Water Tensions and Water Conflicts: 'Merchandising Water', the Catalyst

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In May 2000, Fortune magazine stated that, in a world fleeing the vagaries of technology stocks, the water industry is the best investment for the century. The World Bank places the value of the current water market at close to $1 trillion. With only 5 percent of the world's population currently getting its water from corporations, the profit potential is unlimited. Water from a fundamental right and necessity for survival has become a product of profit in the market.

Over the last decade the presence of private agents in the provision of water for different uses has been on the increase worldwide. The presence of private players in this area is by no means new. Lyonnaise des Eaux, which began providing water to Lyon in 1880's has been a private company and Compagnie Generale des Eaux that began business in privatized water in France were private companies for long, with the latter having been privatized by imperial decree as far back as 1853.

However, it was in the 1990s that the view that private support in water provision is crucial and needs to be promoted has gained currency. This has paved the way for aggressive merchandising of water, with private companies taking control of water distribution in more and more countries and water itself emerging as a full-fledged commodity packaged in bottles that are branded and sold as a consumer goods.

Rapid Merchandising of Water

In the event, giant transnational water, food, energy and shipping corporations were, and are, still lining up to take advantage of the world's water shortage, water pollution and lack of water quality. They began acquiring control of water through the ownership of dams and waterways; the development of new technologies such as water desalination and purification; control over the burgeoning bottled water industry; the privatization of municipal and regional water services, including sewage and water delivery; the construction of water infrastructure; and water exportation.

The 'water industry', a relatively ignored 'industry' till the 1990's in terms of investment, had corporations with varied business interests resorting to mergers and takeovers with already existent water companies. Suez, the largest water company of today, was created by the merger of Compagnie de Suez with Lyonnaise des Eaux in 1997. Vivendi, the second largest emerged from the merger of Seagram's Universal media business with Compagnie Generale des Eaux of France in the 1990's. Thames Water, created in 1989 was acquired by the leading German utility, RWE for U.S$ 10 billion to be its water division

Suez and Vivendi, both Paris based companies, are the largest water companies in the world. The two corporations together had roughly a turn over of 22 billion dollars in 2001, serving 223 million consumers across all the continents. Suez has its largest markets in Europe, South America, Asia and the Pacific. Vivendi has a similar presence in the world water market with Europe and the Middle East as its largest markets. The principal markets for the above corporations combined were Europe and the Middle East (121 million consumers), followed by Asia (57 million consumers) and then South America (34 million consumers). Vivendi merged with Seagram's Universal media business, emphasising how multinationals with investments in diverse sectors view the water market as just another market and just another source of profit.

A number of large pipeline and energy and electricity companies have entered the water field, which promises great profits from what is termed "convergence"- the prospect of a single company carrying natural gas, water and electricity to millions of customers on a for-profit basis. General Electric has joined forces with the World Bank and investment speculator George Soros to invest billions of dollars in a "Global Power Fund" to privatize energy and water around the world, according to the Guardian Weekly**.**

Enabling Factors of the 90's for the Rapid Merchandising of Water.

Two factors have contributed to the process of privatization: (i) the growing acceptance of privatization of public services as an effort to increase their delivery and quality; and (ii) the institutional backing of the World Bank and the IMF for privatising water services.

The inefficient water distribution systems and water management capabilities of countries have certainly contributed to the scarcity as well as the sub-standard quality of water in many countries, resulting in an increase in diseases stemming from the lack of access to clean water. As an attempt to rectify the same, most of these governments are applying the 'in-fashion' and 'any- sector' solution of privatization to their water distribution and water management infrastructures.

In the late 80's and 90's, even in the developed countries the infrastructure for delivery of public services were considered below par. During the Thatcher-Regan era, privatization of the delivery of public goods was considered efficient, beneficial and inevitable politically, economically, and institutionally. This logic percolated into the other developed countries and their institutions, particularly the IMF and the World Bank. These institutions soon had the developing countries embarking on such a policy of privatization of their public services.

All the governments who have done so have not embarked on such a process on their own initiative. In July 2001, the World Bank approved a new $110 million structural adjustment loan for Ghana. Before disbursing the loan, however, the Bank forced the government of Ghana to implement seven "prior actions," including a requirement to "increase electricity and water tariffs by 96 percent and 95 percent, respectively, to cover

operating costs. " The effort to attain "full cost recovery" is a prerequisite to privatization. Private companies want to operate systems where consumers meet the expenses of running the systems and pay enough for company profits, too.

