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Movement to Nationalize Water Gains Ground in Chile

by LADB Staff

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As climate change, pollution, and industrial consumption place increasing pressure on Chile's freshwater supply, a growing chorus of voices is beginning to demand serious reform to the country's privatized water system, first instituted during the dictatorship of Gen. Augusto Pinochet (1973-1990). Critics point to numerous water-based conflicts to argue that the current system of privately owned usage rights favors the interests of large corporations particularly mining and energy companies over the needs of regular citizens. "

Evidence that Chile's many glaciers are rapidly receding suggests that, in the years to come, the country's "water wars" are only likely to intensify. In Chile's mineral-rich desert north, mining companies are sucking up what little water exists and leaving rural communities like Quillagua in Region II quite literally high and dry. In the central and southern parts of the country, note observers, the system has allowed monopoly-level concentrations of water rights in the hands of just a few energy companies, a situation, they say, that leaves both consumers and the environment at risk.

Problems began with Pinochet-era laws

The origins of the problem, say groups like the recently formed Frente Amplio para la Nacionalización del Agua (FANA), lie in the Pinochet-era Constitution and Water Code, implemented in 1980 and 1981, respectively. The Constitution says, "The rights that individuals have over water...gives the holders ownership [of those rights]." The Water Code, in turn, defines the country's freshwater resources as "a national good to be used publicly and over which private individuals are given usage rights."

Together the two documents paved the way for what some describe as the world's most liberal water market. The Water Code separated water from land rights, establishing the former as private property that can be bought, sold, traded, and even inherited. It also created a separate category of water rights called "nonconsumptive," designed specifically to promote investment in hydroelectricity production. "It's an especially pure, extreme expression of one theoretical approach to water problems, which is to use market forces," said Carl Bauer, a University of Arizona professor and expert on the Chilean water system. Through the years the system has attracted an influential fan base.

In the early 1990s, explained Bauer, the World Bank actively promoted it as a "textbook case of the right way to do things," a model of efficiency that has been particularly successful at attracting private investment. But by relegating the government's Dirección General de Agua (DGA) to a purely administrative role, the Water Code undermined the state's ability to properly regulate and thus resolve issues related to competition and environmental degradation, according to Bauer. "The people who benefit are basically the ones who are rich and powerful enough to get things

their way regardless of what the law says," he said. "And as far as the public interest both issues of environmental sustainability and social equity and fairness it isn't well-handled."

Calls for state control of water

FANA, launched last September by a coalition of left-leaning politicians, church leaders, environmentalists, and indigenous groups, insists the only way to address those major shortcomings is by reasserting state control of the resource. Under the campaign slogan "Recuperemos el Agua para Chile" (Let's Get Chile's Water Back), the Frente is pushing for a constitutional reform that would codify the state's "absolute, exclusive, inalienable, and permanent control of all the nation's continental waters," thus giving the government authority to expropriate water rights as it sees fit.

"The idea is to change what Pinochet did, which was to privatize water rights, and re-establish what already exists in the rest of the world, where water is a national good for public use, where it's not private but instead belongs to society as a whole," Guido Girardi, one of four senators involved in the FANA campaign, told LADB. FANA's re-nationalization movement appears to be gaining ground.

In late April, the group convened in Santiago for a seminar attended by, among others, former French first lady Danielle Mitterrand, an international advocate for public access to water. "Water cannot be a source of wealth for certain people or certain private sectors. Water belongs to everyone. It's a common good for all humanity. Everyone should have the right to access this resource," she said.

Water enters political campaigns

The issue has also been present in this year's presidential contest. Candidate Alejandro Navarro, a senator from the nascent Movimiento Amplio Social (MAS), has made water nationalization a central part of his platform, as did more-mainstream candidate Jose Antonio Gomez, president of the Partido Radical (PR). Navarro's momentum is waning, and Gomez recently dropped out of the race. But a third FANA supporter, 35-year-old Partido Socialista (PS) Deputy Marco Enríquez-Ominami, vows to continue campaigning even though his party has already endorsed another candidate, former President Eduardo Frei Ruiz-Tagle (1994-2000).

A recent poll suggests that support for the controversial but charismatic Enríquez-Ominami is surging and now stands at approximately 14%. While FANA's message is certainly appealing, particularly for members of the Chilean left, the call for renationalization of the country's freshwater has been met with a healthy dose of skepticism, not only from right-wing politicians but also from people who are admittedly "sympathetic" to the concept. "It's good that the issue is being addressed. And it legitimizes the work of those of us who've raised the subject before. But I'd like to see a more serious effort made in how they actually propose it be done," said veteran environmental activist Juan Pablo Orrego, head of Ecosistemas, a Santiago-based nongovernmental organization (NGO).

The task is admittedly easier said than done, explained Orrego, who insists there is little willingness within either of Chile's two dominant political coalitions the center-left Concertacion and right-wing Alianza to expropriate water rights from the corporate giants that drive Chile's economy.

Carl Bauer, though critical of the current system, agrees. "I understand and I have some sympathy for the reasons behind the argument, the notion that the water law went too far in the privatizing direction. I agree with that. But the proposal to renationalize seems completely impossible to do," he said. "It's so clear that water rights are constitutionally protected, that the only way to renationalize water would be, at an absolutely prohibitive cost, to compensate the people whose property rights would be taken or reduced," Bauer added. "It would be impossible to pay that amount. The Chilean government doesn't have that money, or wouldn't make it available."

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