
ESSAY

Water Commodification and Decommodification Narratives: Pricing and Policy Debates from Johannesburg to Kyoto to Cancun and Back

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1. Introduction: Controversies Over Water Pricing

The Economist magazine's influential mid-2003 survey on water declared the central dilemma: "Throughout history, and especially over the past century, [water] has been ill-governed and, above all, colossally underpriced." Identifying the problem this way, naturally begets this solution: "The best way to deal with water is to price it more sensibly," for "although water is special, both its provision and its use will respond to market signals." In particular, "Charges should be set, as far as possible, to cover full costs, including environmental ones," and in rural areas where there is competition among farmers for irrigation water, "The best solution is water trading." As for the problem of delivering water to the poor, "The best way of solving it is to treat water pretty much as a business like any other."¹ South Africa was cited as a site of particularly impressive water-pricing pilot projects.

Nine months earlier, a different attitude was expressed in Johannesburg by South African president Thabo Mbeki, as he welcomed dignitaries to the United Nations World Summit on Sustainable Development (WSSD), held in August–September 2002.

We have all converged at the Cradle of Humanity to confront the social behavior that has pity neither for beautiful nature nor for living human beings. This social behavior has produced and entrenches a global system of apartheid. The suffering of the billions who are the victims of this system calls for the same response that drew the peoples of the world into the struggle for the defeat of apartheid in this country. . .

¹*The Economist*, "Survey of Water," July, 2003.

Our common and decisive victory against domestic apartheid confirms that you, the peoples of the world, have both the responsibility and the possibility to achieve a decisive victory against global apartheid.²

Mbeki's occasionally leftist rhetoric dramatically diverges from the South African government's actions.³ Nevertheless, the idea that a new kind of minority rule is prosecuted through environment and society appears indisputable. This is not only a structural matter, bound up in the displacement of capitalist crisis tendencies via an imperialist system of, as David Harvey terms it, "accumulation by dispossession" (such as looting of the commons).⁴ Agency is also crucial, especially from corporations, international development bureaucracies and state elites. As purposive ecological destruction and social inequality reach levels never before recorded in human history, the conflict between forces bent on further commodification and those committed to decommodification is also growing intense. A backlash against corporate globalization is, hence, not only a function of international protest movements, but finds many local expressions in countries like South Africa, as exemplified by Soweto township in the Johannesburg metropolis.⁵

Very few examples of global apartheid have such a high profile as water. The historic conflict over global-scale water policy emerged in a structured way at The Hague in February 2000, at a World Water Forum visited by progressives. The struggle intensified at a similar December 2001 session in Bonn. (The earlier World Water Forum in Dublin, where water was declared an "economic good," was relatively uncontested.) The World Commission on Dams, which issued its relatively anti-dam report in November 2000 and was sabotaged by the World Bank during

²T. Mbeki, "Address by President Mbeki at the Welcome Ceremony of the W\$SD," Johannesburg, August 25, 2002.

³See several websites (<http://www.nu.ac.za/ccs>, <http://southafrica.indymedia.org> and <http://www.aicd.org.za>) and numerous recent books, by independent leftists, that give a strong flavor of the depth and breadth of the radical critique of the "New" South Africa: M. Legassick, *Towards Socialist Democracy* (Pietermaritzburg: University of Natal Press, 2004); P. Bond, *Elite Transition* (London: Pluto Press and Pietermaritzburg, University of Natal Press, 2004 [2000]); J. Saul, *The Next Liberation Struggle* (London: Merlin Press, New York: Monthly Review Press, Halifax: Fernwood and Pietermaritzburg: University of Natal Press, 2004); S. Kimani, ed., *The Right to Dissent* (Johannesburg: Freedom of Expression Institute, 2003); P. Bond, *Against Global Apartheid* (Cape Town: University of Cape Town Press and London: Zed, 2003 [2001]); N. Alexander, *An Ordinary Country* (Pietermaritzburg, University of Natal Press, 2002); S. Jacobs and R. Calland, eds., *Thabo Mbeki's World* (London, Zed Press and Pietermaritzburg: University of Natal Press, 2002); G. Hart, *Disabling Globalization* (Pietermaritzburg, University of Natal Press and Berkeley, University of California Press, 2002); A. Desai, *We are the Poors: Community Struggles in Post-apartheid South Africa* (New York: Monthly Review, 2002); T. Bell and D. Ntsebeza, *Unfinished Business* (Cape Town: Red Works and London: Verso, 2001); and H. Marais, *South Africa: Limits to Change, Political Economy of Transition* (London: Zed Press and Cape Town: University of Cape Town Press, 2000 [1998]).

⁴D. Harvey, *The New Imperialism* (Oxford, Oxford University Press, 2003).

⁵T. Ngwane, "Interview: Sparks in Soweto," *New Left Review*, July-August, 2003. For background on why the large Lesotho dams supplying Johannesburg and access inequality led to a confrontation with government and the World Bank five years earlier, see P. Bond, "Economic Growth, Ecological Modernization, or Environmental Justice?: Conflicting Discourses in Post-Apartheid South Africa," *CNS*, 11, 1, March, 2000

the first half of 2001, was another site of struggle. During the W\$\$D, Johannesburg's "MTN Sundome" – a vast suburban concert hall/stadium owned by a telecommunications operator – was hired by Pretoria's Department of Water Affairs and Forestry (DWAFF) and renamed "The Waterdome." Dozens of major institutions, including water privatizers, rented display space at the conference. South African water minister Ronnie Kasrils and his director-general, Mike Muller, were active hosts. In spite (or because) of the mandate given by Mbeki to fight global apartheid at the W\$\$D, the Waterdome was one of the main W\$\$D sites to host an intractable conflict between social movements demanding decommodification, and those governments, water companies and international agencies which insisted on pricing strategies in the spirit of *The Economist*.

