

Taking Issues, Making Connections

Water, Poverty Eradication and Sustainable Production and Consumption

By Shiney Varghese, IATP

In this article, I address three inter-related questions: What are the issues CSD needs to keep in mind while addressing the issue of meeting the millennium development goal on water and the sanitation targets outlined in Joburg? What are the obstacles to achieving this in a sustainable manner? What are the possible creative new options available to us?

The millennium development goal on water seeks to halve the proportion of people without access to safe water to drink by 2015. The corresponding target on sanitation, reached at the Johannesburg Summit, seeks to halve the proportion of people without access to sanitation by 2015.

Where are the water poor?

According to numbers from 2000, 1.4 billion people do not have safe water for domestic use, and 2.6 billion do not have access to sanitation. Almost 88 percent of the water poor live in rural areas and depend directly on the ecosystem to meet their water needs, and seek to meet their livelihood needs from the local natural resource base. Since these people are often voiceless, local resources, including water, is expropriated from the locality so that others with more voice and power can use it.

Deprived of access to safe water, they depend on contaminated or polluted water for their livelihoods. Their health is affected, their education suffers. When the natural resource base on which they depend is completely destroyed or when they get displaced from their means of livelihood due to external interventions such as large dams, they migrate and settle in slums of mega-cities to eke out a living. Thus, unsustainable exploitation of natural resources, and unsustainable production and consumption, are directly responsible for increasing poverty in reservations, rural societies and slums. These consequences are most visible in developing countries.

The water needs of the rural poor can be addressed in a sustainable manner only if the governments commit themselves to the crosscutting theme of protecting the natural resource base of social and economic development.

The poor pay more than the rich

In most part of the world today the urban middle class and the rich get their water at a very nominal cost, or free, while their counterparts in rural areas and slums pay a hefty price in terms of hours spent in collecting water, hours lost due to ill health from waterborne diseases, and also of course in actual cash payments for water.

The poor find it difficult to get access to safe water to meet their basic needs. The rich flush their toilets and waste vast quantities of water without any thought to how much it costs the city to get that water to them in the first place. Experts point out that this mindless act is one of the most unsustainable aspect of centralised water and sewerage systems, and that it is ill advised to use treated safe drinking water to flush away human waste.

Much of the world's sewerage, however, is not treated, especially in developing countries, since the cost of treatment is very high. The poor tend to live around peripheral areas of cities where the sewage is disposed, and thus they pay a hefty price in terms of direct health effects. The untreated sewage is used in urban agricultural systems; a source for vegetables for urban areas, affecting the health of all consumers.

The poor are willing to pay!

International financial institutions, particularly World Bank, have been at pains to point out that how the poor pay cash for water. The Bank and several others have conducted field studies on their willingness to pay for water. (Bank experts do not seem to understand the difference between willingness to pay and the ability to pay; or that even when the poor appear to be able to pay it is at the

cost of their childrens' education, their food intake or their general well being.) Most of these studies are conducted in the urban context, where there is a captive market to which water is supplied through centralised water supply schemes.

Centralised Water Supply and Management Projects

Conventional responses to (anticipated) water scarcity - increasing supply through the construction of dams, extracting ground water etc - are beginning to push against an absolute limit. Yet water professionals appear to be pushing for the same solutions when faced with the challenge of meeting the millennium development goals.

When water is not available in a watershed it is transferred from far away basins, even at tremendous social disruption and environmental costs. It often happens that it is the poor and vulnerable, particularly cultural and ethnic minorities, who lose out in these situations. It has been estimated that about 4 million indigenous people are displaced annually by the construction of large dams and reservoirs. These projects have also submerged several unique ecosystems.

Obsolete infrastructure

To compound matters, water systems are now under considerable stress in most parts of the world. Many were built around the turn of the 20th century and are need of repairs or revamping. Most cities are expanding, which puts additional pressure on them to expand existing systems. Cash strapped cities are advised to seek private funds to invest in water infrastructure, since several central governments have decided that military spending is a much higher priority than providing for basic needs.

Developing countries, where most of the water poor live, are caught between the devil and the deep blue sea. On the one hand they are eager to follow the



path set by the developed world. On the other hand they are considered lacking in good governance, inefficient and corrupt (I suppose Iraq, and not the United States, will be called corrupt for awarding the post-war contracts to Bechtel).

