

# Manila's water crisis exposes impact of privatisation

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Water supplies in Metro Manila are not expected to fully normalise until later this month after a water crisis that led to more than three million people being cut off for hours per day during July. According to a recent statement by Maynilad Water Services, Inc., which services the Philippine capital's West Zone, restoration of full services depends on continuing rains.

In 1997, the water and sewerage system in the National Capital Region was privatised. The sell-off, the largest in Asia, was presented as the only viable means for a government with empty coffers to provide sustainable and affordable water services. For years, international financial institutions hailed it as a success. July's week-long rationing of water highlighted the reality: millions of people are denied the basic right to potable water and sanitation while private firms rake in profits at their expense.

On July 16, Maynilad Water Services imposed water rationing in the West Zone concession area, which covers 7 million people in 11 cities across the National Capital Region and 5 towns in the neighbouring Cavite province.

A week later, ABSCBN News reported that Public Works Secretary Rogelio Singson, the former head of Maynilad, estimated that over 2.9 million Maynilad customers had water for only 6 hours a day while 700,000 people had water for up to 12 hours a day. Singson admitted that 61,000 households, or over 300,000 people, had no water at all.

Maynilad Water claimed the water rationing resulted from a 30 percent cut by the National Water Regulatory Board of the company's allocation from the Angat Dam in the Bulacan province. The level at the dam, which supplies over 90 percent of the capital's water, had dropped 22 metres below the critical level because of a dry spell that began last November. The

environment department estimated that enough water remained for just 45 days more.

Nevertheless, the water rationing was conducted first and foremost to defend the profits of Maynilad Water. For years the company has underfunded the laying of new pipes and repairs of old pipes. Consequently, the West Zone loses more than 50 percent of its allocation, or over one billion litres a day, to leakages and alleged pilferage.

The cut in allocation meant a reduction of 580.92 million litres each day, translating to a possible daily loss of up to a million dollars. Maynilad had to purchase water from its rival, Manila Water, which covers the capital's East Zone. Rather than shoulder the losses, Maynilad cut off supply or reduced water pressure to those areas with leakages, penalising largely the working class and poor neighbourhoods.

According to the *Philippine Online Chronicle*, Mark Isaiah David, Maynilad's external communications head, stated: "Unfortunately, the reduction in our water allocation has forced us to ration water in elevated areas, in areas with a lot of water loss usually due to illegal connections, and in areas that need further upgrade."

Daily newspapers ran reports of poor people in Malabon city forcibly breaking up a pipe to gain access to water, of residents jumping queues and ensuing fistfights.

On July 23, Singson rushed to defend his former employer's assets. He announced that military forces would be deployed to maintain "order in the water distribution". According to a *Daily Inquirer* report, citing Armed Forces of the Philippines spokesperson, Brigadier General Jose Mabanta, the army committed at least "four battalions or roughly 2,000 soldiers from the National Capital Regional Command".

The next day, faced with the prospect of soldiers patrolling the capital and possible clashes with the urban poor in the run up to his first State of the Nation address to a joint session of the Philippine congress, President Benigno Aquino III scuttled the planned military deployment. “Certain government officials,” were overreacting or merely preparing for “worst case scenarios”, he claimed. During a press conference he insisted that because of a 30 centimetre increase in the Angat dam water level, there was no longer any need to call out the troops.

That same day, Maynilad Water announced an end to the water rationing. According to an ABS-CBN news report, Maynilad said it could “deliver 1.9 billion cubic metres of water,” albeit under reduced pressures.

On July 26, the Metropolitan Waterworks and Sewerage System (MWSS) officer-in-charge Macra Cruz acknowledged that water rationing remained in force in the West Zone. Twelve-hour water service represented the average or normal in the West Zone, while 17 barangays (districts) had a zero-to six-hour supply.

Amid the social disaster for millions of Filipinos, sections of the elite are callously manoeuvring to advance their interests. The hydroelectric power plant at the Angat Dam is currently being privatised. Last April, the previous government of President Gloria Arroyo declared the Korean Water Resources Development Corp to be the highest bidder. It beat corporations controlled by elite families that backed Aquino against Arroyo: DMCI Power Corporation, First Gen Northern Energy Corp, SN-Aboitiz Power Pangasinan, Inc. and the Trans-Asia Oil & Energy Development Corporation.

With Aquino in office barely a month, the DMCI-owned Maynilad Water demanded a stop to the privatisation. Singson moved to sack the MWSS board of directors, who regulate the water companies, on allegations of looting the government agency.

The water crisis that continues to wreak havoc in the lives of millions of Filipinos is rooted in a class society that sacrifices the interests and welfare of the vast majority for the profits of a tiny elite. Government after government—from the dictator Ferdinand Marcos, to his supposed progressive alternative Corazon Aquino; from Fidel Ramos, to the so-called pro-poor Joseph “Erap” Estrada; to Gloria Arroyo, who ousted Estrada in a

political coup, to the now President Benigno Aquino—has insisted that no money is available for basic social services while channelling billions into corporate hands through privatisations and so-called public-private partnerships.

More than a decade after privatisation, none of the government’s targets for the companies have been met. Instead of going down, water tariff rates have increased by an average of 1,700 percent since 1997. Only about 12 percent of Manila households are connected to a sewerage system, leaving the rest to empty their wastewater directly into the rivers or estero (waterways). Nearly 60 percent of the water pollution in Metro Manila is caused by residential sewage. The Pasig River, once used for drinking water, fishing and swimming, has become polluted by untreated sewage.

The Aquino administration is set to compound the social catastrophe besetting the Filipino working class. In his first address to the Philippine Congress, Aquino shed his populist posturing of being pro-poor. He claimed to have just 100 billion pesos (\$US22.5 million) left in the treasury to spend on social services and programs while declaring that the hundreds of billions set aside for debt servicing, pork barrel funding and infrastructure were already allocated by law.

Aquino outlined an austerity program based on zero-based budgeting and insisted that no program would be launched without a corresponding revenue measure. He called for the sacking of government employees under the guise of efficiency and for means-testing of the meagre benefits paid by social services agencies. The new president signalled an increase in public train fares and electricity rates, lambasting the previous Arroyo administration for artificially holding down the rates for political purposes. Aquino also announced more privatisations and public-private partnerships in road construction, public school building and water supply.



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