

Book Review: Water in a World in Crisis

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Review of *The Price of Thirst: Global Water Inequality and the Coming Chaos*. By Karen Piper. University of Minnesota Press, 2014, xii + 289 pages, \$26.95 hardcover.

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MANY BOOKS ON global water issues have appeared in recent years as the world struggles with population displacement, drought and massive storms and floods, but none have as thoroughly documented the connection between aggressive worldwide water privatization efforts and colonialism as Karen Piper does in this work.

A professor of postcolonial studies in English and an adjunct professor in geography at the University of Missouri, Piper has personal experience with the issue of water and its appropriation by powerful interests. She grew up near Owens Lake in California and investigated the collusion and cover-up by the City of Los Angeles when the lake was drained to provide water for the city, leaving residents near Owens Lake and miles around in a toxic dust bowl.

Her investigation led to her first book, *Left in the Dust: How Race and Politics Created a Human and Environmental Tragedy in L.A.* (St. Martin's Press, 2006).

The Price of Thirst took Piper seven years of investigation and visits to a dozen countries on six continents. Her detailed examination of water appropriation by private corporate interests include California, Chile, South Africa, India, Egypt and Iraq.

Her interactions with guides and activists personalize the global battle for water resources, although somewhat obscuring the potential impact of a worldwide anti-globalization/anti-privatization movement with a growing eco-socialist component.

In the introduction "The Colonial Origins of Global Water Inequality," Piper names the five water companies which in 2001 controlled 73% of the world's "privatized water." Suez (French), Veolia (French, formerly Vivendi), Saur (French), Agbar (Spanish), and Thames (British) are all multinational and operate via subsidiaries around the world, including in the United States. (Veolia's anti-labor practices and activities in the Israeli-Occupied Palestinian Territories have made it a target of multiple boycott campaigns.)

Other multinational corporations have joined the big five in the race for water resources, including chemical, soft drink, engineering and mining companies and in our neoliberal world, banking and finance as it becomes clear that there are profits to be made.

Colonial Heritage

Piper outlines the colonial origins of the big five and the seamless transition of their engineers and executives to the new post-colonial world of the multinational corporation and its aggressive acquisition and control of global water resources.

She delineates the role of the International Monetary Fund (IMF) and World Bank, which use loan conditions and debt in the target countries to aid these companies in their efforts to capture global water supplies and profit from control and delivery of this precious resource.

Like the executives of the water corporations, the original World Bank members were often former colonial officers from Europe's overseas offices, rebranded as experts on global trade. Ironically, the history of colonialism is rarely mentioned at the World Bank. The Bank's primary ideology is economics, specifically "development economics," an academic field that changed its name from "colonial economics" after Europe lost its colonies.

The creation of the World Bank and the closely allied IMF signified a shift in the balance of power between United States and Europe after World War II, and introduced financialization as an additional way of transferring wealth from the many to the few. It works through procurement contracts (which often go to companies of the largest contributing countries, U.S. and European primarily); interest on the Bank's funds that eventually go to the biggest bond purchasers (large European and U.S. banks); and when Bank projects fail, IMF or bailout funds (collected from taxpayers and debtor nations) that repay the Bank and the European and U.S. companies involved in the failure.

Even though the World Bank's official goal is the reduction of poverty, its colonial origins and attitudes are reflected in its water projects. These are focused on serving elites in urban areas or new elite enclaves, and particularly on dam construction and water diversion to facilitate agricultural production for export — projects that will provide a return on investment or profit.

Under colonial rule, water infrastructure projects favored water delivery to white settlers in urban areas. Today, elites in all the countries examined in this book are still favored by World Bank projects for water services delivery, with their focus on cost recovery among their principal aims.

There is much resistance inside the World Bank to investing in developing infrastructure and delivery of water to the vast majority of people in developing countries. Part of this resistance is the deep racism and contempt for the people of developing countries, a legacy of the Bank's colonial origins. The rest is that there is simply no profit in it as these people cannot pay.

