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GATS and Privatization: Surfacing the Gender Dimensions

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Abstract

This article attempts to look into the assumption that the General Agreement on Trade in Services (GATS) is nothing but an investments tool that allows giant corporations to exploit markets and human services, prioritizing profit over access to basic services like water. Further, the article shows how this will impact adversely on women's lives especially women in many poor communities, building on its basic assumption that policy instruments like GATS and entities like the World Trade Organization (WTO) operate over a gendered terrain where women are disadvantaged by their particular economic, social and political position in society. Where vulnerabilities are greatest, as with poor community women, so will the impacts of implementing GATS prove harshest.

Following the collapse of the 5th World Trade Organization (WTO) ministerial meeting in Cancun, another attempt to hammer out neoliberal trade rules looms at its 6th ministerial meeting in Hong Kong in December 2005. Moves have already been made to ensure its success, such as the forging by the WTO General Council last year of the so-called July Framework, which also covers the General Agreement on Trade in Services.

One of the many international trade agreements binding all WTO members, GATS is unique in that it covers "trade" in services. In fact, it is an investments tool, a mechanism for progressively removing all obstacles

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to investments in services and provides more ways for private firms to cash in on this sector.

Women, who comprise the bulk of the services sector worldwide, both as providers and users, are particularly threatened by the way GATS provides the enabling environment for the privatization of public services. This article attempts to highlight some of the salient points of GATS and discuss specifically how they (these points) bear on water privatization and women.

This article does not attempt to make conclusions from the experience of women before and after privatization but is focused more on putting forward observations on the gendered impacts that came with water privatization in the Philippines and presenting some recommendations on discovering and highlighting the same. A more comprehensive study would be entailed to address questions around women, water access and use in pre and post-water privatization scenarios.

No Stranger to Privatization

In the 1980s, the Philippines joined around 90 South countries subjected by the World Bank (WB) and the International Monetary Fund (IMF) to another experiment—a loaning program not just concerned with piecemeal projects but an encompassing enterprise aimed at restructuring entire economies over the long term. In the succeeding decades, so-called structural adjustment programs would ride roughshod over the economies of the South through the economic deregulation or liberalization of trade, investment and finance. Concretely, this entailed economic stabilization prescriptions (e.g., decreasing budget deficits and meeting debt payments schedules) crafted by the IMF. The IMF and the WB's approval of loans were also made contingent on the implementation of structural and sectoral policies that included the sale of government enterprises to private entities.

From 1980-1999, the Philippines was subjected by the WB to nine structural adjustment loans, and by the IMF to three stand-by programs, two extended fund programs, and one precautionary stand-by arrangement. This was accompanied by other loan conditionalities such as shorter term, so called "stabilization" measures that included cutbacks on public expenditures, high interest rates and currency devaluation. In effect, the Philippines was under continuous adjustment by the Bretton Woods Institutions for almost two decades.

Exports fell, and to the detriment of local producers, imports flooded in to take advantage of the slashing of tariffs. Yet, more of the same Bretton Woods prescriptions would make their mark and leave lasting imprints on the Philippine economic landscape. By the time the Philippines became a member of the World Trade Organization in January 1995 (championed as we all remember by then senator Gloria Macapagal Arroyo), an environment so enabling, and welcoming of foreign interests and capital was well in place.

Corazon Aquino had launched in 1986 the Philippine Privatization Program (Proclamation No. 50), which provided among others, the policy basis and procedural framework for the "divestment, disposition and liquidation of non-relevant and non-performing government assets and corporations." Economic recovery under the Aquino administration took a back seat to servicing the foreign debt (which went as high as 50% of the national budget in 1987), through the implementation of fiscal belt tightening, intensifying export-oriented production and heavy borrowings from domestic sources.

Fidel V. Ramos actively pursued the privatization thrust as one of the priorities of Philippines 2000, implementing the bulk of privatization initiatives under his administration. He should be remembered for the Philippine Infrastructure Privatization Program (Republic Act 6957) that enticed independent power producers to do risk-free business in the Philippines; and the Amended Build-Operate-Transfer Law (Republic Act 7718) that opened other sectors like water and transport to private big business. The BOT Law exhorts the State to provide the most appropriate incentives to mobilize private resources for the purpose of financing the construction, operation and maintenance of infrastructure and development projects normally financed and undertaken by the government. Joseph Ejercito Estrada further expanded the scope of privatization to include the Local Government Units, which would identify what they consider additional assets and/or activities best handled by the private sector.