From Johannesburg's Waterdome to the March 2003 World Water Forum summit in Kyoto to the Cancun World Trade Organization ministerial in September 2003, the conflict over water commodification appears irreconcilable. The W\$\$D's water privatization workshop and Kyoto's panel on pro-corporate infrastructure financing were both disrupted by protests. As for Cancun, the day after international demonstrations – including in 18 African cities – on September 13, 2003, negotiations on the General Agreement on Trade in Services bogged down as the summit imploded. Over the same 12-month period, grassroots and labor opposition also compelled the biggest French, British and US water firms to begin a strategic withdrawal from several Third World sites. Another reason was evident in former high-profile privatization pilot projects run by the ubiquitous French firm Suez, from Buenos Aires to Manila, with several South African towns in between. There, currency crashes and worsening inequality meant that even selling as essential a commodity as water to low-income people and returning sufficient profits to Paris had become impossible, due simply to unaffordability.

While the main issue under debate at these international fora was water commodification, a variety of other water struggles were playing out both in South Africa and internationally.⁶ Together, the numerous water-sector manifestations of social deprivation and ecological destruction attained a very high profile in part because of the W\$\$D, but also because for millions of South Africans, water apartheid had evidently worsened after 1994, notwithstanding Pretoria's self-congratulatory rhetoric. It was not long before the world's leading journalists also picked up on the contradictions between Pretoria's leftist talk and its neoliberal actions. In just six months between December 2002 and May 2003, a series of critical articles about South African water policy – especially flaws in the commercialization of water in both urban

⁶For an excellent documentary film version of the W\$\$D debate see B. Cashdan, *Down to Earth: Water*, SABC Channel Africa documentary, September 6, 2002. Local issues are covered in P. Bond, *Unsustainable South Africa: Environment, Development and Social Protest* (Pietermaritzburg: University of Natal Press and London, Merlin Press, 2002), Chapters Three-Five. Progressive international books on water which link the environment and social issues include Barlow, M. and T. Clarke, *Blue Gold: The Battle Against Corporate Theft of the World's Water* (Toronto: Stoddard, 2002); Shiva, V., *Water Wars: Privatization, Pollution and Profit* (Boston: South End Press, 2002); Petrella, R., *The Water Manifesto: Arguments for a World Water Contract* (London: Zen Books, 2001).

and rural areas – appeared prominently in the *New York Times*, *Washington Post*, *Le Monde Diplomatique*, *London Observer*, *Boston Globe*, *Houston Chronicle*, *Mother Jones*, *L'Humanité* and other outlets supplied by the International Consortium of Investigative Journalists.⁷ South Africa's SABC Special Assignment, Canadian Broadcasting Corporation radio, BBC radio, Dutch national television, Korean radio and several other outlets also aired critiques in subsequent weeks. As we will conclude, the combination of popular mass action – with slogans such as “Destroy the meter, enjoy the water!” – and large media exposure helped to shift policy. Technocratic advice, inputs by parliamentarians and mild-mannered “advocacy” were largely ignored.

2. Against Water Apartheid

It was only on the eve of the W\$SD that Water Minister Kasrils invited the South African Civil Society Water Caucus (SACSWC) to discuss a variety of problems associated with water/sanitation policy, programs and projects. The Caucus had formed in July 2002 explicitly for the W\$SD, but many of its members were veterans of national and local water advocacy work. Comprised of forty organizations as members, the Caucus also drew to its steering committee the premier advocacy groups in the water sector: Earthlife Africa, Environmental Monitoring Group, Network for Advocacy on Water in Southern Africa, the Anti-Eviction Campaign, Rural Development Support Services, Mvula Trust, the Youth Caucus and the South African Municipal Services Union. The Caucus addressed a variety of issues in its own statement of objectives: sanitation, ecosystems, human rights, privatization and commodification of water, evictions and water cut-offs, rural water supply, urban water issues, the large dam debate, water conservation and demand management, regional and transboundary water issues, labor and the promotion of public services.

At the August 2002 meeting in DWAF headquarters, the first such summit with a wide-ranging collective grouping of civil society water specialists since Kasrils assumed office in June 1999, the Caucus' Points of Consensus were presented:

- Water and sanitation are human rights. All people are entitled to have access to water to meet their basic human needs, and rural communities are entitled to water for productive use to sustain their livelihoods.
- Water management must be accountable to communities at a local level.
- We respect the integrity of ecosystems as the basis for all life – both human and nature – with an emphasis on maintaining river ecosystems and groundwater resources.
- We reject the commodification and privatization of water services and sanitation, and water resources.

⁷For documentation, see <http://www.queensu.ca/msp> under media, where many of the articles are posted.

- Further, we reject the policies of the US, the other G8 countries and Trans-National Corporations for their role in pushing privatization and commodification.
- We reject the UN W\$\$D process and outcomes so far, as nothing more than structural adjustment of the South. We therefore resolve to work together with social movements to realize an alternative vision.
- We reject the New Partnership for Africa's Development (NEPAD) and the plans for water in NEPAD, as not being sustainable. It is structural adjustment by Africa for Africa. In particular we reject the privatization of water and the hydropower focus. We commit ourselves to building a mass movement for the reconstruction and sustainable development of Africa.
- We undertake to educate and raise awareness and to mobilize communities towards the W\$\$D.