As the neoliberal phase of capitalism gathered steam in the 1980s, the World Bank began to insist on loan conditions that include privatization of water supply systems and target nations' subsidies for water system development.

It is not surprising, then, that efforts of the World Bank and multinational corporations have actually reduced access around the world to clean water in the last three decades, causing the United Nations to push back its Millennium Development Goal of halving the number of people without access to clean water by 2015.

A disturbing development in World Bank operations started in the 1990s and has accelerated. Its private arm has been buying shares in water multinationals to influence decision-making and speed up activity in this sector. But this also means that the Bank is taking on a significant part of the risk associated with the operation of these multinational water corporations.

Thus in 2011 the World Bank lent \$7.5 billion for water supply projects. Piper goes on to note that “the danger of the Bank taking on these risks is that by doing so it is actually transferring risk to the average U.S. citizen. Since the Bank is funded primarily through bonds sold to large banks, a World Bank failure would cause a cascading failure in the global banking system.” (23) Leveraging private capital with public funds is another way to transfer wealth from the many to the few.

A Quick Survey: Chile

Chile has the distinction of being the only country in the world to totally privatize its water supply. This was done under the Pinochet government as part of a rewrite of the Constitution and Water Code. Water rights are defined as “nonconsumptive” (reserved for corporate use — hydroelectric, etc.) and “consumptive” (what’s left over for consumers and farmers).

Nonconsumptive water rights are given priority as private property rights when disputes are forced into the courts. The familiar story of dam construction and people displacement has followed, but played out in Chile’s specific context where displaced indigenous people’s resistance can be labeled as terrorist and prosecuted as such.

The most serious threat to global climate in Chile is the proposed dam projects on the Baker River, which is fed by melting from the Northern Patagonian ice field. If the glacial outflow is trapped behind dams, temperature of water feeding into the Southern Ocean would be impacted and with it the Circumpolar Current which feeds ocean currents for the entire planet.

This current is already moving south in response to climate change. Scientists project that should the Circumpolar Current stop, the world’s oceans would die and Europe could be plunged into an ice age.

There is a growing movement to take back Chile’s water led by a coalition of politicians, church leaders, environmentalists, indigenous groups and labor unions.

South Africa

South Africa’s condition today, two decades after the end of apartheid, dramatically illustrates the limits of a political transformation without an economic one. To say that the country has not lived up to the promises of the end of the apartheid era is a vast understatement.

Today, South Africa has the highest GDP of any African country, and mining is its main source of wealth. Yet a quarter of South Africans live on less than \$1.25 per day, and unemployment is between 25 and 40 percent. It surpasses Brazil as one of the most unequal societies in the world. South Africa followed the IMF’s cookie-cutter agenda of privatization, trade liberalization and cutting government spending — and the situation deteriorated to the point that the country’s government began talking about default. (111)

In addition, as part of the Faustian bargain with the World Bank and IMF, the governing African National Congress leadership was pressured to take on the debt from the apartheid regime, with the

costs of water supply being passed along to citizens, many of whom simply cannot pay.

Resistance is growing, however, and is merging with a vocal eco-socialist, anti-privatization movement combined with the deep skills of the anti-apartheid movement ready to take on the neoliberal agenda which is characterized within South Africa as global apartheid.

India

India, after independence, was governed by Prime Minister Jawaharlal Nehru's vision of large-scale urbanization and massive dams (which continued the British colonial legacy).

Along with the standard machinations of the World Bank, the resulting toll of ecological and social disasters (flooding from rapid deforestation, water pollution, and massive displacement of rural farmers to urban centers) has generated growing opposition led by rural activists who are pursuing Mahatma Gandhi's alternative vision of "village uplift" centered on local decision-making.

Despite government opposition (outlawing of rainwater collection, etc.), they are being joined by urban residents protesting privatization and unequal water distribution.

Egypt

Egypt, fed by the predictable flooding of the Nile which determined its farming season, was one of the rare irrigating civilizations that lasted into modern times. The annual flooding would carry off the salts and deposit a fresh layer of silt which farmers quickly planted.

