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Activists Urge Referendum on Water

by Guest

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Amid the campaign that will end Oct. 31 with the election of a new president (see NotiSur, 2004-07-23), Uruguayans are engaged in a national debate regarding a referendum on adding a clause to the Constitution to make the state the sole owner of the country's water and prohibit the privatization of water management. The clause proposed by the Comision Nacional de Defensa del Agua y la Vida (CONADAV) would state that surface and subsoil resources "form part of the state public domain" and that sanitation and water service "will be provided exclusively and directly by state agencies."

Anti-privatization tradition CONADAV, which was established by the Federacion de Funcionarios de Obras Sanitarias del Estado (FFOSE), the union of state water utility employees, consists of the PIT-CNT trade union, about 30 nongovernmental organizations (NGOs), the leftist Encuentro Progresista-Frente Amplia (EP-FA), and political and social leaders of various stripes. If 50% or more of country's voters opt for the change, the privatization process begun in 2001 by the government of President Jorge Batlle would be nullified.

According to the proposed text, the cancellation of privatization contracts "will not create the right to any indemnity for damages for loss of profits," and private concession holders will only be reimbursed for "unpaid investments." "The water situation is serious all over the world, and we know of no case in which privatization has improved the quality of life.

On the contrary, it is accompanied by greater social marginalization, greater insecurity for the poor, higher rates, and environmental damage," said FFOSE general secretary Carlos Sosa.

"The philosophy behind our proposal can be summed up like this: where there is no water, there is no life. Water should be seen as a social commodity that must be available both in places where it is profitable to invest and places where it is not, to people who can afford to pay for it and those who can't," said Adriana Marquisio, vice president of FFOSE.

The idea of creating CONADAV arose in July 2002 among residents of the coastal area east of Montevideo, in the department of Canelones. The government had proposed granting a water concession in the area, as it had done a year earlier in the exclusive beach resort of Punta del Este and the department of Maldonado. "The people here knew what had happened with the Spanish companies Uragua y Aguas de la Costa in Maldonado, where they provide poor service at a rate 10 times higher than in the rest of the country. Just a few months earlier, water contaminated with E.coli bacteria got into the system, which forced the state water system to recommend that people boil their water before using it," Sosa said.



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FFOSE proposed the idea to local residents, who joined them to form CONADEV and seek additional support. They immediately drew a positive response from the trade union, student associations, community and environmental groups, and the EP-FA, as well as Sen. Jorge Larranaga, who is now the presidential candidate for the Partido Nacional (Blanco).

Constitutional reform likely to pass

The constitutional-reform proposal, drawn up by lawyer Guillermo Garcia Ducchini and reviewed by well-known legal experts, would add a clause to Article 47 of the Constitution stating: "Surface water, as well as subterranean water that is part of the hydrological cycle, except for rainwater, constitutes a one-time resource subordinated to the common interest, which forms part of the state public domain as the Hydraulic Public Domain."

Ridiculing the proposal, former President Julio Maria Sanguinetti (1985-1990, 1995-2000) of the right-wing Partido Colorado said, "With this reform, the left wants Uruguay to be known as the country that nationalized rain and springs." The reform would also include a special clause stating that privatized services reverting to the government "will not generate an indemnity for damages for loss of profits." In other words, Uragua and Aguas de la Costa, which are subsidiaries of Aguas de Barcelona and Aguas de Bilbao, would receive no payment for damages because of the cutoff of the 30-year concession that the government had granted them.

"This is truly revolutionary. Amid the global water crisis, Uruguay will be the first country to establish that only the state can own and manage this essential resource," said Sen. Rodolfo Nin Novoa, vice presidential candidate for the EP-FA, the party that is leading in the polls. To put the issue on the ballot, CONADAV submitted 282,776 signatures slightly more than the number required by law to the General Assembly. The signatures were gathered in door-to-door canvassing, at tables set up in streets and other public places, and among Uruguayans living abroad. Uruguayans have a long tradition of opposition to privatization.

In 1992, 72% of the country's voters rejected a plan to privatize state-run companies (see Chronicle, 1993-01-07). In December 2003, 62.3% opposed the privatization of the ANCAP petroleum company (see NotiSur, 2003-12-19). Nevertheless, government officials have taken steps to partly privatize state enterprises. The backing of the Frente Amplia and Larranaga whose support remains strong despite opposition from his party's right wing and those who are likely to be his allies in a runoff election appears to guarantee that the constitutional reform will pass.

"We can be fairly sure that in October, Uruguay will make the state the constitutional owner of all of the country's water," pollster Cesar Aguiar said.

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