



OF WATER JUSTICE AND DEMOCRACY:

Alternatives to Commercialization and Privatization of Water in Asia

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Asia is home to immense natural and productive resources such as land, water, forests and a diverse natural environment. It is a region of tremendous wealth, modern cities, industrial capacity and growing urban centers, especially with China and India rising as economic powers. However, the region can be best described as a paradox: despite the abundance, Asia is known for its large pockets of poor people and overwhelming inequalities within and between its rural and urban areas. Income inequalities are severe in sub-regions (Chavez, 2011). At the same time, it is a diverse and complex region, with wide disparities in history, culture, political economy and current development paths.

This diversity is also reflected in the region's water resources: Asia is well endowed with water resources but monsoon cycles can induce large inter-seasonal variations in river flows and there are significant variations across the four sub-regions (Central, South, South-east and East). With more than 50 percent of the world's population residing in Asia, the amount of water per capita in the region, a standard indicator of water availability, also varies, with Central, East and South Asia typically recording levels lower than the global average. Southeast Asia, on the other hand, has more than twice the world average (World Resources Institute, 2005, 1). As of 2002, water poverty¹ in the four sub-regions ranged from 55 percent to 62 percent, with a regional average of 58 percent. (See Table I in Annex)

Hydrological cycles aside, much of the debate about water in Asia today revolves around water treatment, distribution and sanitation, and who provides these services. The Millennium Development Goals (MDGs) provide Asian countries with a quantitative framework for dealing with the challenge of water service provision, with target no.10 calling on nations to halve the proportion of people without sustainable access to safe drinking water and improved sanitation by

2015. Although 10-14 percent of Asians still did not have access to safe supplies as of 2006, many parts of the region have reportedly met and surpassed their targets. In East Asia alone, over 400 million people were reported to have gained access to improved drinking water sources as of 2006, reflecting an increase in coverage of 20 percent over the 1990 figures (UN 2008).

Using the above contexts, this paper provides an overview of water issues in Asia, especially in terms of access to water by poor families. It is divided into four sections. The first section offers a quick scan of the level of water service delivery and type of providers (private vs. public and community in Asia). The second part tackles the problem of liberalization in services, in particular the role of the European Union and its water 'barons' or transnational corporations as an obstacle to providing universal coverage and access to water to the poor and marginalized sectors of Asian society. The third part, which is the heart of the paper, addresses the urgency of searching for and building alternatives.



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It provides examples from the region, especially from Southeast and South Asia, and with emphasis on the Philippines. It finally concludes with some notes on policy recommendations and advocacy for alternatives.

Asia's Water Service Delivery

Aside from the MDGs, there are a number of regional initiatives to ensure water security in Asian countries. One is the Association of Southeast Asian Nations (ASEAN) Strategic Plan of Action on the Environment (1994-1998) which calls on its ASEAN member states to respond to specific recommendations of the United Nations' Agenda 21. Specifically, ASEAN member states are required that "adequate supplies of water of good quality are maintained for the entire population while preserving the hydrological, biological and chemical functions of ecosystems, adapting human activities within the capacity limits of nature and combating vectors of water-related diseases."

The UN accord further recognizes that "innovative technologies, including the improvement of indigenous technologies, are needed to fully utilize limited water resources and to safeguard those resources against pollution." (United Nations, 1993, Section 2, Chapter 18) Another initiative in South Asia is the adoption of the recommendations of the Human Development Report of 2006 with emphasis on making water a human right, especially through "enabling legislation to secure, accessible, and affordable supply of water." (UNEP and DA, 2008, 79) At the heart of this is the necessity of mustering political and economic will to meet such goals.

Levels of water service delivery in Asia

Although MDG Target 10 calls for the reduction in the proportion of the population without sustainable access to safe water supply, the report Asia Water Watch 2015

(2006) notes that safe water supply has been extremely difficult to assure. In view of this, the phrase "improved water supply"² has been proposed as a substitute to "the best measurable standard" to indicate that "water is more accessible, and some measures have been taken to protect the water sources from contamination."

Based on this indicator, Asia Water Watch 2015 (2006) reported that from 1990 to 2002, water supply coverage in the region improved from 82 percent to 84 percent, but the increase was not uniform. East and South Asia reported increases of five and six percentage points, respectively, but coverage declined in Southeast Asia mainly due to the deterioration of existing facilities and service delivery systems coupled with rapid population growth. Although an additional 100 million persons were provided with improved water supply between 1990 and 2002, such increase in coverage was less than the population growth of Southeast Asia during that period (See Table 2 in Annex).

By 2006, Asia as a whole surpassed the MDG target for population with access to improved drinking water source (IDWS), 86 percent target versus the actual 87 percent reached. This level of access reflected a tremendous improvement over that of 2004, during which Asia had reported only 78 percent of its population with access to IDWS. The 2004 level was even a regression over the 1990 level of 80 percent access (See Table 3 in Annex).

Among the sub-regions, South Asia showed dramatic improvements in the percentage of its population with access to improved drinking water source, from 69 percent in 1990 to 87 percent in 2006. On a per country basis, Afghanistan even reported an 875 percent increase in access to improved drinking water sources from 1990 to 2004. Such tremendous improvement in access to IDWS contributed to the high achievement level of the South Asian sub-region. Central Asia, on the other hand, reported a 20

percentage point decrease in access to IDWS from the 1990 figures to 66 percent in 2004. Countries in this sub-region were not even covered by the MDG report of 2008, making a further assessment of their performance quite difficult.

Water service providers: public versus private

Agenda 21 also recommends that states “support water-users groups to optimize local water resources management”, and develop and strengthen “cooperation at all levels... including the decentralization of government services to local authorities, private enterprises and communities.” (United Nations, 1993, Section 2, Chapter 18) With many states unable to provide centralized government services, these recommendations allowed communities and village-level associations, as well as local governments, to continue performing their role as water service providers to their respective constituencies, thereby increasing the variety of management models for water service delivery.

In an effort to map the degree of public versus private sector service delivery in Asia, the authors conducted a survey of 646 listed water utilities, of which 171 (24 percent) had provided information on the number of service connections and the number of people serviced. This is a large and broadly characteristic sample but it should be noted that it is not statistically representative due to data collection limitations, foremost of which was language. Those included in the lists from Central and South Asia were large, centralized utilities. In Central Asia, an average water utility would have 103,000 service connections covering more than 1.2 million people. In South Asia, a utility would have an average of 320,000 service connections serving 3.7 million individuals. Those in East Asia have a little less than one million service connections serving an average of five million people. The water utilities in the list in

Southeast Asia also covered smaller water districts in the Philippines. They have an average of 62,000 service connections providing water to 240,000 people (See Table 4 in Annex).