Donor community: IFIs and ODA

The developing country governments are advised by the International Financial institutions (IFI) to reform themselves if they wish to attract financial investments, to satisfy the basic needs of their people.

The donor community, despite past experiences, continue to suggest that the most essential component in harnessing water's potential is to implement reforms in water-related sectors - water resources management, water supply & sanitation, irrigation & drainage, hydropower, and of course, to increase investments from the private sector to increase efficiency and address the water crisis. Thus proposed reforms include liberalisation, introduction of regulatory frameworks conducive to investments and opening the sector for multinational investments. What does this imply?

Multinationals in the water sector

To the private sector, the gloomy arithmetic of water - as highlighted at the second World Water Forum in the Hague in the Netherlands - is also the "great arithmetic of water financing". The World Bank has estimated that water business in the 21st century is worth hundreds of billions of dollars. Suez (French), Vivendi (French), and RWE (German) are the three biggest multinationals in water sector. These companies, along with other smaller ones, form consortiums of different permutations and combinations, or form subsidiaries and vie with each other to get the biggest slice of the pie, depending on the specificities of a particular contract.

Water Multinationals were operating in about 10 countries about 10 years ago. Now they are now operating water systems in more than 100 developing countries. Of late they have become a little uneasy about investing particularly in developing country governments, since there are not enough protections

against investment related risks, and are seeking ways to address this issue.

Besides lobbying the European Commission (trade in water services) and water institutions, these companies have been very active during the prepcoms and have promoted partnerships as the way forward to address the water crisis. The European Commission's position on trade in water services appears to be influenced by the interests of these multinationals.

GATS 2000

During the Doha round the European Commission (EC) proposed that water services be included as an environmental service in GATS negotiations. Even though this category has not been accepted in the negotiations, and the horizontal disciplines on GATS have not been finalised, the EC has submitted requests to over 100 countries to include water services in bilateral negotiations. Any service included in GATS would then be governed by WTO regulations, and any rules enacted in the interest of environmental protection or social equity can be challenged by the multinational as a non-tariff trade barrier. One of the arguments used to deflect criticisms of GATS is that developing countries have the choice to "opt in" the services they want to be liberalised, making exemptions for those they wish to build up domestically. While that may be true, what the document shows is that the commission has simply taken this list of exemptions and has used it to draw up its liberalisation hit list especially in the case of developing countries.

An additional aspect of the negotiations that is perhaps even more of a threat is the development of new GATS restrictions on regulations over services to limit them to what is the "least burdensome" to business. All licensing requirements for water utilities, standards for water quality, and qualifications of water utility staff would become vulnerable to a WTO challenge if these rules were considered "more burdensome than necessary."

These developments pose an "immediate threat" to the world's declining freshwater resources, the health of all people and ecosystems and to national sovereignty over water, especially as a service but also as a good, as experience in many parts of the world shows. The inclusion of water services in the GATS process is a one-way

street towards increased limitations on environmentally and socially responsible policies.

In response to a concerted civil society campaign, the EU stated early this year that they do not plan to offer water services up for bilateral negotiations and that they plan to keep it in public domain. Yet the European Commission wants other countries to liberalise their water services. (On March 31, the US also announced that they will keep water in the public domain.) In the absence of clarifications on horizontal disciplines, one cannot be sure about the implications of these negotiations yet.

GATS would offer multinationals the protection they need against any risks they face in any country where they chose to invest.

Camdessus Panel Report: Water sector financing

This report, first released in Paris in early March advocates privatisation of water supplies and outlines ways to attract private sector investment in water supply and sanitation. There was no open endorsement of the Camdessus report "Financing Water for All," at the recent World Water Forum. Nevertheless, France is expected to include support for this document within the Global Water Plan that President Jacques Chirac will present to the G8 leaders at Evian. The plan, written by former International Monetary Fund chairman and managing director Michel Camdessus of France, aims to achieve the WSSD target to halve the proportion of people without access to safe water and sanitation by 2015. The report was presented to the Kyoto Water Forum, and it is expected to be presented to the G8 meeting in Evian. It could be a matter of coincidence that two of the biggest water multinationals are located in France.

A particularly problematic suggestion is that the regulatory framework should be developed in order to attract risk free investments. The proposal suggests that the risks be borne by the local administrative structures.

