

THE OPPENHEIMER REPORT

U.S. 'plot' to grab South America's water is all wet

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In recent trips to several Latin American countries, I have been asked the same question: Is the region bound to get rich because it has the world's biggest reservoir of water, which may become the most precious commodity in the 21st century?

Before we get into whether this theory -- which has become very popular on Latin American Internet blogs -- has any basis, let's look at the facts.

There is no question that there is a global water problem: The World Health Organization says that 1.1 billion people worldwide lack access to safe water. On the other hand, Latin America has more water than any other region in the world: 42 percent of the planet's water.

Still, many Latin American countries, especially Mexico, suffer from water shortages. Rapid urbanization, unregulated industrialization, poor farming practices, corruption and massive leakages have crippled water distribution systems in many countries in the region.

Some Latin American presidents, such as Venezuela's Hugo Chávez and Bolivia's Evo Morales, claim that Latin America is already a much-coveted region because of its water resources. Chávez said in a Sept. 29 speech that "water is more important than oil."

According to a recent report by National Geographic News, the daily Web report of The National Geographic Magazine, "conspiracy theorists fear the United States is secretly taking control of South America's largest underground reservoir of fresh water."

Such fears center on the Guaraní Aquifer, which stretches over 460,000 square miles beneath parts of Argentina, Brazil, Paraguay and Uruguay. "Local distrust of U.S.-backed lending institutions, along with the presence of U.S. troops in Paraguay, has spawned suspicions that Washington is exerting slow control over the Aquifer as insurance against water shortages in the United States," the article says.

VOCAL CHAMPION

Among the most vocal champion of this theory is Argentina's Nobel Peace Prize winner, Adolfo Pérez Esquivel, who is quoted in the article as claiming that U.S. military training programs in Paraguay are part of a grand U.S. plan to grab South America's water reservoirs. "The United States already has water problems in its southern states," Pérez Esquivel said.

Most international water experts say this is rubbish.

First, the United States may have some water problems in the West, not in the South, they say.

Second, compared to Europe, Asia or Africa, the United States faces much less of a water problem.

Third, and by far most important, water is not likely to become a rapidly disappearing natural resource, they say.

On the contrary, water may become more easily available in the future, because one of the most important technological innovations of the 21st century will be drought-resistant crops. These crops will allow farmers to grow food using half of the water they use now, they say.

That will be a watershed technological advance, because about 70 percent of all water currently used in the world is not used for home consumption, but for agricultural irrigation.

DRIP IRRIGATION

"New technologies will dramatically reduce the use of water for agriculture," says Fernando Miralles-Wilhelm, a water specialist with Florida International University. "In 10 or 20 years, you will have widespread commercial use of drought-resistant crops. In addition, you will have a much more generalized use of drip irrigation, which has long been used in countries such as Israel and South Africa."

My opinion: I agree. Industry experts tell me that drought-resistant crops may be widely available even earlier, within the next five years.

The whole water debate reminds me of the once popular theory of 18th century economist Thomas Malthus, who said that because the world population increases geometrically (1, 2, 4, 16, etc.) while food supply only increases arithmetically (1, 2, 3, etc.), the world was heading toward mass starvation.

Malthus did not take into account technological innovation. The "green revolution" of the mid-20th century led to massive increases in cereal production in the developing world, which let countries like India -- which suffered from chronic famines -- become a food exporter.

The same thing may happen with the water scare. While Latin America should take care of its water reservoirs, it would help itself by spending more of its energies on improving education and attracting investments, like China and India, rather than by waiting to be propelled to the First World by its natural resources.