Pressured by the World Bank, the government of Ghana plans to lease the Ghana Water Company to two as yet undetermined multinational water companies to provide urban water service. The World Bank included water privatization as one of many conditions that determined the extent of Ghana's access to the portfolio of loans in the World Bank's Country Assistance Strategy (CAS). The effort to privatize has so far not taken off due to resistance from civil society organized under different fronts. Despite reason for skepticism about water privatization and increased cost-recovery schemes, the World Bank and IMF are pushing full-steam ahead with these measures.

The Ghanaian case is representative of an increasingly common policy recommendation of the World Bank, along with the International Monetary Fund (IMF), to increase consumer fees for water and sanitation and to force privatization of water utilities.

In many countries, World Bank officials have concluded that public sector ownership of the water utilities is too costly and inefficient while the sale of water utilities and other public enterprises can provide quick resources to service developing country debt. "Effective water resource management requires that water be treated as an economic good," the World Bank asserts on its website, explaining that "private participation in water and wastewater utilities has generally resulted in sharp efficiency gains, improved service, and faster investment in expanding service."

In 1998, the World Bank refused to guarantee a $25 million loan to refinance water services in Cochabamba, Bolivia, unless the government sold the public water system to the private sector and passed the costs on to consumers. Bolivia, one of the poorest countries in the world, finally acquiesced. Only one bid was considered, and the company was turned over to Aguas del Tunari, a subsidiary of a conglomerate led by Bechtel, the giant San Francisco engineering and construction company.

A review of IMF loan documents in 40 countries reveals that, during 2000, IMF loan agreements with 12 borrowing countries included conditions imposing water privatization or cost recovery requirements, the prerequisite for privatization.

At the same time, governments are signing away their control over domestic water supplies by participating in trade agreements such as the NAFTA; its proposed successor, the Free Trade Area of the Americas (FTAA); and the World Trade Organization (WTO). These global trade institutions effectively give transnational corporations unprecedented access to the water of signatory countries.

Already, corporations have started to sue governments in order to gain access to domestic water sources. For example, Sun Belt, a California company, is suing the government of Canada under NAFTA because British Columbia (B.C.) banned water exports several

years ago. The company claims that B.C.'s law violates several NAFTA-based investor rights and therefore is claiming $10 billion in compensation for lost profits.

With the protection of these international trade agreements, companies are setting their sights on the mass transport of bulk water by diversion and by supertanker. Several companies are developing technologies whereby large quantities of freshwater would be loaded into huge sealed bags and towed across the ocean for sale. Selling water to the highest bidder will only exacerbate the worst impacts of the world water crisis.

WATER TENSIONS: DEVOID OF INFLUENCE OF THE COMMERCIALISATION OF WATER

Water tensions have existed even before the rapid commercialization of water. 'Peaceful-neighbors' have always been an oxymoron. But when it is a question of sharing water from a single water source, like a river or aquifer that lies within a single country, with many countries as claimants, tension truly describes the relationship among them.

The sources of water, which are at a premium with rising scarcity and increasing demand, sadly do not respect national boundaries. Peaceful relations as well as allies of the past are forced into confrontation over the questions of sharing, rights of usage and increasing claims of ownership. Most countries share a portion of their water supplies with one or more countries. As water has become limited, tensions have risen among neighbors. The social, political and economic impacts of water scarcity are rapidly becoming a destabilizing force, with water-related tensions springing up around the globe.

For example, India and Bangladesh have argued over the rights over the usage of the waters of the Ganges since the early seventies when India built the Farraka Barrage. The purpose of it was to maintain the commercial viability of the Kolkata port. But it drastically cuts down the water available to Bangladesh in the dry months. This has led to increased tensions between the two countries. Tensions between India and Pakistan are known the world over for a variety of reasons, but less well known is that within them also lies the problem of sharing the waters of the river Indus.

Tensions exist between Turkey, Iraq and Syria. Turkey, the source of nearly all of Euphrates has been accused by Iraq and Syria, its downstream neighbors, of building dams and irrigation projects depriving them of water. While these two want the waters to be shared equally, Turkey believes it has the right to a larger share because of its larger population.