Our agreement with the WTO provided yet another mechanism through which international financial institutions and North governments could gain greater coherence with respect to the continued and even more widespread implementation of the restructuring agenda began through SAPs two decades ago. Moreover, it afforded North governments that dominate decisive policy-making spaces in the WTO even greater leverage over debt-burdened countries like the Philippines, in the same way that they control the IMF and the World Bank.

What's GATS Got to Do with It?

In joining the WTO, the Philippines also signed on to the General Agreement on Trade in Services, a multilateral investment instrument aiming for an even higher degree of liberalization by ensuring that members provide the least trade-restrictive domestic regulations. Where liberalized cross-border trade in merchandise is targeted through the General Agreement on Tariffs and Trade of the WTO, liberalized "trade" in supplying services is also now being sought through GATS.

Never before has a multilateral framework been laid out for services. GATS, a legally binding set of rules covering international trade in services, is one of more than 20 international agreements enforced by the WTO among its 148 members. The mandate of GATS is to progressively open up countries' service sectors, which involves anything outside of manufactured goods, raw materials and farm products.

In truth, there is more than just the acceleration of services liberalization in GATS. Contrary to how it is packaged, GATS is not the trade agreement that it is but a one-sided investment tool that gives global corporations increasingly unhampered access to markets and human services, and grants them as much if not even greater rights than citizens to exploit such access. The WTO and the European Commission have said as much, respectively flaunting GATS as the first multilateral agreement on investments and principally as an instrument of business.

Cashing in on Services[1]

By the 90s, the services sector was promising to be a profitable investment area. From 57% in 1990, the contribution of the service sector to world gross domestic product grew to 64 % in 2000 (World Bank). Of various services sectors, the water, health and education services were registering the biggest potential for profit. According to the International Consortium of Investigative Journalists (ICIJ): "... water companies [were] chasing a business with potential annual revenues estimated at anywhere from US$400 billion to US$3 trillion." The market base of the most globally active water firms (all French) [had] in fact multiplied from 51 million to 300 million over a 12-year period, with business operations reaching across 56 countries. On education and health care, global expenditures have reportedly gone beyond US$2 trillion and US$3.5 trillion, respectively (Barlow 2001).

Finding the Links: GATS and Privatization

GATS adds to the creation of conditions and of enabling environments to surrender to the private sector the public responsibility of providing a service. This could take various forms, from divestments or actual transfers of public assets to concessions or contract agreements. Skinned to the core, GATS is a drive to pressure governments, especially those of the majority of LDCs,[2] to relinquish their publicly entrusted mandates in determining investments in services and surrender these to private big business.

Article I (Section 3, b) disingenuously excludes services "supplied in the exercise of governmental authority" and "not supplied on a commercial basis, in competition with one or more service suppliers." This is one of the arguments that supporters cite when asserting that GATS does not threaten public services. Such claims, however, are clearly misleading and utterly deceitful. Since many public services today are supplied commer-

[1] This and the following sections borrow heavily from the Primer on the General Agreement on Trade in Services, Jubilee South Asia Pacific Movement on Debt and Development, August 2005.

[2] Least developed countries

cially and in competition with one or more service providers, they cannot escape the thrust of GATS to eventually bare the services markets to full international competition.

Bringing the Water Sectors of Countries under GATS Rules

Environmental services have been reclassified, upon the EU's recommendation, to include "water for human use and waste water management" as a sub-sector. This officially subjects water resources and attendant services for its management and distribution under the GATS regime.

Special attention must be given to the EU water agenda considering that member-countries control the largest global interests in water as top exporters of water and sanitation services. It is thus hardly startling why the EU, speaking as one bloc in the WTO, seeks water sector liberalization commitments from 72 WTO member countries, mostly LDCs. Estimates have pegged Vivendi (now Veolia) and Suez's control of all private water services at a hefty 70%. Vivendi boasts of 110 million customers in 100 countries, while Suez has 125 million in 130 countries. Another European multinational is the German utilities conglomerate RWE, which has partnered with Thames Water of the UK.

