

WATER SERVICES UNDER THE WORLD TRADE ORGANIZATION

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*Water Services
Under The WTO*

*Shiney Varghese,
Senior Program
Associate,
Water Project*

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*2105 First Ave S
Minneapolis,
Minnesota 55404
USA*

www.iatp.org

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Introduction

Today we face a global water crisis. Widespread water shortages are predicted not only in the Southern Hemisphere but also in the North. Already, despite a large increase in water use over the last century,¹ as many as 1.4 billion people—one out of five—lack access to clean drinking water, and 2.6 billion—almost 40 percent of the world's population—lack sanitation facilities.² Given the fundamental importance of water to human life, this crisis has widespread ramifications. As United Nations Secretary General Kofi Annan insisted at the recent Millennium Summit, “no single measure would do more to reduce disease and save lives in the developing world than bringing safe water and adequate sanitation to all.”³

At this moment of crisis, the manner in which water resources are being managed seems poised to undergo a radical shift. At the November 2001 World Trade Organization Ministerial in Doha, a group of developed countries, led by the European Union and the U.S., proposed that “water services” be included under the General Agreement on Trade in Services (GATS) as an “environmental service.”⁴ If this proposal is accepted, water services would be included in the WTO negotiations, and would be subject to the elimination of tariff and non-tariff barriers that currently keep these services in the public domain in most local governments around the world.

The GATS is sometimes viewed as the capstone of the WTO because of the

importance of services in the post-industrial economy. It is estimated that trade in services accounts for around 20 percent of global trade, and that percentage is rapidly rising.

Even though the GATS agreement is entered into by governments, GATS is not primarily concerned with relations between governments. As a European Commission document puts it, “The GATS is not just something that exists between Governments. It is first and foremost an instrument for the benefit of business...wishing to export services or to invest and operate abroad.”⁵ When countries allow GATS to regulate their service sectors, they effectively create a favourable investment environment in these sectors for transnational corporations. This is why many have argued that GATS has effectively become a backdoor attempt to revive the Multilateral Agreement on Investment (MAI) of 1998 (stymied because of a very strong civil society campaign against it), which had sought a favourable environment as well as institutionalised protection for foreign investment.

After the failure of the Seattle WTO ministerial, GATS negotiations initially appeared as a potentially uncontroversial area of negotiations. In a memo to the Seattle chair of the services negotiations, WTO Director of Services David Hartridge said, “Services is the major part of the built in agenda; less difficult and less visible politically than agriculture but very much larger in economic importance and potential. It is also the least controversial element of the Seattle agenda.”⁶



Effectively, GATS is also being accorded primacy over other agreements dealing with goods. For instance, the EC recently lost a WTO case dealing with bananas where they tried to argue that the GATS only applied specifically to services, and not to goods like bananas. In ruling against the EC, the dispute panel said the GATS covers “measures in terms of their effect, which means they could be of any type or relate to any domain of regulation.”⁷

Another dimension of GATS, which makes it particularly important, is its open-ended and expansive nature. In 1994, the founding members of WTO had agreed to an open ended GATS “to establish a multilateral framework of principles and rules for trade in services with a view to the expansion of such trade under conditions of transparency and *progressive liberalisation*. . . through successive rounds of multilateral negotiations.”⁸ The 1994 agreement included a clause allowing automatic initiation of talks in 2000. This round of negotiations, which is currently going on and is referred to as GATS 2000, seeks to expand the scope of GATS to cover about 160 services ranging from provision of water services to agricultural related services, from health services to collection of garbage, from banking to movement of people across borders.

If “water services” come under the purview of GATS, this will cover most major ways in which water resources are used. According to GATS Definitions, “supply of a service” includes the production, distribution, marketing, sale and delivery of a service [Article XXVIII –

(b)]. Thus, “water services” under GATS can include the operation of water pipelines or ships to supply bulk water or glacier waters, municipal systems for domestic water supply, sewerage services, and the supply of water for agricultural purposes. If the proposal to include water services within GATS is accepted, there would have to be a systematic reduction or even elimination of tariff and non-tariff barriers at national and local levels to transnational companies that trade in these water services.

