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Privatization a Central Issue at Two Water Forums in Mexico City

by LADB Staff

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The Fourth World Water Forum (WWF) in Mexico City on March 16-22 considered a number of solutions to a pending global water crisis, but the most controversial issues were discussed outside the Centro Banamex convention center at an alternative forum and other events. Thousands of delegates from 121 countries attended the WWF, including government officials, hydrologists, engineers, and business representatives.

The Mexico City event followed three similar gatherings organized by the World Water Council (WWC) during the past 12 years. The first was in Marrakech, Morocco, in 1997, followed by The Hague, Netherlands, in 2000, and Kyoto, Japan, in 2003.

The WWC was created in 1996 to respond to increasing concerns about global water issues. "By providing a platform to encourage debates and exchanges of experience, the Council aims to reach a common strategic vision on water resources and water services management amongst all stakeholders in the water community," the WWC said on its Web site. "In the process, the Council also catalyses initiatives and activities, whose results converge toward its flagship product, the World Water Forum."

Critics say the forums have done little to improve the global water situation and have tended to promote a capitalist, infrastructure-oriented model rather than taking a grassroots approach to the problem. "The WWC is dominated by the World Bank, the large corporations, and the water ministries from the First World," said water-rights advocate Maude Barlow, honorary president of the nongovernmental organization (NGO) Council of Canadians.

As an alternative to the WWF, a coalition of NGOs organized the International Forum for the Defense of Water, held in part at the Centro Medico in Mexico City. Organizers conceived of the alternative conference after the last forum in Kyoto failed to address concerns surrounding water delivery to the public. "There was hardly any attention paid to public water experiences, public delivery, or even reforms to make [public control] operate more effectively," said event organizer Olivier Hoedeman of the Amsterdam-based Corporate European Observatory. "[Instead], the focus was...on how to expand the role of the private sector."

But even the WWF adopted a different approach in Mexico City from its approach in Kyoto, taking a step back from privatization and instead endorsing local solutions. "Let's finance infrastructure for the 50 countries most in need and the 20 poorest megacities through a more intense donation policy," said Loic Fauchon, president of the council, in his opening speech last week.

Bottled water in heavy demand

The WWF's decision to veer in a different direction is a stark contrast to its recent policy of endorsing private management of municipal water systems. The trend during the 1990s was for local governments to cede control of local water systems and other government programs to foreign private companies, which promised to make significant investments to upgrade infrastructure. The private entities then sought to recover their investments by raising rates, which angered residents and caused widespread protests in countries like Bolivia (see NotiSur, 2000-10-20). In some instances, national and local governments have moved to resume control of water systems. In other cases, companies have abandoned the water projects willingly. "The companies have lost tons of dough and tons of respect," said David Boys, a water-policy expert with the Public Services International (PSI) labor federation. "They are pulling out."

The move by various governments to retake control of water-distribution systems has focused attention on another aspect of privatization: the explosion in the use of bottled water around the globe. Municipal water systems in many cities remain inadequately funded, resulting in the distribution of poor-quality and contaminated water. This has forced more and more people in poor countries to spend a large share of their limited income on bottled water.

A recent study by US-based Earth Policy Institute (EPI) indicates that sales of bottled water tripled in India between 1999 and 2004 and doubled in Indonesia during the same period. A similar pattern is found in China, which saw an increase of 250% in that five-year span. Large multinational food and beverage companies, including Coca Cola, Danone, Nestle, PepsiCo, and Cadbury, supply much of the bottled water consumed around the globe. "It's in some way sort of a stealth privatization," said EPI research director Janet Larsen.

The trend is most evident in Mexico, which has become the second-largest consumer of bottled water both in volume and per-capita consumption. Only the US consumes a greater volume of bottled water than Mexico, while Italy ranks first in per-capita consumption. "The bottled water sold in our country has become a business for just a few companies," said Homero Aridjis, founder of the Mexican environmental advocacy organization Grupo de los Cien. "This includes Coca-Cola FEMSA, the company where President Vicente Fox was employed for 30 years."

Aridjis also noted that Fourth WWF co-organizer Cristobal Jacquez previously served as president of Coca-Cola FEMSA. Jacquez is currently director general of the Comision Nacional de Agua (CNA). Some critics say governments bear much responsibility for the trend. "The problem isn't that these [bottling] companies are supplying people" with water, said Javier Bogantes, director of the Latin American Tribunal, which also organized events parallel to the WWF conference. "The question is, given that governments have invested millions of dollars in water-treatment and distribution systems, why aren't they supplying the population?"

Water tribunal defends rights of local communities

The events organized by the tribunal, which is based in Costa Rica, sought to show the failure of governments to enact responsible water policies, including cases where water projects have caused damage to the environment or infringed on the rights of indigenous or local communities. To

publicize these cases, the tribunal conducted "mock trials" at the former Convento de Corpus Cristi. The tribunal was forced to move its gathering to the former Convento after its permit was revoked by the Museo Nacional de Antropología e Historia.

In particular, the tribunal sought to bring attention to the proposed construction of the controversial La Parota hydroelectric dam in Guerrero state, which intends to bring electricity to a wide area in western Mexico, including Acapulco (see SourceMex, 2005-09-15). The project also involves flooding 17,000 hectares, which will directly affect many communities in the state.

The mock trial illustrated a fundamental difference between those attending the Banamex Center and those outside. "Africa must invest in water and hydroelectric infrastructure in the long term to eradicate poverty," Haoua Outman Djame, the water minister of Chad, told participants at the WWF forum. "Take away your big dams, these are the wrong futures," said Canadian activist Barlow. "[Big dams] are very much about displacement of people, displacement of indigenous people, displacement of farmers."

Another source of tension between the WWF and participants in the alternative forum was the failure of delegates inside the Banamex Center to include a declaration in their final conference resolution that would specify access to water as a basic human right.

In contrast, the International Forum in Defense of Water issued a declaration that, among other things, demanded universal access to a daily minimum quantity of clean, free water. (Sources: World Water Forum, www.worldwaterforum.org; World Water Council, www.worldwatercouncil.org; Tribunal Latinoamericano del Agua, www.tragua.com; El Diario de Mexico, 03/01/06; Milenio Diario, 03/06/06; The Chicago Tribune, 03/16/06; Notimex, 03/01/06, 03/19/06; Spanish news service EFE, 03/05/06, 03/11/06, 03/18/06, 03/19/06; La Crisis, 03/10/06, 03/14/06, 03/16/06, 03/20/06; The New York Times, 03/16/06, 03/20/06; Associated Press, 03/16/06, 03/18/06, 03/20/06; Reforma, 03/01/06, 03/03-06/06, 03/08/06, 03/09/06, 03/12-21/06; Reuters, 03/15/06, 03/21/06; El Universal, 03/01-03/06, 03/07/06, 03/09/06, 03/10/06, 03/13-17, 03/20-22/06; La Jornada, 03/02/06, 03/04/06, 03/06/06, 03/15-17/06, 03/20-22/06; The Herald-Mexico City, 03/03/06, 03/12/06, 03/16/06, 03/17/06, 03/20-22/06; La Cronica de Hoy, 03/10/06, 03/16/06, 03/20-22/06; El Financiero, 03/10/06, 03/16/06, 03/17/06, 03/20-22/06; El Economista, 03/10/06, 03/13-15, 03/17/06, 03/20-22/06; Agencia de noticias Proceso, 03/15-17/06, 03/20/06, 03/21/06)

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