

**Bechtel And Blood For Water:
War As An Excuse For Enlarging Corporate Rule**
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- Non-transparency and corruption
- Add Water: a Recipe for Conflict
- Bechtel in Bolivia
- Bechtel in India
- Conclusion

Within a month of the start of the war against Iraq, the real victor is emerging. With its \$680 million contract for "rebuilding" Iraq, Bechtel is the winner of this war.

The U.S. led war first bombed out Iraq's hospitals, bridges, water works, and now U.S. corporations are harvesting profits from "reconstructing" a society after its deliberate destruction. Blood was not just shed for oil, but also for control over water and other vital services. In a period of declining economic growth and a slowing down of the globalization juggernaut, war has become a convenient excuse for enlarging corporate rule. If W.T.O. is not enough, use war.

This seems to be the underlying economic and political philosophy of the neo-conservatives ruling the U.S. and trying to rule the world. What the past month has revealed is the total and rotten corruption on which the new world order is based.

As Bob Herbert states in "Ask Bechtel what war is good for" (*Herald Tribune*, April 22, 2003, p6)

Somewhere George Shultz is smiling

Shultz, whose photo could appropriately appear next to any definition of the military-industrial complex, was secretary of state under President Ronald Reagan and has been a perennial heavyweight with the powerful Bechtel Group of San Francisco, where he previously reigned as president and is now a board member and senior counselor.

Under the headline "Act Now; The Danger Is Immediate," Shultz, in an op-ed article in *The Washington Post* last September, wrote: "A strong foundation exists for immediate military action against Hussein and for a multilateral effort to rebuild Iraq after he is gone."

Gee, I wonder which company he thought might lead that effort.

Last week Shultz's Bechtel Group was able to demonstrate exactly what wars are good for. The Bush administration gave it the first big Iraqi reconstruction contract, a prized \$680 million deal over 18 months that puts Bechtel in the driver's seat for the long-term reconstruction of the country, which could cost \$100 billion or more.

Bechtel essentially was given a license to make money. And that license was granted in a closed-door process that was restricted to a handful of politically connected U.S. companies.

Saddam's dictatorship is being replaced by U.S. corporate dictatorship -- with little distinction left between those who sit in board rooms and those who sit in the White House, Pentagon and other institutions of government. Indeed, the distinction between Saddam's dictatorship and the occupying US forces appears slimmer by the day. On May 12, Patrick Tyler and Edmund Andrews of the *New York Times* described "Teams of administrators have had to live in isolation behind razor wire and machine-gun positions at Mr. Hussein's Republican Palace. . . . Iraqis could not easily enter the palace compound to meet with the Americans."

And the poster boy for the US corporate takeover is Bechtel. Bechtel enterprises, a privately held firm, is the world's largest construction company, having been involved heavily in the US's construction boom in the post WWII period. They are responsible for over 19,000 projects in 140 countries, with operations on all continents (save Antarctica). Bechtel is involved in over 200 water and wastewater treatment plants around the world, in large part through its subsidiaries and joint ventures such as International Water (which is partnership of Bechtel, Edison of Italy, and United Utilities in the UK).

The executives at Bechtel have thirsted for control over the ancient land of Iraq for over 20 years. It was in 1983 that Donald Rumsfeld, as the "special Middle East envoy" of the Reagan administration, met with Saddam Hussein to discuss a massive pipeline project proposed by Bechtel. Saddam Hussein, who had a habit of preferring French, German, and Russian companies, eventually rejected the Bechtel proposal. Now again Donald Rumsfeld has "taken care of business" for Bechtel. As Secretary of Defense, he has overseen the war to remove the obstacle of Saddam Hussein, and Bechtel is rolling in.

Non-transparency and corruption

China's non-transparency has been highlighted in the case of SARS. The US' lack of transparency is highlighted by Bechtel. The way in which Bechtel got the largest contract for Iraq's reconstruction is a glaring example of how corporate rule is established. Whether it is water privatization contracts in Bolivia or India, or "reconstruction" contracts for Iraq, secrecy and lack of democracy and transparency characterizes the methods for gaining markets and profits.

In the case of the contract for rebuilding Iraq, US laws governing agency procurement were suspended. The standard competitive bidding process was ignored, and the US Agency for International Development (USAID) hand picked a few select companies to bid on the contract. Of these, only two actually bid, with Bechtel emerging victorious.

