

Even the Rain: What it Gets Right and What it Gets Wrong About Water Privatization

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Introduction:

The conversion of water to a traded commodity instead of a state-run resource is a growing trend around the world. This is driven by water becoming scarcer due to climate change and population growth. The United Nations and the World Bank pushed for privatization because of the belief that it will improve the water infrastructure in poorer regions, encourage more foreign investments, and prevent political corruption seen in state-run systems. However, the word “privatization” has a negative connotation, especially in Latin America, because not only does it involve companies, but also transnational corporations. These companies tend to disregard cultural and historical significance of why people in these regions are wary of foreign groups taking control of their resources. This leads to mismanagement by companies in their water projects in these regions and friction between the company and the locals. For example, a subsidiary of Bechtel, a U.S. company, takes control of water in Cochabamba, Bolivia and pushes laws favoring a complete monopoly on all water. To increase profitability and with lack of consideration of the culture, the group raises prices without discussion from the locals. The friction eventually leads to a war in 2000, and the company is forced out of the country. This half-knowledge of the people showcased in that crisis has become a rallying point for films such as *A World without Water*, *Blue Gold: World Water Wars*, *Mumbai: Liquid City*, *Even the Rain* who highlight similarities between water privatization to Columbian colonization. One famous

example is *Even the Rain*. The movie focuses on the events leading up to and during the Cochabamba Water War by portraying a fictional movie being filmed in Bolivia about the colonization by Spaniards. Using overt parallels and comparisons, the movie compares modern day water privatization as this new form of colonization; in which the conquerors are coming for the people's water instead of gold. Although these types of films highlight a cultural issue which must be taken in account by foreign companies who do business there, they tend to take a bias side to water privatization argument and paint it in a completely negative light without examinations of the benefits. Films could skew the argument towards one-side, which could prevent a comprehensive conversation on how to improve the water system in Bolivia and other places. The films tend to only view privatization through the mindset of privatization as a form of modern-day colonization, and do not acknowledge any benefit or ways for foreign investors to work alongside those communities. This paper will focus on *Even the Rain* and opposing arguments in order to gather a complete understanding of the issue and to provide a more nuanced approach.

Background of the Cochabamba Water War

The Servicio Municipal de Agua Potable y Alcantarillado, SEMAPA, was a state-run water service providing water for about 60,000 people in the city of Cochabamba, Bolivia for about thirty years, however, its ability to provide clean water was limited and flawed. The United Nations Development Program: Special Unit for South-South Cooperation report found that the water system under SEMAPA was experiencing losses of up to 50% of the water because of broken pipes, illegal connections, and other system failures. The report also noted that the rate structure allowed for discounts for high consumption which benefits wealthier customers and

deters conservation; the rates were also too much for the poorer citizens who turned to buying questionable water from trucks at a rate per gallon that was excessive (Bechtel). The current water situation was unattainable and rapidly deteriorating as the population was increasing. SEMAPA was in debt for 30 million US dollars (The United Nations Development Program). For these reasons, the government which had been embracing neo-liberal policies, decided on creating a public-private partnership (The United Nations Development Program).

The World Bank, an international financial institution, was and still offers loans and financing through its International Finance Cooperation to promote water privatization as a solution to the water crisis. World Bank calls itself “As the world’s largest multilateral source of financing for water in developing countries...” with a goal of creating, “A Water-Secure World for All,” (World Bank: Water). The World Bank notes that “The combined effects of growing populations, rising incomes, and expanding cities will see demand for water rising exponentially, while supply becomes more erratic and uncertain.” (World Bank: Water). The group views the future problems of the world will be heavily influenced by water scarcity; therefore, they were interested in investing in Cochabamba. Especially, since at the time they had successfully funded and supported a public-private partnership in La Paz, Bolivia which had increased the availability and quality of water in that region.

With the support of the International Finance Corporation, the Bolivian government opened bidding, and ten companies responded (The United Nations Development Program). However, the Bolivian government which had been under a military dictatorship until 1982 with major inflation, decided to change the public-private partnership plan to also include the construction of the Misicuni Multipurpose Project. The project was envisioned as a way to provide five municipalities a long-term increase water supply while providing electricity by

constructing a damn at the Misicunni, Viscachas, and Putucuni rivers. The World Bank viewed this as not financially viable. Nine of the companies declined after realizing instead of just providing potable water to Cochabamba, they would also have to construct a damn. Therefore, the only company left was a subsidiary of Bechtel, Aguas del Tunari. The company was structured as followed: Betchel 55% capital investment, Spanish company 25% capital investment, and four Bolivian companies at 5% capital investment each. However, Bolivia had a law that if there are less than three bidders than the project is considered null and void (The United Nations Development Program). This did not stop the two government or the company because instead they entered into direct negotiations. The government's negotiation team was composed of Ministry of Foreign Commerce and Investment, the Superintendency of Water, the Superintendency of Electricity, and the Prefect of the Province, the mayor of the municipality, the president of the public water utility SEMAPA, and the president of Empresas Misicuni. From these negotiations, a deal was struck. Aguas del Tunari would pay off SEMAPA debts, construct the Misicuni Multipurpose Project in two years, construct an expensive treatment plant, and provide potable water to Cochabamba. The government in exchange would allow an initial 35% price hike, a 20% price hike after the completion of the Misicuni Multipurpose Project, a forty-year concession, guaranteed 16% return investments, and exclusive water rights within Cochabamba (The United Nations Development Program). The price hikes are for an area in which the average Bolivian makes about US \$100 (Blackwell) The passage of Law 2029 in October 1999 gave public-private partnerships the legal responsibility and control for service provision and water sources (The United Nations Development Program). The combination of price hikes and the closure of previous free or cheaper methods of water, led to unrest among the citizens. Even though, the water from the trucks were more expensive than the water hikes by

