystems at both the origin and destination. Many environmentally-oriented water activists promote a holistic approach to management, advocating such tools as integrated water resource management (IWRM) and an “ecosystems approach” to water governance.

## *GENDER*

Within the gender perspective, many are arguing that women bear a disproportionate burden of the responsibilities relating to water: water collection, cooking, cleaning, family health, and sanitation, and are outlining their own approach to the water debate. Their stance is that privatisation will limit access to water, increase the price of water, and will reduce local control over resources. Though many women's groups are demanding improvements in access and sanitation services and increased investment in water infrastructure, they are also speaking out against privatisation as a solution. In place, they are frequently asking for participatory budgeting, gender-sensitive budgeting, and local governance so that local communities, and women in particular, can determine their own priorities, responsibilities, and appropriate solutions.

## *INDIGENOUS RIGHTS*

To many Indigenous Peoples, water is sacred and they have developed their own unique system of values, knowledge, and practices to reflect this belief. However, they argue that Indigenous models of water management are often overlooked and that their traditions and livelihoods have been subordinated to commercial interests such as agriculture and industry. The violation of traditional water rights is also seen as a violation of land rights as, in many Indigenous communities, the two are inextricably linked. This has especially been the case, they argue, with many major infrastructure projects such as mega-dams and large-scale water diversions. As a solution, Indigenous groups propose that they determine their own systems and strategies for water management that reflect both the right to equal access to water but also their unique relationship with water. Several Indigenous communities signed the Indigenous Declaration on Water, outlining their rejection of the economic approach to water management and denouncing economic greed, pollution, and other unsustainable and destructive uses of water.

## *INTERNATIONAL SECURITY*

There is also a sector of the water movement concerned with the security aspect of water management. Noting that half the world lives in shared basins and that water scarcity is rapidly becoming a major problem for many countries, several organisations are focusing on water as a potential source of conflict. They warn that water is by far a more important good than oil—and has no substitutes, unlike oil—which has sparked many of the world's conflict in the past decades. Barring massive efforts to cooperatively manage and protect scarce water resources through strong multilateral agreements and institutions, they claim that the world is heading swiftly toward a cycle of “water wars”. In fact, some argue that the first sign of conflict is already being witnessed in the Middle East where water conflicts have erupted between Israel and Palestine and relations over water are tense among other

neighbouring countries. Instead of privatising water resources under the control of multinational corporations, water security analysts are pushing for cooperative trans-boundary water management, an approach that emphasises the cautious use of water in a way that benefits all people and preserves it for the future.

### *LABOUR*

Still another perspective focuses on the labour aspect of the water debate. This group is looking at how privatisation will impact the public service sector. In general, the labour organisations are concerned that improving access to water and maintaining existing water infrastructure is increasingly linked to private investment and they accuse international lending agencies and national governments of lacking the political will and the trust to invest in public management. Though the private sector has attempted to undermine the legitimacy of the public sector by characterising it as “corrupt” and “inefficient”, many public sector employees reject this charge, arguing that private companies have yet to clear their own names of corruption and prove themselves more efficient. Labour groups argue that privatisation does not solve “monopolistic” control, so it is not necessarily more efficient. Nor is it more inclined to provide services to the poorest of the poor, they claim. With the focus on “profit maximisation”, labour groups believe that the private sector will attempt to reduce services in costly areas (remote areas and areas where users cannot afford to pay full cost) and attempt to reduce operational costs by cutting employment, a practice which frequently results in poorer quality of services.

Public employees also maintain that privatisation will affect accountability, arguing that foreign companies are less transparent and less responsive to community complaints and needs. Many labour groups argue that current trend of privatisation is part of the “ideological bias” of financial institutions like the World Bank and the IMF and is a product of skewed research which tends to ignore the public sector altogether. Labour organisations are, therefore, calling for more research on public-public partnerships as a solution to the water crisis and insisting that water remain within public control for the benefit of local communities and economies.

### *SPIRITUAL*

A smaller sector of the water movement is focused on the spiritual aspect of the water crisis. Many spiritual groups believe that water is sacred and a gift from ‘God’. As such, they say, it is part of the right to life and part of the ‘global commons’ and cannot neither be owned, nor profited from. They also believe that water, as the basis of all life, must be recognised as a human right and access to water must be provided to all, regardless of ability to pay. Therefore, there is some overlap between this group, Indigenous groups and human rights advocates.

### *ANTI-DAM*

Some of the first organisations to become involved in water issues focused on the impact of large dams. Since then, the anti-dam movement has grown significantly. Based primarily in the developing world where the majority of large-scale hydro-projects such as mega-dams and water diversions, these organisations have focused on negative impacts of these projects on local rights and livelihoods. In many cases their efforts have focused the displacement of traditional communities, the loss of traditional land and water rights, and the violation of Indigenous rights. Many of these organisations are working at the grassroots level and are linking with larger coalitions, especially with human rights, Indigenous, and environmental organisations, to push for a participatory, transparent, multi-stakeholder approach to water management based on local governance, not private sector control.

### *CONSUMER RIGHTS*

Within the debate on water, there are several groups working on consumer rights issues. These groups are concerned that privatisation may lead to the erosion of standards and control thus resulting in the provision of unsafe water or lower quality services as many corporations are focused on profit maximisation and cost reduction. They are also worried about a loss of accountability as services are transferred from the public sector to the private sector and information becomes less available to the general public and also given the history of bad practice of some corporations in the water sector.

Many consumer rights groups have also taken on the issue of bottled water as part of their campaign. They contend that the bottled water industry leads to the formation of a two-tiered system—“luxury” or “boutique” water for the wealthy (including spring water, mineral water, purified water, etc.) and “unsafe” water for those who cannot afford the alternative. They also argue that the multi-million dollar industry of bottled water is detracting from the real issue of universal access to water for all citizens, regardless of their ability to pay. While they are pushing for universal access, however, consumer groups are also concerned about the quality of water in the bottled water industry. Though it is one of the fastest growing industries in the world—and now estimated to be worth some \$22 billion a year—it remains one of the least regulated. For example, in one instance, “pure spring water” was sourced to an industrial parking lot near a hazardous waste site.<sup>15</sup> Therefore, in addition to universal access, many consumer groups are also pushing for the establishment of standards and guidelines in the bottled water industry.