Israel and Palestine have issues of independence to solve but equally contentious is the issue of water which features in the peace talks. The water from its mountain aquifer is the main source of contention.

Nile is the major source of water for Egypt with 98% of its water needs met from it but 85% of the water of the Nile originates from Ethiopia and also flows through Sudan before it reaches Egypt. Both these countries are building dams that could affect the supply of water to Egypt. Egypt has threatened to go to war if its water supply is affected. Also in Africa, relations between Botswana and Namibia have been severely strained by Namibian plans to construct a pipeline to divert water from the shared Okavango River to eastern Namibia

Water tensions also exist between the United States of America and Mexico over the sharing of the waters of Rio Grande**.**

Water tensions are not restricted between nations alone. In nations with a federal structure of power, conflicts over the distribution and usage of water during different times of the year are a constant irritant and source of tension. For example one does not have to go far. In monsoon dependent India, the Cauvery river water dispute involves the states of Tamil Nadu, Karnataka and Kerala. The Krishna river water issue involves the states of Andhra Pradesh and Karnataka. These issues have resulted in tensions between these states as well as sporadic mob violence. With almost all the rivers in India running through many states and each dependent on them, the potential for conflict is high . Recognising this the Supreme Court of India, has asked the Central Government if they could transfer the control of rivers from the State list (over which the state has exclusive decision making power) to the Central list, over which it has exclusive jurisdiction.

Thus, the decreasing availability of water combined with the fact that the primary sources of water for a country or a region lie beyond its national or regional boundaries have resulted in tensions within and between countries. But these sources of water tensions are completely unrelated to the merchandising of water and are not of specific interest to the purpose of the paper**.**

WATER TENSIONS: A RESULT OF THE MERCHANDISING OF WATER

Merchandising of water results in economic, social and political-economic effects that reflect themselves in increasing tensions between and within countries. This article will evaluate each of the effects in terms of tensions that emerge over water. But before that one would have to consider the particularities of water as a merchandised product, which distinguishes it from the others as well as the profit particularities of the water market that entices diverse corporations to enter it.

Particularities of water as a merchandised product

1) The increasing scarcity of water.

Water is finite in availability on our planet. In terms of natural availability, more than 97.5 per cent of the world's water lies in the oceans too salty to drink. Of the 2.5 percent fresh water available only 0.5 percent is accessible. In other words, more than 2 percent

of the fresh water supply of the planet is simply inaccessible- frozen in the poles, buried deep underground or hidden in remote rivers and streams. Taking this too into account, available freshwater amounts to less than one-half of 1 percent of all the water on earth. But the above statistics of availability are devoid of the influences of contamination, pollution and other human contributions shrinking the supply of drinkable water further.

The decreasing supply of water arises from the meager absolute natural endowments of water the earth is blessed with as well as from the meager natural endowments relative to increasing growth of population, and their increasing demands for use and misuse.

During the last fifty years, human population has increased by 240 percent to 6 billion people. By 2050, human population is estimated to be at 9 billion people. Global consumption of water is doubling every 20 years, more than twice the rate of human population growth. According to the United Nations, more than one billion people on earth already lack access to fresh drinking water. By 2025, if the current trends persist, the demand for freshwater is expected to rise to 56 percent above the amount currently available.

This demand for water needed for the mere purposes of survival is compounded by the need of water for industries, agriculture, livestock maintenance and other activities .

Thus, with water being the essence for human survival and a necessity for carrying out all human activities, there can be no decrease in the demand for water, not even a slump but only an ever-increasing demand. This holds sadly true with the running down of its finite supply. In other words, scarcity of water is continuously increasing.

'Scarcity' is a term often associated with the developing world, be it food, medicines, schools etc. But when it is a matter of water scarcity, the developed world and the developing world equally suffer. North America (New Jersey, Carolinas, Texas) is facing the problems of water shortages just as the people of Asia, Africa and Latin America.

The scarcity arises in both the developed and the developing world, not just because of decreasing water availability from the sources of water supply, but also due to the inefficient working of the water supply system. The water distribution system remains inefficient, more so in the developing world. Further with intensive urbanization, deforestation, water diversion and industrial farming, water available in cities and villages suffer from lack of quality and irregular supply.

