

## Prayer

**We suggest you begin and end a discussion session on water privatization with prayer.**

At the beginning of the session (and/or at the end of the session, if you choose), have a basin and pitcher with water. Go around the circle of participants, pouring water over each one's hands, as the others recite the prayer, repeating it as each participant experiences God's gift of water and God's call to share the gifts of Creation.

Prayer for the Just Sharing of Water  
In a Time of Privatizing Basic Services

You called us by name, O Lord,  
As the waters of Baptism  
Washed over us.

We are called to your ministry,  
To let justice flow freely,  
To share your gifts of Creation  
Without concern for profit,  
To provide for those who thirst.

We pray that all your children  
May feel and taste  
Healing water,  
Fresh and clear  
As mercy raining upon us all.

## Fact Sheet

### Water: A Human Right

- Having access to safe and sufficient water and sanitation are now recognized as basic human rights. Being able to wash one's hands and drink clean water can have a major impact on family hygiene and health.
- Today, an estimated 1.1 billion people do not have access to clean drinking water, and approximately 2.4 billion people do not have access to sanitation. **It is predicted that by the year 2025, two-thirds of the world's population will lack adequate supplies of fresh drinking water.**
- Reducing the accessibility and affordability of water impacts on women and children most immediately. When water becomes more expensive and less accessible, women and children, who bear most of the burden of daily household chores, must travel farther and work harder to collect water, often reduced to using water from polluted streams and rivers.
- Inadequate water and sanitation are primary causes of diseases such as malaria, cholera, dysentery, infectious hepatitis and diarrhea, associated with 3.4 million deaths each year. Inadequate water and sanitation is a major contributor to poverty and the growing disparity between rich and poor.

*Water is fundamental for life and health. **The human right to water is indispensable for leading a healthy life in human dignity. It is a pre-requisite to the realization of all other human rights.***

United Nations Committee on Economic, Social and Cultural Rights, November 2002

With those words, the United Nations Committee on Economic, Social and Cultural Rights took the unprecedented step of agreeing on a "General Comment" on water as a human right. A "General Comment" is an interpretation of the provisions of the International Covenant on Economic, Social and Cultural Rights. The 146 countries which have ratified the Covenant will now be compelled to progressively ensure that everyone has access to safe and secure drinking water and sanitation facilities — equitably and without discrimination. The United States has not yet ratified this covenant.

*Countries will be required to 'respect, protect and fulfill' individuals' rights to safe drinking water and sanitation. This is a major boost in efforts to achieve the **Millennium Development Goals** of halving the number of people without access to water and sanitation by 2015—two pre-requisites for health.*

World Health Organization Director-General Dr. Gro Harlem Brundtland

Sources: Public Citizen, <http://www.citizen.org/>

World Health Organization, <http://www.who.int/en/>

World Bank, <http://www.worldbank.org/>

United Nations Office of the High Commissioner for Human Rights, <http://www.unhcr.ch/html/menu2/6/cescr.htm>



## Fact Sheet Water and Catholic Social Teaching

**“I was thirsty and you gave me water to drink.”**

Matthew 25:35b

The Second Ecumenical Vatican Council has reminded us: “God destined the earth with all that it contains for the use of all people and nations, in such a way that created things in fair share should accrue to all people under the leadership of justice with charity as a companion.” All other rights, whatever they are, including property rights and the right of free trade must be subordinated to this norm; they must not hinder it, but must rather expedite its application. It must be considered a serious and urgent social obligation to refer these rights to their original purpose.

Pope Paul VI, *Populorum Progressio*, #69

It is necessary for the international community and its agencies to intervene more effectively and visibly in the area [of water]. Such an intervention should be aimed at promoting greater cooperation in protecting water supplies from contamination and improper use, and from that exploitation which aims only at profit and privilege. In these efforts, the primary objective of the international community must be the well-being of those people – men, women, children, families, communities – who live in the poorest parts of the world and therefore suffer most from any scarcity or misuse of water resources. Adequate levels of development in every geographical area will be legitimately and respectfully guaranteed only if access to water is considered a right of individuals and peoples. For this to happen international policy must give fresh attention to the inestimable value of water resources, which are often not renewable and cannot become the patrimony of only a few since they are a common good of the whole of humanity.