Aguas del Tunari (Bechtel). Although, SEMAPA will refute those claims later and argue that Bechtel increased the price of up to 59% in some communities (The Democracy Center). Thus, began the Cochabamba Water War in January 2000.

Even the Rain's Take on the Cochabamba Water War

The company improved water supply by 30% because of repairs and technical enhancements in two months, improved water quality in poorer communities, and cheaper than trucked water (The United Nations Development Program). Therefore the question arises: why did the residents of Cochabamba dislike the agreement so much. Films such as *A World without Water*, *Blue Gold: World Water Wars*, *Mumbai: Liquid City*, and *Even the Rain* might give some insight. Each of the films depict resistance against privatization of water by companies through the use of real-life events (Loomis). One of the more iconic of these films is *Even the Rain* by Icíar Bollaín which examines one of the key arguments against privatization: neo-colonialism.

Policies that are economic, political, or other pressures other than military to influence other countries especially former dependencies such as previous former colonies are the foundation of neo-colonialism. The economic plans that to favor this are neo-liberal policies such as free-trade agreements or laissez faire capitalism. Icíar Bollaín attempts to demonstrate the similarities and the cruelty of neo-colonialism and colonization by Christopher Columbus. The film does this by using juxtaposition and parallels between the characters in the film and historical figures. The film is a pseudo-documentary about a fictional Spanish film crew coming to Bolivia to direct a biographical film about the colonization by Columbus. The pseudo-documentary is set during the tensions that lead to the Cochabamba Water War and during.

The first couple of minutes into the movie is an introduction of the issue of cultural illiteracy that is the foundation of neo-colonialism. The main crew: a Mexican film director, Sebastián; a Spanish executive producer, Costa; and the assistant to the director, María are driving to the location. Costa is excited for the location because of how cheap it is: the extras, the lodging, the film sites, and the workers. Sebastián is upset that it is not where Columbus landed, that natives are not the same ethnicity, or speak the language that Columbus saw and heard when he arrived. Sebastián defiantly defends his choice of using Spanish because Spaniards speak Spanish. María who is documenting this scene, realizes the hypocrisy of that statement states, “So, the Spaniards speak Spanish, and the Tainos that Columbus found speak Quechua?” (Even the Rain). This oversimplification and generalization of an entire country into having one culture or language in this case diminishes the significance of that culture in their own country. The film crew are unwittingly becoming a parallel for Aguas del Tunari and any other foreign company who exploit the lack of wealth in regions that have suffered from colonialism. Just like the company, this group come into Cochabamba with only the knowledge of the financial benefits and show ahistorical perspective. An ahistorical perspective is one that ignores or disregards the history or traditions that came before. In the case of Aguas del Tunari, they ignore the history of exploitation by foreign countries in Bolivia because of this they disregard the concerns of citizens of Cochabamba. This is not optically good for the company, and along with the price hikes only furthered the frustrations of the citizens.

This trend of ahistoricism toward colonialism continues throughout the movie and is noticed and pointed out by the actor who plays Columbus, Antón. He is the one who points out the historical information that the biographical film leaves out, and the one to notice the undertones of superiority that the rest of the cast show towards the natives. In one dinner scene,

Antón mocks the character playing Las Casas, Alberto. Las Casas is supposed to be a “good” historical character he saw the horrors done to the natives and condemned it. However as Antón points out, Las Casas was supporter of African slave labor. Alberto tries to deflect by saying the character regretted it and spent their life being the opponent of powerful people. Antón then mentions that Las Casas never questioned the Spanish and royal authority over the territories. This display showcased the desire to glorify historical figures whether it was someone like Las Casas. Ironically, the biographical film is attempting to remove the glorification of Columbus in the modern world by showing the gruesome truth, but they leave out Las Casas’ dark part of history. The idea of some kindness washes away all atrocities. This selectiveness of facts is another example of the ahistoricism that pervades neo-colonialism in which the person or group are unaware that they are continuing colonialism throughout the ages because of their actions. For example, in the beginning of that scene, the Bolivian staff wait on the crew in a way visually similar to servitude. The staff answer inane questions from the crew in a way that appears to diminish them as a person. The only crew member who notices this is Antón. This relates to Aguas del Tunari in the sense that even if they do provide benefits; they cannot simply ignore the negatives. Once again, this lack recognition of history further plays into the fears of the populace that is exacerbated by the price hikes imposed by the water company. Perhaps if Aguas del Tunari recognize their historical symbolism, they could have taken better precautions to more affectively alleviate some of the tensions between them and the citizens of Cochabamba. Another example of not understanding how history affects cultures today is a scene in which Sebastián wants women to wade into water with their babies and then exchange the babies for fakes and pretend to drown them. The women refuse and Sebastián is completely flabbergasted by this turn of events since this is what happened. What Sebastián fails to understand that this

was a reality for these people's ancestors and many have struggled to prevent that from happening again. Sebastián is asking them to ignore their culture's historical scars, so he could film a better movie. Like Sebastián, outside groups fail to delve into the culture to understand these previously colonized areas. Because what is valuable to one person, could have a completely meaning to another.