Kasrils gracefully received this list of grievances, alongside a variety of harshly critical comments about DWAF. Within three months' time, Kasrils would score the second highest number of votes in the SA Communist Party elections for Central Committee, yet he appeared affable and humble, conceding that social movement and environmental concerns were generally valid. He was unwilling to give ground on critiques of big dams, however. Because Kasrils had visited China in 2001 to endorse the Three Gorges dam, and because NEPAD proposes both expanded tropical hydropower and water commercialization, this would prove to be a major area of divergence.⁸

Kasrils commented that the point of his meeting was not to simply show a surface-level consultation with NGOs in the days prior to the W\$\$D. The SACSWC was not entirely convinced, however, and their press statement concluded, "Of particular importance are the issues of NEPAD, water cut-offs and evictions, and it is expected that a number of meetings will be held with the Ministry in the near future to resolve these issues. While the civil society representatives that were present at this meeting were happy with the spirit of openness of the meeting, there is some concern that this should be the beginning of an ongoing dialogue and not just a short-term strategy to appease civil society before the Summit."⁹

Over the previous eight years, the Water Caucus groups raised many explicit concerns about DWAF, and made constructive suggestions for improvements. From the outset of democracy in 1994, the first water minister, Kader Asmal, adopted several controversial policies, which quickly came under fire:

- the SA Municipal Workers Union opposed the private-sector and NGO-oriented rural water program and the promotion of public-private partnerships in municipal water delivery;

⁸P. Bond, ed., *Fanon's Warning: A Civil Society Reader on the New Partnership for Africa's Development* (Africa World Press and AIDC, 2002).

⁹South African Civil Society Water Caucus, "Press Release," Pretoria, August 5, 2002.

- some representative community organizations, social movements and NGOs – mainly affiliated to the National Land Committee and Rural Development Services Network – complained that the majority of the new taps installed after 1994 quickly broke, that millions of South Africans remained without water, and that the African National Congress’ 1994 “Reconstruction and Development Programme” promise of 50 liters per person per day of free water was not taken seriously within DWAF;
- environmentalists in the Group for Environmental Monitoring, Earthlife, Environmental Monitoring Group and the Soweto and Alexandra civic associations complained that Pretoria stubbornly championed the unneeded Lesotho Highlands Water Project;
- many civic groups also protested intensifying municipal water cut-offs, with especially fierce demonstrations in the townships of Gauteng (Soweto, Alexandra, Thembisa, KwaThema), Durban (Chatsworth and Mpumalanga), Cape Town (Khayelitsha and Tafelsig) and several smaller towns (indeed, a national network of anti-evictions and anti-privatization organizations subsequently emerged in 2001); and
- criticism also continued against low infrastructure standards, such as mass pit latrines in urban areas.

Hence by August 2002, the various South African water groups were sufficiently confident to attack Kasrils for failing to apply his mind to a variety of long-standing grievances (see Table 1). The groups’ sophistication – in identifying local, catchment-area, national, regional and international problems, but also potential solutions – was matched by an anger that reflected durable tensions with Pretoria over life-giving and life-taking policies.

Parallel to the organizing of Johannesburg’s broad-based anti-globalization coalition known as the “Social Movements Indaba” (SMI), many Caucus members – joined by the Anti-Privatization Forum and a group of displaced people called Survivors of the Lesotho Dams – planned a protest at the Waterdome on September 3, the final day of the W\$SD’s deliberations. In a meeting on private sector participation in the water sector, attended by more than a hundred representatives of corporations, states and international agencies, a reported 70 SMI and Caucus activists chanted slogans for ten minutes at the beginning of the session.¹⁰ As an SMI press statement recorded, the demonstrators insisted that “there can be no sustainable development as long as capitalist market forces dominate the ownership and distribution of water – water is a human right, not a capitalist privilege to be enjoyed only by those who can afford to pay.” Kasrils reacted with fury, and he labeled the activists “thugs” and “anti-democratic,” to which the activists replied:

The SMI is not alone in its denunciation and rejection of the corporate agenda of the W\$SD. Yesterday, members of the World Coalition against Water Privatization and Commodification (a global umbrella body representing

¹⁰*Johannesburg Star*, September 3, 2003. The actual number was probably somewhat lower.

Table 1. Water/sanitation apartheid, and social movement solutions^a.

Existing problem with DWAF	Social movements' suggested solution
failure to enforce the constitutional right to water	unequivocally state the ministry's endorsement of right, and intention to prosecute any water supplier – whether state, parastatal, private-sector or NGO – that denies this right to people served, or refuses to immediately expand access to all who lack water at their houses or yards
failure to withdraw permission to municipal and catchment-area water managers to engage in life-threatening water cut-offs to millions of people	declare disconnections of water supplies to households to be a “water emergencies,” and intervene under the provisions of the National Water Act to immediately reconnect supplies
failure to make good on promises of a free lifeline supply, and to define the supply so that people receive 50–60 liters of water per person per day	immediately issue directive that defines the minimum free supply to be 50 liters per person per day (not 6 kl/household/month), and establishes this in new policy paper
failure to provide sufficient subsidies to run rural water programs and projects where municipal support is not yet in place	immediately change the scope of the Department of Water Affairs and Forestry revenue accounts (and increase charges on high-volume retail users from these accounts, as well as high-volume users of raw water such as commercial agriculture, forestry and commerce/industry), so as to allow for increased direct subsidization of municipalities which do not have sufficient revenues for internal cross-subsidization
failure to deliver emergency water in cholera-stricken areas through emergency water tanker trucks	order that all households without water, especially in cholera-risk areas, receive immediate trucked supplies of water
failure to monitor, regulate and repair rural water projects run on a semi-privatized basis	order national monitoring and evaluation of all existing supply schemes
failure to deliver sanitation due to excessive emphasis on cost recovery and co-payment	assure the end of copayment measures, and dramatic increase in sanitation revenues for installation of environmentally – and hygienically safe supplies
failure to spend annual budget allocations efficiently, resulting in roll-overs	identify blockages to delivery, and end bureaucratic maneuvers that prevent flows of funds (e.g., to low-income municipalities)

(continued)