Some principles

In the face of all these attempts to continue with 'business as usual', it is



clear that we need to come up with some creative solutions that seek to meet the MDG on Water and Sanitation Targets in a sustainable manner. Let us first lay out some principles on the basis of which the solutions need to be organised.

- Access to water is a right.
- The responsibility to ensure that this right is upheld rests with the state.
- However, water management authorities should be accountable to the public for responsible management of the water system.

Suggestions for local action

In order to organise on these principles, local action is necessary. Communities should be involved in local actions to ensure that the water used and disposed is safe for further use. This requires protection of the water source, harvesting of rainwater, and using locally appropriate water saving technology. The water-based sewerage models were designed on the premise that human waste is suitable only for disposal, but the adoption of ecological sanitation methods offers a safe approach to recovering nutrients from human excreta for sustainable agriculture.

An inspirational story: I end this note with an inspirational story from Rajasthan, a mostly arid state in western India. Following an acute drought in mid eighties, many development practitioners turned to traditional water harvesting methods in many parts of arid India. The challenge then was to work towards long-term water availability to meet domestic and agricultural water needs of the community, and to help arrest forced migration through various "developmental efforts". It helped that there have been visionary community leaders who were instrumental in reviving the multiplicity of water harvesting traditions in many areas in as early as late 1960's. This is the challenge we still have in meeting MDGs on food and water.

Located in the Arawalli ranges, Tarun Bharat Sangh (TBS) has been a catalyst in transforming over thousand villages. When Rajendra Singh, the charismatic leader of the organisation, first arrived in the area he asked the elders (there were hardly any young people in the

village as they had all migrated for the season) whether there was any way in which he could help solve the problems of poverty. "Make johads, bring water", came the reply. A johad is a crescent-shaped bund which is built across a sloping catchment to capture the surface runoff. Water accumulating in the johad percolates in the soil to augment the groundwater.

It took quite a lot of perseverance on the part of Rajendra Singh to continue with the work, even as other colleagues gave up. Over the last two decades TBS' work has expanded into many villages in Alwar District, most of them falling in the Arawalli watershed.

In addition to being a surface water reservoir, the johads have also contributed to replenishing the water table. The water from the johads is used by the community to meet a multitude of needs, either directly or indirectly: wells meet drinking water needs; the johad sustains a variety of flora and fauna, some of which are used as food by some communities - they harvest water chestnuts, lotus stems and other plants as vegetables, while a few harvest fish.

The johads also support local subsistence agriculture water needs through ground water recharge as well as direct irrigation. People from these regions do not migrate out as much as before, and the basic water and food needs of the community is met. In addition, together these villagers have

managed a miracle: The river, Arawalli has been brought alive, and has become perennial again. The johads contributed to the rising of the water table, and contributed to the springs coming alive!

Along with the technical interventions, there has also been institutional interventions, which recognizes not only the right to water but also responsibility to water. Thus the Arawalli water parliament, consisting of representatives from all the villages falling in the watershed, is the final authority for setting up the regulatory framework and ensuring that every one abides by it, for equitable and sustainable water use and management.

Despite all this, there continue to be hindrances to the TBS project from those committed to a centralized approach to water management, centred on building dams and pumping groundwater, and providing water through a centralised water supply and sanitation system.

TBS may be the most well known NGO involved in such an initiative, but there are hundreds of them spread all over India. In this era of economic globalisation and displacement, initiatives such as these may be the only means to ensure that the rural poor have access to water to meet their basic needs and food security in India.

Flashpoint Aceh

The Struggle for Human Rights in Indonesia, with Lesley McCulloch

Tuesday, May 6, 7:00 pm, Garden Room, Judson Memorial Church, 243 Thompson Street, Manhattan

Scottish academic Lesley McCulloch was arrested on trumped up spying charges during a trip to Aceh, Indonesia, and jailed from September 10, 2002 to February 16, 2003. Along with American nurse Joy Lee Sadler, Dr McCulloch endured a very difficult experience and remained critical of her captors throughout. The case was politically motivated by members of the Indonesian government, police and military angry at Dr McCulloch's exposure of the involvement of these institutions in illegal businesses. Dr McCulloch has researched and written extensively on the Indonesian military, civil-military relations, the flow of small arms to Indonesia, and corruption in the Indonesian military and government. She is currently at work on two books - one on her experiences in prison and the other on political prisoners in Aceh.

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