

World Water Day, 22nd March 2006

Be Part of the Solution, Not the Problem

As World Water Day is once again being marked in our calendar, there is not much cause for celebration. The grim reality is facing the world starkly: One billion people remain without access to clean drinking water and 2.6 billion without adequate sanitation (UN World Water Development Report, 2006). Yet, world leaders and key international institutions can not find a single voice to address this. The nearest would be the commitment to reach the Millennium Development Goal (MDG) of halving the proportion of the population without access to water by 2015 but how to get there is still hazy.

There is one road, though, that has been touted by economic managers and leaders to be *the* way to go – privatization. The past decade has seen an aggressive move on the part of North governments and international financial institutions to push for an increased role of private companies to deliver crucial services. This is true not only for developed countries but for developing states as well, with the latter's citizens bearing the most burden. On top of the list of services that the private companies ventured into is water, a sensitive service that affects the poor the most. In all of Asia, private companies have established their presence in a grand manner through entering into big contracts with governments to deliver water to the population. Majority of the water companies involved in this global enterprise is European, and these companies operate in countries that sorely need water. Taken all together, the top three big water companies (Vivendi, Suez Lyonnaise des Eaux and RWE-Thames) cover almost the world with their presence in more than 130 countries with a customer base of over 120 million.

With the financial backing of key financial institutions such as the World Bank, Asian Development Bank (ADB) and the European Investment Bank (EIB), it was practically effortless on the part of the private companies to enter the market and displace public providers. Suddenly, the most pressing issue of revitalizing public provision of water services was no longer in the agenda. Yet the reality is that the only conceivable mode through which majority of the world's people can get their water is through direct public provision. It would be a truly worrisome thing if the World Bank, EIB and ADB would only succeed in creating markets for transnational water companies due to the failure of public companies.

Experiences of Asian countries show that privatization has not come close to its promise of universal access to water; instead, it has made water service even more inaccessible to the poor with its high connection fees and tariff rates as in the case of the Philippines, Indonesia, India and other countries in Asia. Areas with low revenue potential are the last to be served by private companies; ironically, these are the places where the poor reside. It comes as no surprise,

then, that the poor's access to water is tied to their ability to pay, thus forcing them to use unsafe and unclean water to the detriment of their health. There were even reported cases of water-borne sickness due to unclean water delivered by these private companies as was the recent case in Manila, Philippines. In other Asian countries, private companies that are into the business of bottled water deprive farmers and consumers of their water through heavy extraction and use of groundwater, as in the case of India and Indonesia.

Consumers in Asia have not given these private companies a good mark in their report cards. Despite their poor and in some cases, dismal, performance, these companies continue to get support and encouragement from European governments through the European Commission. Bilateral negotiations between Asia and Europe are done for and in behalf of these private companies to get market access in important industries. The most important of these negotiations so far is the General Agreement on Trade in Services (GATS) where water and sanitation is one sector that European companies want their Asian counterparts to further liberalize. For many Asian countries, this would entail changing their laws and Constitution to accommodate this.

This kind of pressure from the North countries coupled with the dangling of more investments leave the developed countries with little choice but to open up their markets to these private companies. Regardless of the consequences, North countries fully support these private companies with commitments of access to loans and subsidies. Little, if not, no accountability is exacted from private companies by North countries when they do business overseas. In Asia, private companies are not models of good behavior when it comes to practicing standards and principles of environmental protection, sustainable development and transparency. When this happens, North governments and international financial institutions that extend support become unwitting accomplice to the practices of private companies when they turn a deaf ear to the complaints of consumers.

As consumers and the poor in Asia continue to pay the high price of privatization of water services, we, Asian organizations and individuals, call on the European governments, European Commission and European Parliament to:

1. Subject its privatization policy on water services to a thorough review with due consideration of experiences of Asian and other countries;
2. Stop extending any new loans, subsidies or any other support to private water companies related to their projects overseas while review is ongoing;
3. Exact responsibility from private companies and transnational corporations by subjecting them to higher standards of efficiency, transparency and accountability for their projects overseas; Investments and loans extended to these private companies have to be tied to conditions that they follow

- these standards strictly, otherwise, pay reparation to affected communities; Contracts and agreements should also be publicly disclosed to allow scrutiny by stakeholders and consumers
4. Channel support, instead, to the public sector of South countries to enable them to provide services to its citizens, subjecting them also to higher standards of efficiency, transparency and accountability so as not to repeat past mistakes of public water companies;
 5. Exclude water services from any trade negotiations and exhort member governments to respect the right to water of the poor and marginalized communities through policies that do not trample on citizens' rights to decide on the mode of delivery of these services

We urge you to listen to the Asian peoples and together, let us build a world that is more humane and equitable.

Signed:

(Please write complete name of organization and country of origin when signing in behalf of the organization. If signing on as individual, also signify country of origin. Thank you.)

Abdulhalim Fundreimayum – India
Alternate Forum for Research in Mindanao (AFRIM), Inc. – Philippines
Association of Major Religious Superiors in the Philippines (AMRSP)
BanglaPraxis - Dhaka, Bangladesh
Center for Environmental Law and Community Rights Inc. (CELCOR)/ Fiends of the Earth - Papua New Guinea
Coastal Development Partnership - Bangladesh
Community Development Library - Bangladesh
CONVERGENCE FOR COMMUNITY CENTERED AREA DEVELOPMENT - Philippines
Councilor Peter Lavina, Davao City, Philippines
Dr. Robin Stevens, SANSAD - New Delhi, India
EarthRights International (Southeast Asia) Thailand
Focus on the Global South – Philippines
Forum Air - Sulawesi Selatan, Indonesia
Freedom from Debt Coalition – Philippines
Friends of the Earth - Hong Kong
GITIB, Inc. - Mindanao, Philippines
Hemantha Withanage, Sri Lanka
Institute for Global Justice (IGJ) - Jakarta, Indonesia
Institute for Popular Democracy, Philippines
Intercultural Resources - New Delhi, India
Jubilee South – Asia Pacific Movement on Debt and Development (APMDD)
Jude Esguerra, Philippines
KontraS - Indonesia
Maitet D. Pascual, Philippines
Management and Organizational Development for Empowerment (MODE) - PHILIPPINES
Nazeer Essani, Hyderabad Sindh, Pakistan
PAMBANSANG KOALISYON NG KABABAIHAN SA KANAYUNAN WATER CLUSTER - PHILIPPINES
Participatory Development Initiatives [PDI] - Karachi, Pakistan

Partnership for Agrarian Reform and Rural Development Services - Philippines
PATTAK - Progresibong Alyansa ng mga Tagapagtangkilik ng tubig sa Kamaynilaan (Progressive Alliance of Water Consumers in Metro Manila) - Philippines
Public Services Labor Independent Confederation (PSLINK) - Philippines
REAPS Foundation Inc. - Philippines
River Basin Friends - India
Rural Volunteers Centre - Assam, India
Teresita Camacho, Philippines
VOICE - Dhaka Bangladesh
Walhi - Indonesia
Walhi Riau, Indonesia
Water & Environment Desk, Forum for Conflict Resolution - Hyderabad, Sindh, Pakistan
Water Commons Institute, Philippines
Yayasan Merah Putih Palu - Central Sulawesi, INDONESIA
Yayasan Nadi - Jakarta Indonesia
YPSHK - Sulawesi Tenggara, Indonesia
Vikas Adhyayan Kendra – Mumbai, India