TABLE 1 Continued

Existing problem with DWAF	Social movements' suggested solution
failure to consider the overall costs of construction of mega-dams (as an alleged supply-side solution to water scarcity in the largest cities, instead of demand-side management)	prohibit construction of new large dams (e.g., Skuifraam) until full demand-side measures are undertaken
failure to fully endorse the World Commission on Dams report for application in Africa	retract limited nature of WCD endorsement in favor of strong endorsement/commitment, and make provisions for the moratorium on construction of Mohale Dam until all WCD recommendations are carried out
failure to condemn the Yangtze River's Three Gorges Dam	retract Kasrils' endorsement, condemn dam and work with international NGOs and human-rights groups to reverse Chinese plans
failure to investigate the role of companies (including SA-based) in Lesotho dam corruption and take action	investigate any DWAF personnel and press for suspension of contracts (including on Mohale Dam) involving companies implicated in LHDA corruption
failure to ensure dam safety, especially during flooding affecting Mozambique in 2000–2001	make full investigations and reparations for problems caused by inappropriate SA dams and dam control
failure to redistribute water resources enjoyed below cost by white farmers due to historical and residual apartheid subsidies	impose much higher charges on water utilization by major users, so as to cross-subsidize other users and to ensure conservation for the benefit of environments and downstream people (including in Mozambique, Zimbabwe and Namibia)
failure to regulate and where necessary halt destructive water use by forestry plantations	radically revise pro-plantation and pulp-export policy, including reversal of corruption-tainted privatization
failure to prevent water pollution by TNCs, especially in the mining/metals and agricultural sectors	investigate and reverse pollution permits to notorious polluters (e.g., Iscor and many mining companies), and charge punitive "polluter-pays" fines to prevent further despoliation

(continued)

TABLE 1 Continued

Existing problem with DWAF	Social movements' suggested solution
failure to implement regulations on municipal water privatizers, even in the wake of their nationally-publicized crises in Dolphin Coast and Nkonkobe	immediately halt municipal water privatizations in lieu of lack of national regulation and risks associated with failed pilots, and begin process of remunicipalization so that water will never be privatized
failure to take global leadership against water commodification	endorse the Blue Planet Project's Treaty Initiative to Share and Protect the Global Water Commons

^aSource: author interviews with Caucus members, August, 2002.

many different social movements and progressive NGOs) announced their withdrawal from the W\$SD. They noted that, "the summit has been hijacked by corporate and national interests and market-driven jargon," and denounced the "lack of courage and human vision" that has characterized the W\$SD.¹¹

As one important example of the international critique, Indian scientist Vandana Shiva condemned a hygiene partnership that Kasrils and many other water administrators actively promoted – in South Africa as well as in the Indian pilot province of Kerala – during and immediately after the W\$SD. The "WASH" partnership involves the World Bank, US AID, UNICEF, World Health Organization, London School of Hygiene and Tropical Medicine academics, and major soap companies (Unilever, Procter and Gamble and Colgate Palmolive). According to Shiva:

The project talks of "saving lives" through reducing diarrhoeal diseases by half, by doubling hand washing by selling soap. . . Kerala has the richest indigenous systems for non-chemical, non-polluting natural hygiene products – from biodiversity such as "shikakai," a herbal soap, to natural soap making at the small-scale level. The project is thus an attempt to destroy indigenous knowledge, indigenous biodiversity and indigenous economies. It is a project to destroy lives, not save lives, by destroying employment in local cottage-based industries as well as by introducing polluting chemical-based toxic detergents from global corporations. This violent imposition of a colonizing project is ironically being launched on October 2nd, Gandhi's birthday, which should celebrate non-violent alternatives to toxic products from global corporations.

The project is also launched to legitimize water privatization through private-public partnerships, which are aimed at undermining people's water rights and the state's duties to protect water and people's water rights. The case of

¹¹Social Movements Indaba, "Anti-Privatization Activists Expose Corporate Takeover of W\$SD at Waterdome," Johannesburg, September 3, 2002.

Coca Cola destroying water in Kerala by extracting 1.5 million liters per day for its bottling plant is an example of how “private-public partnerships” are a recipe for the over exploitation of scarce fresh water resources and a threat to people’s water rights and a recipe for creating thirst and disease. So-called Type 2 agreements between unaccountable governments, international agencies and global corporations launched at W\$SD, such as the Kerala project, are an attempt to privatize the earth resources and colonize people’s every day lives.¹²

3. Retreat from Water Privatization?

Given the strength of this sort of critique in South Africa and amongst social movements across the world, politicians such as Kasrils began to adjust their formerly pro-partnership rhetoric. On the one hand, according to the *Johannesburg Star*, the Waterdome protesters “said they had made their point and left, after which Kasrils told delegates that the anti-privatization lobby was a minority in South Africa.”¹³ On the other hand, by the time of the Kyoto World Water Forum in March 2003, DWAF’s Mike Muller was presenting a strong anti-privatization message in a “Water 2003” speech. Describing this as a “clear mandate” from the W\$SD, Muller conceded that, “We should start by acknowledging key lessons from Johannesburg.” One of these was that “business as usual will not achieve the goals. We need to acknowledge the constraints and review the paradigms within which we work.”¹⁴

What, then, had become of the paradigm of water privatization? As Muller began by complaining:

The aggressive push by international water and financial interests for private engagement has been working to their ultimate detriment. The pendulum is swinging against too great an involvement of private sector. Resistance to private engagement is the result, in part, of the obvious failure of private initiative to address the core challenge of the unserved. There is a vital role for private expertise and resources in providing water services. Unfortunately, if that role is literally forced down the throats of potential beneficiaries, they often choke. If we do not want to give credibility to those who describe private sector engagement as neo-imperialist expansion designed to boost profits of the rich world’s service industries, we must demonstrate that it is the product of rational institutional decisions designed to achieve public objectives.

¹²V. Shiva, “Savings Lives or Destroying Lives? World Bank sells Synthetic Soap and Cleanliness to Kerala the Land of Health and Hygiene,” Water Liberation Movement Press Statement, New Delhi, September 17, 2002.

¹³*Johannesburg Star*, September 3, 2003.

¹⁴M. Muller, “Water 2003 – What Should be Done: Lessons from Johannesburg and Pointers for the Future,” 2003. Speech given at various international fora, Pretoria, Department of Water Affairs and Forestry. Cites below are from this talk.