People are already questioning the process USAID and the Department of Defense used in awarding contracts for work in Iraq. The US General Accounting Office has launched a sweeping investigation, and a group of Senators have introduced a bill requiring the agencies

involved to disclose more details. As examples from around the world show, this secretive collusion of huge corporations and government bureaucrats is not an isolated phenomenon.

"Free trade" is clearly totally unfree. It is coercive, corrupt, deceitful and violent. Corporate rule is not an alternative to Saddam style dictatorship. It is replacing one dictatorship with another -- the dictatorship of corporations which have hijacked state power and use military might to grab markets.

The intrinsic dishonesty and deceit of corporate dictatorship seems to not be apparent to those who impose it in the name of "operation Iraqi freedom". This seems to arise from a fundamental confusion about freedom and creation.

When the artifacts of the 7000 year history of Mesopotamia were destroyed in the presence of the U.S. military, Ronald Rumsfeld's naïve and irresponsible comment was -

Free people are free to make mistakes and commit crimes and do bad things.

On this logic, the terrorists who crashed planes into the World Trade Centre towers were exercising a legitimate freedom to "commit crimes and do bad things". And on the same logic that made the U.S. military presence a mute spectator allowing Baghdad and its historical treasures to be looted, the U.S. had no right to start a war against terror after 9/11.

Just as there is confusion about what human freedom entails among those trying to create "freedom" for others through war, there is confusion about reconstruction and "destruction". What happened in Iraq was destruction. It is being referred to as reconstruction. Innocent people were killed, thousands of years of a civilization's history was destroyed and erased. Yet, Jay Garner -- the retired U.S. General appointed unilaterally as head of office for Reconstruction and Humanitarian Assistance, talked about "giving birth to a new system in Iraq".

Bombs do not give "birth" to society. They annihilate life. New societies are not "born" by destroying the historical and cultural legacy of ancient civilizations.

Maybe the choice to allow destruction of Iraq's historical legacy was a pre-requisite for this illusion of giving "birth" to a new society.

Maybe the rulers in U.S. do not perceive these violations because their own society was built on the genocide of native Americans. Annihilation of the "other" seems to be taken as "natural" by those controlling power in the world's lone super power. Maybe the perception of the deliberate destruction of a civilization and thousands of innocent lives as a "birthing" process is an expression of the western patriarchy's "illusion of creation" which confuses destruction with creation and annihilation with birthing. The "illusion of creation" identifies capital and machines, including war machines as sources of "creation" and nature and human societies, especially non-western societies as either dead, inert, passive, or dangerous and cannibalistic. This worldview creates the "white man's burden" for liberating nature and our societies even with violence, and seeing it as the "birth" of freedom.

Whatever the deeper roots of establishing an economy of loot and violence in Iraq in the name of "re-construction", the profiteering from war by corporations like Bechtel confirms

that war is globalisation by other means. For people worldwide the challenge is to converge the energies of the anti-globalisation movement, the peace movement and movements for real democracy.

Our challenge is to reclaim the real meaning of freedom, rescuing it from the degradations it has been subjected to by the doublespeak of "free trade" and the doublespeak of "operation Iraqi Freedom". The "freedom" being sought through free trade treaties and rules of W.T.O. and the "freedom" resulting from the Iraq war is freedom of corporations to profit. This freedom is a license to loot. And corporate loot and corporate freedom is destroying democracy and freedom for people and societies.

The new freedom people seek worldwide is freedom from corporate dictatorship facilitated and enabled by militarism and war.

This is as important for citizens of Iraq and other countries invaded by global corporations under the protection of military or "free trade" treaties, as it is for the citizens of the U.S.

Add Water: a Recipe for Conflict

The Tigris and Euphrates rivers are a water lifeline in the arid Middle East. The alluvial plain between the two rivers was the cradle of ancient civilizations including Assyria, Babylonian, and Sumer. Millions in the ancient land of Mesopotamia have been supported by its waters. Today these rivers represent a precious resource for the people of the region.

They are already in conflict over these two rivers. Turkey's massive dam building projects, especially the GAP project, have upset the riparian states of Syria and Iraq. With over half the flow of both rivers generated in Turkey, the dams put the country in a position to regulate river flow. Syria and Iraq have worried that Turkish irrigation and electricity generation needs will determine how much water flows to them, and have disputed Turkish claims to guarantee a minimum flow. UNESCO recently announced that a body of scientific mediators would be formed to handle international water disputes such as these.

