

# Corrupt Water Privatization Schemes: U.S. Citizens Mobilize Against Corporate Water Grabs

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*On Feb. 5, New Jersey [became the latest state](#) to subvert democracy by authorizing the fast-track sale or lease of water utilities without public notice, comment, or approval. The controversial decision highlights the intensifying struggle over who owns, controls, and profits from the most precious – and threatened – resource on Earth.*

We tend to associate corrupt water privatization schemes with the developing world, where according to the World Health Organization, nearly 2.6 billion people still lack a latrine and 1.1 billion people have no access to any type of improved drinking source of water. In this crisis environment, the World Bank and IMF have spent decades imposing water privatization as a condition of their exploitative loans, profiting a handful of transnational water corporations.

According to renowned food and water rights advocate Maude Barlow, “The performance of these companies in Europe and the developing world has been well documented: huge profits, higher prices for water, cut-offs to customers who cannot pay, little transparency in their dealings, reduced water quality, bribery, and corruption.”

Water privatization has also followed on the heels of war and natural disaster in devastated regions where massive reconstruction projects are needed. These are the largely unregulated profit-centers of what journalist Naomi Klein coined the “disaster capitalism complex.”

But now, disaster capitalism has come home to the United States. Private corporations are taking advantage of lucrative opportunities created by the intentionally crippled tax base of American states. Decades of neo-liberal policies have bled the public sector to the point of collapse: deregulation, outsourcing, tax cuts for the one percent, and trillions lost annually to war spending, corporate welfare and off-shore tax-havens.

Cash-strapped governments can finally no longer repair crumbling infrastructure or meet future development needs. Offering to “fill the budget gap,” the private sector is grabbing public assets and resources, particularly water, blinding public officials to the consequences of long-term contracts with substantial up-front payments.

The fast-growing “public-private-partnership” or PPP model is a friendly marketing euphemism for privatization. PPPs facilitate the transfer of public utilities, like water, to profit-driven private corporations. This is proving a slippery slope as laws are constantly changing, always further acceding to corporate demands.

In June 2014, water investment advisors Bluefield Research praised the “revised regulatory

landscape” and cheered a “major step forward for the market” when President Obama signed the Water Resources Reform and Development Act (WRRDA) into federal law, which among many other provisions seeks to expand private financing for water projects.

Private sector groups like the American Water Works Company (AWWC), Water Environment Federation (WEF), and the Association of Metropolitan Water Agencies (AMWA) began lobbying to further weaken WRRDA’s public protections and to force tax-free Private Activity Bonds (PABs) so private investors can pocket more money at the expense of public coffers.

Meanwhile, investment banks including JP Morgan Chase, Goldman Sachs, Citigroup, the Carlyle Group, Allianz and many others are aggressively buying up the world’s declining fresh water supply and infrastructure in what is being called a “liquid gold rush.”

But water is not a commodity; it is a human right. As climate change, population growth, industry use and pollution threatens the world’s dwindling fresh water supplies, the onslaught of privatization is being countered by a powerful backlash to reclaim that precious resource for the public sphere.

The last 15 years have seen at least 180 cases of water “remunicipalization” in 35 countries, according to the Transnational Institute., and the trend is growing. In France, which had the longest history of water privatization, numerous cities have recently reclaimed their water, including Paris in 2010. From Spain to Buenos Aires, Cochabamba to Kazakhstan, Berlin to Malaysia, water privatization is being aggressively rejected.

Yet, because water privatization is notoriously at odds with democracy, citizens often find they must take to the streets in nonviolent marches and civil disobedience in order to defend their rights and reclaim control of this vital resource.

In Bolivia, a historic public uprising literally drove Bechtel from Cochabamba in 2000. In Ireland, nearly 100,000 people took to the streets in December 2014, to protest the right-wing government’s plans to privatize water services. India and Nigeria are also launching campaigns against dangerous and undemocratic privatization schemes.

In the United States, residents of Detroit, Michigan spent the summer of 2014 fighting mass water shut-offs to tens of thousands of low-income, mostly African American residents. More than 3,000 protesters marched and citizens – including the elderly and disabled – engaged in direct action to block the trucks sent to disconnect water without notice. Detroiters will now have to mobilize against the water privatization expected through their new regional authority.

In Portland, Oregon, residents are mobilizing now to oppose the costly and unnecessary water system to be built by CH2M Hill, the notoriously corrupt mega-developer and privatization pioneer. CH2M Hill has also planned a mass-privatization scheme for California, Oregon, Washington, and British Columbia, called the [West Coast Infrastructure Exchange](#).

Public-Public Partnerships (PUPs) are emerging frameworks for preventing corporate takeovers of natural resources and developing non-profit, public-driven solutions for water infrastructure needs. PUPs are partnerships between “two or more public authorities or organizations based on solidarity, to improve the capacity and effectiveness of one partner in providing public water or sanitation services,” according to the [Public Services](#)

[International Research Unit](#). Such solidarity partnerships are underway in Japan, the Netherlands, India, Costa Rica, Brazil, and many other countries.

We must continue to organize in the United States around similar, pro-active democratic solutions, to prepare for a future increasingly defined by resource scarcity, and fundamentally threatened by the corporate imperative of profits over people and democracy.

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