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<sup>15</sup> In a March 1999 study, the US Natural Resource Defence Council (NRDC) found that “one brand of ‘spring water’ actually came from a well in an industrial facility’s parking lot, near a hazardous waste dump and was periodically contaminated with industrial chemicals at levels above FDA standards”, from *Blue Gold* by Maude Barlow and Tony Clarke, The New Press (2002).

## **NGO PERSPECTIVES, INITIATIVES, & ACTIVITIES**

Clearly, there are countless angles from which to perceive the crisis—and there are innumerable organisations tackling the crisis from each one. The following section outlines some of the actions of the leading NGOs involved in the water debate. This section is not meant to describe in detail the full range of water-related initiatives, but rather to give a flavour of the type of activities being planned and implemented around the world by several of the most prominent NGOs. For a list of other organisations involved in the water debate, please see Appendix F.

### **ANTI-PRIVATISATION FORUM (APF)**

The Anti-Privatisation Forum (APF) is a South African platform for communities and workers to share their experiences and collectively organise against all forms of privatisation. APF consists of individuals from unions, communities, students, and the Left and has taken up a range of issues, from workers' struggles for a living wage to community struggles for housing, water, electricity, and fair rates and taxes.

As part of its wide-ranging anti-privatisation campaign, APF is demanding an end to all privatisation programmes and the return of all privatised services and assets to the public sector. Additionally, the APF is pushing for the free supply of fifty litres of water per person per day, the minimum required for human survival, and the introduction of a “progressive block tariff system” that would ensure essential services were cross-subsidised “from the rich to the poor, from high-end users to low-end users”. APF also demands an end to water and electricity cut-offs, claiming that such actions constitute a violation of basic human rights. APF has also outlined its opposition to full-cost recovery and full-cost pricing of water in South Africa, pushing instead for the provision of free water services.

APF has also been particularly active in the struggle to prevent the privatisation of Johannesburg and Wits University and to maintain public control over services. The latter campaign has linked them with the South African Municipal Workers Union (SAMWU), another organisation working against water privatisation, and APF is now joining the SAMWU strike for a “living wage”, part of which involves affordable water.

### **CHRISTIAN AID UK**

Christian Aid is an agency of the churches in the UK and Ireland with the objective of working “wherever the need is greatest, irrespective of religion”. Christian Aid believes in “strengthening people to find their own solutions to the problems they face” and it “strives for a new world transformed by an end to poverty and campaigns to change the rules that keep people poor”. A large part of its

campaign is targeted at preventing water privatisation and corporate dominance of the global trade agenda.

Christian Aid takes a spiritualised human rights and anti-privatisation stance on water. They state: “There is nothing more essential than water. The right to water is a fundamental, God-given right to all people that dwell on this earth. In the rich world, in countries such as the UK, it is taken largely for granted. It is piped into the vast majority of homes and its consumers are charged a minimal amount for its supply. If water is a tradable commodity, then its value in wealthy economies is very low.” As a result, Christian Aid is actively campaigning for universal access to water and has focused much of its efforts on supporting the anti-privatisation campaign in Ghana. Christian Aid is also campaigning for a reformation of the global trading system within the WTO (including GATS) to better benefit the developing world, increased public participation in water-related decision-making processes, and the end of tied-aid and privatisation conditionality on loans.

Though it campaigns against privatisation of water, Christian Aid clarifies its position, arguing: “Christian Aid is not opposed in principle to every privatisation and acknowledges that business has an important role to play in expanding services in developing countries under certain circumstances. However, given the character of water as a basic need, essential to the right to life, water should not be treated as a common commodity. This implies guaranteeing access and affordability to the poor even at the cost of profit. In Ghana this is not the case and Christian Aid’s fear is that the country stands to lose its most cost effective services [public services], leaving it with no means of raising revenue to improve those areas that are least cost-effect.”

Christian Aid partner Rehabilitation Education and Community Health (REACH) has been working on a village Water Management Committee in Hawara Raqa, Iraq, since 1997 in an attempt to solve local water shortages. Recently, REACH Water Management Committees have branched out into new projects such as community nurseries, biogas production, and rainwater harvesting, allowing local citizens to generate more income and manage their own natural resources. Christian Aid is also responsible for a soil and water conservation project in Ethiopia that aims to improve small-scale agriculture in the area around Lalibela.

Christian Aid also recently campaigned for water rights at the G8 Summit in Evian in an attempt to put universal access on the agenda of world leaders. Christian Aid reporter Andrew Pendleton stated, “In this topsy-turvy world where G8 leaders float on top, gazing at life below through glass-bottomed diplomacy—safe, clean, potable water is free to those who can afford it and very expensive to those who cannot.”

Christian Aid doubts that the G8 pronouncement on providing safe water through “governance, capacity building, and finance” will translate into concrete results, noting that of the three, finance is the least likely to be forthcoming.

Christian Aid's publications include their 'Trade for Life' book, an analysis of the impacts of GATS, and a report entitled 'Master or Servant' which focuses on the impacts of water privatisation in Ghana.

## **CORPORATE EUROPE OBSERVATORY (CEO)**

Corporate Europe Observatory (CEO) defines itself as "a European-based research and campaign group targeting the threats to democracy, equity, social justice and the environment posed by the economic and political power of corporations and their lobby groups." Focused mainly on business and trade issues, CEO is currently looking at how the General Agreement on Trade in Services (GATS) will effect the provision of water services for the poor. In particular, they are studying how GATS leads to privatisation and what role European multinational corporations play in determining the European Union's negotiating priorities. CEO, as a sort of corporate watchdog, has also been keeping track of other influences on the processes of privatisation, including business associations and lobby groups such as the International Private Water Association (IPWA), the World Water Council, and the World Business Council for Sustainable Development (WBCSD). Calling WBCSD a "greenwash pioneer", CEO denounces the influence of all such lobby groups, rejecting their "devotion to the privatisation drive" and their subversive use of terms such as "public-private partnership".

