

WATER: PRIVATE COMMODITY OR HUMAN RIGHT?



Geography plays an important role in impacting clean water access. In the previous article, we discovered that not all geographies are equal when it comes to water access. In the political and economic arena, there are even more obstacles hindering certain nations from accessing clean, inexpensive water. In 2010, the UN General Assembly recognized water as a human right. For example, water should be sufficient, safe, accessible and affordable for all people on the planet (UN-DESA, 2014).¹ In 2015, the United Nations established 17 objectives known as the Sustainable Development Goals to address global poverty, inequality and climate change. Objective six is to ensure access to clean water and sanitation for all. Despite such recognition of water's universal necessity, another trend complicates the premise of the basic human right to water. This is the trend towards water privatization.



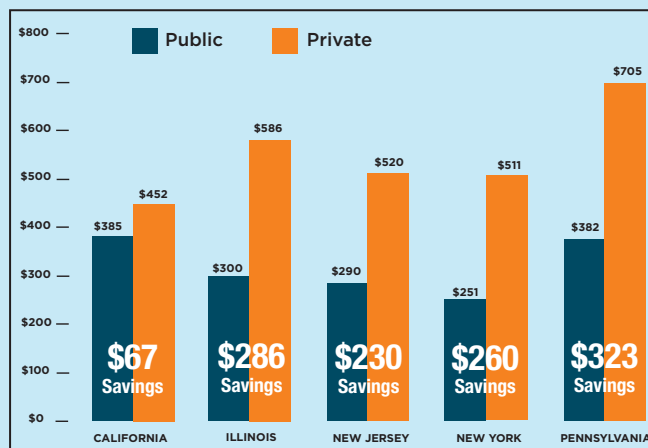
Nationalization versus Privatization

Water Nationalization indicates state control over water resources so that there is an equal distribution of the nation's water in both areas of abundance and scarcity. Unfortunately, nationalization is not always successful; it can lead to insufficient management, corruption and poor investment decisions (Economics Online, 2017).² These faults are what prompt many governments to resort to privatization. Although water privatization has been relatively successful in certain countries like France, England and Wales, there are also many areas where water privatization has had adverse results.

Privatization is the transferring of a business or service from public ownership to the private sector. Many financially overburdened governments, typically in the developing world, have signed contracts with corporations that have the ability to install the necessary infrastructure for water utilities. Privatization can sometimes increase efficiency and access, but in many cases, it also leads to higher water prices. In fact, a 2016 study by Food & Water Watch found that, in the United States, investor-owned utilities charged 33 percent higher water rates on average than those levied by government agencies. They also found that water rates increased at about three times the rate of inflation (Curry, 2010).^{3,4}

¹ http://www.un.org/waterforlifedecade/human_right_to_water.shtml
² http://economicsonline.co.uk/Business_economics/Nationalisation.html
³ <http://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1109&context=njih&r&http://www.foodandwaterwatch.org/>

AVERAGE ANNUAL WATER BILLS IN 2015 FOR HOUSEHOLDS USING 60,000 GALLONS/YEAR



Whether Or Not Privatization Works, the Bottom Line Is the Same

Private companies profit off a public good—water. This raises concerns about the commodification of a human right. Consider what you pay for water? Does this seem fair? What more efficient ways to deliver clean and affordable water to citizens for basic needs can you come up with?

Case Study: Privatization in Bolivia

In 1999, the government of Bolivia signed a contract with Aguas del Tunari, a subsidiary of U.S. corporation Bechtel, to handle water and sanitation services in the city of Cochabamba. Water bills for residents of Cochabamba doubled and in some cases tripled. An activist group called La Coordinadora led widespread protests throughout the city that eventually increased and expanded into rural areas around Cochabamba. In response, the Bolivian president declared a state of siege.

Public or Private?

Most often, water management is mixed; private companies are contracted to manage aspects of the infrastructure and/or delivery, but ownership is public. Full privatization—where total ownership is transferred to a private company—is less common.

Paris, France previously had a public-private model and established contracts with two water firms, Veolia and Suez Environment, to help build infrastructure and facilitate delivery. In 2008, public control was reestablished and, with infrastructure laid, re-municipalization has decreased the cost of water for Paris' residents.⁵

Manila, in the Philippines, represents the largest number of beneficiaries served by private water firms in the developing world. The public-private model greatly expanded the number of people who had access to water in the Manila Metro area—but when one of the firms went bankrupt, residents in Western Manila had virtually no control over their ability to access water.⁶

Santiago, Chile is a rare example of total privatization. Chile went further than any other country by embracing a pro-business model of the water supply and sanitation sector. However, recent protests over high water prices, shortages, and inefficiency are causing many to rethink the model.⁷

⁵ <http://in.reuters.com/article/water-utilities-paris-idINL6N0PE57220140708>
⁶ Philippe Marin: Public-Private Partnerships for Urban Water Utilities, World Bank, 2009
⁷ <https://www.theguardian.com/sustainable-business/2016/sep/15/chile-santiago-water-supply-drought-climate-change-privatisation-neoliberalism-human-right>; <http://www.blueplanetproject.net/index.php/home/local-campaigns/privatization-in-chile/>

Police used tear gas and live ammunition against protesters, resulting in many injuries, arrests, and several deaths. After months of protests, the government was forced to terminate its contract with Aguas del Tunari and give the organization of Cochabamba's water services to La Coordinadora. Unfortunately, La Coordinadora was not prepared for the victory and many were left without water for years following the protests (PBS, 2002).⁸

⁸ <http://www.pbs.org/frontlineworld/stories/bolivia/timeline.html>