

Fighting the Corporate Theft of Our Water

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All across the United States, municipal water systems are being bought up by multinational corporations, turning one of our last remaining public commons and our most vital resource into a commodity.

The road to privatization is being paved by our own government. The Bush administration is actively working to loosen the hold that cities and towns have over public water, enabling corporations to own the very thing we depend on for survival.

The effects of the federal government's actions are being felt all the way down to Conference of Mayors, which has become a "feeding frenzy" for corporations looking to make sure that nothing is left in the public's hands, including clean, affordable water.

Documentary filmmakers Alan Snitow and Deborah Kaufman recently teamed up with author Michael Fox to write "[Thirst: Fighting the Corporate Theft of Our Water](#)" (Wiley, 2007). The three followed water privatization battles across the United States — from California to Massachusetts and from Georgia to Wisconsin, documenting the rise of public opposition to corporate control of water resources.

They found that the issue of privatization ran deep.

"We came to see that the conflicts over water are really about fundamental questions of democracy itself: Who will make the decisions that affect our future, and who will be excluded?" they wrote in the book's preface. "And if citizens no longer control their most basic resource, their water, do they really control anything at all?"

As the effects of climate change are being felt around the world, including decreasing snowpacks and rainfall, water is quickly becoming the market's new holy grail.

Mayor Gary Podesto, in his State of the City address to his constituents in 2003, sang the praises of privatization to his community, located in California's Central Valley. "It's time that Stockton enter the 21st century in its delivery of services and think of our citizens as customers," he said.

And there is the crux of the issue — privatization means transforming citizens into customers. Or, in other words, making people engaged in a democratic process into consumers looking to get the best deal.

It is also means taking our most important resource and putting it at the whims of the market.

Currently, water systems are controlled publicly in 90 percent of communities across the

world and 85 percent in the United States, but that number is changing rapidly, the authors report in “Thirst.” In 1990, 50 million people worldwide got their water services from private companies, but by 2002 it was 300 million and growing.

There are a number of reasons to be concerned.

“Globally, corporations are promoting water privatization under the guise of efficiency, but the fact is that they are not paying the full cost of public infrastructure, environmental damage, or healthcare for those they hurt,” said Ashley Schaeffer of [Corporate Accountability International](#). “Water is a human right and not a privilege.”

There are also significant environmental considerations — with private corporations, sustainability can be tossed out the window. “Climate change is a warning that uncontrolled abuse of the earth’s natural resources is leading toward planetary catastrophe,” the authors write in “Thirst.” “Who is to set the necessary limits to the abuse of the environment? Private companies fighting for market share are incapable of doing so.”

Privatization has been pushed aggressively at the federal level for decades, but especially so in the last six years. “There is a kind of fire sale of everything in the public sector right now,” said Alan Snitow. “Water, we think, is the line in the sand — when your water is actually a profit mechanism, people really react negatively to that.”

“Thirst” beautifully documents the coalitions that are forming in communities that are fighting back. But the battles are not easy: They must confront massive political muscle and unlimited financial resources of multinational corporations, not to mention our society’s religious belief in the power of the marketplace.

Privatizing municipal water systems is globalization come home, said Deborah Kaufman. In 2000 Bechtel privatized water in Cochabamba, Bolivia, with such miserable consequences that it was shortly driven out of the country in an incredible feat of cross-class organizing. But just a few years later, it was awarded a \$680 million contract to “fix” Iraq’s ruined water systems.

“What’s happened in Iraq is really emblematic of what the Bush administration is doing,” said Kaufman. “We view the privatization of water in the United States as the World Bank come home — the third-worldization of America and American communities.”

It turns out the United States is an attractive place for multinationals looking to make inroads in the water business. The three main players are the French companies Suez and Veolia (formerly Vivendi), and the German group RWE.

The companies first pushed water privatization in developing nations. “But in many instances, those attempts didn’t pan out as planned, it being difficult to gouge governments and customers that don’t have a lot of money,” [Public Citizen](#) reports. “The U.S., by contrast, presented the promise of a steady, reliable revenue stream from customers willing and able to pay water bills.”

The companies that already controlled the small percentage of U.S. water held privately were bought by the big three: Veolia picked up U.S. Filter, Suez got United Water and RWE took over American Water Works.

The results have been disastrous, as “Thirst” shows — rates are increasing, quality is suffering, customer service is declining, profits are leaving communities and accountability has fallen by the wayside.

In Felton, Calif., a small regional utility ran the water system until it was purchased in 2001 by California American Water, a subsidiary of American Water, which is a subsidiary of Thames Water in London, which has also become a subsidiary of German giant RWE. Residents in Felton saw their rates skyrocket, “Thirst” reports. A woman who runs a facility for people in need saw her water bill increase from \$250 to \$1,275 a month.

RWE also bought the company controlling the water system in Urbana, Ill., and locals have been unhappy with the service it provides. “A few months ago, I got a notice on my door saying the water was turned off, and that when it came back on, I needed to boil it before I used it,” said the city’s mayor, Laurel Prussing. But when she called the number, the company didn’t know what was going on — and it was no wonder, because the call center was located in Florida.

The list of abuses in “Thirst,” which represent only a handful of communities, are plentiful:

In 2006, two top managers at a Suez/United Water plant in New Jersey were indicted for covering up high radium levels in drinking water ... In Milwaukee, Suez subsidiary United Water discharged more than a million gallons of untreated sewage into Lake Michigan because it had shut down pumps to reduce electricity bills ... In Stockton, Calif., a citizen’s watchdog group reported that water leakage doubled in the first year that OMI/Thames took over system operations. In Indianapolis, customer complaints nearly tripled the first year of Veolia’s contract, and inadequate maintenance resulted in hundreds of fire hydrants freezing in the winter ...