This was a telling remark, directly replying to the tone and content of the popular critiques during the W\$SD, and clearly reflecting the build-up of social movement pressure in the sector. On the one hand, Muller conceded privatization's "obvious failure" to serve poor people – yet on the other hand, he insisted that it remained a "rational" strategy, worthy of defense against the anti-imperialists.

Muller concluded his argument "against" privatization by suggesting two initiatives: first, "for donors and lending agencies to cease making private sector involvement a pre-condition for water sector support," and second, "for the OECD countries, their companies, preferably both, to call for water services to be taken off the table in the General Agreement on Trade in Services and related trade negotiations. This would help to make the point that we are serious about achieving the global objectives and not just pursuing our trade objectives under a benevolent guise." The World Bank, International Monetary Fund, WTO, European Union and United States government did not apparently agree with either suggestion, for pressure continued notwithstanding the apparent retreat by water companies, as noted below.

Muller also addressed many more specific social movement concerns about Pretoria's own policies, and here, the influence of the critique was more nuanced, characterized more by excuses and evasions. For example, Muller conceded, "Sanitation progress has been much slower, reflecting in part the low perceived priority of sanitation provision which hardly featured in pre-1994 surveys of community aspirations and expectations of government." Critics replied that the low take-up on the DWAF policy of installing pit latrines reflected not the "low priority" but instead poverty and the insensitivity of DWAF in requiring expensive copayments. (DWAF traditionally charged \$100 or more as part-payment for installation of pit latrines, which is more than a monthly pension payout for low-income households, so only a few tens of thousands were actually constructed prior to the W\$SD.)

Muller continued, "A cholera outbreak in KwaZulu-Natal in 2000 highlighted the importance of improved sanitation (and hygiene) if the health benefits of water supply are to be fully realized. Sanitation is now a national political priority." Critics claim instead that the cholera outbreak reflects the fact that water disconnections – which in a just South Africa would be declared unconstitutional, as even Kasrils has acknowledged¹⁵ – were at the epicenter of the epidemic. Moreover, the continuing stingy approach to pit latrines instead of higher-quality sanitation also has adverse health and environmental impacts.¹⁶

As for the problem of high water prices reflected in the ten million water disconnections during the late 1990s, Muller insisted that "The major challenge is to establish social consensus around the idea of free basic services and the corollary of payment for higher levels of service." In reality, social movement critics argue, the

¹⁵*Sunday Times*, May 12, 2002.

¹⁶P. Bond, "The Neoliberal Roots of South Africa's Cholera Epidemic," in M. Fort, ed., *Globalization and Health* (Boston: South End Press, 2004); P. Bond, *Cities of Gold, Townships of Coal* (Trenton, Africa World Press, 2000), Chapter Four.

major challenge is to stop systemic bureaucratic sabotage of free water, including halting the ongoing epidemic of water disconnections due to unaffordability, and in the process to restructure South Africa's urban tariff system dramatically. (In most locales, the revised July 2001 water tariffs that followed the African National Congress promise of free water in the December 2000 municipal elections, had a very small free lifeline block – 6000 liters per household per month – followed by a very steep-rising and convex curve such that the next consumption block became unaffordable, leading to even higher rates of water disconnections in many settings.)

Meanwhile, given massive inequality and poverty, not to mention an upsurge of anti-privatization protests around the world, earning profits by selling water had become excessively difficult. Private sector investments in Third World utilities dropped in 2001 to half the \$120 billion level of 1997. As expressed by Mike Curtin of Bechtel Group, which suffered potential losses of \$25 million in the April 2000 anti-privatization revolts in Bolivia, "We have agreed to take the commercial risk, but it is the political risks that kill you. My fear is that the private sector is being driven out of the water sector."¹⁷

By early 2003, Suez was recording serious commercial and political problems across the world, as British journalist Nick Mathiason reported:

Suez, the biggest water company in the world, is reducing its exposure in developing countries by a third. It already had plans to reduce costs by E340 million this year and a further E68 million next year and now intends to cut deeper. Not surprisingly in a harsh macro-economic climate, the company now favors "currency risk-exempt financing," having had its fingers burnt in Argentina and the Philippines. . . . Likewise, Saur – the third biggest water firm – has in the last two years withdrawn from a contract in Mozambique while Vivendi, the second biggest player in the world, has expressed concern about the financial viability of servicing the poor in developing countries, preferring locations where customers or governments can guarantee payment.¹⁸

According to David Hall of the Public Service International Research Unit in London, Suez suffered intense protests and criticism in Casablanca and Jakarta. In December 2002 it pulled out of Manila due to massive losses and in January 2003 was pushed out of Atlanta, the US' largest water commercialization system. The company's chief executive, Gerard Mestrallet, committed to "reduce investments" in the Third World. In the event of further failure – such as witnessed in Manila and Argentina – to pay agreed profits in hard currency, Suez would "prepare to depart."¹⁹

The reports are the same in South Africa. In small towns and cities like Dolphin Coast, Nkonkobe and Nelspruit, which were meant to be model private participation pilot projects, partnerships with international water companies were failures.

¹⁷Bloomberg, March 7, 2003.

¹⁸N. Mathiason, "Left High and Dry by the Water Companies," *The Observer*, March 16, 2003.

¹⁹D. Hall, "Water Multinationals in Retreat," London, Public Services International Research Unit, University of Greenwich, 2003. <http://www.psiru.org>.

In Nkonkobe, Suez was tossed out entirely, as the mayor responded to popular protest by ending the company's contract nearly two decades ahead of schedule. In Dolphin Coast, Saur insisted on a controversial contract rewrite to assure higher profits. In Nelspruit, Biwater was on the verge of withdrawing because of high levels of consumer dissatisfaction and nonpayment. In Johannesburg, riots erupted in August 2003 when the company attempted to install pre-paid meters and shallow sanitation systems in Orange Farm and Soweto.