CEO has also voiced its concerns about the EU Water Fund, an initiative recently released at the G8 Summit in Evian, France. The initiative, which looks at how to finance improved access to drinking water and sanitation for the poor, is criticised for being "more focused on corporate welfare than helping the world's poorest" and for "using aid money to subsidise the expansion of private water corporations". CEO also believes that the Fund illustrates how the "European Commission has worked in tandem with Suez and other giant water corporations in developing its international water initiatives."

As a result of its research into the effects on privatisation on alternative models of management, CEO has studied various operations in Porto Alegre (Brazil), Rio Grande do Sul (Brazil), Santa Cruz (Bolivia), Dhaka (Bangladesh), and Cochabamba (Bolivia). They conclude that, "While many of the world's public-owned water utilities operate effectively, others have become bureaucratic and out of touch with the populations which they are supposed to serve. Neo-liberal elites use this as an argument for privatisation and other forms of corporate controlled water management, while ignoring that there are dynamic, alternative models of publicly owned water supplies. Participatory and co-operative models deliver impressive results by ensuring that water utilities are accountable and responsive to the needs of the population." Part of improving the current situation involves the concept of "water justice", which, according to CEO, begins with debt cancellation, a reformation of the global trade system, and acknowledgement of non-privatisation alternatives.

CEO has released a series of ‘Water Info Briefs’, expressing its opinion on various aspects of the water issue. These include: European Water TNCs—Towards Global Domination?; World Water Forum—Diluting Dissent?; WTO and Water—the EU’s Crusade for Corporate Expansion; Alternatives to Privatisation—the Power of Participation; Anti-privatisation Wave Sinks Corporate Lobby Group; and most recently, Evian—Corporate Welfare or Water for All?.

## **COUNCIL OF CANADIANS**

The Council of Canadians is a citizens’ watchdog organization, comprised of over 100,000 members that lobbies Members of Parliament, conducts research, and runs national campaigns aimed at putting issues such as the safeguarding of social programmes, economic justice, democracy, Canadian sovereignty, the environment, and alternatives to corporate-style free trade into the spotlight. The privatisation of water is one of its main campaigns. Maude Barlow, National Chairperson of the Council, is one of the leading spokespeople on international water issues and co-author of *Blue Gold: The Fight to Stop the Corporate Theft of the World’s Water*, a key resource for water activists.

As part of its anti-privatisation work, the Council of Canadians launched the Blue Planet Project, one of the first initiatives to deal with water privatisation and corporate globalisation, an issue they considered a “crucial threat to humanity and the earth”. The Project fears that, “just as we are beginning to understand the terrifying dimensions of the depletion, diversion, and destruction of this finite resource, powerful trans-national corporations are moving in to take advantage of the coming water crisis. It is their intention to commodify the water systems of the earth. Some are startlingly open—“The decline in fresh water supplies and standards has created a wonderful venture opportunity for water corporations and their investors.” Therefore, the Project calls for the launch of an international campaign based on the twin foundations of conservation and equity to keep water as part of the global commons. Central to this campaign is the Treaty Initiative to Share and Protect the Global Water Commons, launched at the Water for People and Nature Summit in July 2001 and re-launched at the Our World is Not for Sale network meeting in Brussels in December 2001.

The Council of Canadians has also been heavily involved in defending Indigenous Peoples’ right to water and has been partnering with First Nations groups in Canada and Indigenous groups around the world. This work has culminated in the Indigenous Declaration on Water, a global call to protect water resources around the world.

The Council of Canadians also helped to co-ordinate the launch of the Civil Society World Water Vision for Action, a statement that rejects the founding principles of the World Water Council Vision Statement and outlines civil society priorities to be considered at the Third World Water Forum. The alternative vision, a product of frustrated efforts to achieve some sort of consensus at the Forum,

illustrates the difference in perspective. Maude Barlow, explains: “The commodification of water is ethically, environmentally, and socially wrong. It ensures that decisions regarding the allocation of water centre on commercial considerations, leaving aside fundamental environmental, social, and human rights’ considerations. We worked with our allies to try harder than ever to make the private sector understand this during the past two days in Osaka, but to no avail. It became very apparent that the primary role of business is not to provide accessible and quality water—it is to make a project for its shareholders. Their objectives, and the needs of people and nature, are fundamentally at odds.”

In December 2000, the Council of Canadians also helped to organise an international fact-finding mission to look into the Cochabamba water wars and the involvement of the multinational water corporation, Bechtel. The work resulted in the “Cochabamba Declaration”, a document that outlines the rejection of corporate control over water resources.

The Council of Canadians is also one of the first organisations to pick up the issues of bulk water exports and the bottled water industry, as part of their work on international trade agreements and corporate involvement in the water industry.

Council of Canadians publications include “Canada on Tap: the Environmental Implications of Water Exports”, “Thirst for Control: New Rules in the Global Water Grab”, “Water Export Controls and Canadian International Trade Obligations”, “Five Things You Should Know About Water”, and “Our Water’s Not for Sale”.

## **FRIENDS OF THE EARTH INTERNATIONAL (FoEI)**

Friends of the Earth International (FoEI) is a federation of autonomous environmental organizations from all over the world, campaigning on the urgent environmental and social issues, while simultaneously catalysing a shift toward sustainable societies.

As part of its Water and Wetlands Campaign, Friends of the Earth has taken up the issues of privatisation, trade agreements, access and sanitation, and dam construction from an environmental and human rights perspective. They state: “Water is essential for the existence of the human species, as well as other life forms, and the water contained in the ecosystems to which these life forms belong has to be secured. Priority should be given to the satisfaction of basic needs and the safeguarding of ecosystems”. As a result, the organisation urges global resistance to the commercialisation and commodification of water, an essential resource.

Friends of the Earth has joined forces with Corporate Europe Observatory and the World Development Movement in opposition to the European Commission’s negotiating proposals on GATS. After publishing leaked documents

that outlined proposals to twenty-nine WTO member countries requesting that they apply the GATS free trade rules to a wide range of their service sectors, including water, the organisations initiated a campaign calling for more transparency in the negotiating process and an independent and thorough economic, social, and environmental assessment of the GATS before any further negotiations take place.