The introduction of Bechtel, a company which has a history of aggravating water conflict (see Bolivia below), into the situation is a recipe for disaster. Its contract for rebuilding Iraq includes, but is not limited to "municipal water systems and sewage systems, major irrigation structures, and the dredging, repair and upgrading of the Umm Qasr seaport." Bechtel's past record of pushing the privatization of water has destabilized local communities in other parts of the world. In the parched middle-east, with an already seething international water dispute, an attempt by a multinational water giant to grab this precious resource could spark ongoing water wars.

Bechtel in Bolivia

The most famous tale of Bechtel's corporate greed over water is the story of Cochabamba, Bolivia. In the semi-desert region, water is scarce and precious. In 1999, the World Bank recommended privatisation of Cochabamba's municipal water supply company (SEMAPA) through a concession to International water, a subsidiary of Bechtel. On October 1999, the Drinking Water and Sanitation Law was passed, ending government subsidies and allowing

privatization.

In a city where the minimum wage is less than \$100 a month water bills reached \$20 a month, nearly the cost of feeding a family of five for two weeks. In January 2000, a citizen's alliance called "La Coordinara" de Defense del Aqua y de la Vida (The Coalition in Defense of Water and Life) was formed and it shut down the city for 4 days through mass mobilisation. Between Jan and Feb 2000, millions of Bolivians marched to Cochabamba, had a general strike and stopped all transportation]. The government promised to reverse the price hike but never did. In February 2000, La Coordinara organised a peaceful march demanding the repeal of the Drinking Water and Sanitation Law, the annulment of ordinances allowing privatization, the termination of the water contract, and the participation of citizens in drafting a water resource law. The citizens' demands, which drove a stake at corporate interests, were violently repressed. Coordinora's fundamental critique was directed at the negation of water as a community property. Protesters used slogans like "Water is God's gift and not a merchandise" and "Water is life".

In April, 2000 the government tried to silence the water protests through market law. Activists were arrested, protestors were killed, and media was censored. Finally on April 10, 2000, the people won. Aquas del Tunari and Bechtel left Bolivia. The government was forced to revoke its hated water privatisation legislation. The water company Servicio Municipal del Aqua Potable y Alcantarillado (SEMAPO) was handed over to the workers and the people, along with the debts. In summer 2000, La Coordinadora organised public hearings to establish democratic planning and management. The people have taken on the challenge to establish a water democracy, but the water dictators are trying their best to subvert the process. Bechtel is suing Bolivians, and the Bolivian government is harassing and threatening activists of La Coordinadora.

If we go by the lessons from Bolivia, Bechtel will try and control the water resources, not just the water works of Iraq. If the international community and the Iraqis are not vigilant, Bechtel could try and own the Tigris and Euphrates, as it tried to "own" the wells of Bolivia.

Bechtel in India

In India Bechtel was involved with Enron in the infamous Dabhol power plant project. This disastrous project involved the suppression of local protests, circumventing environmental regulations, and secret deals worth billions of dollars. The parties in the state government elections even fought over this issue, with the party opposed to the deal winning the election, but then turning around and cutting a new contract for the power plant anyway.

Bechtel is now involved in water privatisation of Coimbatore/Tirrupur as part of a consortium with Mahindra and Mahindra, United International North West Water. As with other water privatisation contracts, the contract has not been made public. Business that can only be carried out behind closed doors, under secrecy, does not promote freedom. It extinguishes both freedom and democracy.

Conclusion

War has been an excuse for profiteering in the past. Bechtel's behavior in World War II helped inspire Ralph Casey of the US General Accounting Office to state, "at no time in the history of American business, whether in wartime or in peacetime, have so many men made so much money with so little risk, and all at the expense of the taxpayers, not only of this generation but of generations to come."

The Bechtel contract, and the Iraq war which created the opportunity for profits in "reconstruction," have thrown up issues of lack of democracy transparency and accountability in the way economic and political decisions are made by a U.S. administration which has become indistinguishable from U.S. corporations. A regime in which governments became instruments of corporate interest is no longer a democracy. Instead of governance being "of the people, by the people, for the people", governance becomes "of the corporations, by the corporations, for the corporations".

For democracy to thrive a "regime change" is urgently needed, in the U.S., in Iraq, and in every country where corporate dictatorship is getting entrenched.