According to an International Consortium for Investigative Journalism study by Jacques Pauw, privatization has run out of steam: James Leigland – the man who brokered the privatization deal in Nelspruit – is convinced that the process has ground to a halt. “Further privatization of water? It’s not going to happen in the near future. There will be no new Nelspruits or Dolphin Coasts. There is too much of a downside,” he said. Leigland represents the Municipal Infrastructure Investment Unit, which the government created in 1997 to “encourage and optimize private sector investments in local authority services.”²⁰

In addition to Suez, Saur and Biwater, the other two most aggressive firms – Thames and Vivendi – have been cautious, with the latter firm's managing director telling Pauw: “To be very honest, the municipal market is not ready.”

4. The Return of the Washington Consensus

Of course, there are also immense countervailing pressures, including attempts by Kasrils and Muller to obfuscate the issues with political rhetoric. According to a Kyoto report-back by Public Citizen's Maj Fiil-Flynn, “South Africa had a huge presence at the World Water Forum.” Ronnie Kasrils told the audience on several occasions that he was a freedom fighter – who would do no wrong to his people. Mike Muller tried to get everyone to shout “viva water” – after three attempts and NGOs shouting “phansi Mike Muller” – he gave up.²¹ One tactic deployed by Muller was to claim that “NGOs want us to stay poor, not allowing developing countries to build dams.”²²

Indeed, the broader pro-dam and modified pro-partnership strategy of the 20-person delegation from DWAF and other South African state bodies coincided with that of the corporate bloc which attempted to revitalize the market-friendly ideals of the Washington Consensus.

At least five powerful pro-corporate lobbying groups (and individuals such as Michel Camdessus) had emerged over the previous decade, and played major roles

²⁰J. Pauw, “Metered to Death: How a Water Experiment Caused Riots and a Cholera Epidemic,” International Consortium of Investigative Journalists, Washington, February 5, 2003. The Nelspruit reports were confirmed by SABC's *Special Assignment* investigation, on June 24, 2003.

²¹M. Fiil-Flynn, “Report from Kyoto,” e-debate listserve, March 27, 2003.

²²<http://www.citizen.org/cmep/Water/humanright>, March 20, 2003.

at Johannesburg and Kyoto.²³ First, the Global Water Partnership is a Swedish-based group created by the World Bank, UN Development Program and the Swedish aid agency SIDA in 1996 whose members subscribe to the water commodification principles established at the Dublin World Water Forum. Its core constituencies are multi-lateral development banks and international financial institutions, the bilateral aid community, and private water companies.

Second, the Marseilles-based World Water Council was also founded in 1996, by representatives of Suez, the Canadian aid agency CIDA and the Egyptian government. Its 300 members are largely private companies, government ministries, and international organizations.

Third, the International Private Water Association formed in 1999 and was soon supported by Advisory Members that included representatives of the World Bank group, the US Credit Export Agency and Overseas Private Investment Corporation and the European Bank for Reconstruction and Development. The Amsterdam-based Corporate Europe Observatory found that Association director Kathy Shandling has changed terminology: “We don’t use the word privatization. Not anymore. We use public-private partnerships. Privatization is a bad word.” But the underlying premise had not changed, for according to Shandling, the Cochabamba mismanagement was simply a “miscommunication problem...a project not as structured as it should have been.”²⁴

Fourth, the World Bank itself continued to promote privatization, including in its *World Development Report* released at the September 2003 annual meeting in Dubai.²⁵ The International Consortium of Investigative Journalists found that over a dozen years prior to Kyoto, the Bank lent \$20 billion to water-supply projects and imposed privatization as a loan condition in one third of the transactions.²⁶

Fifth, the World Panel on Financing Infrastructure, which reported to the World Water Forum in Kyoto, was chaired by former IMF managing director Camdessus during 2002–2003. The Panel brought together the Global Water Partnership, presidents of major multilateral development banks (IADB, ADB, EBRD, WB), representatives of the International Finance Corporation, Citibank, Lazard Freres, the US Ex-Im Bank, private water companies (Suez, Thames Water), state elites (from

²³International Rivers Network, “Who’s Behind the World Water Forums? A Brief Guide to the World Water Mafia,” Berkeley, March, 2003.

²⁴http://www.web.archive.org/web/*/http://www.ipwa.org; see also Corporate Europe Observatory “Anti-privatization Wave Sinks Corporate Lobby Group,” Amsterdam, 2003.

²⁵The Bank’s analysis of Johannesburg is especially contentious, as it reflects virtually none of the debate and ignores all the inclement problems. The document was released the same week that extreme court injunctions were placed on Soweto Anti-Privatization Forum from participating in the debate over pre-paid meters and shallow sanitation in Phiri township, but international media attention had been trained on these issues for several months beforehand. See <http://econ.worldbank.org/wdr/wdr2004/text-30023/For> a comprehensive review, see T. Bissell, “Critique of Draft World Development Report 2004,” Washington, DC, Citizens’ Network on Essential Services, 2003, http://www.servicesforall.org/html/tools/2004WDR_critique.shtml

²⁶M. Logan, “Multinationals Ride Wave of Water Privatisation,” OneWorld US, February 4, 2003.