Friends of the Earth, in partnership with the International Rivers Network (IRN), has also been particularly active in opposition to dam construction. At the UN Commission on Human Rights this year, Friends of the Earth presented a report outlining the serious human rights problems related to the Three Gorges Dam in China's Yangtze Valley. Citing that between 1.2 and 1.9 million people will need to be re-settled before the project is complete and noting that many resettlement problems have not yet been resolved, Friends of the Earth are calling for a suspension of the project. They also argue that "affected people should not suffer repression for seeking redress for the damage they have suffered, and the people who have been imprisoned for organising and protesting peacefully should be immediately released." Friends of the Earth and the International Rivers Network are also holding governments involved in funding the project responsible for the human rights impact of the project. The two organisations have also published a briefing kit on the various impacts of dam construction for the Third World Water Forum. The report is entitled, "Dammed Rivers, Damned Lies".

The organisation also released its newest water report, "Water Justice for All: Global and Local Resistance to the Control and Commodification of Water" in preparation for the Forum. The report shows that water privatisation has had negative impacts on communities in many countries and threatens to affect an increasing number of people in 2003 and beyond. According to Hemantha Withanage of Friends of the Earth Sri Lanka, "Water is a basic human right, and although water management in the public interest may be necessary, this vital resource should not be subject to ownership.

International financial institutions, hand in hand with multinational water corporations, are paving the way by conditioning their loans to poor countries upon privatisation promises. Trade treaties are helping by requiring countries to deregulate their water sectors and open them up to private investment." Friends of the Earth Malaysia adds, "The World Bank's insistence that water must be treated as an economic good means that, if you are rich enough, you can use water as wastefully as you like. For the poor, however, access to water for even the most basic needs of life will be a daily struggle." Thus, the organisation is pushing for the application of "water justice" to the global water debate.

### **GREEN CROSS INTERNATIONAL (GCI)**

Green Cross is a non-governmental, non-profit organization with the mission of "helping to create a sustainable future by cultivating harmonious relationships between humans and the environment". Green Cross concentrates its efforts on

water conflict prevention and other programmes whose common themes are “to promote a significant change in human values leading to greater respect and care for Earth's community of life in all its diversity, and to address the environmental causes and consequences of wars and conflict”.

The Green Cross “Water for Peace” project is aimed at “encouraging water management and decision-making to respect the needs and welcome the participation of all people in a basin, irrespective of nationality, gender, wealth, or ethnicity, and to take the requirements and functions of the natural environment into account”. Part of this approach involves integrated water resource management (IWRM) and stakeholder participation. The Water for Peace project currently operates in six international river basins: The Danube, the Jordan, the Okavango, La Plata, the Volga, and the Volta.

Green Cross has also helped in the organisation of the World Assembly of Wisdom for Water, an initiative launched by the International Secretariat for Water (ISW) to follow up on the Second World Water Forum in The Hague. The Assembly brought together water representatives, experts, managers, and theorists to discuss water issues. Additionally, Green Cross has organised the “Water for Life and Peace” international dialogues to take place in October 2003. The conference will address key issues such as the global water crisis and public-private partnerships and will address the issue of trans-boundary water management. According to Green Cross President Mikhail Gorbachev, “Trans-boundary water management is not an abstract concept with no relation to people on the ground...It is about using our most precious resource in a way that benefits all people and preserves it for the future.”

Additionally, Green Cross is campaigning for the immediate ratification of the UN Convention on the Non-Navigational Uses of International Watercourses by all states. In addition, it seeks international support for the creation of a Water Cooperation Facility which would work with basin authorities, governments, and other stakeholders to resolve water-related disputes. Green Cross is also pushing for countries to protect water infrastructure during times of armed conflict and from terrorist attack in order to avert future humanitarian crises.

## **INTERNATIONAL RIVERS NETWORK (IRN)**

International Rivers Network (IRN) is a network designed to support local communities working to protect their rivers and watersheds. IRN works to halt destructive river development projects, and to encourage equitable and sustainable methods of meeting needs for water, energy, and flood management.

IRN, as part of the international anti-dam movement, “seeks a world in which rivers and their watersheds are valued as living systems and are protected and nurtured for the benefit of the human and biological communities that depend on

them”. IRN sees its work as part of the struggle for environmental integrity, social justice, and human rights.

IRN is currently working to change water-related policy at the national and international level as well as campaigning on specific projects around the world. At present, IRN’s is working on specific campaigns in Africa, China, Latin America, South Asia, and Southeast Asia. IRN’s policy work is targeting international financial institutions for their role in funding environmentally and socially destructive projects and following up on the recommendations of the United Nations World Commission on Dams report in order to slow the pace of large-scale dam construction.

IRN also co-ordinates an International Day of Action to link activists and communities around the world in their struggle for just and equitable development that respects the basic human rights of all people. On March 14<sup>th</sup>, water activists gathered for the conservation, preservation, and celebration of rivers and to “stand in solidarity for rivers, communities, and rights”.

IRN’s campaign on Rivers, Dams, and Climate Change emphasises the need to raise awareness among policy makers and the public that dams can be important emitters of greenhouse gases and that climate change will have significant impacts on the safety and performance of dams.

Recent publications from IRN include “Damming the CDM: The Good, the Bad, and the Dammed Ugly—Status Note on Large Hydro and the Clean Development Mechanism”, “Damming the CDM: Why Hydro is Ruining the Clean Development Mechanism”, and “Flooding the Land, Warming the Earth: Greenhouse Gas Emissions from Dams”.

## **POLARIS INSTITUTE**

The Polaris Institute is designed to “enable citizen movements to re-skill and re-tool themselves to fight for democratic social change in an age of corporate driven globalisation” by providing social movements with the “strategies and tactics required to unmask and challenge the corporate power that is the driving force behind governments concerning public policy making on economic, social and environmental issues”. Through ‘Operation Water Rights’, the Institute is involved in critical research and analysis on the world’s largest water corporations, their most influential lobby groups, and the for-profit water agenda and strategy they shape at the global level. Through information dissemination, popular education and movement-building tools, the Polaris Institute hopes to assist groups in organising and fight to defend their water rights. The Institute also emphasises the need to strengthen the global water justice movement and local struggles, while also working towards building social alternatives for water management.