Relatively smaller competitors in the global water industry belong to EU countries as well: SAUR (French), Anglian Water and United Utilities (British), Cascal (a joint venture of UK's BiWater and the Dutch group Nuon), Aguas de Barcelona (Spain) and International Water (a partnership of Bechtel of the US and Italian utilities group, Edison).

EC officials have even been holding consultations with water companies on possible obstacles to the expansion of their businesses abroad. The EC's Trade Directorate was also known to have told company representatives in a 2002 meeting: "One of the main objectives of the EU in the new round of negotiations is to achieve real and meaningful market access for European service providers for their export of environmental services. Therefore, we very much appreciate your input in order to sufficiently focus our negotiating efforts in the area of environmental services." Other EC officials have said as much: "The EC agenda is to seek better access for European service exporters in foreign markets" (Hillary, Save the Children UK 2003).

Equally appalling and revealing of WTO's "development agenda" is the way the EU is targeting water liberalization even in countries where public water facilities are providing clean, adequate and affordable water, and operating in a participatory, transparent and accountable manner. One example is the publicly owned and managed municipal water facility in Porto Alegre, which sources and provides water to almost a hundred percent of its population and at rates that are among the lowest in Brazil.

This is only one of the many pitfalls of GATS: its all-encompassing reach and hold that does not distinguish whether a service is publicly owned and provided, or partners with private entities, and does not recognize alternative forms of service delivery that challenge free market assumptions. It simply ignores why many Northern nations, for instance, implicitly recognize certain services, such as those over a resource as basic as water, as imbued with public interest and have chosen to keep these above any private business interest and in government hands.

GATS Claims

GATS defenders lay great store by the treaty's preamble "... recognizing the right of Members to regulate ..." In truth, this will not hold up to the general and specific, legally enforceable obligations that include the Most Favored Nation Treatment and National Treatment (See table below).

The myth of transparency and accountability. Services negotiations have been conducted with secrecy over the past rounds. As it were, the WTO and the North governments that dominate it already exercise great legally enforceable powers over the rest of the developing world: "... [T]he operations of the WTO show that it has become the most powerful, secretive and anti-democratic body on earth, rapidly assuming the mantle of a global government and actively seeking to broaden its powers and

General and Specific GATS Obligations and Disciplines for WTO Members

General Obligations	Provisions
Most Favored Nation (MFN) Treatment (Part II, General Obligations and Disciplines, Article II)	• "...each Member shall accord immediately and unconditionally to services and service suppliers of any other Member treatment no less favourable than that it accords to like services and service suppliers of any other country.... • "The provisions of this Agreement shall not be so construed as to prevent any Member from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced and consumed."
Transparency in regulations (Part II, General Obligations and Disciplines, Article III)	• "Each Member shall publish promptly ... all relevant measures of general application which pertain to or affect the operation of this Agreement. International agreements pertaining to or affecting trade in services to which a Member is a signatory shall also be published. • promptly "...inform the Council for Trade in Services of the introduction of any new, or any changes to existing, laws, regulations or administrative guidelines which significantly affect trade in services covered by its specific commitments under this Agreement. • "... respond promptly to all requests by any other Member for specific information on any of its measures of general application or international agreements...Each Member shall also establish one or more enquiry points to provide specific information to other Members... • "... notify to the Council for Trade in Services any measure, taken by any other Member, which it considers affects the operation of this Agreement."
Objective, reasonable, and impartially administered regulations (*Article VI Domestic Regulation)*	• "In sectors where specific commitments are undertaken, each Member shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner....
Administrative review and appeals procedures (Article VI Domestic Regulation)	• "... maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Member shall ensure that the procedures in fact provide for an objective and impartial review.