Egypt, France, Ivory Coast, Mexico, and Pakistan) and two NGOs (Transparency International and WaterAid).²⁷ (According to the International Rivers Network, “Most of the 20 panel members are senior officials from the world’s major development banks, private lenders and water companies. All 20 panel members are men.”²⁸) It was no surprise that among Camdessus’ recommendations were for international financial institutions to increase guarantees and other public subsidies for private water investors and to “resume lending” for “major” dam and water transfer projects. Camdessus called for \$180 billion in capital expenditure, even though just one-sixth of that would be earmarked for investments aimed at meeting drinking water, sanitation and other hygiene needs. Public Services International, whose union affiliates boast 20 million members, declared that Camdessus’ report should be seen as “an attempt to resuscitate the ailing fortunes of the international water corporations.” The two main institutions recommended are a “Devaluation Liquidity Backstopping Facility” that would protect firms from currency devaluation and a “Revolving Fund” to pay for the “large fixed cost of preparing Private Sector Participation contracts and tenders.” According to Public Services International, “This would likely go to international lawyers and consultants to write dense contracts to protect the corporations, which most municipalities will be unable to interpret or enforce.”²⁹

Camdessus’ financing report was so controversial that it attracted protest from not only water advocacy groups at Kyoto. In addition, former South African water minister Kader Asmal – a patron of the Global Water Partnership – was, he wrote, “astounded and disappointed” upon reading the report. He accused Camdessus of “inadequate research and a lack of guidance” because the document “chooses to effectively ignore the framework of the World Commission on Dams” (chaired by Asmal from 1998–2001), relegating it to a dismissive footnote: “For an esteemed panel to effectively write off the World Commission on Dams, whose core recommendations have been endorsed by many of its member organizations, is quite remarkable and raises concerns about the value of the report. Failing to address this point effectively takes us back many years.”³⁰

In his defense, Camdessus claimed that the W\$\$\$ had “signified an important change of mood” in favor of large dams, and that “Prior to this an opposing view, reached among much controversy, was encapsulated in the [WCD report].” Rebutting, the International Rivers Network pointed out that the “W\$\$\$ Plan of Implementation does not contain the word ‘storage’ or ‘dam’ and mentions hydro only once.”³¹ Like Camdessus, Mike Muller also claimed “that the pendulum had swung from an

²⁷www.gwpforum.org/gwp/library/WaterReport.pdf

²⁸International Rivers Network, “Some Preliminary Comments on the Camdessus Report,” Berkeley, March 10, 2003.

²⁹Public Services International, “The Report of the World Panel on Financing Water Infrastructure,” Geneva, March 12, 2003.

³⁰K. Asmal, “Report of the World Panel on Financing Infrastructure: Letter to Dr. Margaret Catley-Carson,” Pretoria, April 10, 2003, p. 2.

³¹International Rivers Network, March 10, 2003, *op. cit.*

anti-dam position to a position where dams are regarded as important for economic development.”³² Kasrils’ own endorsement of the Camdessus report repeated his conflict with Asmal over applying the WCD report in Southern Africa, for in order to build more dams, Kasrils explicitly downplayed the Commission’s guidelines in 2001.³³ Asmal threatened to resign from the Global Water Partnership, but momentum continued swinging back to the Washington Consensus. An important pro-privatization backlash was recorded at the June 2003 G8 summit in Evian (with Camdessus again in a crucial role, as the G8’s special envoy to Africa). As Agence France Press reported, “In a town famous for its springs, leaders of the powerful G8 group of nations Monday agreed an action plan promising access to vital water supplies, but it was immediately denounced by aid groups.” Aside from the lack of concrete aid commitments (including Johannesburg promises to double water funding), World Development Movement director Barry Coates termed the Evian plan “an ideologically driven push for privatization.”³⁴ At the WTO headquarters in nearby Geneva, 200 protested G8 water privatization, but to no avail.

Hence in spite of some concessions by Kasrils, Muller and the South African government, numerous eco-social grievances remained outstanding in diverse global, regional, national and local settings. The most important were ongoing disconnections, installation of pre-paid water meters, insufficient cross subsidies, and a lack of official commitment to demand-side management instead of expensive supply enhancements. A final instance of public – and explicitly international – debate over South African water apartheid suggests the vast distance between Pretoria’s progressive water rhetoric and its pro-privatization practices.

5. Power Struggles Over Elite and Mass Opinion

As noted above, the first half of 2003 witnessed a barrage of media attention on South African water policy and projects, most of which exposed the crisis of the disconnections. The universal result was to undo the public relations offensive that Kasrils and Muller had launched at the W\$\$D and taken through to Kyoto.

The grassroots critique of water disconnections, pre-paid meters and creeping privatization was genuine in many communities. From South Africa Indymedia, Francois L’Ecuyer reported on the February 2003 murder of Emily Lengolo in Johannesburg’s distant southern township of Orange Farm:

The Orange Farm Water Crisis Committee (OWCC) was created by local activists, who started mobilizing the community. There were public meetings and mass rallies, but also taxi and church gatherings were used to inform people about the reality of pre-paid meters. And graffiti. Lots of graffiti. . .

³²D. Spicer, “More Resources Expected for African Water Projects,” *Engineering News*, March 28, 2003.

³³Bond, *Unsustainable South Africa*, 2002, *op. cit.*, pp. 171–175.

³⁴Agence France Press, June 2, 2003.

When OWCC activists heard that Ronnie Kasrils, the Minister of Water Affairs, was coming to Orange Farm on the 1st of October 2002 to officially launch the installation of pre-paid water meters all over the township, they didn't miss the occasion. Strong from their mass mobilization during the W\$SD, they organized a mass meeting on Sunday 29th of September, where 3,000 people showed up. The message sent to the ANC councillor – who was almost attacked by the community when he appeared at the meeting – was clear: Orange Farm citizens don't want pre-paid water. “Free Water for All!” or “Break the Meter – Enjoy the Water!,” as graffiti says in Orange Farm.

On the 8th of February 2003, 61-year-old OWCC activist Emily Lengolo paid with her life [for] her fight against water privatization. At about 1:00 AM, two men broke into her house and shot her twice, killing her instantly. The two men didn't take anything from the house before escaping, neither did they touch the four other family members who were present in the house and who heard, just before the fatal shots: “This is the one we are looking for.”³⁵

Local and international reports in subsequent months highlighted the plights of many other oppressed communities. A front-page *New York Times* report on May 29, 2003 seemed to be the straw that broke Kasrils' back, for it dwelled upon a government survey in which respondents reported an estimated ten million water disconnections. The article recorded also the struggle against pre-paid water meters:

Leaders in sprawling townships including Soweto, Alexandra and Orange Farm have encouraged people not to pay electricity and water bills. They have organized teams of bootleg plumbers and electricians to reconnect utilities when they are cut off. Political rallies and demonstrations have turned into street fights. . .

