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The Privatization of Everything? Poverty, Power, and the New Water Market

Contemporary advocates of privatization regard institutions and actors in the global South as vehicles to enable privatized state agencies as part of the “kinder, gentler” revisionist neoliberal approach to development (Hart 2002, 45). This softer version of aggressive capitalist expansion includes institutional reforms and social development initiatives alongside market deregulation as a response to outcries regarding the brutality inherent in structural adjustment policies imposed on developing economies (Mohan and Stokke 2001, 3). Similarly, the United States has witnessed a rise in “disaster capitalism” which entails responses to disasters in ways that authorize “for-profit industries to decide how and what type of recovery is warranted,” circumventing “democratic and legislative processes” (Adams 2012, 2). Adams’ analysis of disaster capitalism, coupled with Katz’s question of “what kind of a problem is poverty?”, sharpens my own academic focus on access to and control of water resources. New regimes of accumulation through the privatization of water contribute to new geographies of poverty and its management, and create novel territories of wealth for those benefiting from the commoditization of water resources. While Adams’ and Katz’s analytical subjects are quite different, the application of their insights provides me with helpful critical tools to reflect on the complex intersections of privatization, poverty, and water.

Water provision as a means of poverty alleviation was enshrined in the Millennium Development Goal target 7(c) to cut in half by 2015 the proportion of the global population without sustainable access to safe drinking water and basic sanitation. Recent interventions in the water sector as a method of poverty alleviation have created a generative space for a multiplicity of actors – NGOs, charities, and private companies – while unduly attenuating the state’s responsibility to provide water to the public. Such interventions exemplify a Katzian notion of poverty as a problem of resources. The modern “water barons” providing water to the global North and South alike do not belong to a single archetype, but instead are composed of an assortment of sellers and buyers, ranging from multinational corporate giants to individuals and quasi-governmental organizations. In Adams’ description of the no-bid contracts to rebuild destroyed homes in Louisiana after Hurricane Katrina, I saw similarities to the way multinational corporations are awarded non-competitive awards for private enclosures of public waters as a means of control over access to water resources. This is perhaps most evident in the unregulated and uninhibited \$100 billion a year industry of bottled water which turns what has been established as a basic human right by the United Nations into another market opportunity.

Neoliberal responses to disaster mirror private interventions in the water sector in Latin America, the primary site of my field and academic work. Adams writes about the lack of physical water management in the case of the Biblical scale floods and unrelenting hurricanes pummeling the coasts of the United States, along with the “growth industries” benefiting from the construction of aqueducts and destruction of wetlands as natural barriers from storms. The relegation of responsibility to private companies to ensure public safety represents the abandonment of the primary functions of government. Responses to catastrophic natural disasters involving non-state actors with neoliberal agendas are reminiscent of the way the everyday disaster that is poverty encourages private actors to fill the void of an unresponsive state, entrusting “the poor” in the global North and South alike to the good will of charities and corporations. The privatization of water services and infrastructure in Cochabamba, Bolivia in 2000 by a consortium of private corporations from the global North as a means to improve water provision to the poor reflected contemporary global trends toward neoliberal accumulation by dispossession (Harvey 2006, 146). While capitalism’s final frontier for life’s most basic resource began most overtly in the global South through private involvement in order to capture the lost profits from previously “non-revenue” public waters, other insidious forms of institutionalized water grabs have perniciously found their way into the daily consumption practices of the global North. As private companies increase the cost of water to procure profits, NGOs assume the role of providing water to the marginalized populations unable to pay. In this way, the regulation and management of poverty through disaster capitalism and private water provision reveals that American poverty scholarship is very much aligned with and connected to global poverty scholarship.

The congruencies between Adams’ work and my field experience in Bolivia are fortified by an application of Katz’s methodology, which conceptualizes a layered archeology of the historical trajectory of understandings of poverty. The widespread social upheavals rejecting water privatization efforts in the global South during the 2000s can be usefully understood using Katz’s layers of meaning in poverty discourse. Widespread resistance to institutionalized market mechanisms reflected a Polanyian double movement reacting to the profound havoc unleashed by markets through the commoditization of natural resources. However, these large-scale dissents are not solely a saga of “poor peoples” movements. The repudiation of privatization of water in the global North suggests that denunciation of private action in the water sector may indeed be a global phenomenon. In this regard, movements related to access to and control of water resources are not so much about poverty as they are about inequality. When privatization is seen as a symptom of weak civil society, unable to defend itself from the lures of the neoliberal market, then it is possible to reform, reconceptualize, and reimagine understandings of the problem of poverty as something actively produced, regulated, and managed.

As a hopeful millennial scholar concerned with the futures of capitalism, I find that the simultaneously pro-poor and pro-market approach to water provision as a method of poverty action contributes to novel contradictions and opportunities to understand the ever evolving logic behind poverty alleviation strategies. Adams' work reacquaints me with the importance of refusing to turn political processes into technical solutions, which is often the chosen path in water provision when the easiest remedy to sub-par water quality is to install a treatment device and declare success. Engaging civil society and calling for government action is a challenging approach, but I agree with Katz that "any meaningful assault on poverty will not happen easily or quietly, or without great skill and effort" (Katz 2012, 33). As I reflect on the ways Adams and Katz guide my scholarship in the water sector, I am reminded that any meaningful transnational change must simultaneously redress both poverty and inequality through legislation and policy, while strengthening countervailing centers of power.

Citations

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