Disciplines on the operation of monopolies and exclusive suppliers (Article VIII Monopolies and Exclusive Service Suppliers)	• "Each Member shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with that Member's obligations under Article II and specific commitments. [Government monopolies should not violate the MFN, specific market access of national treatment obligations.] • "Where a Member's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Member's specific commitments, the Member shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments." [Where a Member has a specific commitment to allow foreign companies to operate outside the national company's monopoly area, the national company may provide services but at the same time allow foreign companies to operate in such area.]
Specific Obligations	Provisions
Market access (Part III Specific Commitments Article XVI)	• "...each Member shall accord services and service suppliers of any other Member treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule. • In sectors where market-access commitments are undertaken, a Member "... shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule ..." limitations on the number of service suppliers, outputs, operations, natural persons to be hired or value of transactions, whether in the form of quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test. Moreover, members cannot require "...specific types of legal entity or joint venture through which a service supplier may supply a service..." nor set limits on the participation of foreign capital or the total value of individual or aggregate foreign investment.
National treatment (Article XVII National Treatment)	• "In the sectors inscribed in its Schedule...each Member shall accord to services and service suppliers of any other Member, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers. • "A Member may meet the requirement of paragraph 1 by according to services and service suppliers of any other Member, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

	• "Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Member compared to like services or service suppliers of any other Member." [Simply, these provisions see to it that domestic and foreign services investors enjoy the same rights and privileges. There should thus be no attempt to change national laws to favor the member's own service industry.]

Source: 1) General Agreement on Trade in Services; 2) The General Agreement on Trade in Services (GATS): objectives, coverage and disciplines. Posted at the WTO website; *3) GATS Primer, Understanding the General Agreement on Trade in Services.* Friends of the Earth International, November 2002.

reach" (Barlow 2001). Yet GATS endows it further with even greater power through negotiation processes that have proven, despite claims to the contrary, patently unjust, undemocratic and significantly lacking in transparency and mechanisms for accountability.

The myth of flexibility. Article XIX (Section 2) declares "... due respect for national policy objectives and the level of development of individual Members ...." and that there shall be "... appropriate flexibility for individual developing country Members for opening fewer sectors, liberalizing fewer type of transactions, progressively extending market access in line with their development situation ...." Negotiating guidelines/procedures are also to be established for each round, based on assessments of trade in services.

Why then has the former WTO director of the Trade in Services division, David Hartridge, described the terms of GATS as practically irreversible? This is because other provisions effectively work to "lock-in" service sectors committed to GATS. For example, GATS stipulates only the removal of obstacles to market access, and provides nothing on reviving past or introducing new conditions for investments. Through Article XXI, punitive measures are also to be applied against wayward members *seeking* modification of their commitments through Article XXI. This means that even before the modification is actually implemented, the

Member will already have to make compensatory adjustments to potentially affected Members.

GATS denies compelling countries to privatize basic services, but around the MFN principle alone (which is part of the general obligations and thus binding for all WTO members) many questions have already been raised, challenging that claim. As pointed out by the Center for International Environmental Law: "While this obligation does not exclude public service providers, it does prohibit a governmental regulation *requiring public ownership*... as this would clearly limit foreign ownership. This provision also appears to rule out regulations limiting the participation of foreign investment, including private investment in privatized companies which were previously public." (2003)

Lessons from the Philippine Experience with Water Privatization

Unabashed profit-seeking in a sector as critical to the public good as water utilities has been a major running theme in the MWSS privatization story from 1995 onwards, and arguably shows government's inability to regulate under a privatized setup. Eight years ago, in August 1997 (or two years after GATS took effect), the management and operations of MWSS passed on to the two winning bidders: the Lopezes' Maynilad for the West Zone and the Ayalas' Manila Water Services Inc., for the East Zone. The consumers' elation as water rates fell was short-lived. After only two years as Metro Manila's water concessionaires, both companies began asking for rate increases. In 2004, Maynilad had registered six tariff hikes or more than 400 % increase from its bid rate of PhP4.96. Similarly, Manila Water Services had leaped by over 700%, from its bid rate of PhP2.32.