Officials at Johannesburg Water acknowledged that in communities like these, billing people for water has been like squeezing water from a stone. In addition to the limited resources, a culture of nonpayment lingers from the years when people refused to pay utility bills, usually a flat fee for water and electricity, in support of boycotts against the apartheid regime.

“The problem is not that we do not want to pay for water,” said Hilda Mkwana, a 45-year-old mother of six who lives in Orange Farm. “The problem is we cannot pay.”

Interviews with her and other Orange Farm women, who live by doing other people's laundry, said they barely had enough money to pay for food and school fees. Many of them already have prepaid electricity meters in their homes, and they say their families end up in the dark for several days each month.³⁶

³⁵<http://squat.net/cia/gp/greenpepper.htm>, March 26, 2003.

³⁶G. Thomson, “Water Tap Often Shut to South Africa Poor,” *New York Times*, May 29, 2003.

In a letter to the editor of the *Times*, Kasrils denied, with no evidence or alternative figure, that there were “millions of people cut off.” There were millions, indeed, as discussed below. Kasrils then described the pre-paid water meter system as “an example of how South Africa is harnessing home-grown technology for development.”³⁷ The “home-grown” meters were actually introduced in Britain during the 1990s, and by the end of the decade had been banned (along with water tricklers that limit consumption) because they presented a public health risk.

A week later, in his parliamentary budget speech, rewritten as a Sunday newspaper column two days later, Kasrils further insisted that “only five municipalities, 3 percent of the total, have chosen a private alternative” and that “They accept claims that cost recovery causes cholera, although cholera occurs mainly where people do not have metered services.”³⁸ Kasrils was especially infuriated, it appeared, by international media and academic verification of complaints “by the mindless ‘anti-privatization’ populists” in Soweto and Orange Farm. He launched repeated attacks upon “phoney revolutionaries” in the Municipal Services Project because of a dispute over the Human Sciences Research Council disconnections poll.

However, if there is a question about statistics that emanated from a national household survey,³⁹ it is useful to consider the only other source of data on water disconnections, namely the Department of Provincial and Local Government’s “Project Viability,” which requires officials from most municipalities to report every three months on city finances and credit control measures. Even in mid-2003, the latest national disconnection statistics available were from the fourth quarter of 2001. That report listed 83,000 net water disconnections, in recording people who over a three-month period could not reconnect their services once they were cut off (133,000 disconnections minus 50,000 reconnections, a dangerously low 38 percent reconnection rate). In large households with poor residents, this easily represents half a million people whose water is disconnected for a substantial period and not reconnected every quarter, or two million a year. These statistics do not include the millions more rural people beyond the range of formal municipal service grids who were given water under a cost-recovery regime put in place with World Bank help in 1994; a quarter to a half of those people suffer because the projects no longer work, according to the most recent academic study, sponsored by Kasrils.⁴⁰

³⁷R. Kasrils, “South Africans’ Water,” *New York Times*, June 5, 2003.

³⁸R. Kasrils, “Report on Water Cut-offs a Case of Sour Grapes among US Populists,” *Sunday Independent*, June 8, 2003.

³⁹Kasrils’ June 8 article claimed that “the HSRC, which published the report, now says that the claim is not justified by the data. CEO Mark Orkin says that ‘the figure is a misplaced extrapolation by a researcher of an HSRC survey and considerably overestimates the phenomenon’.” According to emails from HSRC sources, this reflected massive pressure placed on Orkin by Muller.

⁴⁰D. Hemson, D. “Rural Poor Play a Role in Water Projects,” *Business Day*, July 1, 2003.

6. Conclusion: The Struggle for Soweto

As he hinted to the *New York Times*, a regime of widespread *self*-disconnection is, apparently, Kasrils' ultimate strategy, notwithstanding well-publicized protests that spread from Orange Farm to Soweto during 2003. Numerous Anti-Privatization Forum activists were arrested for filling in trenches dug to install pre-paid meters. According to full-page advertisements by Suez's Johannesburg subsidiary, the activists "do not have the interests of the residents at heart. Their political game is to stop the people of Soweto from having access to water by threatening workers, vandalizing pipes and preventing emergency trucks to bring in their loads. They disrupt public information meetings and deny people the right of access to information."⁴¹ In reality, Suez was at that time denying access to information about the Orange Farm pilot project requested by the Freedom of Expression Institute on behalf of academic researcher Ebrahim Harvey, on grounds of commercial confidentiality, leading to court litigation based on the Access to Information Act.⁴²

Indeed, contemporary Soweto could become as important a symbol of the grand anti-apartheid narrative as was the uprising of 1976, although this time water poverty, capitalism and patriarchy are operative as the main zones of conflict, instead of mainly racial legislation. This article's review of the discourses surrounding global and local water apartheid reveals not only high-stakes passion and intensely competitive ideologies, but also the difficulties posed by hard financial calculations. In that regard, *The Economist* survey's conclusion establishes one side of the debate: "The Johannesburg goals of cutting by half the number of people without access to clean water and sanitation by 2015 are ambitious. Much of the discussion has focused on spending more money, especially foreign-aid money, to achieve them. Money will play a part. But economic and institutional reforms, and above all greater reliance on pricing and markets, are even more crucial."

In reality, commodified water is failing to deliver the goods, or even the profits. More crucial still, the neoliberal "reforms" we can observe in South Africa are being resisted by the other side: those who would *de*commodify water, and no doubt much else thereafter.

⁴¹Johannesburg Water (2003), "Your Right to Affordable, Quality Water," *Sowetan*, August 27, 2003.

⁴²*Mail and Guardian*, August 29, 2003.