This rhythm had sustained a self-sufficient Egypt for centuries until the Aswan Dam, built in the 1960s, disrupted both the flooding and the silt deposits. Today the rich silt deposits on which Egyptian farming depended remain blocked up behind the dam, while water diversion upstream has reduced the Nile's flow.

Piper claims the 2011 uprising in Egypt was at its root, an uprising about water:

"It is no exaggeration to say that the January 25 Revolution was not just a revolution of the disenfranchised; it was also what some have called a 'Revolution of the Thirsty.' In a land almost without rain, the Nile River supplies 97 percent of renewable water resources, and these days an increasing share of that water is being directed to the posh suburban compounds — where many of Egypt's political elite live (while) in the years before the revolution, the state water utilities (under pressure from the World Bank in securing Egyptian loans) had dramatically hiked rates for residents in downtown Cairo, where some 40 percent of the population lives on less than \$2 a day." (160)

The brief presidency of Mohamed Morsi allowed space and time for the unindicted wealthy to transfer assets abroad and the military to grab up what was left. But none of the fundamentals that produced the revolution have been addressed, and they continue to be exacerbated by gross and growing inequality as well as pending ecological disaster from salinization of land and pollution of water sources.

Iraq

In the early 1990s, 95 percent of Iraq's urban population and 75 percent of the rural population had

access to clean water. Baghdad's water was pumped directly from the Tigris and then purified in water treatment plants. According to a report from the office of the U.S. special inspector general, the government of Iraq had long "invested a part of its oil revenues to provide fully subsidized social services, such as water, sanitation, health, and electricity...

By the early 1990s," the report continues, "Iraq's water sector was well developed and modern, equipped with sophisticated western designed . . . state-of-the-art technologies' and 'high levels of efficiency.'" (174)

In the first Gulf War of 1991, electrical and water installations and infrastructure were targeted in what the United States trumpeted as surgical and precise strikes. In reality much of the infrastructure was hit by bomb dumps by aircraft on the way back to their carrier groups.

The consequences of destroying the water and electrical infrastructure of Iraq were known and well understood by U.S. military and civilian planners.

Following the 2003 Iraq War, billions in reconstruction projects were awarded to mostly U.S. companies but few were completed. Today many ecological issues (declining aquifers, salinization of land, particularly around Basra, and river decline and pollution) are not and cannot be addressed in the absence of a functional central government.

The one bright spot is the Kurdish region in northern Iraq, but the Kurds currently have neither the capital nor the autonomy to address the most pressing water and sanitation issues facing their area.

Piper was unable to find any potable water flowing from taps and faucets during her time in Iraq. She did not visit military bases or embassies.

The U.S. Scene

Water privatization in the United States is quite different from the legacies of colonialism in the developing world. That does not mean that this country escaped from the neoliberal agenda, just that it takes different forms. California leads the way.

Piper outlines and makes some sense of California's very complicated water system, which today is a result of decades of battles among competing interests (including agribusiness, urban developers and environmental groups) all pressuring the State and Federal Government to direct water their way through various projects, schemes and legislation.

The consistent losers in these battles have been the environment itself, indigenous populations and migrant communities. The consistent winners in California and in the rest of the West have been agribusiness, which consumes 85 to 90 percent of all the water consumed in each state. This may be a short-lived victory, though, as the environment through drought, salinization and depletion of aquifers strikes back.

As land becomes infertile, the wealthiest land and water owners have come up with some new instruments of water ownership and trade, water banking and paper water. The United States is the first place in the world to support these instruments that essentially turn water into money. In the 1990s water banking began to be used heavily in California as well as many other Western States, as the large water conveyance systems built for agribusiness by public funds can facilitate these trades.

(Unfortunately, Piper doesn't highlight the immense water diversion projects undertaken by the

federal government via the Bureau of Land Management and the Army Corps of Engineers. Readers' understanding of California's water policies, in the context of the immense transfer of wealth over decades from taxpayers to agribusiness in the settlement of the American West, is consequently shortchanged.)

Water banking involves actual deposits and withdrawals of water from a large underground reservoir. Who owns the water bank is the key. In California, large agribusiness owners own those resources for the most part in combinations of private and public water banks.