Continuously increasing scarcity, defines the status of the global water situation. In short, water is becoming globally scarce in availability and where available, further scarce through misuse, poor water management and inefficient distribution system.

2) Emergence of a Elite Clientele for Water

A striking feature of economic globalization is the widening gap between rich and poor; an entrenched underclass is being created between regions and within every society in the world. The 2000 United Nations Human Development Report says that the disparity in the level of income between the top 20 percent and the bottom 20 percent of the world's population is 150:1 and has doubled in the last 30 years. The richest fifth of the world's people consumes 86 percent of all goods and services, while the poorest fifth consumes just over 1 percent.

This increased global inequality in income between nations and within nations is reflected in the emergence of elite markets for water that are willing to pay high prices for efficiently deliverivered, quality water , that encourages water corporations to divert water from less profitable markets to them. More often than not, the water is sold where the price obtained is the maximum. In other words, the poor gets left out in the 'purchasing power' measure of markets between nations and within nations.

3) The Product with a Universal Market.

Unlike the markets for other products which get restricted by individual tastes, preferences, choices etc., the necessity of water for survival makes it one with a universal market, inclusive of all human beings alive, that can be potentially penetrated for profit through product and market differentiation.

4) The Product devoid of an expiry date and minimum marketing expenses

The problems of the product being outdated, spoilt or obsolete are irrelevant when the product in consideration is water. Further, the cost needed to entice consumers in order to make a sale to the 'universal market' in terms of advertising costs, packaging designs, actual product differentiation are minimal due to the absolute necessity of the product for survival.

The Profit Particularity of the Water Market- The Temptation for TNC's

The global contexts of demand and supply for water results in a water market that is characterized by a continuously increasing scarcity of the product and by an uncompromisingly increasing demand for the product. These two forces work to create a continuous upward tendency in the price of water as a product .

This tendency for the price of water as a commodity to increase is further enhanced by the existence of a 'few' consumers relative to the total world population, whose contribution is large in terms of market value, who are able and willing to pay exorbitant amounts to secure safe drinking water for consumption. This particular characteristic is reflective of the global situation of increasing global inequality.

Further, the product of water is available at no cost, as will be explained later, or with minimal costs of property rights. This makes the profits obtainable from the merchandising of water phenomenal, both in terms of revenue-cost percentages as well as in terms of a sustained assured market.

Thereby, we have a market whose product would never face a lack of demand but rather a continuous increase, a product that is increasingly getting scarce, one that has an elite and a substantial market capable of paying exorbitant prices and one whose product has minimal or no cost. In short, the market is one for enormous and growing profits.

When profits sound as they do here in the water market, transnational corporations are bound to be desperate to get a foothold in the market utilizing institutional backing, political-economic relations, geo-political standing and even corruption. Usurping the profits and preventing other transnational corporations from doing the same is all that matters to the one already with the foothold in the market.

With this understanding of the water market and the profit potential it offers, the effects of merchandising of water can be discussed in detail.

The Economic Effects of Commercialisation

1) A staggering increase in prices for water available through the privatised distribution system.

The privatization of municipal water services around the world has a terrible track record. Since water services were privatized in France, customer fees have increased by 150 percent. Public Services International (PSI) reports that in England, between 1989 (the year water was privatized) and 1995, there was a 106 percent increase in the rate charged to customers, while the profits of the companies increased by 692 percent. The salary of the highest paid director of North West Water, for example, increased by 708 percent.

The World Bank divided the water system of Manila, Philippines into two zones in 1997 to be run by two separate consortiums. One consortium included Bechtel and the other, Suez Lyonnaise des Eaux. Only months into the new arrangement, these consortiums sharply raised customer rates, contrary to their proclaimed intention to keep rates low, and to compensate for revenues lost due to the regional currency crisis. A year later, Biwater Plc. Corporation increased water rates in Subic Bay in the Philippines by 400 percent**.**

In December 1999, before making any infrastructure investments, the private water company, Aguas del Tunari, announced the doubling of water prices. For most Bolivians, this meant that water would now cost more than food; for those on minimum wage or unemployed, water bills suddenly accounted for close to half their monthly budgets, and for many, water was shut off completely. To add to the problem, the Bolivian

government, prompted by the World Bank, granted absolute monopolies to private water concessionaires, announced its support for full-cost water pricing, pegged the cost of water to the American dollar and declared that none of the World Bank loan could be used to subsidize water services for the poor. All water, even from community wells, required permits for access, and even peasants and small farmers had to buy permits to gather rainwater on their property.