Most of utilities listed are public in nature—either as state-sponsored agencies or as municipal corporations. Although the research found only several private water corporations in the Philippines (Manila Water Company, Inc. (MWCI) and Maynilad Water Services, Inc. (MWSI) and in Indonesia (PT Pam Lyonnaise Jaya and PT Thames Pam Jaya), online information indicated that some private corporations worked for the development of sources of water supply and for the acquisition of rights or entitlements to the water they had produced from their projects. Endowed with legal entitlements for the abstraction of water, these corporations then entered into bulk water supply arrangements with the public-sector or non-profit utilities.

Liberalization in Services and Investment: Enter the EU and its TNCs

Despite these leaps and bounds, Asia still has the highest number of people un-served by either water supply or sanitation, according to the United Nations World Water Assessment Programme Report. About 715 million people in Asia have no access to safe drinking water, while 1.9 billion or close to 50 percent of its population has no access to sanitation. With water fast becoming a critical resource,³ the problem is largely one of ‘governance’, i.e. equitably sharing the world’s freshwater while ensuring the sustainability of natural ecosystems. This balance clearly is yet to be achieved in the region.

The increasing scarcity of water has renewed debates on how to best manage this critical resource and effectively ensure “water-for-all,” including guaranteeing all life forms and ecosystems. This global water crisis,

unfortunately, has become a staging point for international financial institutions such as the World Bank and Asian Development Bank, and neoliberal governments in the North and the global South to promote and push for privatization and commoditization of water as the “best model” that will solve the region’s water crisis. As Naqvi⁴, president of the Water Workers Alliance of the New Delhi water utility, pointed out, “According to World Bank philosophy, religious places, helpless poor, birds and animals—all are consumers;” therefore, allow the market as “the most efficient allocator of scarce resources” and to be the arbiter of all values.

Despite the general recognition that privatization has failed to deliver on its promise of adequate and effective water services provision⁵, according to McDonald and Ruiters (2011), “a ‘rethink’ of privatization efforts and renewed explorations continue to seek solutions that provide stronger support to the private sector and/or deepen the commercialization of the public sector (i.e. running public services like a private business), especially by the World Bank.” This is not surprising since water is deemed as the “new oil” and therefore, investment in this ‘blue or liquid gold’ is a no-brainer. Water, for the privateers and global capital, is the “perfect commodity”: inflation-proofed, can be sold anytime, everyone needs it and demand will continue to grow, especially with populous countries and emerging markets like China and India experiencing severe water crisis.

Enter the EU transnational water corporations

About five percent of the world’s population gets their water and sanitation services from private companies. The presence of European transnational water corporations, also called water barons, is definitely felt in the Asian region. Suez, Veolia, Thames Water, SAUR, United Utilities, and Biwater/Cascal have had various contracts⁶ in different countries in

Southeast, East and South Asia, either through built-operate-transfer schemes (BOT) or concession contracts and mostly through joint ventures with local private companies.

Suez was able to earn 13.89 billion Euros from its water sales in 2010, four percent of which are from its operations in Asia. Suez supplies water to 91 million people and provides 61 million people wastewater treatment services. Veolia, on the other hand, earned 13.44 billion Euros for water sales in 2010. It has furthermore set aggressive targets in privatizing water and outsourcing management of water and sanitation services including technology and construction of water facilities. According to Public Services International Research Unit’s report (2004), “Suez and Veolia continue to treat China as a special case where they wish to invest even in relatively risky projects.” Thames Water, the largest UK water company, on the other hand, has left China. But the European multinationals still remain interested in investing in the Japanese and South Korean markets. (PSIRU, 2004, 4) These European companies are involved mostly in urban water privatization scheme, mainly in mega cities with high-income residents.

The dominance of the French might have something to do with their solid and protected position in the French home market, where they control 85 percent of the private water markets.⁷ But the strength in their turf has already been challenged. The return of Paris’ water services to the municipalities in January 2010 made a significant break from the commercial dominance of the French multinationals in the water sector. By establishing the single public operator, Eau de Paris, France was able to restructure, institute important reforms and reclaim public interest. According to Anne Le Strat, the deputy mayor of Paris in charge of water, some initial advantages have already been observed as a result of re-municipalisation. One is the big profits, an estimated 35 million Euros that the reform has produced and re-invested in water

services; two, the lowered cost of water per cubic meter (at one Euro compared to the 260 percent increase with the private company); and finally new services are underway.

The changing tides also travel to Asia (see next section). In Indonesia, civil society, unions and Jakarta's citizens are calling for the termination of the city's contract with Suez. Twelve years after the privatization of water in Jakarta, Suez has failed to deliver its promise of adequate water supply through pipe connections in the city. The residents had resorted to over-extraction of groundwater which created new environmental problems. A recent report of the Supreme Audit Board of Indonesia (BPK) concluded that the private contract is non-transparent, unfair and void. Jakarta is the last big city in the global South where Suez still has a concession contract. The termination of this contract, therefore, will have a big political impact not only in Jakarta but all over the world. Apart from this, numerous contracts between European multinationals and Asian governments had failed and eventually terminated. For example, Suez terminated its BOT water supply operations in Thu Duc, Vietnam in 2003 due to dispute over contract terms. United Utilities had left Malaysia's Indah Water when the company was nationalized in 1997. And in 2011, Thames and Veolia sold its BOT water supply to Xian municipality in China. (Hall, et. al, 2004)

In China, European water trans-nationals are losing popularity. This is partly due to the infusion of capital investment in China's water supply infrastructure by its municipalities and the rise of domestic water giants, which are state-owned shareholding companies or former state-owned enterprises (SOE). (Lam, 2011) One notable example is the Beijing Capital Company Limited, a publicly listed SOE which has 27 water projects across China. It rose to number one position in 2009 (from third place in 2006) in the Top 10 Most Influential Water Companies survey of China

Water Net, an authoritative information provider and serial events' organizer in China's water sector. Sino French Water, a joint venture between Suez and Hong Kong's NWS Holdings Limited, and Veolia ranked fourth and fifth, respectively. The other reason for European transnational's loss of foothold in China was their high premium offered in acquired contracts which can translate to skyrocketing water rates. This raised concerns over the transnational's possible monopoly of and gambling with China's water industry, which eventually led to the central and local government's policy of no-high premium acquisition by TNCs after 2008.

Closer ties, more market access

While the tides of privatization and European control in Asia's water sector are changing, another mechanism for liberalization of the sector is in the works. Regional and bilateral free trade and investment agreements are the latest tool for liberalizing services, which means more market access and corporate control through foreign direct investments. Currently, the European Commission via the Lisbon Treaty is designing and negotiating comprehensive investment protection and liberalization measures with third countries (Olivet, 2010). In Southeast Asia, the EU-ASEAN Free Trade Agreement (FTA) is a comprehensive agreement between the European Union and the 10-member country of the Association of Southeast Asian Nations that seeks to liberalize trade in goods, services and investments (including portfolio investments). The FTA is a region-to-region negotiation launched in 2007 and expected to conclude in two to three years time. However, the slowness of the negotiation process had prompted the EU to explore bilateral agreements and it recently inked the negotiation with Singapore.