There has been little systematic consideration about how the redefinition of water use as “water services” and its consequent inclusion under GATS will influence the global water crisis and affect the world’s water poor. International financial institutions such as the World Bank (WB) and the International Monetary Fund (IMF) have themselves adopted an approach that naturalizes “provision of water services” as a way of thinking about water use. Proponents of the effort to include water in GATS claim that it would help meet the Millennium Development Goals on water.⁹ They have argued that the current water crisis is the consequence of water services being part of the public sector. In keeping with the market-oriented approach that they have advocated globally, these institutions have aggressively promoted privatization of water services as a solution to the crisis. The inclusion of a variety of forms of water use under the GATS rubric of “water services” will strengthen this approach by making it more difficult for national or local governments to keep water multinationals out.



Water Privatization in Cancun

In Mexico, water was treated till 1992 as a basic right that should be provided cheaply by government. This policy was abandoned in 1992, when a new law encouraged private participation in municipal utilities.¹⁰ The process of privatizing water services received further encouragement in 2002, after the World Bank gave a \$250 million loan to the National Water Commission, Conagua, to create a program called PROMAGUA. The program stipulates that in order to avail the loan component towards infrastructure financing (to upgrade and expand their water systems) municipalities negotiate public private partnerships, reform their state water laws, and impose full cost recovery.

The period between 1993 to 2003 has seen several cities and towns in Mexico entering into privatization contracts. These include Puerto Vallarta, Aguascalientes, Saltillo, Puebla, Mexico City, and Cancun.¹¹

Cancun was one of the first cities that went for water privatization, awarding in 1993 a 30-year concession to Aguakan. (In the fiscal year 1998, Azurix, a subsidiary of Enron, purchased a 49.9 percent stake in Aguakan.) Aguakan's concession covers water, wastewater and drainage for Cancun and Isla Mujeres in the state of Quintana Roo. In early 1999

the concession served a population of some 383,000, with the population growth rate expected to be 3 percent a year, from 1999 to 2015. Wastewater services accounted for 8 percent of current revenues, residential water supplies for 22 percent while the rest was to come from hotels.¹² While the tourist zone in Cancun receives water around the clock, for the other parts of the city, the water supply is turned off for most of the day. Furthermore, Cancun now has a population of 750,000, of which 400,000 are not linked up to the sewage system. This means that the majority of waste, including fecal waste, goes directly into the sub-soil and further contaminates the water supply.¹³ Thus the citizens in Cancun have been experiencing severe water quality problems as well as “dark brown water comes out of the tap, smelling like petrol,” according to a civil society activist who brought a sample of the Cancun's' private water supply to at the Kyoto world water forum.

On 17th July of this year the Mexican-based *Comite De Bienvenida* launched their campaign aimed at raising awareness about how the privatisation of the state water services has led to a huge increase in water fees for citizens without an improvement in service.¹⁴



International Water Policy Trends Since the 1990s

The attempt to bring water services under the purview of GATS is the continuation of a larger set of initiatives intensified since the 1990s to transform the governance of water services. Effectively, these initiatives have emphasized that water is an economic good, and have tried to marginalize an alternative vision of water as a social good and basic right for all.

Right from the time of the UN Conference on Human Environment (Stockholm, 1972), the looming crisis in freshwater was recognized as a problem of international dimensions. An awareness of this crisis led to the UN Water Conference (Mar del Plata, 1977), and to the UN General Assembly Proclamation of the decade 1981–1991 as the “International Drinking Water Supply and Sanitation Decade.”

A particularly concerted effort was made to address the water crisis at the Earth Summit or “Rio Conference” of 1992 (as the “UN Conference on Environment and Development” is commonly known). The Rio Conference resulted in Agenda 21, a document that dealt specifically with Earth’s future.

