



Water Usage & Privatization



Water privatization: Corporate vs. civic control

About 90 percent of the world's freshwater stocks currently remain under public control, but privatization is becoming more common as revenue-strapped governments increasingly cannot afford to maintain and repair crumbling municipal water purification and delivery systems often built decades ago. [1] Historically, however, in places where privatization has been established, it has proven to be another cause of—rather than a solution to—chronic water shortage problems. That is, because corporations are (by their nature) more concerned with making money than serving people's and communities' best interests, water privatization has led to corruption, lack of corporate accountability, loss of local agency, weakened water quality standards, and steep rate hikes that eliminate poor people's access to water.

Example 1: Nestlé in the US

Nestlé, one of the largest food corporations in the world, is also in the water business, leasing or owning 50 spring sites throughout the US. [2] However, in many places where Nestlé operates, they have unlawfully extracted water from aquifers, [3] engaged in price-gouging tactics, [4] and polarized communities. [5] For example, in Colorado, over a period of a few years, Nestlé spent a large amount of money negotiating a water deal with the three-member Board of Chaffee County Commissioners and with the Aurora City Council, while buying land in the areas near where the Arkansas River runs. Close to 80 percent of the county's 17,000 residents opposed the deal, [6] mainly because environmentalists (citing Nestlé's detrimental impact in communities where they already operate) raised alarms about the potentially devastating consequences for Aurora City's watershed and nearby wetlands. [7] After a 7 to 4

vote of approval by the Aurora City Council and a unanimous agreement by the Chaffee County Commissioners, over the next decade Nestlé will extract 650 million gallons of Arkansas Valley water so that every day they can load 25 trucks with 8,000 gallons of water, drive 120 miles to a bottling plant in Denver, and fill millions of plastic Arrowhead Springs water bottles to be sold in the western US. [8] In addition to being targeted by locals who want control of their water sources back, Nestlé is also at the epicenter of the growing bottled water controversy. The company dominates nearly a third of the lucrative US bottled water market [9] with seven domestically-produced subsidiary brands (including Arrowhead Springs, Calistoga and Poland Spring)—making Nestlé a key contributor to one of today's most significant environmental threats. That is, US consumers purchase about 28 billion bottles of water every year, but recycle only about 23 percent of the plastic petroleum-based containers used for water or soda. The rest end up polluting roadsides, landfills and oceans, and leach toxins into ecosystems while taking about a millennium to degrade. [10]

Example 2: Vivendi and Suez in Mexico

Water privatization now has a firm foothold in Mexico, thanks to President Vicente Fox's PROMAGUA initiative, which uses a \$250 million World Bank grant to promote privatization of the country's water resources. This program, now operational in 27 of Mexico's 30 states, encourages cities with populations of 100,000 or more to sign their water concessions over to corporations for contracts lasting between five and fifty years. This has allowed Vivendi and Suez, two major players in the water game, to partner with smaller companies to turn one-fifth of Mexico's municipal water systems into profit-making businesses. However, in the process of making massive amounts of money from Mexico's formerly public utilities, these multinational corporations have drastically raised rates, cut service to customers who can't pay their bills, weakened water quality, and skimped on making essential infrastructure improvements. [11] While these two companies are foreign-owned, they also have large operations in the US. Vivendi became North America's largest water company in 1999 after purchasing US Filter (a leading manufacturer of commercial and residential water purification systems). [12] Suez, meanwhile, is the parent company of United Water, the second-largest private operator of municipal water systems in the US—where it has established a reputation for environmental destructiveness. For example, Suez has been responsible for sewage overflows in Milwaukee, Wisc.; contaminating drinking water in Gloucester, Mass.; and dozens of discharge limit violations in Gary, Ind. [13] So if Suez, Vivendi or another private corporation tries to take control of your community's municipal water system, be sure to join or organize an effort to keep this resource in public hands.

Example 3: Bechtel in Bolivia

The persistent pattern of social, environmental and economic abuse committed by water privateers has sparked a global movement opposing corporate control of community resources that has won some decisive battles. Among the most famous of these victories was the Bolivian uprising against the Bechtel Corporation, the fifth largest privately-owned company in the US, [14] which had taken over the Cochabamba region's water supply in 1999. The company raised rates by 300 percent, [15] cutting off service to people who could no longer afford water—and even prevented residents from collecting rainwater unless they obtained a legal permit. Bechtel's oppressive policies prompted several months of massive riots, which dissuaded foreign investors from doing business in the country. Bechtel subsequently abandoned their Cochabamban operation in 2000, surrendering control of the water supply back to the people, [16] but the struggle against water privatization continues in Bolivia [17] and other South American nations. [18]

Example 4: Coca-Cola in India

Soon after a Coca-Cola Company plant was licensed to manufacture their beverages in the village of Plachimada, they started unlawfully pumping an additional 1.5 million liters of water a day from local reserves. This caused the water table to fall—leaving farmers without enough water to irrigate their crops, and draining the community's drinking water supply. While Coca-Cola stole the people's water, the company's plant produced waste that contaminated agricultural fields, underground wells and free-

flowing canals, forcing residents to walk for miles just to get clean drinking water. In response, Plachimadans started a movement to shut the bottling plant down that gained international attention. Their rallying cry: "When you drink Coke, you drink the blood of the people!" The protesters successfully drove Coca-Cola out in 2004, when the plant was officially closed, inspiring dozens of other campaigns throughout the country against soda production plants that exploit local water supplies. [19] Yet private corporations continue to take over India's municipal water resources with similarly disastrous effects. [20]

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