The FTA is controversial, to say the least, ambitious and far-reaching in coverage. With

the World Trade Organization/multilateral talks suspended, the EU seeks to obtain WTO plus commitments and negotiate better market access for its investors through non-discriminatory rules in the form of most favored nation (MFN) commitments. The EU claimed, based on its commissioned study in 2006, that the FTA would have a “wide range of anticipated positive effects to both parties”, boost growth in ASEAN and increase ASEAN’s presence in the EU and enhance inter-regional foreign direct investment flows in both directions (Minambres, 2009). But the Global Analysis Report admitted that the liberalization of services would benefit the EU more than its counterpart.

The ASEAN on the other hand has approached its regional integration vision through the pursuit of free trade agreements and investment treaties.⁸ Apart from the EU, ASEAN has embarked on negotiations with China, Japan, India, the US, New Zealand, Australia and South Korea. According to Jenina Joy Chavez, senior associate with Focus on the Global South and an expert on ASEAN, “as of November 2010, aside from the WTO, ASEAN Members are also involved in a total of 164 free trade agreements or economic partnership agreements, with more than half already in effect or under implementation.” As of May 2010, ASEAN countries have inked a total of 352 bilateral investment agreements, with 26 of them between ASEAN countries themselves. According to Chavez, these agreements entail the “increasing blurring of boundaries between and among foreign and domestic corporations and the importance of international norms and instruments viz. national regulations.”

Clearly, such a liberalized environment will not only facilitate the commercial presence of European investors and privatization of essential services such as water but solidify their interests in Asian economies. It will further embolden corporate lobby groups such as AquaFed or the International

Federation of Private Water Operators, the “voice of the private industry vis-a-vis international organizations,” to promote private sector participation in water and wastewater management in developing countries. Already, AquaFed is flexing its corporate muscle to influence the European Union’s decision making, an additional lobbying vehicle of the transnationals (Hall and Hoedeman, 2006).

A particularly controversial provision in the EU-ASEAN FTA is the investor-state dispute resolution, which provides the foreign investors the right to take a government to court—either in the World Bank’s International Center for Settlement of Investment Dispute, or international arbitration panel in Paris or the United Nation’s UNCITRAL. From practice, this of course has caused governments monies and damages. Further, under the new EU investment regime, developing countries’ capacities and flexibility to maintain policy space and options that allow them to defend their people and public interest will be eroded. It is also questionable whether FTAs and investment agreements will boost growth in ASEAN. The region is characterized by asymmetries—Singapore has the highest per capita income of US\$48,893 purchasing power parity/PPP, which is 31 times than that of Myanmar’s US\$1,596. (Chavez, 2011) Without taking into consideration these wide disparities, a blanket agreement will exacerbate already existing inequalities.

The Search for Alternatives

Indeed, Asia has been a target of foreign capital and restructuring for many decades (Chavez, 2011) and more so now with emerging political, economic and military powers and markets such as China and India. But Asia’s diverse and complex social, economic and political contexts make it interesting in terms of how alternative ideas are given spaces, even as private capital and corporations

dominate much of the peoples' lives in the region.

Public and community responses and alternatives to the commercialization and privatization of water abound, especially in the areas of access to and sustainability of drinking water supply or water service provision in both rural and urban areas. These alternative models of water service provision are very wide ranging, as they depend on the specific conditions of a particular area or country. There is no 'one-size-fits-all' alternative that has emerged. But common among them is responding to the need for people-centered, ecologically sustainable, and progressive public water management and on-the-ground solutions, particularly to the problem of water access and universal coverage for the poor and marginalized.

There are several examples of these models. One can be seen in the strong and efficient/effective public and community water delivery systems in the Philippines, Malaysia, Hong Kong, South Korea, Cambodia and Japan. Public utilities in Osaka, Japan, for example, have achieved universal coverage for its population, translating into delivery of high quality drinking water, very low leakage levels and good labor conditions for the unions⁹. Another public utility, the Phnom Penh Water Supply Authority in Cambodia, undertook a massive rehabilitation of a decrepit water distribution system after the Khmer Rouge's reign and embarked on strengthening management capacity to minimize unregistered or unmetered service connection in slum areas and among informal settlers.

In India, the Self-Employed Women's Association (SEWA), a trade union and community-based movement of poor and self-employed women workers in the State of Gujarat, was able to establish, and now continues to operate and maintain a system that provides safe potable water to its members, minimizing time spent for fetching water and giving the women more time for

livelihood activities. SEWA provided the communities in Gujarat with safe potable water by digging water canals, laying down pipelines and chlorinating the water supply. By undertaking chlorination, water quality improved tremendously in comparison to the water that used to be collected from the earthen reservoirs. They form a village committee to address the acute water shortage and the absence of livelihood options. Members meet regularly to decide water management issues and supervise the work that had to be done. Through their direct management of the water system, SEWA not only ensured operational sustainability and improved availability of water, its distribution and allocation but also set into place a mechanism for enhancing financial viability. Improvement in the quality of service, moreover, gave women in particular more time to devote to their means of livelihood.

Another model is state-led democratization experiments. In India where large parts of the population remain without access to water and sanitation, concrete and workable alternatives to privatization exist. For example, in the state of Tamil Nadu, engineers of the Water and Drainage Board (TWAD) have undergone a democratization experiment and change management process¹⁰. Under the initiative, water supply to 60 million people of Tamil Nadu and the delivery of irrigation water to the farms of more than one million families were undertaken in conjunction with the management of attitudinal change, shifts in perspective and transformation of the institutional culture of water engineers using a process-oriented participatory training methodology based on the traditional practice of *Koodam*, a Tamil word for gathering and social space, and for consensus that implies harmony, diversity, equality and justice. The transformation of the institutional culture of water engineers, and the changes in perspectives and relations between local communities and the water utility facilitated the implementation of the joint management



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of water resources. As an official-to-official transfer of ideas and experiences, the change in perspective gained during the workshops helped transform the engineers into becoming “managers of the commons”.

A partnership was also forged between local communities and the water utility for the joint management of water services based on equity, resource management, reduction of water consumption, improvement of reliability, and reduction in operating and maintenance costs. Detailed discussions on costs and tariffs enhanced the awareness of consumers regarding the need for water conservation and different rationales for setting water fees. Diligent maintenance of records on pumping hours, water supply hours, electricity meter readings and linking these aspects to the water supply costs served to spread awareness regarding water tariffs. Women in the communities and those marginalized took a pro-active role in taking care of their water sources, ensuring safe and quality drinking water for all members of the

community. The communities instituted their own oversight and monitoring system to check the water quality of their water sources. These are strong positive tools for improving public water service delivery and instituting community empowerment.

