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Water privatization is a problem, not a solution

There's a move to privatize the nation's water. So far, the global corporations spearheading the drive to privatize have failed to deliver on lofty promises, instead delivering rate hikes, inferior service, and an erosion of accountability both in the United States and abroad.

- Water corporations touted their 20-year contract in Atlanta as the privatization model that would show the rest of the country how privatization works. They were absolutely right. United Water, the French-owned private company, slashed its workforce. Service and maintenance backlogs ballooned. Poor water quality prompted orders that citizens boil their water before using it. And while the company was cutting corners to save money, savings the company had promised to the public never materialized and the company was even trying to charge the city more. The city cancelled the contract in January 2003.

- In a host of other U.S. cities large and small—New Orleans, Milwaukee, Indianapolis, Fort Myers, Fla.—company cost-cutting to pad bottom lines has been linked to pollution and/or deteriorating service.

- Privatization in the United Kingdom is a warning to the U.S. The biggest water and wastewater company in the UK, Thames Water is perennially among the worst polluters in England. It is regularly chastised by British officials for allowing sewage to pollute rivers, streets, homes and businesses, and for failing to control “unacceptably high” water leakage. As a result of mergers and acquisitions, Thames will now be the United States management company for several hundred water utility systems in 23 states.

- The same corporations so eagerly vying to control water in the United States have dismal records of profiteering abroad. On virtually every continent, private water companies have attempted to raise rates charged to some of the world's poorest populations while providing inferior service, or even no service at all. In the United States, privately owned water systems in towns such as Charleston, W. Va. or Pekin, Ill. suffer some of the highest water rates in the country.

- Corruption follows privatization. Around the world, corporations out to privatize water in the U.S. have been hit with allegations and convictions stemming from bribery, fraud, kickbacks and other financial shenanigans. Charges of kickbacks and corruption have sparked ongoing federal investigations in the U.S. as well, notably in Bridgeport, Conn., and in New Orleans, where bribery-related charges led to convictions of company and government officials.

Privatization is not a panacea. Privatization is a risk. People view water as a shared resource that should be managed in the public interest, and roughly 85 percent of the U.S. population receives its water from a publicly owned and operated system. Those systems need continued public support. They should not be handed over to increasingly debt-choked corporations which, by viewing water as a growth industry, are out of step with public sentiment as well as the public interest.