

# India's government orients towards privatizing water

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30 March 2012

Under the guise of providing a solution to the acute water crisis facing the country, India's Congress Party-led UPA government has prepared a document entitled "Draft National Water Policy (2012)" that is orientated towards promoting the wholesale privatization of water delivery and sanitation. This policy is being advanced even after numerous IMF-and World Bank-imposed water privatization schemes around the world have turned out to be a social disaster, with transnational and other giant firms extracting massive profits even while bringing water and sewage systems to the point of collapse.

Far from calling for a comprehensive nationwide crash program to supply the populace with a free and reliable round-the-clock water supply and sewage system, the draft policy paper says its chief objective is "to take cognizance of the existing situation *and to propose a framework for creation of an overarching system of laws and institutions...*" [emphasis added].

The proposal to create an "overarching system of laws and institutions" is an expression of the Indian government's intent to centralize decision-making authority on water policy, which is currently largely under state and municipal jurisdiction, within its own hands, so it can push for "free market" solutions—tariff-ication and privatization—as the cure for a dilapidated and grossly deficient water and sewer system.

Published by the Indian Ministry of Water Resources, the draft paper argues that water "needs to be treated as an economic good...priced to promote efficient use and maximising value." It also seeks to impose the "full recovery of the cost of administration, operation and maintenance of water resources projects."

In other words, the ministry wants to make this essential resource of humanity into a commodity available in plenty to those who can pay for it and denied to those who can't. The policy advocates a sledgehammer approach to cut down what it terms "wasteful" usage by rationing

water through market pricing.

The paper calls for state institutions to shift from providing water and sanitation to acting as a tariff regulator. It calls for water infrastructure be built using public funds, then handed over to "appropriate 'public-private partnerships' on a long-term lease-operate-maintain contract" as is advocated under the World Bank-IMF water privatization "framework".

The thrust of the draft paper—a final version is to be unveiled after consultation with "water experts" and other "stakeholders"—is of a piece with the overall outlook of the UPA, which advocates privatization and marketization as a cure for every problem facing the country. Over the past 18 months, the government has been rocked by numerous scandals that have exposed how state property has been handed over to big business at fire sale prices.

If adopted, the proposals will undoubtedly place additional burdens on India's hundreds of millions of poor people, many of them peasant farmers dependent on irrigation to grow their crops.

At present, the vast majority of Indians do not have ready access to safe drinking water and hygienic toilet facilities.

Only 29 percent of Indian households have access to tap water, and even then in the majority of cases only for several hours a day. The other 71 percent of households obtain their daily water supply by making long and exhausting treks to wells, streams and rivers, while in urban areas they must wait for a water truck to arrive.

Across India just 10 percent have access to toilet facilities with flush drains and in rural areas flush-toilets are virtually non-existent. Some 640 million people, according to UNICEF, are forced to defecate in the open.

Access to safe drinking water in the country is so grossly inadequate that the World Bank estimates 21 percent of communicable diseases can be traced to people drinking unsafe water. Water-borne diseases kill 700,000

children in India annually.

The shift in orientation proposed in the draft paper neatly dovetails with the “water policy” peddled by the World Bank (WB) and the International Monetary Fund (IMF), both of which routinely impose water privatization as a condition for granting loans to countries that come into their clutches in Africa, Asia and South America. Since water privatization invariably results in the granting of a quasi-monopoly to private corporations, it has frequently been a license for outright plunder, with corporations performing either minimal or no infrastructure maintenance.

Bolivia is a case in point. In 1998, the IMF imposed “structural reforms” as a condition for granting a loan to Bolivia. It compelled the government to sell off national oil refineries and Cochabamba’s local water agency, SEMAPA, with the latter taken over by a consortium of private investors that included the notorious and well-connected US-based Bechtel Corporation. The World Bank, then headed by James Wolfensohn, a former Wall Street speculator, also demanded that “no subsidies should be given to ameliorate the increase in water tariffs in Cochabamba.”

The result was a social catastrophe, with water rates doubling and even tripling within months. Unable to bear this plunder, the people of the region rose up in unison, shutting down the city for 4 days in January 2000 and forcing the private profiteers to flee.

Behind the scenes, the US government is pressing India to move forward with water privatization. In February, the Obama administration led a US Water Technology Trade Mission, with representatives of 16 US corporations, to Bangalore, the capital of the southern Indian state of Karnataka.

It was India’s previous coalition government, the BJP-led National Democratic Alliance regime, that took the first tentative steps towards water privatization. In 2002, it declared, “Private sector participation should be encouraged in planning, development and management of water resources projects for diverse uses, wherever feasible.”

There have already been several disastrous experiments with water privatization at the state and local level.

In 1998, the Congress Party government of the central Indian state of Madhya Pradesh granted a contract to Radius Water Ltd. (RWL) to build a dam and reservoir on the Sheonath River for supplying water to the Borai industrial estate.

The company, which under the contract had been given

ownership rights to a 23-kilometre stretch of the river, restricted local villagers’ access to river waters that for centuries had provided them and their ancestors with drinking water, irrigation for their crops, and fish to eat. The villagers fought back and in 2003 the government of Chhattisgarh, a state carved out of Madhya Pradesh in 2000, promised to abrogate the contract with RWL. But the promise was not kept and even today the RWL retains its rights over the river.

In 2005, the Tamil Nadu government launched one of India’s largest PPP (public-private partnership) water supply and sewerage projects. A 30-year contract was awarded to the New Tiruppur Area Development Corporation Ltd (NTADCL) on a 30-year Build-Own-Operate-and-Transfer (BOOT) basis to supply 185 million litres per day of raw water for industrial and domestic use in Tiruppur, a fast-growing industrial city. Numerous textile factories and 700 dyeing units discharge about 87 million litres of toxic wastewater brimming with chemical dyes into local rivers every day. This has not only made the groundwater undrinkable and severely polluted the Noyyal, Nallar and Jamunai rivers. It has also made a great deal of agricultural land unfit for use. According to the Madhya Pradesh-based NGO Manthan Adhyayan Kendra (MAK), which tracks privatization of water projects, “Water sources, both surface and ground, have been contaminated, and drinking water has to be often brought from long distances.”

In the six-and-a-half decades since India’s political independence from British rule, the Indian bourgeoisie has established an unblemished record of incompetence, corruption and downright criminality. The privatization of such a basic necessity of life as water will result in a social disaster and provoke explosive protests.



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