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### Privatization of Water: The Fiji Water Controversy

The basic building block of life, water, so abundant and cheap across the world is being packaged and sold to the world's population at an alarming rate. Corporations have been seeing declining profits in soft drinks and other more traditional beverages and have turned to selling bottled water to retain their profits. To get access to bottled water corporations are striking deals with local governments throughout the world to privatize water sources at the detriment to the local population and environment. The country of Fiji is a classic example of the exploitation of a water resource for corporate profit at the expense of the local population's ability to gain access to clean and safe drinking water.

Fiji is a large volcanic island in the South Pacific slightly smaller than New Jersey with a population of 909,389. Its closest neighbors are Vanuatu to the west, Tonga to its east, and Tuvalu to the north. Out of all its neighbors Fiji has the most developed economy due to its abundance of natural resources (forest, fish, and minerals). Fiji was a British colony until 1970 and the majority of its population are indigenous Fijians who have adopted many of British cultural manifestations such as Christianity, celebrating British holidays, and playing British sports such as rugby and soccer. Fiji is governed by a military dictatorship. Military coup such as the one in 1987, 2000, and the most recent one in 2006 have completely overthrown any sign of liberal governance (Lawson 1991). Due to increasing pressure from the international community the military powers in Fiji allowed for democratic elections to occur in 2014, where

their candidate won with majority of votes. The economy of the Island nation is relatively large for a South Pacific Island nation. In 2016 the GDP was \$8.330 billion dollars or roughly \$9,314 per person. Despite these large numbers, 18.7% of the population is still unemployed and 250,000 out of 900,000 live in poverty. Tourism and remittances from individuals living abroad remain the top industries in Fiji. Another dominating profitable industry in Fiji is sales from bottled water (CIA World Factbook 2017).

Fiji branded water (Fiji Water Inc.) is a North American owned business that ships and sells water from Fiji across the world. Fiji water the company was started in 1996 by a Canadian businessman David Gilmour. It was later sold to California investors in 2004 who also sell POM pomegranate drink (Fiji water company & Foundation 2017). According to an article in Mother Jones, Fiji water exports 130 million liters of water per year (Lenzel 2009). The company owns a 99-year lease on the land above the island Aquifer. It is reported that the company employs at least 400 Fijians in their bottling facility and in 2009 had \$85 million in revenue. 20 percent of Fiji's exports and 3 per cent of its gross domestic product is from Fiji Water Inc (Gleick 2010). For a developing country such as Fiji having a large corporation employing a large labor force and badly needed tax revenue should be a godsend however it is not.

Fiji Water Inc. like other international corporations seeks to increase revenue by decreasing costs (i.e. taxes, workers' salaries, environmental safeguards). Fiji water has paid a very low tax rate to the Fiji government since it began operating. In 2010 the government of Fiji requested the company to pay a tax of 15 cents per liter from its current tax rate of 1/3 cent per liter. The tax revenue at the time for the water was half a million dollars and the proposed increase would increase the it to 22 million dollars. The marketing budget of Fiji Water Inc. was 10 million dollars at that time so the tax revenue would not be that significant of a loss to the

company. The company responded by shutting down its factory and firing all the employees. Eventually the company agreed to the tax and continuing its production (Gleick 2010).

The consequences of foreign companies exploiting Fijian natural resources and paying the least amount of taxes for their benefit can be seen by looking at the poverty in the islands. The Asian Development Bank reports show that 47% of the working aged population in the island is unemployed and 31% of population lives below the poverty line (Asian Development Bank 2017, Kumar 2010). The development of Fiji through modernization has led to a mass exodus of rural population to large squatter settlements near bigger cities. Education stops for many of Fijians after secondary school because of the school fees and transportation costs. It is estimated that 30% of the population suffer from serious illness i.e. Diabetes, heart disease and cancer due to lack of health care services (Zann 2008). Extreme poverty and starvation are not considered critical issues for the government of Fiji. Rather the Pacific plan emphasizes economic development and governance and security.

Twenty years ago, bottled water manufacturing began in the largest and most populated island of Fiji. A large part of the Fiji population still lives without access to clean water while corporations export tap water and pay subsidized rates. While this controversy was boiling, 47% of Fiji Islanders did not have access to clean drinking water. If Fiji water was kept on the island, approximately 15% of more Fijians could access drinking water (Lenzel 2009, Connel 2006).

Fiji water is not alone with its shipping of clean potable water across the world from areas it is badly needed by indigenous communities. In Rajasthan India farmers have been unable to irrigate their fields after Coca-Cola established a bottling plant. In the southern Indian state of Kerala a Coke plant was forced to close two years ago after it was alleged to have contaminated local water. (Mathiason 2006). In the United States Nestle Waters North America, the nation's

largest seller of bottled water, has long piped water out of the drought prone San Bernardino National Forest to produce Arrowhead Mountain Spring Water. The permit they have for doing this had an expiration date of 1988. According to activists and confirmed by Forest Service documents they pay no fee for the water rights. Steve Loe, a former Forest Service biologist, has called for the agency to limit Nestle's use of water from the national forest to protect the Forest Service and help the groundwater levels recover after more than five years of severe drought (Kennedy 2017, USA Today 2017).

The sale of bottled water is just going to continue to rise as the water infrastructure of the world becomes outdated and unsafe. In Mexico the water infrastructure is not maintained and so sales of bottled water is increasing at phenomenal rates. Local officials suggest otherwise “Many people prefer to carry cool-looking water bottles instead of paying municipal water bills (Castano 2012).” The data is somewhat different. In Mexico City, where a powerful 1985 earthquake fractured many water mains, authorities have struggled to maintain the water delivery system. About 30% of the city’s water is lost to leakage. The National Water Commission says 9% of the population lacks access to tap water and 13% to sanitation. The director of Mexico City’s water utility believes that roughly 95% of Mexico City’s drinking water is potable and 80% to 90% elsewhere in the country (Castano 2012).

The exploitation of natural resources in rural and developing areas around the globe will continue to be a major issue in the next century. As consumers and members of the world we must strive to only shop at businesses that take a global responsibility to decrease poverty, global warming, and increase access to basic needs. Bottle water is a product that should produce and be shipped locally in environmentally recycled containers. Corporations if left to their own devices will seek short term profit over sustainability.

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