

PLANNING

Accessible text

Introduction

- water and social, economic development, poverty reduction
- overview of essay structure
- overall failure of World Bank model for water privatisation in terms of poverty reduction, relieving social inequality

Reasons for water privatisation

- Perceived failure of public ownership and management of water companies
 - lack of investment
 - inefficiency: leakage, billing and payment issues
- World Bank pressure: public sector reform as a condition for loans, structural adjustment

Different forms of water privatisation

- management contract
- leases
- concessions
- mixed ownership: private/public partnership
- full privatisation

World Bank policy on water privatisation

- pricing: water as "economic good"
- decentralisation
- role in planning projects, advising governments

Successes

- claims for greater efficiency, improved service (examples – Manila, Guayaquil)

Problems/issues

- water is "a natural monopoly" (Bayliss, p. 222)
- limited investor interest (e.g. Sub-Saharan Africa)
- weak regulation
- high tariffs

Conclusion

- Assessment of success or failure depends on perspective. No evidence that privatisation has improved access of the poor to clean water.
- "Remunicipalisation" – return of some private water utilities to public management.