The Polaris Institute maintains that water is essential for both life and nature—“not only humans, but plants, animals, and the planet itself depend on having access to adequate supplies of water for their very survival. For these reasons, water is considered to be a public trust”. Research carried out at the Polaris Institute demonstrates that water privatisation involving the transfer of services to trans-national corporations will not solve the water problem. Rather, when corporations operate water systems, service is based on the ability to pay which frequently translates into poor communities suffering from inadequate services. Also, they argue, privatisation fails to conserve water resources as the corporate approach of profit maximisation often means encouraging increased consumption.

As part of its critique of the corporate influence on the World Water Council and the World Water Forum, the Polaris Institute also rejects the Camdessus Report. Polaris argues that the Camdessus Report is calling for “drastic changes in the financing of water delivery systems and billions of public dollars for large dams and other destructive water infrastructure projects”. Polaris says that these proposals are “geared more towards using public money to protect investors against risks than providing access to safe and affordable water for all people.” Karl Flecker, a Polaris spokesperson, claims that the Report is a franchising model for global water corporations in order to bolster private enterprise and notes that “citizens’ groups from across the global are condemning the report as a blueprint for global water corporations to profit from water systems through a market model that will do nothing to improve access to quality water in developing countries.”

For their GATS Attack! pamphlet series, the Polaris Institute recently released a report entitled ‘The Global Water Grab—How Corporations are Planning to Take Control of Local Water Services’. The report studies the major corporate players involved in water issues, how they manipulate international trade agreements and financial regimes, their ‘track record’ in service provision, and their roles and relationships regarding the GATS, the IMF, and the World Bank.

Operation Water Rights also helps to coordinate water-related events such as “Days of Action Against Bechtel and the Corporate Invasion”, “The Water of Life—Peril and Promise in the 21<sup>st</sup> Century” workshop, and “Water for Profit”, a series of radio broadcasts on water issues.

Tony Clarke, Director of the Polaris Institute, is co-author of “Blue Gold: The Fight to Stop the Corporate Theft of the World’s Water” and a leading spokesperson on international water issues.

## **PUBLIC CITIZEN**

Public Citizen is a “national, non-profit consumer advocacy organization founded by Ralph Nader to represent consumer interests in US Congress, the executive branch and the courts”. The organisation’s objective is to “fight for

openness and democratic accountability in government, for the right of consumers to seek redress in the courts; for clean, safe and sustainable energy sources; for social and economic justice in trade policies; for strong health, safety and environmental protections; and for safe, effective and affordable prescription drugs and health care.”

Public Citizen maintains that “access to clean and affordable water is essential for life” and is worried that multinational corporations are seeking to privatise and commodify water for profit. Public Citizen is campaigning to protect universal access to water by keeping it in public hands. Public Citizen’s efforts are targeted primarily at corporate accountability and anti-privatisation, but much of their work also involves international trade agreements such as GATS, bulk water exports, and the bottled water industry.

Under Public Citizen’s Critical Mass Energy and Environment Programme is the “Water for All Campaign”, a campaign that works with citizen’s groups in the US and internationally to build awareness about the risks of water privatisation. The Water for All Campaign is also working to prevent the exportation and sales of surface water and groundwater through bulk exports and to expose the “dismal track record of multinational water corporations”. As such, the International Water for All Campaign involves the dissemination of reports and research, the strengthening of international solidarity with citizen’s groups opposed to water privatisation, the IMF, the World Bank, regional development banks, and the WTO.

Public Citizen’s research includes a variety of Corporate Profiles on the major water corporations, Case Studies on water privatisation around the world, and Reports. Recent publications include: “Water Privatisation Fiascos: Broken Promises and Social Turmoil”, “Myth of Private Sector Financing: Global Water Corporations Seek New Public Hand-outs”, “Profit Streams: World Bank and Greedy Global Water Companies”, and “Public-Public Partnerships: A Backgrounder on Successful Water/Wastewater Re-Engineering Programmes”. Public Citizen has also put together several water background documents and overviews: Water Privatisation Overview, Why Oppose the Privatisation of Water?, Who are the Major Water Companies?, Top 10 Reasons to Oppose Water Privatisation, and the ABCs of Water Privatisation.

Recently, Public Citizen released the report “Bechtel: Profiting from Destruction”, after Bechtel was awarded a \$34.6 million contract in Iraq for the rehabilitation, reconstruction, and expansion of infrastructure for electrical grids, water, and wastewater services. The report outlines the multinational’s history and accusing it of environmental destruction, disregard for human rights, and financial mismanagement of projects. The report calls for more democratic reconstruction efforts and a more open and transparent bidding process that would prevent corporations from benefiting from their close ties to governments.

## **PUBLIC SERVICES INTERNATIONAL (PSI)**

Public Services International (PSI) is an international trade union federation that unites public sector workers in more than six hundred trade unions in over one hundred forty countries. PSI is currently campaigning on various issues, one of which is public utilities, including water. PSI is concerned that corporate control of public utilities such as energy, water and waste is increasing rapidly, and is changing the nature of these services. As such, PSI claims, “Corporate control has led to massive job cuts, deterioration of service quality and access, and increasingly unsafe working conditions” and promotes, instead, public control over services arguing that they are “essential to human life and social development, and not as a source of profit for a few large corporations”

As for its position on water, PSI General Secretary Hans Engelberts states: “Water is a human right. It is not an ordinary commodity to be bought, sold, or traded for personal or corporate profit. Water must remain in public hands.” PSI also expressed its concern that current water actions such as the Camdessus Report, World Bank’s Water Resources Strategy and the EU Water Initiative will lead to more privatisation and greater corporate control of the world’s water resources and infrastructure. PSI also puts itself in direct opposition to the World Water Council’s stance on issues such as infrastructure and dam development, privatisation, and pricing policies.

PSI is currently basing its international campaign against water privatisation on several concerns. First, PSI is concerned that jobs and working conditions deteriorate under corporate control. Second, it argues that public services, in terms of quality, access, and affordability, deteriorate when privatised. They are also concerned with the social impacts of privatisation and their effects on health, education, social stability, and the economy. Lastly, PSI is worried that the World Bank, the IMF, donor countries, and now also the WTO through its GATS, are imposing privatisation on the developing world. As a result, PSI aims to advance appropriate models of public finance and public governance, not more privatisation, but recognises that the process will require mechanisms to support such initiatives. “Instead of pumping more money through corporate channels and bailing out the water multinationals, we should be investing in public water systems,” says David Boys.