A scene that is easier to show, the callousness that one would expect from colonialism is a scene in which the crew is drinking champagne in a luxurious mansion with an official while people are on the dirty street protesting the price hikes on water. The official explains that water infrastructure costs money and the government does not have it. He also throws in some racist language, so the audience know he is a bad person. He assures the crew that IMF and top formal scholars support this plan which as discussed above is not actually true. Sebastián argues "If the price of water increases 300%, how can people making \$2 afford it" (Even the Rain). The official replies back, "That's what I'm told you pay the actors" (Even the Rain). Sebastián back peddles and says that they have a tight budget. The mayor responds, "Haven't we all" (Even the Rain). This interaction underscores the issue with neo-colonialism that it is apparent for situations with vocal anger by people, but less noticeable for subtler groups. There will probably be no rampant protests against the film crew, but they are benefitting in the same way as Aguas del Tunari.

The film ends with the protests raging through the streets and Costa redeeming himself by bringing an injured girl to a makeshift hospital. The protests succeed and Daniel, a Bolivian cast member who had been playing the main character while also participating in the protests, gives Costa a bottle of water. The bottle of water represents something as precious to the people as gold was to Columbus. That some even died trying to protect the right of the people to having

access to it. This extraction of resources in previously colonized areas whether it be water or labor is vulnerable to exploitation by outside groups is the crux of neo-colonialism. The film demonstrates that this can happen accidentally by a company just by have ahistorical perspective when it comes to culture.

Aftermath of Cochabamba Water War

What *Even the Rain* and other films tend to fail to show is the aftermath of these overthrows of these foreign companies is that the problems that existed prior to the privatization still exist such as older struggling water systems for growing populations and lack of funding for these projects. It is estimated about 75% of the cost of a water system is in water infrastructure alone (Lappé). After *Aguas del Tunari* is removed for control of the water; SEMAPA is restored (The United Nations Development Program). The *New Yorker* reports that, “Service is still poor. Even within the existing network, many neighborhoods have service only occasionally, and the valley’s aquifer continues to sink.” (Finnegan). *Aguas del Tunari* opinion according to Michael Curtain, the president of *Aguas del Tunari*, is “The tragedy is that the solution to Cochabamba’s water problem has been pushed off for at least another five years.” (Finnegan). This as some bases; even though members from the protests gained seats on SEMAPA, large layoffs occurred due to a \$3 million deficit from irregularities such as payroll padding, materials thefts, and continued diversion of the system’s water (Achtenberg). Off grid citizens pay 5 to 10 times the rate of water to buy from questionable water by trucks (Achtenberg). These disparities led to some groups forming their own independent water systems that are difficult to monitor the quality of by governmental reports (Achtenberg). A rejection of neo-liberalism policies abound and the eventual election of Evo Morales progress a more cultural approach to water rights.

However, the administration spends about 1.2% of the budget on water infrastructure and sanitation (Spronk). Though, the administration is a strong supporter for the UN to declare water as a human right. The Handbook of Ecological Economics notes these policies abound from grass-roots activism that came from a cultural value put on water by indigenous groups in these regions.

Conclusion

Even the Rain portrayal of the negatives of water privatization, with its disapproval of exploitation of a vulnerable region, fails to provide a complete understanding of the issue, or the problems that led to the war. It does not move past this idea of exploitation or truly examine the facts that led to the privatization. It falls into the same problem that the film had with *Las Casas*. That its pursuit of villainize one character ignored relevant facts about another. The debate that these films offer are that water privatization is wrong. It does not allow much option for a nuance approach to this situation that takes a cultural approach for foreign companies to work alongside the people. As climate change worsens, Bolivia faces droughts, floods and melting glaciers that will significantly impact their water sources (The Democracy Center). Cochabamba and other areas do not have much time to prepare. Therefore, foreign aid might be beneficial as long as they acknowledge the culture of the area: strong community bonds, spiritual value of water, and scars of colonialism. One example of this is in Cochabamba, Bolivia. Several years after the Water War, a new public-private partnership formed called *Agua para Todos*, a partnership between SEMAPA and Plastioforte. The semi-privatization allows for some government regulation and allows for communities to have their own secondary water systems which allows *Agua para Todos* to focus on the main line (The United Nations Development Program). The

private company provides the needed funding for SEMAPA (The United Nations Development Program). This cooperation between private company and the people could never been achieved through the mindset of privatization is a modern-day form of colonization.

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