



Ghana National Coalition Against Privatisation of Water

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NATIONAL CAMPAIGN AGAINST PRIVATISATION OF WATER

MEDIA STATEMENT

Friends of the Media, Fellow Citizens, Comrades in the Struggle for Justice and Development:

Thank you for honouring the invitation of the Coalition against Privatisation of Water. We have called this meeting for two reasons. First we wish to express our solidarity with the workers of Aqua Vitens Rand Ltd and Ghana Water Company Limited who are currently fighting both to improve their wages and conditions and to improve water services for all Ghanaians. We want to state the case for full public support for the water workers. Second, we want to share our views about the worsening crisis of the water sector resulting from the privatized management of urban water services and its surrender to Aqua Vitens Rand Ltd.

Friends:

Our coalition defends all citizens' right to water. Our campaign has always been about installing the policy and institutional arrangements that make this possible through increasing democratisation of control over and systematic investment in national water systems – in a word public water. The vital element in water (and indeed any productive) systems is the personnel who develop, operate and maintain it – the workers. If the right to water is to have any concrete meaning in our society then we must protect and develop the human resources that represent our greatest national investment in water delivery. And in our fight to keep Ghana water public we never forget that both water workers and water users are victims of the same profit-driven system. As we have maintained for several years now the growing water crisis has two main causes. First, is decades of public disinvestment in public services that sustain ordinary working people - or in other words the theft of the ordinary peoples' rightful share of national resources. The other is the determination of sections of the elite to exploit the vacuum created by this disinvestment to create profit-making businesses to cater profitably for the needs of the rich.

The Water Workers' Case

Why should the workers earn more?

1. First, before Aqua Vitens Rand Ltd (AVRL) assumed the management of urban water supply in the middle of last year Government laid off more than half the staff (about 1,600 workers) to cut costs and to prepare the way for the promised efficiency of AVR to work its magic. Logically this means that the remaining 1400 water workers today carry at least twice the work load that they did before the take over.
2. Second, the 1400 workers who were forcibly transferred to AVR did not enjoy the termination benefits that would normally be paid upon being forced from one employer to another. Government had frozen workers training, pay increases and promotion for years because of the impending privatisation. We must remember too that these workers had had their promotions, pay increases and even training withheld for years prior to and because of privatisation.
3. Third, AVR's records show that they have exceeded revenue collection targets. We may quarrel with the approach that sees revenue, not number of new connections, increased hours of supply, improved quality or reduction of water-borne disease as the relevant performance benchmark. However the fact remains that on AVR's narrow and totally unsatisfactory measure of income, the workers are performing better.
4. Fourth, the disparity in pay between the new AVR managers and the Ghanaian employees is simply unacceptable. Let us be clear: the increase in revenue collection is not due to better motivation of staff, greater job security or improved technology or management systems. No. On each of these fronts AVR's record is completely unimpressive.
 - a. Most AVR workers are there not because but they chose to be there but because they were compelled by an arbitrary selection process and the denial of severance option. Their CBA was allowed to expire and negotiations for a new one were massively delayed without interim arrangements to address their desperate needs.

- b. As to job security we know that AVR's management contract envisages further sackings of workers to reduce the wage bill. Further, it is clear that even in the heat of their anger workers today fear that any expression of their despair will lead to victimisation and summary dismissals without severance pay.
 - c. As to technology and management systems, workers point out that AVR has not upgraded Ghana's plant and equipment as expected. Worse they have not adequately maintained what was already in place and have ignored even urgent repair work. Indeed AVR's preference appears to be to hire equipment at high cost rather than to maintain and repair serviceable equipment. There are fears of an imminent catastrophe breakdown of a major pump at Kpong. Nor has AVR produced any new operational directives about new work organization and methods. Simply put they have not demonstrated management skills worth speaking of. Indeed they insist that as operators they have no responsibility to invest in technical upgrades!
5. Yet our Government, finds it fit to pay AVR's eight expatriate experts close to €11 million (eleven million euros) or ₵121,000,000,000 Cedis (One Hundred and Twenty One Billion Cedis), plus potential 'performance bonuses' for taking over from Ghanaian managers. Why would we pay AVR managers \$20,000 (Twenty Thousand Dollars) to replace Ghanaians who earned only a few million Cedis every month! Who are these super experts that bring skills that no Ghanaian has?

Most prominent among them is their hard man, Cliff Stone, the Operations Director and the face of the new regime that water workers must confront. Mr. Stone's record is well-known across the world. And it is not an encouraging record. He was the boss of the water privatization project. This project failed so badly that even Tanzania's religiously pro-privatisation and donor-beholden government had no choice but to kick Stone and his ilk out of the country and reverse the privatization.

So these managers have nothing to offer and yet are enjoying, compared to their predecessors, an unearned pay rise in region of between 600% to over 1,000%.