2) Lack of investments from the water corporation in spite of privatization

In Argentina, after Vivendi Environment took over the government-run water systems, the corporation made no investments. Further any investments that it made weres with government money. The private companies commit little of their own capital, relying instead on the municipalities, private lenders like banks, and international development organizations like the World Bank or Regional Development Banks, mostly with governments offering sovereign guarantees.

In South Africa, for example, 80 percent of the money for a recent water development project came from the Development Bank of South Africa. In Peru, 100 percent of the money for a similar project originated at the International Development Bank. The World Bank often puts up the lion's share of the investment while the company takes home the profits. Suez promised to invest $1 billion to privatize the water system of Buenos Aires, but only put up $30 million; the rest came from a World Bank agency, adding to the country's external debt.

Private profit for Private investment with Public money is the logic of the IMF and World Bank pushed privatization initiatives for water commercialisation. The public gets increasingly restive when its public money gets channelised to fund private investment with poor returns in service and increasing costs for the same.

3) The uncompromising contradiction between profit maximization and water as a public necessity.

The profit maximization need of water corporations ensures that decisions regarding the allocation of water centre almost exclusively on commercial considerations. Corporate shareholders seek maximum profit, not sustainability or equal access. Privatization means that the management of water resources is based on the principles of scarcity and profit maximization rather than long-term sustainability. Corporations are dependent on increased consumption to generate profits and are therefore much more likely to invest in desalination, diversion or export of water than in conservation.

4) Product and Market differentiation in water markets.

Commercial considerations of profit maximization by the water corporations lead to an increased product and market differentiation that reflects the inequality in purchasing power within societies and between nations. This is characteristic of both the developed and the developing world.

Just as for any other product, the logic of profit requires the product of the water corporation to be delivered in every possible market , to usurp all the available revenue to add to its aggregate profit. The drinking water delivered to different markets are differentiated according to treatment and, hence quality. This would result in poorer sections getting water for prices higher than that they paid for public municipal water with no changes in quality, while the richer sections obtin more ‘treated’ water. Whether the latter has resulted in better quality is still debated over in different studies. Sometimes based on the differentiation of the market in terms of purchasing power, the poorer sections do not even get supplied or get reduced supply.

In Ontario, Canada, the government introduced what it called a "Common Sense Revolution." Key to this "revolution" was massive cuts to the environment budget, the privatization of water testing labs, the deregulation of water protection infrastructure, and massive lay-offs of trained water testing experts. In fact, in 1999, just after a Canadian federal government study revealed that a third of Ontario's rural wells were contaminated with E. coli, the Ontario government dropped testing for E. coli from its Drinking Water Surveillance Program and, a year later, closed the program down entirely.

Water as a commodity for non-drinking uses finds a clear market differentiation in which markets are treated according to their economic returns. Electronics is the world's fastest-growing manufacturing industry, according to the Silicon Valley Toxics Coalition. Giants such as IBM, AT&T, Intel, NEC, and Samsung have annual net sales exceeding the gross domestic product of many countries. Silicon Valley has more EPA toxic Superfund sites than any other area in the U.S. plus more than 150 groundwater contamination sites, many related to high-tech manufacturing. Close to 30 percent of the ground water beneath and around Phoenix, Arizona, has been contaminated, well over half by the high-tech sector.

The above tendency is not restricted to the developed world. For example, in 1994, when Indonesia was hit with a major drought, residents' wells ran dry, but Jakarta's golf courses, which cater to wealthy tourists, continued to receive 1,000 cubic meters per course per day. In 1998, in the midst of a three-year drought that dried up river systems and further depleted aquifers, the Cyprus government cut the water supply to farmers by 50 percent while guaranteeing the country's two million tourists a year all the water they needed. In South Korea, farmers south of Seoul recently armed themselves with hoes and blocked municipal water trucks from pumping water for city dwellers in fear it would leave their crops wanting.

5) Water export market

The one water-export method that has been taking off is bottled water. It is one of the fastest growing and the least regulated industries in the world. In the 1970’s, the annual volume of water bottled and traded around the world was about 1 billion litres. In 2000, 84 billion litres of water were bottled and sold. Moreover, one quarter of all the water bottled was traded and consumed outside its country of origin.