Message of Pope John Paul II to Jacques Diouf, Director General of the Food and Agriculture Organization of the United Nations on the Occasion of World Food Day, October 13, 2002

## Fact Sheet

### Water Privatization: An Overview

Historically, government agencies, whose declared purpose is to serve the common interest, have overseen sanitation and distribution of water. The goal of these agencies has been to provide citizens with affordable access to clean, safe water.

However, large multinational organizations have come to realize the major role that water scarcity will play in this century and the enormous potential of profit from water. As *Fortune* magazine recently stated, **water is “the oil of the 21<sup>st</sup> century.”** Resultingly, a tremendous surge of activity is currently directed towards privatizing water. This means that private companies are taking over the work of water sanitation and distribution and are doing so primarily make a profit.

#### TWO PITFALLS OF WATER PRIVATIZATION

##### **Privatization leads to rate increases.**

Private water companies have used rate increases in the U.S. and in other countries as a way to maximize profits. Because private companies must answer to shareholders, the bottom line is profit, which translates into higher prices for consumers. Furthermore, private water companies are under no obligation to provide water service when water is defined as a marketable commodity rather than a human right. Thus, when consumers can no longer afford the price increases, water delivery is simply shut off.

In the United States, higher water rates and water shut-offs disproportionately affect small business owners and low-income families, particularly women and children. In the developing countries of the global south, these privatization-induced rate increases have been devastating, often forcing people to choose between food and water, and unleashing epidemics of water-borne diseases.

##### **Privatization undermines water quality.**

Because profit motives drive corporate agendas rather than serving the public interest, environmental standards are continually compromised. For example, the National Association of Water Companies (NAWC), which represents the U.S. private water industry, intensively and perennially lobbies Congress and the Environmental Protection Agency to refrain from adopting higher water quality standards. The NAWC also persistently requests that all federal regulations be based on sound cost-benefit analysis, which means that public health is compromised for the sake of higher profits.

Water is both a human need and a human right. The necessity of protecting affordability and public health is clear.

“There are important human needs that escape [the market’s] logic. There are goods which by their very nature cannot and must not be bought or sold.”

Pope John Paul II, *Centesimus Annus*, #40

## Case Study Cochabamba, Bolivia

In the late 1990s, the **World Bank**\* promised debt relief and other development assistance to Bolivia provided that they agreed to a number of economic conditions, one of which was the privatization of the public water system of its third-largest city, Cochabamba.

In 1999 the Bolivian government granted a 40-year contract to Aguas de Tunari (a subsidiary of the consortium of London-based International Water Ltd. and San Francisco-based Bechtel Corp.) to run Cochabamba's water system, giving it control over the water on which more than half a million people survive.

The subsidiary, Aguas de Tunari, had promised to pour millions of new dollars into expansion and improvement of the water system. However, within weeks of taking over the water system, the company doubled and tripled water rates. For many families, the rate hike meant up to half of their monthly income went to paying for water. Mothers living on minimum wage of \$60 per month were ordered to pay \$15 or more just to keep water running out of the tap.

**Faced, quite literally, with a choice between water or food, people took to the streets to demand that rates be lowered.** Strikes, roadblocks and other forms of civil disobedience were used as the protesters effectively shut the city down for four consecutive days in February 2000. The Bolivian government sought to end the protests by declaring a state of martial law. More than a hundred people were injured and one 17-year-old boy was killed.

Finally on April 10, 2000, Bolivian President Banzer announced the termination of the water contract between Bolivia and Aguas de Tunari. He then turned over control of the city's water system, including its \$35,000 debt, to the protester's organization, *La Coordinadora de Defensa del Agua y la Vida* (Coalition for the Defense of Water and Life). The mandate of the coalition is to develop a water system that relies upon neither government nor transnational corporations.