Both concessionaires' failure to improve infrastructure and significantly bring down the amount of water lost to leakages render the price increases even more indefensible. Non-Revenue Water levels actually began rising two years after privatization and are already way off the NRW commitments of the water concessionaires. A recent Commission on Audit report based on the 1999 Financial Reports of the water concessionaires showed profits way above the 12% ceiling allowed by law for public utilities.

Maynilad's overcharging. Maynilad has been overcharging consumers since 2002, through certain mechanisms intended for the recovery of its alleged foreign exchange losses. Maynilad has already overcharged consumers of more than P2 billion since.

Failure to expand to unserved areas. Prior to privatization, 7.3 million were being served based on the official number of water service connections. After five years, Manila Water fell short of its 4.26 million, with only 3.4 million served in 2002, while Maynilad fell short of 1.4 million, serving 5.3 million as compared to its 6.7 million target.

Failure to improve or upgrade facilities, endangering public health. Cutting costs under water privatization has revealed its deadly side. In 2003, around 600 residents of poor communities in the Maynilad concession area were downed by gastro-intestinal diseases; six eventually died. A laboratory examination performed by the University of the Philippines at FDC's request, showed Maynilad's water as contaminated with *E. Coli* bacteria—16 per 100 ml of water—more than 700% the national standard of 2.2 per 100 ml of water.

Debt – creating, failure to pay concession fees. The privatization of the MWSS, vaunted to be the first and largest water privatization of its scale in Asia rode on hopes that government's fiscal burdens would be reduced by passing on MWSS $800 million debt to the water concessionaires. But instead of raising more revenues for government, as claimed by water privatization proponents, the water privatization undertaking is making significant contributions of its own to the debt crisis.

Maynilad's non-payment of its concession fees has only sunk government deeper in debt. The long overdue fees from which the MWSS is supposed to source its payments for old debts now amount to more than PhP10 billion. Consequently, to avoid default, the MWSS has incurred more debts: $21 million in 2001; $260 million in 2003; and $150 million and P780 million in 2004. In the near future, MWSS will be compelled to incur more debts because Maynilad's rehabilitation scheme allows for staggered payments for its accrued and accruing concession fees.

The culpability of government, vulnerability to dominant political interests. Metro Manila's concessionaire agreement is a clear example of how well-connected members of the elite end up harvesting the monetary rewards from privatizing a resource as vital to life as water. The Arroyo government, through the MWSS, has consistently bent backwards to bail-out the Lopezes. For instance, MWSS did not move to immediately draw from Maynilad's $120-million performance bond (provided to protect government from possible contract violations), despite the Supreme Court's go-ahead.

After GATS came into force, water privatization at the local levels also began gaining ground through the assistance of the ADB and the World Bank. In 1998, the World Bank used its "Adaptable Program Loan" instrument for the first time in the water sector to introduce private sector participation. For the Philippines, this amounts to $180 million, spread over a period of 12 years. The ADB for its part, extended a $43 million loan for the expansion programs of eight water districts in the early 90s.

GATS and Privatization: Surfacing the Gender Dimensions

The gender division of labor has placed practically the entire burden of social reproductive work on women. Women are primarily responsible for nurturing families, providing food, supplying basic health and childcare, caring for the aged and the sick, participating in community development activities, sourcing water and firewood. It is well-documented that women spend far greater amounts of time than men on social reproduction, or work that sustains families, communities, societies. In situations where government no longer provides basic services, and families are too poor to access the privatized service, women provide these "by default" and without any economic compensation.

Yet, even as these activities are critical for sustaining production and society in general, they are said to be "invisible", because they have no economic value whatsoever in so far as national accounts or measures of aggregate economic indicators are concerned. The 1995 Human Development Report estimated women's unpaid work at 10 – 35% of Gross Domestic Product worldwide or US$11 trillion.

Over time, this has led to a concentration of women in the services sectors, with women tracked into occupations that are essentially extensions of their social reproductive work. It is not surprising that there are more women public school teachers, nurses, secretaries, waitresses, salespersons, etc. Just as social reproductive work is economically unvalued, women's paid work brings in lower levels of remuneration compared to managerial, supervisory positions occupied by men or jobs in banking, engineering, medicine, etc. that men also largely dominate. Furthermore, women's increasing participation in paid work has not translated into any significant relief from their social reproductive burdens. Women are known to carry on paid work on top of their social reproduction tasks.