Agenda 21 devoted an entire chapter (chapter 18) to freshwater resources, calling for an integrated approach to the water crisis. It insisted that “Integrated water resources management is based on the perception of water as an integral part of the ecosystem, a natural resource and a social and economic good, whose quantity

and quality determine the nature of its utilization. To this end, water resources have to be protected, taking into account the function of aquatic ecosystems and the perennality of the resource, in order to satisfy and reconcile needs for water in human activities. In developing and using water resources, *priority has to be given to the satisfaction of basic needs and the safeguarding of ecosystems. Beyond these requirements, however, water users should be charged appropriately*” [emphasis added].¹⁵

What is particularly noteworthy about this formulation is that both the basic needs of humans and the safeguarding of ecosystems is unconditionally prioritized, and it is only beyond these requirements that water can be treated as an economic good.

In subsequent years, this fledgling attempt to prioritize basic human needs and ecosystems was marginalized, and the focus was increasingly on treating water primarily as an economic good. The basis for this had already been laid in initiatives that preceded the Rio Conference, such as the International Conference on Water and the Environment held in Dublin in January 1992. The Dublin Principles represent the first articulation of water as an economic good.¹⁶ Two other dimensions of the Dublin recommendations are worth noting. First, there is the attempt to make the state one of three actors addressing water, along with regional and non-governmental organizations and private institutions. Second, there is the proposal for a new institution where these two additional actors could be as important as governments.



At the Rio Conference itself, where civil society organizations were present in considerable strength, the aspect of the Dublin recommendations that found most resonance was the call for the involvement of non-governmental organizations. But other aspects of the Dublin recommendations were extremely influential in later years, shaping the agendas even of Rio institutions such as the UN Council on Sustainable Development (UNCSD). In 1994, as a follow up to the Rio summit, the UNCSD commissioned a study on “Comprehensive assessment of the fresh water resources of the world.” The report was prepared by the Stockholm Environment Institute along with representatives not only of various UN organizations but also of the World Bank. The preparation process was formally based on the recognition of a “need for a partnership of all stakeholders” for water resource stewardship.¹⁷

New International Forums

Vigorous debates over water policy contributed to the creation of new international forums for discussing and acting upon the water crisis. In the creation of these forums, individuals associated with water services multinational corporations, such as Suez, were very active. Three forums emerged as particularly prominent in ensuing years: the World Water Council, Global Water Partnership, and the World Water Forums. Established in the spring of 1996, the World Water Council (WWC) presents itself as a think-tank on water issues for individuals, professional associations and

organizations concerned with water policy issues. The Global Water Partnership (GWP), another organization set up through these processes as a network of water professionals and organizations (for-profit and non-profit), met for the first time later in 1996 in Stockholm. These two organizations, registered in Europe as international NGOs, have played distinctive and complementary roles in the international debates over water policy.¹⁸ Extensive research has been done to establish the links these organizations have with water multinationals and their close ties to the World Bank and IMF.¹⁹ World Water Forums were also initiated around the same time as an international event where major water actors could come together. A Ministerial Conference is held towards the end of each Forum to involve states with the decisions of the Forum.

It is noteworthy that these institutions are not integrated into the UNCSD processes or into any multilateral agreements between countries.²⁰ Nevertheless, in the run up to the Rio+10 conference, and since, there has been every attempt to present these initiatives as inter-governmental agreements. The degree to which they will be recognized by the United Nations and the World Trade Organization is still unclear.

The World Bank, IMF, Loan Conditionalities and Transnationals

In the last decade, the group that has been most forceful in its advocacy of privatization has been the international



financial institutions (IFIs), especially the World Bank and the IMF. Both institutions have argued that the challenge of addressing the basic water needs of people and environment, without compromising the demands of modern developments, could be met by increased private sector participation in water resource management.

