



Safe & Accessible Drinking Water: The Threat of CAFTA and its Potential Impact on Women

Safe and accessible drinking water is one of the most essential public goods needing protection and responsible management. This is reinforced by the United Nations Millennium Development Goals, which have set out to reduce by half the proportion of people without sustainable access to safe drinking water by 2015. However, international trade agreements, like the Central American Free Trade Agreement (CAFTA), are increasingly being written to serve the corporate takeover of our water resources. Although corporations claim privatization is a way to extend access, their profit-driven strategies have proven to do the opposite for those most in need.

CAFTA combines the worst elements of the previous trade agreements, giving commercial interests impressive new power and making it easier for them to circumvent United States laws and to further their expansion in the small, impoverished countries of Central America. In Central America, women make up the vast majority of the poor and carry primary responsibility for 'social reproduction,' which is unpaid work, including caring for and ensuring the health, education, and security of families and communities. Moreover, women - especially poor women - have unequal access to resources such as land, credit and education. This in turn makes them the least able to benefit from trade liberalization and the most likely to suffer from the increase in cost of essential services such as water usage.

Written with little public input, CAFTA subverts the democratic process that relies on such participation. While there is ostensibly an exception for services provided directly by government (e.g. water supply) the exception does not apply if the service is supplied on a commercial basis (e.g. a fee for water usage) or in competition with other suppliers (e.g. cases of public/private partnership). Once in place, CAFTA rules will be used to trump national, state, and local laws that are crafted by elected governments chosen to serve the people.

CAFTA could have an enormous impact on the quality of our water, on who has access to it, and on who controls that access. Yet CAFTA was created with heavy influence from multinational corporations whose goal is to turn one of our life-giving resources from something to be shared by all into something that is sold to the highest bidder. Here's how they do it...



Corporations want municipal water and wastewater systems privatized

CAFTA rules are written to encourage privatization by limiting the ability of governments to regulate and manage essential public services. Once open to competition, provisions within the agreement prohibit giving preferences to publicly-owned service providers and could prevent governments from enforcing water quality and environmental standards.

CAFTA gives private investors more power

Under "investor rights" clauses modeled after the North American Free Trade Agreement (NAFTA), governments are severely weakened in their ability to regulate foreign investors for the protection of natural resources. Foreign investors can directly sue governments, demanding compensation for any public-interest laws or regulations that they believe threaten their potential future profits. Such suits are not heard in democratically constructed courts, but by secretive trade tribunals.

Governments cannot protect rivers and aquifers

When bulk or bottled water is sold internationally, CAFTA rules can be used to limit the ability of governments to regulate withdrawal of that water from rivers and aquifers. Provisions within CAFTA prevent governments from favoring domestic producers by eliminating so-called "non-tariff barriers" to trade. Such "barriers" could include regulations that set quantitative limits on water extraction to preserve the local environment and community access to clean, safe water.

Governments cannot freely regulate water services

CAFTA rules that control domestic service regulations would declare many regulations, such as local zoning ordinances that intend to prevent suburban sprawl, to be unfair trade practices if they are excessively "burdensome" to multi-national corporations. Intended to prevent any "unnecessary barriers to trade," these rules could have a wide-ranging impact on our water supply.

ALTERNATIVE: Essential Services Should be Excluded from CAFTA

Essential services that administer public goods such as water should be excluded from all trade agreements. Government regulations intended to protect public health, support the environment and defend human rights should not be subject to trade rules.

For more information on CAFTA, visit www.afsc.org/trade.