Because of such conditions that disadvantage certain sectors of society while privileging others, impacts of policies and programs are far from uniformly neutral and would be different for women and men. In the same vein, women in developing countries who comprise 70% of the 1.3 billion people in the world living in absolute poverty, would feel in much harsher terms the effects of any policy that constricts public access to services.

Significantly, international financial institutions like the World Bank and the Asian Development Bank (ADB) hold gender considerations high in the development and poverty reduction projects and programs that they fund. Marking International Women's Day last year for instance, the ADB joined other multilateral institutions in "affirming the importance of promoting gender equality and empowering women." John Lintjer, ADB Vice-President for Finance and Administration was quoted as saying that "it is especially important that we at ADB mark the occasion, for the very nature of our business—reducing poverty—goes to the heart of the challenge faced by many of the women in the Asia-Pacific region." He added that "any sustainable strategy for poverty reduction must aim at promoting gender equality." (http://www.adbindia.org/news March 2003)

The World Bank makes the same assertion, citing "... strong empirical evidence that the gender-based division of labor and the inequalities to which it gives rise tend to slow development, economic growth and poverty reduction. Gender inequalities often lower the productivity of labor, both in the short and long term, and create inefficiencies in labor allocation in households and the economy at large. They also contribute to poverty and reduce human well being. These findings make clear that gender issues are an important dimension of the World Bank's fight against poverty." (World Bank 2002.) All these fall flat in the face of how the privatization experience has actually played out for Filipino women.

Lengthening women's labor time resulting in greater disproportion vis-à-vis unpaid household work. Women interviewed by Freedom from Debt Coalition (FDC) have to make the difficult choice of feeding their families or paying for basic utilities like power and water. Illegal connections are thus not surprising when private concessionaires tend to least prioritize what they deem as unprofitable areas, or charge connection fees averaging PhP5,000 that poor households and communities cannot afford (FDC 2004).

This also leads to other vulnerabilities that poor families, compared to the more well-off, have less resources to deal with. The cholera outbreak, for example, not only affected women and children as victims, but added such burdens as watching over hospitalized family members. Girls in the affected communities were also kept out of school because they had to watch younger siblings in the absence of their mothers. Visiting one of these areas in November 2003, FDC staff met a mother whose son remained confined after a week in the charity ward of a public hospital because of a gastro-intestinal ailment. She recounted: "I have to return every now and then to the hospital. Nobody else is available to take care of him there and at the same time, I have to find a way to source his medicines. It's fortunate that there are neighbors who can look after my other children when I am away. His older sister also helps out when she is not in school." Again, the burden of caring for the sick falls on women and girls, on top of other work within and outside the household (Corral 1999). There is no escaping that "question of gender inequity and the asymmetrical power relations that deprive women of resources while assigning them the most menial, difficult and unrewarding jobs and roles ... ." (Amenga-Etego 2003: 5).

Water supply in Metro Manila remains intermittent in many places. This further lengthens women's labor time. Because men usually go early to jobs outside the home, women have to stay up late to wait for the rations of water that they would need to prepare their spouses and children for work and school the next day.

Interviewed by Corral, a woman in one Quezon City neighborhood complained: "We used to have water the whole day but after water was privatized, we no longer have a regular supply. This disturbs my work schedule because I have to wait for the water to come to do the laundry. In the past, I would wash the clothes in the morning so that I could do other work in the afternoon. Now, the water I collect is just enough for my children who go to school. It seems like all my hours are spent here. I work even at night, doing the laundry. We also have to save on trips to the bathroom. Sometimes I would wait for the water to come before using the bathroom. My head often aches. But I have to wait for the water, otherwise our supply would be short of our needs. I have also been taking baths at night when there is water but my body is giving out ... ." (Corral 1999).

The failure of the water firms to expand infrastructure and services forces households who are not connected to the piped water grid to buy more expensive water from vendors, or line up at community pipes. Again, women or their children, who stay at home during the day, have to spend hours to keep their place in the line and ensure their water supply for a couple of days.