These institutions claim that privatisation will ensure better water availability to the poor and address the global water crisis better. They usually cite three major reasons in support of the latter argument. First, they point out that as much as 40–50 percent of water is wasted under public sector management, even in water scarce regions in developing countries. Taking privatisation to be synonymous with efficiency, they argue this can be reduced by privatisation. Second, they point out that “governments throughout the world frequently face budgetary constraints” and thus the public sector cannot adequately finance water projects, and therefore private investments are needed to raise the necessary finances. Third, they argue that the public sector “often lack the technical and operational skills of private sector participants to address these issues efficiently.”²¹ As far as developing countries go it is argued that the private sector can avoid bureaucratic hurdles and corruption associated with the public sector and ensure efficient and timely delivery of water services to customers.

A review of IMF policies in 40 countries found that during 2000, IMF loan

agreements in 12 countries included conditions imposing water privatization or full cost recovery. When the IMF presses for privatization of water it is difficult for countries, especially in the south, to refuse. Also, compliance with IMF conditionalities is a pre-requisite usually for access to other international creditors and investors, including the World Bank.²²

According to a report published in 2003, “The Water Baron,” the World Bank has been actively involved in water privatization. In Bolivia, following the early recommendations of the World Bank, the water supply of Cochabamba was privatized in September 1999, allowing a newly established subsidiary of the transnational construction company Bechtel to run the project [See Box]. World Bank backed policies have set the stage for water privatization in several other countries too.²³

Helped to a significant extent by support from the World Bank and IMF, the role of the transnational companies in providing water supply and sanitation services has been growing exponentially. Until the late 1980s, the transnational private sector, and even the private sector itself, played a minimal role in water supply and sanitation. France was the only major country where private sector provision of water was a norm. Even as late as 1990, after the British water sector privatization (in 1988), the global reach of private companies was quite limited—only about 51 million people got their water from private water companies. Since then it has picked up.



By 1995, private utilities serviced almost 100 million people around the world.²⁴ By 2002, the three largest water transnationals, Suez, Vivendi and RWE–Thames–Water, together supplied water to about 300 million people.²⁵ With the global water services market estimated to be worth hundreds of billions, these corporations have been working closely with international financial institutions such as the World

Bank and with international water forums.²⁶

While the UN and its affiliated organizations often emphasized the primacy of water to meet human and ecological needs, it appears to frequently bow to these other global initiatives (funded by World Bank, individual governments, and other interested groups including water multinationals) that

Bolivia vs. Bechtel: An investment dispute

In the 1980s and 1990s the World Bank and IMF pressured the Bolivian government into liberalizing its public enterprises. Amongst the targets for privatization was the public water system of Bolivia's third largest city, Cochabamba.

In February 1996, Bank officials told Cochabamba's Mayor that it was making a \$14 million loan to expand water service conditional on the city privatizing its water. In June 1997, Bank officials told Bolivia's President that \$600 million in international debt relief was also dependent on Cochabamba putting its water into corporate hands.

Cochabamba put its water system up for auction in early 1999. In September 1999, in a closed-door process with just one bidder, Bolivian officials leased off Cochabamba's water until the year 2039 to a new company called Aguas del

Tunari, a division of the large American construction firm Bechtel.

Just weeks after taking over the water, Bechtel's company hit local families with rate increases of up to 200 percent and higher. Through a parallel water law approved by the Bolivian Congress and President, the company was also to be given control over hundreds of rural irrigation systems and community wells, projects paid for and built by local people without government help. The rural water users formed an alliance with urban users concerned about Bechtel's takeover of the city water system and on November 12, 1999, La Coordinadora for the Defense of Water and Life was born, and became the coordinating body of large scale protests against privatization of water services and rural water systems.

In February 2000, La Coordinadora



managed to get a copy of the contract. It revealed that Bechtel had a guaranteed 16 percent profit and the company had won the concession with virtually no up-front investment, as well as other provisions which made clear just how bad a deal the government had agreed to. La Coordinadora decided to demand the nullification of the contract and repeal the national law through which the government planned to give Bechtel control over wells and rural irrigation systems.

Through a bloody and weeklong popular protest the people of Bolivia managed to ensure that the contract was nullified in April 2000.