In 2000, worldwide sales of bottled water were estimated to be around U.S $ 22 billion. Such was the extent of trade in bottled water, that the World Wildlife Federation (WWF) report contends that the transportation of bottled water for exports is large enough to be considered as a contributing factor to the problem of global warming.

6) The necessity to obtain secure supplies of water

Whatever be the profit margins the water market can assure, to realize it, one needs water. This relentless search for secure water supplies to feed the insatiable demands of water-bottling corporations is having damaging effects.

In rural communities throughout much of the world, the industry has been buying up farmland to access wells and then moving on when the wells are depleted. In Uruguay and other parts of Latin America, foreign-based water corporations have been buying up vast wilderness tracts and even whole water systems to hold for future development. In some cases, these companies end up draining the water system of the entire area, and not just water on their land tracts.

7) Free water extraction right for water corporations.

The bottled water corporations generally pay no fee for the water they remove according to the so-called private property rights. In Canada, the water-bottling corporations are not required to pay fees for the extraction of water in most Canadian jurisdictions, even when half of the bottled water is not for Canadian consumption but is exported to the United States. The only state that charges a fee for extraction is British Columbia which comes to a nominal annual amount of Canadian dollar 25,000. These companies are now suing the British Columbia government for violating their fundamental right to extract water provided by the NAFTA agreement.

The extension of this right to the water corporations in the other parts of the world, particularly the developing world, can be expected given the fact that most of these governments are in debt to the developed world or their institutions and can be forced into delivering such rights to these corporations.

Social Effects of Merchandised Water

1) Increased Lay offs.

Privatization is almost always accompanied by lay-offs. In Great Britain, the private companies fired almost 25 percent of the work force, approximately 100,000 workers, when they acquired rights to the water system. In December 1999, when companies were ordered by the government to make price cuts, they announced thousands of further layoffs, even though they were enjoying wide profit margins. In central Europe, private water companies reduced the work force of seven cities (whose rights they acquired) by 30 percent in just a few years. In Sydney, Australia, after the Water Board was privatized,

thousands of workers lost their jobs and prices for consumers almost doubled in four years.

This phenomenon is a character of all privatization processes for any product. As the process of privatization is pushed into the agendas of the developing world with already high unemployment rates and low growth, the possibility for social strife is certain.

2) Increasing disconnections of water supply

As a result of price hikes, the number of customers who have had their water disconnected has risen by 50 percent since privatization in Britain. Water and sewerage bills increased by an average of 67 percent between 1989/90 and 1994/95, and during roughly the same period the rate of disconnections due to non-payment by 177 percent.

In the Third World millions of poor people are paying exorbitant prices for water, while others have been cut off. Because the companies are motivated by profit and not public service, they have no incentive to supply the poor with affordable water.

Political Economic Effects of Merchandising Water

1) Political Economic Tool of Interference

With many countries already depending on a single source for water, the potential for water as a powerful political-economic-geopolitical tool has existed prior to commercialization. For example, Malaysia, which supplies about half of Singapore's water, threatened to cut off that supply in 1997 after Singapore criticized its government policies.

But with increased commodification of water and the control of water supply in the hands of a few (read four) large corporations, the ability of utilizing water as a potential source for embargoes, blockades etc. increases tremendously. The effects, relative to the current kinds of embargoes, sanctions and blockades, would be more lethal, more effective, and more conclusive, to the one who wields this power to deny water.

Transnational corporations are only transnational only in name. They have a very definite origin and loyalty . Further, it is also in their interests to have a government behind them politically, economically and militarily to protect their company interests.

Thus commodification of water creates not only a market of profit but also offers to the powerful countries of today a geopolitical-economic tool, for intervention and manipulation, to have their way on varied issues on which they differ with the ‘water’ dependent countries.

2) Right to secure water sources

The General Assembly Bill of the Missouri State in the U.S, Bill number 1273, enforceable from 28 August 2002, allows for water corporations to charge additional charges for the recovery of costs associated with securing water facilities and or underground sources. Further, it allows the companies not to disclose their security arrangements. The terrorist threat is clearly emphasized in the bill.