This is the context of the current wage dispute. What has happened: The water workers asked for 80% wage increase. AVR offered an insulting 6%. Under workers pressure AVR agreed to a 35% increase on 2 conditions. First Government must pay AVR the cost of this increase from the September 2006 water tariff increases that Government promised to absorb. Second, the workers must accept the introduction of performance-based pay and achieve an 18.7% increase in 2007 in revenue collection. In other words, AVR will permit Ghanaian water workers to take home 35% more at the expense of the Ghanaian state and water consumers only if as a result AVR receives additional surplus income. If Government and workers reject these conditions then AVR's will only agree a 20% pay increase for the workers.

As we have noted because of the near-freeze of water workers wages for years before privatisation of management they have lost out already. Compared to their colleagues in ECG for example Secondly, even the best AVR offer of 35% compares very unfavourably with the rises won by members of their same Public Utilities Workers Union e.g. Electricity workers - 55% and State Housing - 45%.

More importantly, the conditions attached to AVR 35% increase are, frankly, dangerous - to Ghanaian water consumers and water workers alike. For consumers, it poses the threat of a future spate of water tariff increases. Even immediately, it means that people will also spend more money for less and poorer quality water from fly-by-night commercial water vendors. How can people living on ₵9,000 a day, paying ₵1,500 per bucket of water, also be expected to pay ever increasing water bills for a service that trickles in a few hours a month (sometimes!), but for which they are unfailingly billed every month? Ordinary people, including the workers, their families, relatives and neighbours are faced with water price hikes and disconnections.

For the workers, they risk staking their livelihood on factors well beyond their control. As we have seen, they cannot force a huge number of consumers who do not have the means to pay. They cannot force government to pay tariff subsidies to AVR. They cannot in most cases control the supply of water. Take the case of Accra East District which currently has no direct supply because of weak water pressure. It depends on surplus water from Tema (supplied by Kpong) and Accra West (supplied by Weija). The well-known plight of Teshie residents is a result of this shortfall that is neither the fault of the residents there or the water workers. What happens to both when the shortfall worsens, as it does every dry season? No water for residents, no pay for workers, and a guaranteed \$240,000 or ₵2.19 billion Cedis a year for Mr. Cliff Stone and friends.

The Truth That Cannot Hide: The Future Lies In Defeating Privatisation

Our Coalition has always explained that the inequalities that existed in the water sector (like in the rest of our economy) are the source of its inefficiency and failure. GWCL, a public company, was run like a private monopoly by elite unaccountable interests. The solution lay in sweeping reforms that would genuinely make the public serve the public, reforms that also could only be sustained if increasing numbers of our people are organized to intervene, participate, insist on and secure accountability and transparency.

Instead a few, seeing the opportunity created by a failing and discredited “public service” company pushed to extend and legalise the de facto privatization and transfer more public assets into private hands to make the public pay, twice and over, for what actually belongs to them.

We predicted the plight that would befall consumer and worker alike. We take no pleasure in being proven right. Too many are suffering for a needless, doomed, reckless and greedy experiment. But we want to join with the rest of you, stand together and move ahead together that requires vision, including today the vision needed to see why supporting the water workers in their just wage demands is the necessary starting point.

Together We Stand to Fight Fear and Win hope

No politician, business leader or big chief is going to take a stand by the workers and stay with us in our long term struggle to come together and move forward together. They thrive on the fear and misinformation that keeps us weak and divided.

Nduom, the Public Sector Reform Minister has said that striking workers resisting reforms that are of dubious benefit should not be paid. There is already a Labour Law (Act 651) that potentially criminalizes water worker action that affects water supply. This provision is a reminder of the attempt by the Rawlings government to put hospitals under military rule and ban health workers from industrial action. Happily that attempt was defeated, but the champions of governance then, are now nowhere to be found when starving demoralized essential workers are trying to defend their lives and our water service. Today, it is the thick-skinned Cliff Stones who are the untouchables, pasting circulars on water depot offices that threaten the workers.

Where are all the apostles of good governance when it is parliamentarians or politicians going on strike, and failing on every one of their promises, except the secret ones they have made to their private pockets? Or when oil multinationals, dripping from the profits of environmental plunder and war, abuse their monopoly by threatening not to lift petroleum products unless their prices are increased? Who cries foul when investors, who make profits out of nothing, go on an investment strike, refuse to reinvest and cart their gains out of our financially-starved country, while enjoying tax breaks for doing so? Or when chiefs collect mining and timber royalties and refuse to share with their communities?

We need to draw the line somewhere to stop the rot. Today it is the water sector. All of us have a duty to get involved and act in new collaborative ways. The water workers themselves owe the public an explanation of how their fight will give some relief not just to themselves, but to their fellow citizens desperate for a decent water service. They also need to shed their fear and openly call for Ghanaians support.

Their leaders in PUWU owe the workers and the public the duty to offer true leadership, democratize the engagement with AVRL and lead their members to victory.

The Coalition and the public owe a duty to society to legitimize intervention and participation in all matters of public policy and public concern.

Keeping quiet is not an option. Let’s stand up and be counted.

Victory to the Water Workers!

Fight Water Privatisation!

All Together For a Decent Public Water Service!

Gyekye Tanoh

National Coordinator

9 February 2007