In November 2001 the Bechtel Corporation launched round two in the Cochabamba water war, filing a demand of \$25 million against Bolivia in the secretive International Centre for the Settlement of Investment Disputes (ICSID) – part of the World Bank group, the same institution that forced the Cochabamba privatization to begin with.

In order to enable the use of ICSID,

Bechtel had to masquerade as a Dutch company, shifting its Bolivian registration to an Amsterdam post office box in the hopes of getting covered by a Bolivia–Holland treaty that makes the Bank the arbiter of their investment disputes.

The implications of this case go well beyond Bolivia and Bechtel. The maneuvers that Bechtel had to resort to would have been unnecessary in a scenario where Bolivia had included water services under GATS. If WTO members agree to include investment agreements under GATS, Bechtel's investments in Bolivia could be protected under the WTO. The same tool Bechtel is using today against Bolivia could be used by other corporations to repeal environmental laws, health regulations, and worker protections in any nation state they choose – all in the name of knocking down barriers to trade.

Adapted from: Jim Shultz, *Bolivia's War Over Water*, Democracy Center, Cochabamba, Bolivia. http://www.democracycctr.org/bechtel/the_water_war.htm#_ftn3

became more prominent in the late 1990s. This trend has been facilitated by the movement of ex-IFI officials into powerful positions within the UN system.

WTO, GATS and Water Services

The ever-widening reach of the

multinational water sector has helped bring water services within the purview of GATS. During GATS 1994, the U.S. government pushed for a very wide range of services to be included within the scope of GATS.²⁷ But many countries were unwilling to allow all their services to be opened up to GATS. As a compromise,



two provisions were made. First, countries are allowed to select which service sectors they wish to have included under GATS. Second, primarily in order to protect public services, GATS 1994, Article 1 defined “Services” as that which “includes any service in any sector except services supplied in the exercise of governmental authority” [3(b)].

Yet, the language left much room for ambiguity: “a service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers” [3(c)].²⁸ In most countries water supply and sanitation services when provided through centralized systems are in the exercise of governmental authority, and is made available free or at a nominal rate. It is not run on a commercial basis, or to make profit.²⁹ In addition, water provision is considered a natural monopoly, and there is no natural competition in this sector. Yet, strictly speaking, given the widespread localized and small scale informal water markets that exist almost all over the urban and semi-urban areas of the developing world, the claim could be made that water supply was a commercial operation. Since GATS 1994, IFI conditionalities have resulted in private water services being introduced in several more countries in the formal sector. Today, it is estimated that Suez and its subsidiaries alone have a presence in over 130 countries, mostly in the developing world. In all such countries, water services can certainly no longer be described as “a service supplied in the exercise of governmental authority.”

It is in this context that the attempt is now being made to bring water, along with many other public services, under the purview of GATS. The shift is already signalled in the language adopted in June 2002 by Michael Moore, the then Director-General of the World Trade Organization, and Ambassador Alejandro Jara of Chile, Chairman of the Special Session of the WTO Services Council, in their attempt to reassure critics. Moore and Jara said that WTO negotiations to liberalize trade in services were no threat to Government services, that every government has the right to exclude public services — including health, education and water distribution — from the negotiations, and that it is for governments to decide which service sectors they wish to liberalize and which they do not. These services, though still predominantly in public sector in most parts of the world, were now considered open for inclusion in GATS unless national governments specifically kept them out.

The differential standards being adopted by developed countries in making their requests was evident in secret EU documents leaked in February 2003 by the Canadian organization Polaris Institute. These indicated that the EU itself is not intending to liberalize drinking water and other public services under the GATS. Nevertheless, in its requests to 109 mostly poor countries (out of the 145 member countries of the WTO), it has requested access to health services, postal services, education, and energy utilities in addition to water.



Documents obtained by another European civil society group, Corporate Europe Observatory, showed that the European Commission had been consulting extensively with the three largest water multinationals in the world—Suez, Vivendi, and RWE—before submitting their GATS requests on water in June 2002. The EC asked the water companies to identify barriers to market entry. More generally, advocacy groups for service industries, such as the European Services Forum, have been very active in shaping the GATS 2000 round discussions.