The point here is not about the additional charges that will be levied but about the right that it implicitly gives the water corporation to protect their water supplies. So long as it is in the U.S, it is fine. But with water corporations acquiring water sources across the world, this need for securing water sources could help justify of military intervention in other countries to protect 'American Interests'. The other powerful countries would not be far away from bringing in such legislations. The transnational corporations become secure in their ownership of water supplies, investments and profits.

The countries that allow the sale of their land and water supplies to water corporations should realize the threat to the sovereignty it would entail under the 'threat' perception of developed countries and their water corporations.

3) Denial of Right to Information, particularly to common citizens

World Bank-sponsored water privatization projects that promote monopolies and often negotiated entirely in secret. The agreements are considered "intellectual property" and the public has no access to their terms. A water corporation executive at the March 2000 World Water Forum in The Hague, said publicly that as long as water was coming out of the tap, the public had no right to any information as to how it got there.

In early 1999, when the government of Ontario, Canada announced the break up of the public utility, Ontario Hydro, into three new private companies, it also made public its intention to eliminate access to information laws. In June 2000 at least seven people, one of them a baby, died from drinking the water in the small town of Walkerton, Ontario. The town had subcontracted testing to a branch of a private testing company from Tennessee. The lab, A&L Laboratories, discovered E. coli in the water, but failed to report the contamination to provincial authorities. A lab spokesman said that the test results were "confidential intellectual property" and, as such, belonged only to the "client" -the public officials of Walkerton who were not trained to deal with the tests.

A furor erupted when it was discovered in the summer of 1998 that the water supply of Sydney, Australia, now controlled by Suez Lyonnaise des Eaux, contained high levels of the parasites giardia and cryptosporidium and that the public had not been informed of the problem when it was first discovered.

When water is privatized, the public often loses its right to access information about water quality and standards- be it water through the distribution system or water as a bottled product.

Water Tension and Water Conflicts

Even without commercialization, water tension existed wherever there was a single important and crucial source of water for two or more countries or regional governments. These tensions have often brought countries close to war such that it required significant international peace initiatives. Commercialisation of water is not to blame for the situation as described above. But if we have in these contexts, commercial initiatives taking over the crucial source of water over which the tension exists, the potential for conflict increases substantially.

Commercialisation of water has contributed to aggravating water tensions in two ways- one, by increasing its spread across the world beyond the conventional 'single-source' tensions and two, by exacerbating the intensity of the tension in its mad rush for quick and assured profits.

Water tensions become a new means of expression of the glaring income inequality prevalent in the world and within nations. The commodification of water brings in the question of affordability, and that emphasizes the inequalities in life in the developed and the developing world and more importantly between the rich and the poor in the same societies. The latter is a potential social explosive that has its fuse lit. In Bolivia, Argentina, Peru, Chile people already interpret the logic of the functioning of water corporations as one in which water " runs uphill to money".

One of the first 'water wars' was launched in Bolivia. Between January and early February 2000, hundreds of thousands of Bolivians marched to Cochabamba in a showdown with the government, and a general strike and transportation stoppage brought the city to a standstill. Police reacted with violence and arrests and in early April 2000, the government declared martial law. Activists were arrested during the night; radio and television programs were shut down in mid-program. A 1 7-year-old boy, Victor Hugo Danza, was shot through the face and killed. Finally, on April 10, 2000, the directors of Aguas del Tunari and Bechtel abandoned Bolivia, taking with them key personnel files, documents and computers and leaving behind a broken company with substantial debts. The people accepted the challenge and took over the company with the principles that the company must be efficient, free of corruption, fair to the workers, guided by a commitment to social justice (providing first for those without water), and one that acts as a catalyst to further engage and organize the grassroots. Bechtel is now suing the Bolivian government for loss of revenue and breach of contract to the tune of U.S $40 million in the World Bank's International Court for Settling Investment Disputes.

In Argentina's Tucumun province the common people protested and forced Vivendi to abandon its long-term contract to overhaul and manage the province's water works. Similar Civil society movements and organizations are taking up the cause against water commodification wherever it has taken place or is planned for implementation. Ghana, Peru, Chile, Britain, US to cite a few.

With water commodified with the permission of their own governments, the common people are left with no options but to take up their grievance directly with their governments, the corporations, the institutional bodies and the international community. This could be interpreted as civil unrest or disobedience, depending on the government in power's reaction.

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