Finally, there are public-public and public-community partnerships, or not-for-profit partnerships between public water operators, communities, trade unions and other social-economic groups. In Thailand, the competing demand for water by households, agriculture, tourism and industry led the different interest groups in the Ping River, one of the two main tributaries of the Chao Phraya River, to negotiate and balance such competing demands. Local NGOs, residents of communities located upstream and downstream of the river, Hang Dong farmers and Hmong Hill Tribe, eventually came up with an acceptable system of water allocation. Public-public partnerships (PuPs) in particular aimed “to link up public water operators on a non-profit basis to strengthen management

and technical capacity. They offer an innovative and practical way of sharing the expertise of public water managers, between South-South or North-South to spread good practice, disseminate good ideas and drive up performance; in the process, providing the socio-political support needed for such forms of mutual cooperation. (RPW, 2010) It is clearly an alternative to public-private partnerships (PPPs) has the potential to create a multiplier effect and is an idea whose time has come.

In Asia, there are a number of PuPs—between Southern utilities within a country or between countries, and between Northern and Southern utilities, either in the form of solidarity partnerships, democratization and labor-management cooperation in water and sanitation (see Annex 2). Japan has a long history of solidarity partnerships, which were used extensively to develop its own sewerage systems in the 1960s. (PSIRU, TNI and PSI, 2009, 5) Since the 1980s, Japan’s municipalities conducted training courses in sanitation for other Asian public utilities, financed mostly by its own aid agency, the Japan International Cooperation Agency. European public companies meanwhile are engaged in a number of international partnerships with Asian public utilities. For example, Dutch public water operators have extensive partnerships in Indonesia. In a similar vein, the Finnish bilateral development agency, FINNIDA, supported the Hai Phong Water Supply Company in Vietnam with a PuP, i.e. training for improving their performance from 1990 to 2004. This was followed by institutional and organizational restructuring and performance improvement.

Case study on the Philippines

A deeper understanding of the elements and characteristics of the above alternatives can be achieved by looking at a case study. The Philippines makes an interesting case as it was an “early structural adjustment experiment by the International Monetary Fund and World Bank” (Chavez, 2011) and is one of the most

aggressive liberalizers in Asia. But the prospective alternatives, in terms of operations, ranged in scope from village-level systems to those undertaken by a government-owned and controlled corporation and by a national-level association of WSPs. The alternatives also have various forums –from targeting service provision to the poor to providing service to all.

Water service in the Philippines is being delivered by water districts (WDs), which are government-owned and controlled corporations, local government-operated waterworks, privately-owned water service providers (WSPs), and user- and/or community-managed water systems such as cooperatives, village-level water and sanitation associations (BWSAs), and rural water and sanitation associations (RWSAs). (See Table 5) Over the decades, the Philippine government has underinvested in water supply and distribution systems, thereby failing to fully provide safe, adequate and affordable potable water to its citizenry. In 1990, about 87 percent of the population had basic albeit unreliable access to safe potable water. Data from the Philippine Department of Interior and Local Government (DILG), on the other hand, indicated that, as of 2007, the various water supply providers in the Philippines were able to serve an estimated 9 million people. (Interagency Steering Committee of the Philippine Water Supply Sector Roadmap Project, 2008) By 2008, level of access further declined to 84 percent (National Statistical Coordination Board, 2010), threatening the achievement of commitments to the United Nations (UN) Millennium Development Goal (MDG) to attain 87 percent coverage by 2015.

Within this context, various alternatives have emerged. Using the political criteria of the Municipal Services Project, a global initiative that systematically explores alternatives to the privatization and commercialization of service provision in the health, water, sanitation and electricity sectors, alternatives can be grouped in the following:



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Innovative models. Some alternatives to the commercialization of water were found to be new and/or innovative models of water service delivery that were neither private nor old-style public. When mining companies applied to mine inside the Sibalom watershed located in Central Philippines, community-based water users, village and municipal governments, WSPs and NGOs banded together to oppose the approval of the applications. They also invited researchers to conduct studies to estimate the benefits of watershed protection as a means of opposing mining applications within the watershed area. In doing so, the major beneficiaries of the Sibalom watershed were able to gain deeper insights into the non-use and bequeath values of the ecosystem, and thus effectively opposed the mining application.

Defending the public sector against privatization. The public water sector union, Alliance of Government Workers in the Water Sector, a Public Services International-affiliate, and the

Philippine Association of Water Districts (PAWD) separately firmed up their positions opposing the official policy to privatize financially viable water districts. (Chiong 2007, 58) Both organizations believed that water districts, as public entities, were still the best option in the delivery of water services. Moreover, through a series of trainings to enhance the capabilities of labor and management, participating water districts started to evolve a set of performance benchmarks for their own use. The information derived from the initial benchmarking exercises provided both labor and management with insights into their respective financial and operational status, which further strengthened their resolve to retain water districts in the public domain.

Reinvigorating public water services. When water utilities are not directly threatened by privatization or commercialization they normally are hard pressed to meet their performance targets and improve services or else they come under fire. Under such

circumstances, some WSPs embarked on alternatives to reinvigorate service delivery of their public water systems. This was exemplified by the joint efforts of the village and municipal councils, NGOs and academic institutions of Salcedo, Eastern Samar in Central Philippines to delineate the boundary of their watersheds. Through these joint efforts, the village and municipal councils were able to pass appropriate legislation proclaiming the watershed as a protected area. The local legislation equipped the village and the municipal governments with the legal mandate to formulate and implement programs to ensure sustainable water supply and defend their sources against resource degradation.

Reclaiming public services. While there were no cases where water services that had been privatized was either renationalized or re-municipalized, as has been occurring in other parts of the world (see www.remunicipalisation.org), there was an opportunity to re-nationalize the Maynilad Water Services, Inc. (MWSI), a joint venture between the local elite, the Lopez family, and French company, Ondeo, in 2006 when it declared bankruptcy, and its former owners signaled their intention to return the private concession back to the state. MWSI services the west zone of Metro Manila, which covers about 90 percent of the city. But despite this intent, and campaigns by civil society and public interest groups for return to government control, the Philippine government maintained its position to have the utility operated by a private corporation. However, some communities, although not directly engaged in legally reclaiming public services, established mechanisms to ensure that water services remain in the public domain or under community control. This type of alternative was implemented by the Bagong Silang Community Water Service Cooperative of Caloocan City, located in MWSI's service area. The cooperative, an urban-based utility owned by water users, managed to secure dependable water supply

from MWSI, a private, third party bulk water supplier.