Faced with numerous criticisms about its position on water and GATS, the EC responded with a statement in 2002: “Public service remains an essential basis of the European model of society... While the GATS aims at progressive liberalisation of trade in services WTO Members maintain the sovereign right to regulate economic and non-economic activities within their territory in pursuance of public policy objectives. In particular, the GATS does not oblige Members to deregulate public services as we know them and the EC has no intention of changing these rules.”³⁰

This EC statement does not hold up to critical scrutiny. First, even though a request to a developing country to open up its water services does not oblige the country to do so, it places them under enormous pressure to comply. This pressure is not only from the powerful developed nations making the request, and because of their claim that GATS can attract greater investments into the water

sector, but also from the World Bank and the IMF conditionalities.

The EC has insisted even to European Parliament that the negotiations are about trade in services, not deregulation. But as the Canadian analyst of GATS, Ellen Gould, has pointed out in some important essays, the EC has played an important role in drafting new, binding GATS restraints on domestic regulation for its European member countries. A GATS working group – the Working Party on Domestic Regulation – was specifically set up in 1999 to consider these new restraints. In its June 2002 submission of requests, the EC reaffirms its commitment to pursue new GATS “disciplines” on domestic regulation. Under the existing terms of the GATS, governments can already be challenged if any of their regulations violate commitments to non-discrimination and market access. These new restrictions would require that all qualifications, licensing and standards over services be limited to what was “no more burdensome than necessary” or “no more trade restrictive than necessary.”

Furthermore, the EC is advocating a proposal that would transfer to WTO panels the authority to judge the importance of national and sub-national regulatory objectives in relation to their trade restrictiveness. Imposition of this binding obligation on governments would mean they would have to revise and remove any existing or proposed regulations over services that are deemed to be too trade restrictive.³¹ Indeed, once a country opts to include a specific sector



within GATS it is virtually impossible to regulate in the interest of the domestic concerns. Article 6.4 of the GATS text implies that all domestic regulations in the service sector can be contested across the board. Furthermore, the GATS agreement requires that once countries accept the GATS agreement, they cannot back out of their commitments.

This emphasis on evaluating all regulations primarily with reference to their trade restrictiveness will have serious environmental and social repercussions.

On the environmental front, while GATS incorporates a provision that is intended to provide an exception to its rules if “necessary to protect human, animal or plant life or health” (Article 14.b), this environmental exception has been interpreted narrowly by the WTO. So far, the WTO has allowed only “necessary” exceptions where life or health is immediately and unquestionably at risk. This exception has not been interpreted to allow the protection of the natural resource base itself. For example, measures to address fresh water quality or groundwater depletion will not fall within the GATS exception, and would be open to challenge under WTO rules. Even the Council for Trade in Services, an apex WTO body, has acknowledged that measures necessary to protect the environment may conflict with provisions of the Agreement, and has requested a further report on the matter.

Regulations that seek to redress social issues like poverty or inequity—

particularly important in developing countries—are likely to be even more difficult to defend under GATS rules. Unlike environmental issues, there can be no formal exception from GATS rules for social and economic reasons.

It is however sometimes claimed by proponents of GATS, and by organizations that support multinational-led privatization, that the proposed changes will increase efficiency and make it more possible to address the needs of the water poor. But this is unlikely, if not impossible. First, only about ten percent of the world’s water poor live in the urban areas which are the primary target of multinationals as far as water supply and sanitation goes (centralized rural water supply is usually considered an unprofitable proposition). In order to meet the needs of the urban water poor, a universal service obligation is needed—a requirement that water will be provided in a manner that is accessible to all, irrespective of their ability to pay. Under the proposed disciplines on domestic regulation, however, a universal service obligation would be open to challenge if the requirement imposed to meet this objective was too commercially burdensome.