Paper water, on the other hand, is like water futures. Owners have a claim on water resources as they become available and can buy and sell paper water like any other share. One wealthy farmer (J. Boswell, on whom Piper focuses closely in this chapter) set up an early software program that farmers could use to facilitate buying and selling of water. Today, an actual website called Waterbank.com allows water owners and buyers to trade water ownership (both actual and paper).

With an eye to the future, many wealthy water and land owners in California are looking to real estate development to supplement their agribusiness activities. These are not public cities, however, but planned and gated communities for the wealthy.

"In order to gain permission to build these housing projects, the developers had to ensure they had adequate water rights to supply the facilities — and herein lies the real value of the 2.5 million acre-feet of new water rights. Of course, this 'paper water' creates an obvious problem, since people need real water to live." (63)

These water owners are also looking to cash in on municipal supplies, as many California communities are still reeling from the housing market and financial crisis, facing bankruptcy and increasing pressure to privatize their water management and delivery.

Piper sums up the California chapters:

"Today, the natural world is biting Californians, draining the state of its financial reserves. Rather than building yet another multibillion-dollar canal as a temporary fix or funding private cities and banks through corrupt water transfers, it is perhaps time for the state to admit the scale of the problems and seek a comprehensive solution that involves scaling down rather than scaling up. This means setting limits on urban sprawl, rethinking the state's agricultural system, and redistributing water to small-scale businesses whose goal is ecosystem protection — for instance, permaculture, organic agriculture, or agroforestry businesses — as well as to those who have a deep understanding of the region's ecological history..." (67-68)

Conclusions

In her concluding section, Piper reviews the failures of World Bank and IMF-led efforts to expand water access via the neoliberal instruments of privatization, public spending reduction and debt. The failures have been significant enough, even in the financial crisis management area, for many to question whether the World Bank's operations creates rather than resolves crises.

Thus the World Bank's role and effectiveness is increasingly under scrutiny by the G20 and other world leadership groups. The World Bank also has competitors that countries can turn to for investment loans; China, the BRICS bank and more recently a South Bank that Latin American countries have formed.

Piper outlines the battle over how the language of water rights and its history has been fought out in the United Nations. “(T)his problem turns on the issue of definition: Do people have a ‘right’ to manage and monitor their own water supplies, or is water an ‘economic good’ to be sold for profit?” (208)

Two competing resolutions on this issue came before the United Nations General Assembly. The water as an “economic good” language, which included the right to privatization, issued from the G20 summit in Geneva. The water as a “human right” language, put forward by countries from the Global South, prevailed in the passing of a United Nations Resolution in 2010, although the United States considers it non-binding.

The discourse of water as a human right has been enthusiastically adopted by two of the top water corporations in their public relations campaigns. They hope to profit by holding governments responsible for subsidizing the basic right to water, while the corporations profit from the rest — and can actually sue based on the UN resolution to force national governments to make those payments.

On the other side of the battle, the UN resolution provides the legal basis for indigenous and other peoples to fight to maintain their rights to water.

Piper ends the book with a discussion of eight sustainable, but politically weak, directions for resolving the world’s water crisis:

1. Stop climate change.
2. Stop throwing people off their land.
3. Recognize indigenous knowledge.
4. Revive small scale and local solutions.
5. Regulate the “virtual water” market.
6. Imagine alternative economies.
7. Imagine an alternative water blueprint.
8. Reform the globalization regime.

After graphically documenting the ecological destructiveness and human costs on a global scale of the savage neoliberal phase of capitalism, these seem both anemic (individual) and when bold — “stop climate change” and “stop throwing people off their land” — are missing any effective agents.

Many of these directions will be and already are elements in the struggle against the capitalist global juggernaut, but unless we can clearly name the enemy as the capitalist system, and join and connect the worldwide struggles against it, achieving the power to overthrow it will elude us.

Jan Cox

P.S.

* “Water in a World in Crisis”. Against the Current n° 182, May-June 2016:
<http://www.solidarity-us.org/node/4656>