Through the cooperative, democratic control and peer-level monitoring and enforcement of rules in the establishment of improved water supply and distribution systems was ensured (Villanueva and Local Governance Team, 2009). Similarly, the Residents Association of Tinagong Paraiso, in cooperation with a local NGO, and the Bacolod City Water District (BACIWA) in Central Philippines established community tap stands, managed and maintained them. Through this collaborative effort led by the Association, access to safe drinking water reverted to community control instead of being operated by private concessionaries of the water district, who charged high prices for retailing the water to slum residents (ADB 2003).

Future alternatives. Some models are still being discussed for implementation. At the community-level, the village government/councils of Patag and Gabas of Baybay, Leyte province in Central Philippines initiated negotiations with the Baybay Water District to allow both communities to source water from a spring, to which the water district holds a water right. Moreover, the village councils requested to turn-over the management of the reservoir, pipelines and other facilities within the village to them. In return, the village would undertake watershed conservation in the catchment that serves as a source of water supply, and protect the facilities installed by the water district for the production, treatment and distribution of water to the municipality of Baybay, Leyte. If implemented, such arrangements can strengthen partnerships among village governments, water utility and host communities of watersheds. Equally important, this could address a major paradox— namely, that communities inside watersheds that are not usually served by the water utility finally play an important role in the protection of their source of water.

Navigating Critical Waters

These alternatives are clearly charting new paths and creating more options for Asia's waterless population. These examples highlight the necessity and urgency of "a vote for public". This means that while there is no perfect alternative, an enabling institutional and policy environment—at appropriate levels – are important for an alternative to develop and flourish. Secondly, articulating and building alternatives are collective processes, which are most successful when inclusive, gender-just, transparent and participatory. As Vibhu Nayyar, founding mentor of the Center of Excellence for Change puts it, "through a partnership between people who have suffered from lack of access to water and water agencies who believe in democratic functioning, can we ensure safe, equitable, and adequate water resources and ensuring sustainable water systems." This was universal, regardless of the type of alternatives.

Thirdly, what underpin these alternatives are principles of 'good water governance', which includes: (1) water justice—ensuring that all communities have equal and equitable access to safe, affordable and sustainable water for drinking, fishing, recreational and cultural uses. At the heart of the issue is the concept of democracy and democratization, of ensuring that everyone, especially the poor and marginalized, have a say on how they want their water governed; (2) water is part of the commons, a public good, and a human right: water is life, a gift of nature and its nurturance remains the responsibility of everyone for the survival of the planet in the present and for the future. This nurturance is rooted in the respect of all living cultures, values and traditions that sustain the global water commons; and (3) these rights can be allocated, framed, protected and realized in an equitable and sustainable way, as long as those who are historically marginalized and poor are part of the process. Finally, creative, appropriate, not-for-profit and mutually beneficial partnerships between Northern, in

particular European public water operators, and Southern utilities are possible as exemplified by public-public partnerships. These are far more positive interactions than prying open Asian markets through the EU investment and free trade agreements.

The innovative provisioning of water and resource management need only be cultivated, especially amid a neoliberal environment of investment liberalization and continued privatization initiatives. An advocacy for alternatives is but necessary. In particular, the following recommendations should be explored:

- Institutional and policy reforms—including legislative reform. With an enabling environment, alternatives to commercialization of water resources and services can thrive. Policy and institutional reforms become even more relevant when combined with on-the-ground problem solving. As exemplified above, pushing for reforms include creating platforms, spaces and processes where various stakeholders, including water activists and water justice movements, can come together to promote and advance alternatives.
- Another way of advancing advocacy for alternatives is via civil society organizations in donor countries, for instance in the EU. These organizations can enlighten their respective governments, including international aid agencies, of the impacts of funded projects on local communities and populations from the perspective of water consumers. This mechanism can provide excellent opportunities for local utilities and communities to show existing water resources and services management practices that conform to local conditions. A positive example is the EC's funding for public-public partnerships in African, Caribbean, and Pacific countries—40 million euros from the 2009-2013 EU-ACP Water Facility (EUWF), which is 20

percent of the total budget. This can mark the beginning of a shift in EU development policies for the water sector. This was the result of years of campaigning of European groups such as TNI, EPSU, WDM, CEO and others against the EU's use of aid money to promote water privatization and demanded support for public-public partnerships (PUPs) instead. Asian utilities and water sector advocates should encourage more study visits among and between water consumers, WSPs, NGO workers and members of academe to strengthen mechanisms for multi-faceted analyses of alternatives. The resulting discourses could serve as a counterbalance to the predominance of neoliberal frameworks without necessarily rejecting them in a knee-jerk fashion, and hopefully introducing alternative perspectives into the sector.

- Putting on hold and rethinking existing EU bilateral and regional investment and free trade agreements that intend to pry open Asian markets, especially essential services such as water. Asian countries should be given the flexibility to choose options that are appropriate for their countries. The “Seattle to Brussels Network” in collaboration with campaigns in Asia such as the “EU-ASEAN FTA Campaign” network has developed comprehensive proposals on this critical issue.

On a final note, the alternatives to privatization and commercialization of water reflect the need and desire of water justice movements and communities to recreate societies, to collectively come up with a new paradigm and ‘vision’ of how water should be valued and managed, and to motivate politicized citizenry as well as ordinary people to defend public interest through collective action. This new paradigm should reclaim, defend and re-establish water as commons,

making this resource not only an issue of social justice but also of democratization.#

* This article builds on the two major collective works of the authors: “*Springs of Hope: Alternatives to Commercialization of Water Resources and Services in Asia*”, in *Alternatives to Privatization Public Options for Essential Services in the Global South*, by David A. McDonald and Greg Ruiters (eds.), 2012, by Routledge as part of the Routledge Studies in Development and Society series. This is part of the Municipal Services Project, a global initiative that systematically explores alternatives to the privatization and commercialization of service provision in the health, water, sanitation and electricity sectors; and *Treading Troubled Waters, Focus on the Global South (Focus): Quezon City, 2011*, which is part of a collaborative initiative led by Focus—the Development Roundtable Series, a process to come together and discuss socio-political and development issues, resolve differing views and find common ground in platforms for policy changes.

This paper is part of the second phase—“Southern proposals for alternative trade policies” of a 3-year project of Aitec (France), Comhlamh (Ireland), Oxfam-Germany, Traidcraft (UK), and Weed (Germany) on the impacts of EU trade and investment policies to developing countries. The first phase of the project included a campaign against the EU Raw material initiative and its severe environmental and social impacts for Southern population (see French campaign here: <http://aitec.reseau-ipam.org/spip.php?article1192> or the policy report “The new resource grab: How EU trade policy on raw materials is undermining development” available in English here: http://www.traidcraft.co.uk/Resources/Traidcraft/Documents/PDF/tx/policy_raw_materials_report_final.pdf). The second phase focuses on Southern proposals around natural resources, in particular agriculture, land, water, and raw materials.