Today, Aguas de Tunari is suing Bolivia, South America's poorest country, for \$25 million, for profits it wasn't able to earn as a result of the public uprising and the subsequent breach of its 40-year contract with Cochabamba. Bechtel's legal action is officially registered with the International Centre for the Settlement of Investment Disputes, an international tribunal housed at the World Bank.

"Last month the owners raised up their new signs ("Aguas de Tunari") on all their facilities and also raised up something else: water prices, in many cases by more than double. Our own water bill, for example, leapt from \$12 per month in December to nearly \$30 in January. Similar increases hit almost everyone we know. By U.S. standards that may not be much, but for the many Bolivian families who often earn as little as \$100 per month, these increases were catastrophic."

*--Excerpt of email written by Jim Shultz, Executive Director of The Democracy Center, during his February 2000 stay in Cochabamba, Bolivia*

### \*About the World Bank:

- The World Bank makes loans for development purposes (roads, power plants, etc.) to impoverished countries to help them move out of poverty and into self-sufficiency.
- If these countries fall behind in loan payments, they cannot seek bankruptcy protection as corporations such as Enron can. Therefore the Bank makes additional loans with "conditions" (otherwise known as Structural Adjustment Policies, or SAPs) that are supposed to help the countries pay back the growing interest on their loans.
- SAPs differ from country to country, but they often include a shift from domestic food production to export cash crop production; abolishing food and agricultural subsidies; cuts to social programs in the areas of health and education; liberalization of trade and investment; and privatization of government-held enterprises, such as water, electricity, telephone service, etc.  
*Note: The International Monetary Fund also makes use of SAPs when giving lending money to impoverished countries.*
- The Structural Adjustment Policies (SAPs) imposed upon Bolivia meant that Bolivia was forced to privatize its public water system in order to be eligible to receive much-needed loans from the World Bank.

**Sources:** Public Citizen, <http://www.citizen.org/>  
The Democracy Center, <http://www.democracyctr.org/bechtel/waterbills/>  
PBS Online, <http://www.pbs.org/frontlineworld/stories/bolivia/>



## Discussion Questions

What is the impact of lack of water on people living in poverty, particularly women and children? How do you imagine it affected the women and children of Cochabamba, Bolivia? How would it affect your life?

The United Nations Committee on Economic, Social and Cultural Rights has written that “the human right to water is indispensable for leading a healthy life in human dignity. It is a prerequisite to the realization of all other human rights.” Explore the meaning of these two statements.

Pope John Paul II has declared that water resources “are the common good of the whole of humanity.” How does this speak to those who would choose to treat water as a commodity to be bought and sold for profit?

In *Populorum Progressio*, Pope Paul VI writes about natural resources and God’s will that they be justly distributed to all of God’s children. He writes that “all other rights, whatever they are, including property rights and the right of free trade, must be subordinated to this norm.” How might the privatization of water impede the just distribution of water?

Using the lens of Catholic Social Teaching, examine the actions of Aguas de Tunari—both their decision to raise water rates beyond the reach of many customers and their subsequent decision to sue the country of Bolivia for \$25 million. Take into consideration the following Catholic Social Teaching principles: human dignity, rights and responsibilities, the common good, solidarity, care for God’s creation and the option for the poor and vulnerable. (To learn more about these Catholic Social Teaching principles, visit the Catholic Social Teaching section of the Education for Justice Web Site.)

If people are not benefiting from water privatization, why and how do you think it is occurring throughout the world, particularly in the countries of the global South?

How does scarcity of water make people in poverty especially vulnerable? The Church teaches that we should promote global solidarity, especially with the poor and vulnerable. How can we do this? (For more information, see Pope John Paul II’s encyclical, *Centesimus Annus*, paragraph #34. It can be found on the Vatican Web Site (<http://www.vatican.va>).

Does the information on water and water privatization provided in this section offer you a new perspective on life for those in situations of poverty, or on your own wealth/poverty? If so, how?

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### For Further Study

Commit to learning more about the effects of water privatization in an area of the U.S. or in Bolivia, Bangladesh, Ghana, South Africa, Senegal or Brazil. Make note of the gender and human rights dimensions of water privatization.

“I was thirsty and you gave me water to drink.”

Matthew 25:35b