Bechtel presence in various Projects in India	Description of work
Bechtel International Inc. Dhabol Power Phase-II, Guhagar, Ratnagiri Dist.	High Pressure water jetting of steam service pipelines
Tanda Thermal Power Station	High pressure water jetting cleaning for surface condenser for 4 x 110 mw plant
GAIL, Aurraiya	Pipeline cleaning with Rotating Hose Device Water Jetting
Consolidated fibres & Chemicals Ltd. Durgachak, Haldia, West Bengal	High pressure water jetting cleaning of Evaporator and Preheater tubes
Indian Oil Corporation, Baruni Refinery, Baruni, Bihar	High pressure water jetting cleaning of heat exchangers
Supreme Petrochem Ltd. Nagothane	Chemical cleaning of Heat exchanger and Reactor
Toyo Engg. India Ltd.	Pre-Commissioning Chemical Cleaning and Nahta Furnaces/Steam Drums Exchangers and Pipeline System At Haldia Petrochemical Complex.
Reliance Petroleum Ltd.	Non-conventional flushing of small dia & large dia Pipeline with hydrojetting & quick flush technology
Dhabol Power Corp. Ltd. Dhabhol, Maharashtra	Pre Commissioning Chemical Cleaning, Hydro jetting of condensate system.
GAIL UPPC Dist Auriya (U.P.)	Chemical cleaning and passivation of pipeline equipments at UPPC, PATA Auriya
ONGC, BPA BA Platform, South Bassein Field (Through Essar Oil Ltd.)	a) On line chemical cleaning of cooling water circuits of gas processing platform b) Chemical cleaning of plate heat exchangers and cooling water receiving console.

Bechtel presence in various Projects in India	Description of work
Reliance Industries Ltd. Naptha cracker plant, Hazira	Pre-commissioning of cleaning services using silent steam blowing, slug flush and hydroblasting of captive power plant and NGL/Naptha Cracker Plant.
Gas Authority of India Ltd. Vijaipur, Guna, M.P.	Pre-commission Chemical Cleaning of pipelines & vesselslinked with Propane Refrigeration Compressor of PRU II
Naval Dockyard, Mumbai	Chemical cleaning of Boiler
Mangalore Refineries & Petrochemicals Ltd. Mangalore	Chemical cleaning of Surface Condensers.
Indian Farmers Fertilizer Corp. Ltd., Aonia Unit, P.O. IFFCO, Township	Chemical cleaning of Syn-loop Boiler supplied by L & T
Cyprus Petroleum Refinery Nicosia, Cyprus	Pre-commissioning Chemical of 4 Nos. Power Plant Boilers.
National Organic Chemical Industries Ltd. Mumbai	Chemical cleaning of Boiler, Heat Exchangers during shut down
Dubai Electricity Co.	Post operational Chemical cleaning of 5 Nos. 500 M.W. Boilers.
Hindustan Fertilizers Cooperation Ltd. Namroop, Assam	Chemical cleaning of internal surface of tube bundles for HFCL on behalf of L&T using Citric Acid
Adarsh Chemicals & Fertilizer	Chemical cleaning of Maleic/Anhydride Reactor
Rashtriya Chemicals & Fertilizer Ltd. Methyl Amine Project	a) Pre-commissioning of Chemical Cleaning of Deaerator, Waste Heat Boiler, Feed Water System b) Pre-commissioning of Chemical Cleaning of Equipment And Heat Exchangers.
Rashtriya Chemicals & Fertilizer Ltd - (Ammonia Rehabilitation Project)	Chemical cleaning of Boilers, Deaerator and Boiler Feed Water System in Ammonia Rehabilitation Project & Methanol Revamping Project
Enron Oil and Gas India Ltd.	High pressure water jetting & corrosion monitoring and specially chemicals.
Larsen & Toubro Ltd.	Chemical cleaning
Sterlite Industries India Ltd.	Carbon brick lining
Nestle	Epoxy Grout
McDonalds	Epoxy Grout
BHEL	Structural Rehabilitation
ONGC	Glass Flake Lining
Reliance	Carbon brick lining
NDDB	Epoxy Grout.

Bechtel Subsidiaries' Names

Subsidiary's Name	Country
Aguas del Tunari	Bolivia
Aqua	Poland
Bechtel (UK)	UK
Bechtel Ltd.	UK
Bechtel Nevada	USA
Bechtel Water Technology	UK
Catchment	UK
Catchment (Tay)	UK
Dabhol Power	India
EDS/Bechtel	USA
Guayaquil Interagua	Ecuador
Intergen	UK
Intergen (China)	China
Intergen (Colombia)	Colombia
Intergen (Mexico)	Mexico
Intergen (Philippines)	Philippines
International Water	UK
Manila Water Company	Philippines
Samalayuca Power	Mexico
Sofiiska Voda	Bulgaria
Tallinn Water	Estonia
US Water	USA

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