

Why water is a public service: exposing the myths of privatisation

(25 August 2012) A [new booklet of EPSU](#) describes in short chapters why the idea that privatisation brings benefits to people, workers and public authorities is a myth. It argues that:

- Public ownership is normal and widespread – and for good reasons
- Many municipalities and countries terminate the water privatisation as it has not brought the benefits claimed or made matters worse.
- New research on efficiency and performance rank public sector companies as effective and efficient performers
- Investment is key but the private sector puts in very little of its own money with the public sector having to step in.

Other chapters cover price developments under private ownership and how private companies seek to limit competition through cartels as well as corruption and fraud. It further underlines that the private sector companies are not more accountable and that the fiscal gains are illusory.

The booklet comes at an important moment as the specter of water privatisation is once again haunting the people of Europe. From the 1980s to the 2000s, water privatisation was promoted by multinationals, right-wing politicians, and international institutions, including the European Commission. This was successfully resisted by popular campaigns, which halted and even reversed water privatisation in almost every country in Europe, and in many other countries around the world. The threat has now returned. Selling public companies is part of the conditions the EU, the European Central Bank (ECB) and the International Monetary Fund (IMF) – the ‘troika’ are imposing in return for financial support.

The conditions for Greece include the privatisation of many public sector bodies, including the full privatisation of the water services of Athens and Thessaloniki. The troika also expects Portugal to sell much of the public sector, and Aguas de Portugal is being considered for privatisation. The European Commission and the ECB asked [Italy to plan for water privatisation and liberalisation](#) even after a national

referendum voted overwhelmingly against it. More generally, the new central EU economic policies create more pressure for liberalisation and privatisation of all public services, by imposing even stricter limits on public finances. In the “neighbourhood” countries outside of the EU, water privatisation is still promoted by the European Bank for Reconstruction and Development (EBRD), and the International Finance Corporation (IFC) – the private sector support division of the World Bank - despite the failures that have already happened under this policy.

EPSU is therefore publishing this booklet setting out the reasons for rejecting water privatisation, in a number of languages. It has been prepared by the [PSIRU](#) at the University of Greenwich, based on empirical evidence, with references. It is intended not only to support campaigns against water privatisation, but also as a reminder why the public sector is a much better way of providing water services. It is essential background to the campaign of EPSU and many other organisations for the human right to water. The UN in 2010 declared water and sanitation as human right. It obliges governments to provide their citizens with accessible, affordable, safe and clean water and sanitation. Together we have launched a “[European Citizens’ Initiative](#)” to promote the implementation of this human right and oppose the liberalisation of water services at EU level.

The booklet is available in English, French, Spanish, Portuguese, Greek, Czech, Serbo-Croatian, Hungarian, Romanian and Russian.

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