PSI also spoke out strongly against the war on Iraq, arguing that “discussions on how to assure safe, clean water for all [at the World Water Forum in Kyoto] were torpedoed by the announcement by US President George Bush that war against Iraq is imminent.” One PSI spokesperson said, “We are outraged that the world can find the resources to wage war yet cannot find the resources to fight thirst, poverty, or environmental degradation”.

PSI’s Research Unit has issued the following reports on water: Water Multinationals—No Longer Business as Usual; Financing Water for the World—an Alternative to Guaranteed Profits; International Solidarity in Water—Public-Public

Partnerships in North-East Europe; World Bank—Politburo of Water Privatisation; and Water in Public Hands.

### **RESEARCH FOUNDATION FOR SCIENCE, TECHNOLOGY, & ECOLOGY (RFSTE)**

The Research Foundation for Science, Technology, and Ecology was founded in India as an independent initiative to do participatory research with an interdisciplinary approach. Of the many issues the organisation researches, particular interest is paid to the impact of Intellectual Property Rights and environmental issues including global threats to biodiversity, preserving genetic heritage, and protecting citizen rights to essential services such as water.

At the National Water Parliament in Pani Panchayat, The Research Foundation outlined its approach to water. It stated: “Water is a natural resource, a gift of the earth” and thus belongs to all living beings. As a result, all living beings have an equal and natural right to water and “moves to privatise water and turn it into a marketable commodity for profit must stop immediately”. In place of corporate control, the Foundation advocates that water policies be shaped “demographically, based on the participatory principle”, reflecting the principles of social justice and environmental sustainability. Women’s access to water is also considered a major issue, the solution being the increased involvement of women in water-related decisions. The Foundation also declared that any decision regarding water—including its procurement, management, distribution, and recycling—must be a result of a cross-cultural dialogue within the community, by those affected by the outcomes. Water pollution was defined as a “crime against all living beings” and “conservation and judicious use” of water was declared a part of every citizen’s attitude to life.

The Research Foundation is currently involved in planning the World Social Forum on Water to be held in India in 2004. The Forum will discuss social control of water and the establishment of a worldwide anti-privatisation water movement.

Vandana Shiva, the Research Foundations’ founder, is one of the leading spokespeople on water rights and local control of water resources. Her publications include “Water Wars”, “Water: Commodity Commons, Basic Right, Divinity”, “The World Bank, WTO, and Corporate Control over Water”, “The Privatisation of Water”, “Ecology and the Politics of Survival—Conflicts over Natural Resources in India”, and “The Corporate Hijack of Water: How the World Bank, the IMF, and GATS-WTO Rules are Forcing Water Privatisation”.

## **RIOS VIVOS NETWORK**

The Rios Vivos Network is a Latin American network of NGOs, public and private organisations, research institutes, and traditional and Indigenous communities. Rios Vivos believes: “Water is a common inheritance of life and humanity. Water is a collective and individual right and cannot be reduced to an economic good. For us, it is necessary to develop a consistent process, leading to profound changes. These changes might also affect the cultural understanding of water use in many parts of the world. However, the basis to guarantee the multiple use of water should be a democratic administration, especially when concerning human needs.” Rios Vivos also believes that the current system of water use, determined primarily by economic interests, is unsustainable—both economically and environmentally—and will only result in greater poverty.

Rios Vivos has activities in six programme areas: Water and Agriculture, Freshwater Ecosystems, Groundwater, Water and Mega-projects, Water Wastage, and Continental Waters. The Continental Waters programme involves the conservation, restoration, and sustainable use of continental water resources, but the organisation is also working on broader topics such as all issues related to the Prata River Basin and the Amazonian River Basin. Rios Vivos’ work on mega-projects covers the Yacaretá and Porto Primavera Dams, the Araguaia-Tocantins Waterway in the Amazon Basin, and the Bolivia-Brazil pipeline. Rios Vivos is also currently undertaking a “profound analysis of the current developmental paradigm responsible for promoting infrastructure projects” and is searching for alternative sustainable development solutions for these regions. Within the sub-programmes of water, Rios Vivos also looks at issues of water and food sovereignty, wetlands, continental fishing, and the Guarani aquifer.

## **SAVE THE CHILDREN UK**

Save the Children is a UK charity working to “create a better world for children” in impoverished communities in seventy countries around the world. Save the Children UK is part of the International Save the Children Alliance, an international movement for children’s rights.

As part of its commitment to children’s rights, Save the Children campaigns to ensure that children and their families have adequate access to safe and affordable water and have added water-related trade agreements to their agenda. In particular, Save the Children is concerned that GATS represents a serious threat to children’s rights and does not serve the development needs of children and their families in poor communities around the world. Save the Children also considers the leaked EU requests as a confirmation that “corporate interests in Europe are being given priority over the health needs of children and their families”. Their concerns over GATS have been published in a report entitled, “The Wrong Model: GATS, Trade Liberalisation, and Children’s Rights to Health.” At the same time, Save the Children is pushing for international trade negotiations to serve as instruments to

promote development, poverty reduction, and a better future for the people of the world and is calling on EU Commissioner Pascal Lamy to withdraw the current EU requests from discussion and prepare, in their place, new requests designed to benefit the world's most vulnerable communities, their families, and their children.

In "GATS and Water: The Threat of Services Negotiations at the WTO", Save the Children reiterates their concern that current negotiations will not benefit the poorest of the poor, but will, instead, further compromise children's right to health. It denounces the lack of transparency and the overwhelming bargaining power of rich countries in the negotiations process and rejects the use of conditionality by lending agencies such as the IMF and the dominance of European water multinationals. In order to avoid "jeopardising the health and well-being of children", Save the Children is advocating that countries carefully consider GATS commitments before signing on and to be aware of the consequences of an "explicitly business-driven agenda".

