

Privatisation of Water

- **Increase in demand for water for all purposes is growing – failure of the state to provide clean water**
- **Dominant development paradigm is fueled by globalisation – privatisation is a strong arm**
- **WB, WTO & IMF along with major funding agencies linked with the multi-lateral agencies of the UN are promoting – *modernisation of water services management sector***

Privatisation of Water

- Fits well with current approach of rolling back of the state and the SAPs of developing countries**
- Strategic alliance – more than 200 bill. US dollars (including wastewater treatment) , 7 trillion \$ if agriculture and industrial use is also covered**
- Big corporations are in a position to write the rules that govern marketing and trading of services in a global economy**
- Most international meets (Dublin to Kyoto – promote privatisation of water)**

Privatisation of Water

- **State monopoly – corporate monopoly**

3 main types

- **Complete sale of public water systems and water treatment plants,**
- **Public-Private Partnership (PPP) - where the govt. awards concessions or leases to water corps. – most popular**
- **Corporation is contracted by the govt. to manage water services for a fee**

Dublin Principles (1992)

4 guiding principles

- Fresh water is finite and a vulnerable resource, essential to sustain life, development and environment
- Water development and management should be based on participatory approach, involving users, planners and policy makers at all levels
- Women play a central role in the provision, management and safeguarding of water
- Water has an economic value in all its competing uses and should be recognised as an economic good

Case of India

National Water Policy of 2002 –

“Private sector participation should be encouraged in planning, development and management of water resource projects for diverse uses, wherever feasible... depending upon specific situations, various combinations of private sector participation in building, owning, leasing and transferring water resource facilities may be considered”

Continued

Privatisation in the areas of – drinking water supply, sanitation, watershed development, irrigation, hazard mitigation and cyclone recovery, sewage disposal etc.

Build Own Operate and Transfer (BOOT) method – on a long term lease

Continued

- Private water tanker business in Chennai, Bangalore and Ahmedabad – water tapped from periurban areas and supplied to urban dwellers by tankers at a price – environmental impact

Licenses to MNCs for extraction of groundwater for industrial purposes – e.g Coke in Plachimada (Kerala)

Continued

- River linking is inviting involvement of the private sector
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- Vandana Shiva – refers to this as *‘hydropiracy’*
‘Patriarchal water order’
- *Narmada Bachao Andolan* is also an example of growing resentment to the commodification of water resources and private control over water

Fall-outs of Privatisation of water

- **Water no more remains a right**
- **How to justify privatisation of drinking water?**
- **Poor proportionately pay more for water as compared with those with higher incomes**
- **Women are the worst affected in poor rural and urban HHs**

Public Response to Privatisation

- **Many countries – protests by people, particularly women**
- **Resistance – to fight for water as a basic need, human right and a community resource**
- **Classic case of Cochabamba in Bolivia**

Points to ponder

- **How to engage with the forces of privatisation?**
- **Drinking water, irrigation and industrial use of water – can they be lumped together**
- **Differential pricing of water for different classes of people**

A way forward

- **Pro-globalisation**
- **Complementarity between the state and the private sector**
- **Incorporating the basic need and human right aspects of access to water in the realm of water**
- **Bring in the third sector along with the state and the market (with their strengths and limitations)**