Time Poverty. With most of their day spent on reproductive tasks, women are already time-poor to begin with. The progressive difficulty of accessing water compounds the problem, and reduces even further time for rest, leisure and recreation.

Income Poverty. The continuous escalation of water tariffs immediately eats into household budgets; hard choices have to be made by poor families who often slash budgets for health and education to accommodate more urgent needs for food and water. Piped water in Manila remains unfit for drinking. Silted and heavily clouded, water in many parts of the metropolis has to be boiled before it can be safely consumed. Others are compelled to stretch household incomes even further by boiling water or purchasing bottled water.

Institutions like the ADB and the World Bank have been drumming up surveys showing poor families' expression of their willingness to pay. It is easy, however, to criticize such survey questions for being obviously skewed in favor of these institutions' water policies. In the absence of options, any human being would always express willingness to pay in order to access a resource as critical as water.

Not only did water privatization proponents fail to adequately consult people on their willingness to pay; neither were women consulted on their ability to pay vis-à-vis the gendered way income and other resources are allocated within households. If the avowed concern for gender issues of international financial institutions (IFIs) were not merely lip service, IFIs should also have realized, as Julian Liu clarifies, that "women are often marginalized in monetary economy, and thus suffer when a price is put on water. Willingness-to-pay is not the same as the ability-to-pay, such assessments do not take into account the choices that poor women must make. Domestic or 'reproductive' uses of water does not generate income directly, so benefits are not captured in traditional economic indicators." (2005: 6-7)

Reproduction and motherhood. The impact of water privatization was harsh and immediate for thousands of MWSS employees (a majority of whom were women) who were either displaced or had no other option but to accept early retirement packages. Of the more than 7,000 employees, only one percent was left with the residual MWSS. It is worth quoting Dr. Serge Floro who wrote that the market economy "... opens its doors to women when it has need for their productive labor, but it just as quickly slams the door on them when it contracts or downsizes. The main premise here being that the reproductive economy, which is invisible, contracts or expands according to the needs of the market economy." The large number of women displaced as a result of the privatization of MWSS indicates how the market economy looks at women's time in the reproductive economy.

According to Lou Labrador, one of the women employees interviewed by Corral in 1999, women employees, especially the old timers in support staff positions (clerks, typists, administrative), chose early retirement because they feared they could not "compete." They also felt that they fell short of the necessary skills (such as using computers) to survive in the new set up. Beth Nuyad, a civil engineer and head of the MWSS Employees Union who declined the private offer and eventually lost her job clearly expressed her co-workers' sentiments to the *Philippine Daily Inquirer* in June 1997: "'We want job security, not early retirement'" (Liu 2005: 6-7).

Through Gendered Lenses

Water privatization may be said to affect everyone, but of differential impacts, none is perhaps as stark as where women of poor, marginalized communities are concerned. Yet this occurrence does not present itself simply, in the same way as, say, the obviously added burden of increased water rates on the general consuming public. And unless one looks at water privatization through sharp gender lenses, the specific consequences for women of such policies would largely pass unnoticed, just as women's work and contributions to society have remained hidden from plain view.

One bold approach in surfacing these gendered impacts has come by way of the feminist economists whose perspective on the concept of the "care economy" allows recognition and understanding of how tightly linked women are to water resources and access and why they are among those hardest hit by water privatization. A main feature of the feminist economics paradigm is that it "... redefines the economic sphere of inquiry around the concept of provision for human life" (Floro 2002: 41-42, underscoring supplied). Unfettered by mainstream economics' preoccupation with markets and the so-called efficient or rational utilization of resources to their most productive use, they are able to uncover and answer a whole range of questions that neoclassical economists simply ignore or assume are taken care of.