Overall, it has proved to be a recipe for disaster.

“Seeking to consolidate market share, private water companies are merging or buying other companies, creating a volatile and unpredictable market,” they conclude, “hardly the kind of stability required for a life-and-death resource like water.”

The water crisis comes home

Corporate interest in water systems in the United States exists for very good reason — we have a water crisis. Our drinking and wastewater systems were largely designed a hundred years ago and in many places, little improvements have been made.

Aging systems combined with the pressures of increasing population, development, and pollution have left many communities close to disaster.

As a result, corporations have swooped in to offer public officials an easy out — not only will they run these aging plants, but they’ll save the city millions of dollars in the process. At least that’s the promise. So far, it hasn’t panned out.

In 2005, “Thirst” reports, 200 mayors of large and small cities said they would consider privatization if it would save money. In addition to lobbyists, publicists and ad campaigns, the corporations have also directly gone after public officials to sell their wares.

“The U.S. Conference of Mayors has become an engine of water privatization through its Urban Water Council,” they write in “Thirst.” “One mayor described a Conference of Mayors session he attended as a kind of feeding frenzy, with companies bidding to take over everything from his city’s school-lunch program to its traffic lights and water services. Financed by the private water industry, staffed by former industry officials, the UWC works hard to give its corporate sponsors ‘face time’ with mayors.”

And the federal government is not doing anything to help — in fact, it’s doing the opposite. “The administration has backed language in legislation to reauthorize existing federal water funding assistance programs that would require cities to consider water privatization before they could receive federal funding,” reports Public Citizen. “And in lockstep with private industry’s goals, the EPA is increasingly playing down the role of federal financial assistance while actively encouraging communities to pay for system upgrades by raising rates to consumers — exactly the strategy the industry hopes will drive cash-strapped and embattled local politicians to opt for the false promise of privatization.”

The EPA has projected a needed \$446 billion for drinking water infrastructure over the next 20 years, but the money that is needed and that is actually allocated in the budget falls billions short.

Snitow calls the under funding of public water systems and public infrastructure as a whole, “systematic” under the Bush administration. “On water, President Bush says he wants to fund private companies to do it. He does not want to give money, even loan money, to government agencies at the local level to improve their own water systems.”

This mindset goes against public opinion and environmental law. The Safe Drinking Water Act passed in 1974 says, “The federal government needs to provide assistance to communities to help the communities meet federal drinking water requirements.” And a national poll showed that 86 percent of Americans supported creating a water infrastructure trust fund.

But this issue is a partisan problem. As reported in “Thirst,” in 1997 the Clinton administration changed the law to the benefit of private companies. Previously municipal utility contracts were limited to five years, but Clinton changed it to allow contracts to be extended up to 20 years. “The rule change unleashed a wave of industry euphoria with predictions that private companies would soon be running much of what is now a public service,” they wrote. In the following five years, municipal water contracts with private companies tripled.

“Privatization comes from both Democrats and Republicans. Particularly the Clinton wing of the Democratic Party. Clinton advanced this in a number of areas — Bush has taken it to the extreme,” said Snitow.

And across the country, Democrats are guilty as well as Republicans. “In Lee [Mass.], one of the key people supporting the Veolia privatization is a liberal Democrat. He has a great record with unions, on gay rights. He is a social liberal, but he wants to privatize key public services,” said Snitow.

“There is an ideology that is bipartisan and is part of the old Washington consensus which is that the market can do everything better, it can be more efficient,” he continued. “I think that we are seeing the chickens come home to roost on this with Iraq. You are seeing the

ultimate apotheosis of the kind of vision that they had in mind — where they would turn over the entire government and the resources to private multinationals. And, if that is efficiency, I think that most people in the world would want themselves counted out.”

Not for sale

“Thirst” documents not just the consolidation of power through corporations but the public resistance that is often, despite seemingly impossible odds, successful.

Time and time again throughout the book, citizens responded to local threats but realized they were part of much bigger effort against water privatization around the world and the wholesale auction of the commons.

Even if you don’t live somewhere under threat at the moment, there is something for everyone to do. We can work to create a trust for drinking water and wastewater; to drop conditions in federal funding that favor privatizing water resources; to block water corporations from obtaining access to public funding through tax-exempt private activity bonds; and to promote strong public management of water resources. Or you can work to support organizations like [Corporate Accountability International](#), [Food and Water Watch](#), [Sierra Club](#) and others who are organizing around the issue.

“There has to be preemption — companies come in secretly and people don’t know there are negotiations going on, and communities that are organizing are coming from behind,” said Snitow. “If there is more consciousness about this and more mayors know that their political lives are going to be spent fighting this issue, then I think fewer and fewer of them are going to say this not the way for me to leave my mark on the city. They’ll choose something else. I think there is a lot of potential for victories, for changing the water policy in this country and it won’t be a minute too soon, given what’s going to be happening with global warming.”

Taking a stand against corporate control of water means believing that some things, like the lifeblood of our communities, should not be for sale.

“Whether clean and safe water will remain accessible to all, affordable and sustainable into the future, depends on us,” write Snitow, Kaufman and Fox. “The stakes could not be higher. The outcome will surely be a measure of democracy in the 21st century.”

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