Endnotes

¹ Water poverty refers to the order-of-magnitude estimate based on a country's position as determined by such indicators as resources, access, capacity, use and environment; as a composite measure, the WPI indicates the impact of water scarcity and water provision on human populations.

² According to the World Health Organization and UNICEF's Joint Monitoring Programme (JMP) (<http://www.wssinfo.org>), "access to an improved water source refers to the percentage of the population with reasonable access to an adequate amount of water from an improved source such as household connections, public standpipe, borehole, protected well or spring, and rainwater collection. Unimproved water resources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 liters a person a day from a source within one kilometre of the dwelling".

³ There are a number of challenges and factors which hinder the achievement of water-for-all: population demands, pollution, overextraction, competing use of water for industry, agriculture, mining, tourism, etc., and climate change, among others. The global water crisis is multilayered, multi-level and faceted and comes in many shapes and forms. For more info, see <http://www.unesco.org/water/wwap/wwdr/wwdr1/pdf/chap1.pdf>.

⁴ Naqvi, S.A. (undated). Business of Water, Loot in Business. In Water for Life, Not for Profit Series 4. Unpublished campaign paper.

⁵ There are a number of cases around the world which demonstrate the failure of the corporate/private sector in water service provision--- from the iconic case of Cochabamba, Bolivia to Ghana, the Philippines, and even North America.

⁶ Some of these contracts have been terminated and operations sold, e.g. Thames Water's operations in Indonesia, Thailand and Australia.

⁷ Defending the Water Internal Empire, *The Center for Public Integrity*, February 4, 2003.

⁸ See Purugganan, Joseph (undated), Closer Ties, Larger Markets: Examining the ASEAN FTAs, Focus on the Australia and New Zealand Free Trade Agreement, in *Philippine Natural Resources Journal*, Legal Rights and Natural Resources Center.

⁹ See Sakuma, Tomoko, "Lessons and Challenges: Japanese Public Water Services Face Major Turning Point" in *Water Democracy: Reclaiming Public Water in Asia*, November 2007, published by Transnational Institute and Focus on the Global South. Also see Hall, D., Lobina E., Corral V., Hoedeman O., Terhorst P., Pigeon M., and Kishimoto S., 2009, Public-public partnerships (PUPs) in Water, Transnational Institute, Public Services International, and Public Services International Research Unit.

¹⁰ A controversy in the case is that the Tamil Nadu democratization experiment was financed through a World Bank loan. However, through the strong leadership of Vibhu Nayyar, the chief implementor of the project, the conditionalities imposed by the World Bank was rejected. The case highlights the limits and constraints, which serve as the starting point for the search for alternative sources of financing, or for the redesign of projects or project components to make them amenable to combinations of funding modalities.

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Climate Connections – Global Ecology Project

International Rivers Staff Members Unfurl Banner at WWF5 Opening Ceremony – International Rivers

Friends of the Earth International banner at the mobilisation in defence of water – Friends of the Earth

Annex I. Tables

Table 1. Water Resources Profile of Asia

Subregion	IRWR* as of 2005 (cu km)	ARWR** as of 2005 (cu km)	Water Resources Dependency Ratio*** as of 2005	Per Capita ARWR**** as of 2006 (cu m)	Water Poverty Index***** as of 2002
Central Asia	41	221	44	4121	62
East Asia	682	3441	4	4670	58
South Asia	216	3888	25	7116	55
Southeast Asia	567	7063	24	18,864	58
Asia	377	14,612	25	8693	58

Source: World Resources Institute (WRI) as cited in Dargantes, B. B., Manahan, M, and Batistel, C., Springs of Hope: Alternatives to Commercialization of Water Resources and Services in Asia, in *Alternatives to Privatization Public Options for Essential Services in the Global South*, David A. McDonald and Greg Ruiters (eds.), Routledge: Routledge Studies in Development and Society series, 2012.

***IRWR** refers to the average annual flow of rivers and recharge of groundwater or aquifers as generated by endogenous precipitation or internal rainfall.

****ARWR** refers to the amount of water that is actually available to a country as indicated by the amount of internal rainfall plus inflows from upstream areas.

*****Water Resources Dependency Ratio** refers to the ratio between the renewable water resources originating from outside of a country and the IRWR, with the amount of water allocated to countries in downstream areas being excluded in the computation.

******Per Capita ARWR** refers to the theoretical maximum amount of water that is actually available per person using the 2006 population as basis for the computation.

*******Water Poverty Index** refers to the order-of-magnitude estimate based on a country's position as determined by such indicators as resources, access, capacity, use and environment; as a composite measure, the WPI indicates the impact of water scarcity and water provision on human populations.

Table 2. Profile of Population Served by Improved Water Supply

Subregion	Total Population served as of 1990 (‘000)	% Coverage of Total Population as of 1990	Total Population served as of 2002 (‘000)	% Coverage of Total Population as of 2002	Projected Total Population Served by 2015 (‘000)	% Coverage of Projected Population by 2015
Central Asia	34,339	91	37,734	91	42,223	91
East Asia	985,171	81	1,193,722	86	1,476,209	87
South Asia	822,188	79	1,242,036	84	1,699,788	90
Southeast Asia	305,927	76	405,098	75	494,228	88
Asia Total	2,147,625	82	2,878,590	84	3,712,448	89

Source: ADB, UNDP, UNESCAP & WHO (2006, 12-13) as cited in Dargantes, B. B., Manahan, M, and Batistel, C., Springs of Hope: Alternatives to Commercialization of Water Resources and Services in Asia, in *Alternatives to Privatization Public Options for Essential Services in the Global South*, David A. McDonald and Greg Ruiters (eds.), Routledge: Routledge Studies in Development and Society series, 2012.

Table 3. Profile of Access to Improved Drinking Water Source in Asia

Subregion	% of 1990 Population with Access to IDWS	% of 2004 Population with Access to IDWS	% of 2006 Population with Access to IDWS	MDG Target 10 to be attained by 2015 (%)
Central Asia	86	66	No Data	No Data
East Asia	83	84	88	84
South Asia	69	80	87	87
Southeast Asia	82	81	86	87
Asia Total	80	78	87	86

Source: WHO and Unicef, (2004, 24-31); UN (2008, 42) as cited in Dargantes, B. B., Manahan, M, and Batistel, C., Springs of Hope: Alternatives to Commercialization of Water Resources and Services in Asia, in *Alternatives to Privatization Public Options for Essential Services in the Global South*, David A. McDonald and Greg Ruiters (eds.), Routledge: Routledge Studies in Development and Society series, 2012.