This is not to say that mainstream economists have not looked into the household for answers but they are blinded by the belief that work is divided rationally and harmoniously among men and women in household production. Writes economist Maria Sagrario Floro of the New Household Economics promoted among others by Gary Becker [*A Treatise on the Family* 1991]: "The parallels between gender norms which permeate the market economy and household division of labor itself are obvious ... [The] New Household Economics insists that the prevailing division of labor within the family is a matter of individual choice. The apparent inequality in the household division of labor is not questioned at all but is taken as an outcome driven by rational choice and individual preferences." In other words, it asserts that women are naturally (even happily) inclined to do housework while men are much more bent towards working outside the home and earning a living; women, therefore, have the comparative advantage in attending to household chores relative to men. (Floro 2002: 28)

Under this prevailing institutionalization of women's inferior status within and outside the household, it is a tacit assumption that someone will pay for the decision to relinquish to private interests previously publicly-held commitments for the provision of basic services, as what happens under water privatization. Women, by virtue of these traditionally sacrosanct gender inequities within and outside the household, inevitably bear the differential impacts. "Rationalization and reduction of governmental benefits culminate in a shifting of social services from the paid to the unpaid sector, where these services are compensated by women in the households or the communities as an 'unpaid honorary position'" (Kloepfer 2003: 3).

From the feminist economist's eye, the picture is vastly different, for it is in these indiscernible, economically unvalued places in the reproductive economy that goods and services essential to the maintenance of human life are provided and rendered free by women. These include a wide assortment of services such as child-rearing, food production, meal preparation, laundry, gardening, cleaning, etc. that require an adequate supply of clean and affordable water.

Women's link with water is practically organic, with traditional roles in the household from housecleaning and laundry to child rearing so tightly woven with accessing water. Clearly, any policy or program, especially one as far-reaching as GATS, that implicitly treats water services just like other economic services, and commodifies water in the process, impinges on women's capacity to access the resources and ultimately impacts negatively on the quality of their lives. Reducing water as an economic good available only to those with the capacity to pay is immediately prejudicial to the poor. But it further discriminates against poor women and girls who are at the outset already disadvantaged by their status in the household and in the larger society, and constrained by the limited access to resources like credit and owning land.

What conceptual handles can we use to show that policies and the institutions that draft them are not gender-neutral? Or that they mirror and strengthen gender inequalities? We need to recognize that gender is a significant factor in the division of labor, the distribution of work, the allocation of wealth and resources, the construction of what is valued economically. Thus, we need to make VISIBLE unpaid work or work in the care economy or reproductive work, and this means redefining the economic meaning of work to include unpaid reproductive labor.

Building from the work of feminist economics, the FDC has been developing an alternative perspective on the economy that it calls "Provisioning for Human Life" or a way of surfacing the gendered aspects and gender-differentiated impacts of various economic and social concerns, in this case, the degradation of water resources and the increasingly endangered access of the poor, especially poor women, to water resources and services. Rejecting the mainstream definition of economics as "the efficient allocation of scarce resources," this perspective starts with the premise that everyone—women, men, children—should be able to live with integrity and dignity. People should be able to develop their potentials and capabilities in all aspects—physical, mental, intellectual, emotional, psychological, social, cultural, etc.—and that the economy must be aimed at meeting the material requirements for all these to be realized. As water has been recognized in many international covenants as crucial to development, ensuring universal access to safe and clean water for all is a basic and non-negotiable part of provisioning for human life.

In provisioning for human life, reproductive work is not only brought into the picture but comes significantly into play because it is deemed a prerequisite to all activities in the public sphere. The totality and real contributions of women to the economy and to society are thus surfaced and valued. And since it captures the interrelatedness of the productive and reproductive spheres, this perspective stresses the need for men to take up reproductive work as well.

The way knowledge continues to be uncovered, processed and mainstreamed, many challenges still remain in surfacing gender concerns in our critique and analysis of the economy and development in general.

- collection of sex disaggregated data, including household level sex disaggregated data that looks at time and task allocation, access and control over entitlements, leisure time, consumption of food, health services, etc.
- the need for economic modeling: developing and mainstreaming models that:
    - recognize the social reproduction and its interrelatedness and complementarity with the productive sphere
    - debunk the view of trade and development as gender-neutral
    - identify variables in micro, meso and macro levels of the economy that have a particular gender significance and incorporating these in modeling
- developing and/or modifying instruments and methodologies for analyzing the gender impacts of trade and development, and promoting their use
- mainstreaming the large body of empirical studies on the differential impacts of trade and development programs on women and men.

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