Furthermore, in order to make water accessible to the most marginal and poor sections of the urban poor, it would be necessary to regulate prices. An October 2002 Background Note “The WTO Negotiations on Services – What Are the Stakes?” by the European Commission claims that the EC requests “in no way



undermine or reduce host governments' ability to regulate pricing, availability and affordability of water supplies as they choose." But this assertion is explicitly contradicted by the WTO document "Examples of Measures to Be Addressed by Disciplines under GATS Article VI: 4 [Domestic Regulation]" (Working Party on Domestic Regulation – Job (02)20/Rev.2). This document lists 'restrictions on fee setting' as an example of the kinds of regulations that could become violations of the GATS under EC proposals.

Second, almost 90 percent of the world's water poor live in rural areas. Currently, they meet their water needs by accessing water from local sources either individually or through collective enterprises. In the majority of cases, they are water poor not because of the intrinsic inadequacy of their natural resource base, but because of environmental degradation of their natural resource base. In order to ensure that they have access to safe water in adequate quantity, therefore, we need above all to ensure that the rural ecosystems are not water scarce. This requires environmental regulations to protect freshwater and groundwater resources—regulations of the sort that are likely to be challenged under GATS rules.

Conclusion

The inclusion of public services such as water provision within GATS is antithetical to the spirit of the "development round" initiated in Doha. Water services have no place under the

GATS, and countries should continue to object to their inclusion. In this connection it is significant to note that the EC has decided to exclude four areas from WTO negotiations, namely health, education, energy and water. The implication is that they will not agree to make any commitment of liberalization in these areas.³² Such a list does not imply that there will be no privatization or liberalization in these sectors. Rather, it implies that the countries are not permanently bound to such liberalization, and that they will retain a greater ability to proceed with liberalization or privatization in a manner that is potentially more sensitive to environmental and social needs.

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- 23 For an analysis of this see "The World Bank and Water Privatization in Ghana," by Rudolf Amenga-Etego, Integrated Social Development Centre, Ghana, and Sara Grusky, Globalisation Challenge Initiative, USA:
- 24 David Owen, "Learning how to work together: Public Private Partnership," *World Water and Environmental Engineering*, Sept–Oct 2000, p.24.
- 25 "Cholera and the Age of the Water Barons," February 3, 2003, a report by the Center for Public Integrity/ International Consortium of Investigative Journalists, Washington DC.
- 26 According to the Enron Annual report, 1998, the global water market was estimated to be \$300 billion (<http://www.enron.com/corp/investors/annuals/annual98/newbusinesses.html>); According to a press release by the Mc Ilvaine Company, in the first quarter of 2000, the water market was estimated to be US \$ 655 billions (<http://www.mcilvainecompany.com/news%20releases/NR547.htm>). The current estimate would be close to US \$1000 billions.
- 27 <http://www.uscsi.org/about/>
- 28 Annex 1B General Agreement on Trade in Services, Article 1, page 286 (of Final Act of the 1986–1994 Uruguay Round of trade negotiations)
- 29 This was true for almost all countries South America, Africa and Asia until the 1990s, with a few exceptions.
- 30 http://www.union-network.org/UNISite/In_Depth/Interna_Relations/GATS/Global%20Unions%20on%20GATS%20-%20Lamy%20reply.pdf
- 31 See, for example, "Canada: Certain Measures Affecting the Automotive Industry," WTO Appellate Body, 31 May 2000, para.149.
- 32 Bhagirath Lal Das, "Services Negotiations in the WTO: Requests and Offers," in Third World Network Info Service on WTO Issues, March 3, 2003.



Today we face a global water crisis. As many as 1.4 billion people – one out of five – lack access to clean drinking water and 2.6 billion – almost 40 percent of the world's population – lack sanitation facilities. At this moment of crisis the manner in which water resources are being managed seems poised to undergo a radical shift – including consideration under the World Trade Organization.

**Institute for Agriculture
and Trade Policy**

**2105 First Avenue South
Minneapolis, Minnesota 55404 USA**

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