Table 4. Water Utilities in Asia

Subregion	Number of Water Utilities Listed	Number of Utilities with Data	Average Number of Connections	Average Number of People Served
Central Asia	3	3	103,056	1,238,865
East Asia	8	8	961,361	5,052,414
South Asia	13	13	320,590	3,685,044
Southeast Asia	622	147	61,731	243,046
Asia Total	646	171	12,4963	799,881

Source: authors' surveys as cited in Dargantes, B. B., Manahan, M, and Batistel, C., Springs of Hope: Alternatives to Commercialization of Water Resources and Services in Asia, in *Alternatives to Privatization Public Options for Essential Services in the Global South*, David A. McDonald and Greg Ruiters (eds.), Routledge: Routledge Studies in Development and Society series, 2012

Table 5. Philippine Water Utilities by Type of Management Model as of 2005

Type of Management Model	Number*	Percent	Number**	Percent
Water District (WDs)	430	26.24	***580	9.24
Local Government-Operated Waterworks	700	42.71	1000	15.92
Privately-Operated Water Service Providers	9	0.55	900	14.33
Water Systems Managed by Users and/or Communities	500	30.51	3800	60.51
Total	1639	100.00	6280	100.00

Source: *Source of Data: *Philippines Small Towns Water Utilities Data Book, 2005*

**Source of Data: *World Bank, 2005 as cited in the Philippine Water Supply Roadmap, 2008*

***Data as of 2003-2004

as cited in *Treading Troubled Waters* by Dr. Buenaventura Dargantes, Mary Ann Manahan, and Cheryl Batistel, DRTS Integrative Papers, Focus on the Global South: Quezon City, 2011.

Annex 2. List of Public-Public Partnerships in Asia

Home Country	Location	External Partner	External Country	Water/ Sanitation	Year	Finance	Type
Bangladesh	Dhaka	Korea Water (Daejon)	South Korea	Water	2008	ADB	Int'l
		Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2005	JICA	Int'l
Bhutan		Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2006	JICA	Int'l
Cambodia		Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2003	JICA	Int'l
	Siem Reap	Phnom Penh Water Supply Authority	Cambodia				Nat'l
China		Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2004	JICA	Int'l
	Beijing	Tokyo Metropolitan Sewerage Bureau	Japan	Sanitation		JBIC	Int'l
	Municipal	Municipal Companies	China	Sanitation			Nat'l
India		Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2007	JICA	Int'l
	New Delhi	New Delhi Jal Board	India	Water	2004+		Nat'l
	Maharashtra	Tamil Nadu	India		2008		Nat'l
Indonesia	Bogor region, Java	Duinwaterbedrijf Zuid-Holland	Netherlands	Water	2006	EVD	Int'l
	Deli Serdang, et.al.	Tirtanadi PDAM	Indonesia		1999		Nat'l
	Banten, West Java	Amsterdam Waternet	Netherlands				Int'l
	Kabupaten, Bogor	Duinwaterbedrijf Zuid-Holland	Netherlands	Water	2006		Int'l
	North Sumatra	Duinwaterbedrijf Zuid-Holland	Netherlands		2004		Int'l
	Makassar	Amsterdam Waternet	Netherlands				Int'l
	Medan	Amsterdam Waternet	Netherlands				Int'l
	PDAM Pantianak	Oasen	Netherlands		2003		Int'l
	Pekanbaru	PWN	Netherlands				Int'l
	Tiritinadi	Indah Water Konsortium	Malaysia	Sanitation	2007	USAID	Int'l
		Eau de Paris	France		2005	NGO	Int'l
Iraq		Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2007	JICA	Int'l
Japan	Various	Internal PuPs	Sanitation	Japan			
Laos		Osaka, Sapporo, East Hiroshima,	Japan	Sanitation	2003	JICA	Int'l

				Kitakyusyu					
Mongolia				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2006	JICA	Int'l
Myanmar				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2007	JICA	Int'l
Nepal				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2007	JICA	Int'l
Pakistan				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2003	JICA	Int'l
Palestine				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2003	JICA	Int'l
	Jenine, Tulkeram, et.al.			Eau de Paris	France		2008		Int'l
Papua New Guinea				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2005	JICA	Int'l
Philippines				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2004	JICA	Int'l
	Cebu		State	Visayas University, AGWWAS, PSIRU-Asia	Philippines	Water/Sanit ation	2007	NGO	Nat'l
	Cebu	City West Melbourne	Water,		Australia	Water	2008	ADB	Int'l
	Various			LWUA	Philippines			Govern ment	Nat'l
Saudi Arabia				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2005	JICA	Int'l
Singapore	National			Ngee Ann Polytehcnic, (Union)	Singapore	Water	2002		Nat'l
	National			SWCC	Saudi Arabia	Water	2005		Int'l
Sri Lanka				REG (Grenoble)	France		2004		Int'l
				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation		JICA	Int'l
Syria				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2004	JICA	Int'l
Thailand				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2005	JICA	Int'l
	Krabi			King County WTB	USA	Sanitation	2007	USAID	Int'l
Vietnam				Osaka, Sapporo, East Hiroshima, Kitakyusyu	Japan	Sanitation	2003	JICA	Int'l
	BIWASE Duong	Binh		PPWSA	Cambodia		2008	ADB	Int'l
	Da Nang			Haiphong	Water Vietnam		2008	ADB	Nat'l

Supply Company							
Ha Long	Indah	Water	Malaysia	Sanitation	2007	USAID	Int'l
	Konsortium						
Hai Phong			Finland		1990	FINNIDA	Int'l
Ho Chi Minh City	Bangkok MWA		Thailand	Sanitation		ADB	Int'l
Hue	Paris SIAAP		France	Sanitation			Int'l
Hue	Yokohama		Japan	Water	2007	JICA	Int'l
	Waterworks Bureau						
Hue, Ho Chi Minh City	Yokohama		Japan	Water	2003	JICA	Int'l
	Waterworks Bureau						

Source: David Hall, Emmanuele Lobina, Violeta Corral, Olivier Hoedeman, Philip Terhorst, Martin Pigeon , and Satoko Kishimoto, *Public-public partnerships (PUPs) in Water*, Transnational Institute, Public Services International, and Public Services International Research Unit, March 2009.

Annex 3. Determinants of Success or Failure of Alternatives in the Philippines, based on the Municipal Services Project Categorization

Participation. Community residents and local government officials of Salcedo, Eastern Samar demonstrated that meaningful and sufficient participation was necessary to successful development planning process for watersheds. Active community participation in the delineation of watershed boundaries led to a common physical framework for harmonizing competing land uses that will make them compatible with the watershed as a reliable source of domestic water supply. Similarly, participation of community members in resource inventories enabled them to identify livelihood options that were coherent to the resource endowments of the watersheds.