## **WORLD CONSERVATION UNION (IUCN)**

The World Conservation Union brings together States, government agencies and a diverse range of non-governmental organizations to form a world partnership with more than 980 members in 140 countries. The organisation aims to "influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable."

The IUCN's Water and Nature Initiative aims to mainstream an "ecosystems approach" into catchment policies, planning, and management. This involves better recognition of ecosystems and the life they contain as well as their right to the water they need to survive in order to preserve their intrinsic values and enable them to continue to provide goods and services to humankind. IUCN also emphasises the potential social and economic consequences of continued misuse and destruction of water resources and ecosystems. At the Third World Water Forum, IUCN expressed its disappointment that the ecosystems approach and environmental flows, two concepts advanced by the IUCN as part of the solution to the water crisis, were not reflected in the Ministerial Declaration, nor in the Camdessus Report that preceded the Forum.

IUCN's recent publication, the "World Water Vision", part of the Vision for Water, Life, and the Environment in the 21<sup>st</sup> Century, outlines the findings of extensive worldwide consultations and the goals they have set to lead the world into a "sustainable future". The report attributes the problems of scarcity, pollution, and threats to biodiversity to growth in human population, increasing consumption, infrastructure development, land conversion and poor land use, and the overexploitation and pollution of ecosystems. The report then calls for recognition of ecosystem values and participatory ecosystem-based catchment management to be integrated into the plan of action.

The IUCN also joined other organisations, including the Global Water Partnership, Green Cross International, the International Network of Basin Organisations, the International Secretariat for Water, Programme Solidarité Eau, the World Water Council, and the World Wide Fund for Nature in urging G8 leaders to allocate funds to promote cooperation over trans-boundary waters for development, security, and peace.

### **CASE STUDY: COCHABAMBA, BOLIVIA—THE WATER WARS**

The following case study exemplifies the complexity of the global water crisis: citizens struggling for better access, a government unable to afford to improve water services, lending agencies linking foreign aid to privatisation, a multinational corporation taking over public services, and a violent civil society reaction to the loss of local control over essential resources.

Bolivia, one of the poorest and least developed countries in Latin America, has struggled for years to become a market-oriented economy. Heavily dependent on foreign investment, Bolivians have grappled with increasing privatisation of essential services as a condition for continued loans. Over the past few years, the privatisation of water has polarised the city of Cochabamba in particular.

In November 1998, the World Bank refused to guarantee a \$25 million US loan to refinance the deteriorating water infrastructure in Cochabamba, unless the city agreed to privatise the sector. Having recently witnessed the privatisation of their national airline, the train system, the electric utility company, and local phone services, residents of the city of Cochabamba were familiar with the World Bank's pro-privatisation approach. Water services were eventually sold to Aguas del Tunari, a newly formed subsidiary of the American water and construction giant, Bechtel. The initial capital put forth amounted to approximately \$20 000 US, though others estimated the value of the infrastructure in the millions. Aguas del Tunari estimated their annual income in the range of \$58 million US.

Following privatisation, the World Bank then called for "full-cost pricing" of water, resulting in massive price increases ranging from 35 to 300 percent—increases which often amounted to more than one-fifth of an average salary being spent on water alone. The World Bank also stipulated that no money should be used to subsidize water provision for the poor. In the World Bank report, "Public Expenditure Review", it was clearly stated: "No subsidies should be given to ameliorate the increase in water tariffs in Cochabamba which should reflect the full cost of provision." When asked directly about the price increases, World Bank Director James Wolfensohn replied, "Giving public services away to people inevitably leads to waste...Countries like Bolivia need a proper system of charging for water services."

After months of frustration in dealing with price increases, tens of thousands of citizens began to protest. In January 1999, their cumulative frustration erupted into a series of riots, strikes, and roadblocks. Recognising the need to organise collectively, Oscar Olivera, founded the *Coordinadora de la Defensa del Agua y de la Vida*, the Coordinating Committee for the Defence of Water and Life, more commonly referred to as simply, the Coordinadora. The group consisted of a broad based movement of workers, peasants, farmers, teachers, and other concerned citizens united by the aim of "de-privatising" the water system and defending community water rights. With the support of more than ninety percent of the population, the Coordinadora gained momentum quickly.

By February, a second wave of protests had broken out, this time with intensified struggles between people and the police. In recognition of the need to address the pending social crisis, a “popular referendum” was organised—the first of such referenda in the country’s history. More than fifty thousand people attended with two clear messages resulting: “Aguas del Tunari must leave this city” and “privatisation must be reversed”.

In April, the situation exploded. In what was called the “Last Battle”, huge groups of protesters closed off the city and occupied the centre, demanding, in an increasingly strong voice, the end of privatisation. After eight days of intense protest during which hundreds were injured and several were killed, President Hugo Banzer placed the country under martial law, brought in snipers and the military to disperse the masses, and announced that the government would break its contract with Aguas del Tunari.

The situation immediately captured the world’s attention. Water activists around the world followed the struggle in Cochabamba, drawing parallels to the situation in their own communities and taking inspiration from what seemed like the successful expulsion of a major water corporation. In an act of solidarity, citizens of Bolivia, Canada, the US, India, and Brazil launched the “Cochabamba Declaration” (Appendix G). Meanwhile, investors and water corporations in other countries considered the event a warning sign, and potentially the beginning of even larger problems both in Bolivia and in neighbouring countries.

Eventually, the water system was returned to public ownership under the management of the Servicio Municipal del Agua Potable y Alcantarillado, the Municipal Potable Water and Sewer Service (SEMAPA). Though constrained by financial difficulty, SEMAPA attempted to re-organise for self-management. Following a series of public meetings, SEMAPA elected a Board of Directors and a new mandate which included extending services to the poorest of the poor. Though it would seem that this is the end of the crisis, the situation is further complicated.

In 1992, Bolivia signed a bi-lateral investment treaty (BIT) with The Netherlands subjecting itself to certain legislation in exchange for foreign investment. When Bechtel moved its holding company from the Cayman Islands to the Netherlands in 1999, Bolivia became subject to the conditions set out in the BIT legislation. Bechtel is now suing Bolivia for lost potential profits that were guaranteed under the trade deal. The suit, amounting to \$40 million US, is being filed through the International Centre for Settlement of Investment Disputes, the World Bank’s tribunal. Proceedings have been closed to everyone but the three member tribunal consisting of one Aguas del Tunari representative, one World Bank representative, and one Bolivian government representative. No media coverage is permitted.

