

Italian Water Movement forces Monti to respect the results of the referendum

With many actions and including civil disobedience, the Italian organizations that form the Italian Water Movement forced the Italian government of former European Commissioner Mario Monti to withdraw a proposal to liberalise water services 19 January 2012. The Italian people spoke out in large majority (>90%) against the liberalization and privatisation of the water services in [June 2011](#). However the European Central Bank demanded that Italy do exactly that and have a “comprehensive, far-reaching and credible reform strategy, including the full liberalisation of local public services and of professional services. This should apply particularly to the provision of local services through large scale privatizations”.

This was part of a secret letter signed by Trichet and Draghi, the outgoing and incoming Presidents of the ECB, in July 2011. The secret letter argued for many other measures to be taken including public service workers pay freezes, public employment cuts and labour market flexibility to mention a few. Measures such as liberalization of public services are called structural reforms in Euro-speak. EPSU has argued that the ECB has no mandate for such detailed policy advise, and that it violates the democratic will of the Italian people. The Berlusconi government adopted several proposals of the ECB letter.

However it did not include the liberalization of water services. This triggered European Commissioner Oli Rehn to write to the Italian PM “Could further information be provided to explain which reforms are envisaged in the water sector **{{despite}}** the outcomes of the recent referendum ?” as part of his letter seeking clarification of the many measures the Italian government was proposing (bold our emphasis). The Monti government did provide further clarification and concrete measures, but did not take up this particular point. The European Commission evaluated the measures in a report for the Eurogroup 29 November 2011. The European Commission argued that Italy was not doing enough and additional measures were needed. One of these structural reform measures is that Italy needs “Enhancing competition in key network industries.

(...) Other sectors, such as telecommunications, postal services, water and transport, are also significantly shielded from full competition pressures. (...). The Monti government started to prepare these measures but has faced opposition of the Italian water movement that mobilized against the proposals.

[EPSU wrote to the Italian Prime Minister](#) pointing out his lack of mandate to seek the liberalization of water services and the serious European repercussions if his government would go ahead. The final package of measures published did not include the liberalization of water services, a significant victory for the Italian water movement that includes EPSU affiliate CGIL-FP. With the argumentation to open the Italian water services for liberalization, the European Union is thrown back a decade. It is known that DG Competition and DG Internal market have been trying to open up water services since European Commissioner Bolkestein. Ten years ago he was preparing policy proposals and argued for opening up of water services.

The European Parliament reacted forcefully to his [priorities for the internal market](#) and "Questions, in the light of experience with the liberalisation of the electricity and railway industries and having regard to the economic slowdown, whether this experiment should be extended any further in the absence of proven benefits andn certainly not in the area of water supply and treatment, since it tends to divert attention from the real problems and may jeopardise security of supply" (bold emphasis added) and rejected these proposals in 2004. The European Commission and ECB are now pushing for structural reforms in several countries in distress such as Greece, Italy and Portugal in which they seek the liberalization of water services or even the full scale privatisation of public water companies like in Portugal and Greece. In all countries the population is rejecting these privatisations.

The [European Council](#) in its discussion on the Austerity Treaty (30 January 2012) agreed also to growth enhancing structural reform which would include the further liberalization of network services. “The Commission will report annually on progress made towards releasing the growth-creating potential of a fully integrated Single Market, including as regards network industries.” Other developments of concerns are the proposals for a directive on concessions. Also, [EPSU and the Canadian unions and social organisations](#) have pointed out [the risks of the so-called CETA](#) negotiations in which the conservative leadership of the European Union and the conservative government of Canada seek to conclude a free trade agreement which would force the opening of water services.

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