Equity. Equitable access and availability of water to all were major considerations of residents of the villages of Pangasugan, Patag and Guadalupe in Baybay, Leyte, when they initiated negotiations with the Visayas State University to gain access to what they perceived as excess water of the university. Considering that the university got its water from the same springs the villages, the village officials opined that allocating the excess volume for the residents would make access more equitable and the utilization of the water less wasteful.

Efficiency. Board Resolution No. 4 (Series of 1994) of the Philippine National Economic Development Authority (NEDA), the main economic and development planning agency of the country, mandated the Local Water Utilities Administration (LWUA), the agency that oversees water districts, to implement only financially viable projects. This rule implied that: 1) commercially-viable service areas were to be turned over by water districts to private corporations; and, 2) LWUA should keep its hands off projects that were not financially-viable. Considering that LWUA is a quasi-lending institution for water utilities, the policy provided an interesting platform for reducing subsidies to the poor while increasing subsidies to the private sector through concessional loans and sovereign guarantees to water financing. (See e.g. AGWWAS, 2005)

In counterpoint, the Capability Building Program on Performance Benchmarking of Philippine Water Districts allowed management and labor to jointly look at the technical and financial indicators of their respective utilities, and to find ways to improve the efficiency. This opportunity enabled labor to appreciate the implications of financial indicators on their operational efficiency vis-à-vis the privatization of water districts. As a form of feedback, the efficiency indicators provided not only common points of reference for performance improvement, but also decision points to support their opposition to privatization.

Residents of Bagong Silang, Caloocan City tackled conditions of inadequate and irregular water supply, and of increasing demand by organizing a water service cooperative, which demonstrated its capability to attain financial efficiency through reduced transaction costs. It also convinced lending institutions that it was financially viable, and thus was able to obtain a loan to cover the costs of establishing distribution lines.

Quality. The success of a utility in fulfilling its mandate could be directly ascertained by the quality or safety of its water, and by the standards of service delivery that it would adhere to. Water systems in Bagong Silang and Tinagong Paraiso showed that dependable water supply and distribution could be viably provided by customer-owned and controlled utilities. In Bagong Silang, democratic control of the cooperative allowed the consumers to give direct operational feedback, which facilitated improvements in allocation and distribution. Tinagong Paraiso

residents directly operated and maintained the water system to ensure that water quality was up to standard and that availability was responsive to the needs of consumers.

Accountability. Water utilities would usually establish lines of communication to disseminate official actions or inactions. The success or failure of such lines of communication would be determined by the trustworthiness of the source of information, the understandability of the message, and eventually the verifiability and veracity of the data being provided. The training on performance benchmarking strengthened the accountability mechanism between management and labor through the sharing of verifiable operational data and information. Although the benchmarks were used to review financial, technical, social and environmental indicators as bases to improve water services, the process provided management with an opportunity to explain policy decisions, and labor to justify performance levels. With the institutionalization of labor-management cooperation, such accountability mechanisms could be formally operationalized within participating utilities.

Transparency. Information pertaining to decisions and performance levels could also be made public through greater transparency, which could be achieved up a certain operational level by the devolution of management. For example, the operational performance of the BSCWSC could readily be assessed by the members through mandated reportorial mechanisms. Members could seek explanations for policy decisions or for financial transactions during ownership continuing education activities as well as from periodic reports on the state of operations, information pertaining to policy decisions, operational mandates, organizational structures and financial status.

The nature of labor-management cooperation achieved through the Capability Building Program on Performance Benchmarking encouraged managers and workers to exercise transparency in the identification of key features to ensure better water service delivery. Through this joint effort, management was able to provide the logical and theoretical bases for policies, and to get feedback on the operational implications of decisions. Labor, on the other hand, was able to share experience-based, practical operational details to make policies work.

Workplace. The Capability Building Program further allowed management to understand that rank-and-file workers, being close to the production process, possessed workplace-level knowledge on the types of services that would work and those that needed to be improved. The program also gave workers a better appreciation of the importance of adhering to the prescribed work hours, of observing occupational health and safety regulations, and of the relationship between employees' compensation, work leaves and social insurance to the technical and financial performance of their water districts. It even gave them initial insights into the implications of compliance or non-compliance to core labour standards on forced labour, child labour, work discrimination, equal remuneration, freedom of association and the right to collective bargaining, and of providing continuous staff development on overall performance.

Sustainability. The ability of a utility to continue to operate in view of its current and future financial position would, to a large extent, depend on its sources of funds for maintenance and operating expenses, and capital outlays. As the government contends with increasing financial costs for the delivery of basic social services, utilities would have to face the possibility of reduced state spending for the sector. The Capability Building Programme on Performance Benchmarking enhanced the appreciation of managers and workers of the technical and financial efficiency parameters including indications of declining performance. Whereas the pursuit of financial viability would usually take in some aspects of commercialized operations, the

sustainability of social engagement would depend, to a large extent, on the level of publicness of participation in decision-making and operations of a utility. The residents of Tinagong Paraiso, for example, after having successfully petitioned their landowner to grant them property rights, then raised and borrowed money and convinced BACIWA to install a piped connection, which they collectively owned and managed as a community. The BSCWSC enhanced its financial viability by reducing transaction costs, by minimizing management costs, by enforcing subscription rules through democratic controls and peer monitoring, and by borrowing capital to build its distribution system. The Capability Building Program introduced such concepts as the sustainability of social relations (e.g. adherence to core labor standards and improvement of customer relations) and environmental resources (including watershed protection, integrated water resources management and sanitation). By promoting closer collaboration among public institutions based on equality and mutual benefit, the exchange of strategic and practical information, especially pertaining to practices in well-performing water utilities, through peer-to-peer learning, strengthened social cohesion among workers and among participating water districts.

Environmental sustainability, another major concern in the effort of ensuring water for all, was dealt with two major strategies through the protection and rehabilitation of watersheds as a source of water supply--like those undertaken in Salcedo, Eastern Samar.

Solidarity. The PUP that served as the framework for the implementation of the Capability Building Program on Performance Benchmarking created conditions for labour, management, regulatory agencies like the National Water Regulation Board (NWRB), like the PSIRU, the Transnational Institute (TNI), Focus on the Global South, and the Visayas State University to cooperate with one another not only in defending Philippine water districts against privatization, but also in improving service delivery by evolving a set of performance benchmarks, and in developing partnerships with other water stakeholders.

Public ethos. The Capability Building Programme on Performance Benchmarking led to a realization among water districts managers and workers on the lack of merit of the official policy of turning over to the private sector those utilities that were financially viable. Through a better understanding of the implications of technical and financial indicators, both management and labour were able to put into a better context their respective resolutions opposing the privatization of their utilities. They then expressed their collective opinion that water districts should remain to be publicly-operated.

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