Though the Bolivian government has maintained that it will fight the suit, many believe that it may be in its best long-term interest to pay Aguas del Tunari its

compensation in order to ensure future investment and improve Bolivia's reputation in the WTO-dominated world.

SEMAPA continues its struggle to operate and maintain water services for the city of Cochabamba but is finding it increasingly difficult to manage under the current financial constraints. Pessimists are concerned that the water crisis has only been delayed; future investment will almost inevitably be linked to the private sector which tends to be hostile to local participation, let alone local governance. Though the public resists privatisation, in the end, there seems to be no other alternative. Though they may suffer another battle with privatisation, it is certain that the citizens of Cochabamba—with assistance from the growing international water movement—are not prepared to give in without a monumental struggle.

## **THE FUTURE OF WATER**

Now that water has appeared on radar screens around the world as one of the most pressing global issues, it remains to be seen what will be done about it. Beyond the dissemination of statistics and information about the state of the situation, the various actors are now increasingly involved in determining their priorities as well as positioning themselves within the debate.

With the current round of trade negotiations on services still ongoing, it is difficult to predict how international agreements may affect the provision of services and the role of the private sector in particular. Many fear that progressive liberalisation of services will weaken the remaining public service providers to the point where only large multinationals will exist and all water services will be provided by the private sector, with NGOs and governments reduced to providing monitoring services.

Others, however, see the beginning of a different trend. In recent months, several multinationals have admitted that they were unable to supply drinking water to low-income areas and remain economically viable. Governments are also beginning to question the advantage of privatisation as the multinationals who remain increase their demands for operating in the developing world. After having suffered humiliating expulsions and costly broken contracts in the past, multinationals are now requiring unequivocal guarantees for investments, protecting them from all forms of risk—a virtual impossibility for many developing countries. Corporations are also approaching development banks, requesting that they provide the funds to subsidise services for the poor, a practice which challenges the economic argument that privatisation is a cost-effective solution for universal access and less-expensive than public service provision. With demands for risk protection and loans for subsidies, many are beginning to question the logic behind the drive to privatisation.

In their report, “Water Multinationals—No Longer Business as Usual”<sup>16</sup>, Public Services International confirms that corporations face a difficult future in the water sector. They state, “Recent developments in the water sector presage a new direction in international policy. The largest water corporations are acknowledging that they cannot make money from the poor, and therefore, that they cannot provide them services. The international institutions’ reliance on these multinational corporations to deliver water services to developing countries is becoming less and less tenable...”. Consequently, several of the largest water corporations have announced their retreat from water service provision in the developing world, including Vivendi and Suez, the two largest corporations. Their new plan of action focuses on the “stable markets” of Europe and North America, while reducing their operations in the developing world by as much as one-third.

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<sup>16</sup> From “Water Multinationals—No Longer Business as Usual” by David Hall, Public Services International Research Unit (PSIRU). March 2003.

In addition to the economic challenges of providing services to the poor, many multinationals are also faced with increasing hostility from civil society as protests at the local level become more and more common. Public revolt against privatisation has already taken place in Ghana, Argentina, Bolivia, Indonesia, and South Africa, among other countries. People in countries facing privatisation are joining forces. As one Ghanaian water activist stated, "There is an emerging global movement against this type of privatisation. People are not being asked what they want before their water is sold into private hands. When they realise that they are asked to fork out at least half of what they earn to pay for the profits of foreign companies, they will be understandably angry." Whether voluntarily or involuntarily, corporations in several countries are withdrawing their operations.

At the same time, water is also emerging as an international political issue, surfacing at world summits and international meetings. Recently, at the G8 Summit in Evian, France, water was one of the main issues discussed at the meeting. Water activists are also planning to attend the WTO Ministerial in Cancun in September 2003, in order to ensure that water gets adequate attention from both the public and world leaders. Additionally, plans are underway for a World Social Forum on Water to be held in India in 2004 to discuss social control of water and to establish a worldwide organisation of the anti-privatisation of water movement.

Though a global water movement does not yet exist, some feel that is inevitable, pointing such indications that one may be forming. At the Third World Water Forum, which coincided with the beginning of the war on Iraq, anti-war and civil society activists began to recognise the parallels between oil and water as sources of conflict. Others began to notice the irony that money and political will were available to 'liberate the Iraqi people', justified as a human rights intervention, but that no funds were available to ensure universal access to potable water—a human right. During anti-war protests around the world, demonstrators took up the issue of water, chanting "Money for water, not for war".

As such, water serves as a natural link between existing movements. As the most fundamental basis of human welfare, water is central to both the social justice movement and the human rights movement. Water also draws upon the environmental movement, connecting it with women's groups and Indigenous Peoples groups. Finally, water privatisation has sparked a reaction from the anti-capitalist and anti-globalisation movements, who have added water to their protest agendas. And, though the war on Iraq may be over, the anti-war movement remains a significant force for global peace, concerned with the peaceful resolution of any threat to global security, including water.

As for NGOs, it is likely that many will continue to act as the counter-balance to multinational corporations, opposing privatisation and the commodification of water and galvanising civil society actors. As the roles of information provider and watchdog becoming increasingly important, NGOs will likely gain influence in the global debate in the coming years. As multinationals discover the difficulty involved in providing water services to the poorest of the poor, it is also probable that NGOs begin to take on the responsibility of service

provision themselves. With the global crisis rapidly approaching, some analysts and experts believe that NGOs and civil society actors appear to be well-positioned to take on the multiple challenges facing them and will likely remain strong actors at the centre of the debate.

(NGOs) in global governance (Charnovitz, 1997). NGOs and other civil society groups are not only stakeholders in governance, but also a driving force behind greater international cooperation through the active mobilization of public support for international agreements. Enabling the constructive participation of civil society in global environmental governance is thus one of the most important tasks for. It is not essential to resolve the business and civil society delineation question within these pages, although determining how business should participate within governance is clearly of great importance.

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