

AN EFFICIENT, EFFECTIVE ALTERNATIVE TO WATER PRIVATIZATION

Throughout history water has been one of the most universally recognized commons that nearly everyone would agree is a resource to be shared. But recent decades witnessed the rise of water privatization, in which profit-seeking companies take over public water and sewage utilities with often disastrous effects. Despite their poor track record, international water companies are still tapped to run municipal water systems in the belief that they can increase efficiency and quality while expanding service to those without safe access to water.

How Do Public-Public Partnerships Work?

PUPs employ three basic strategies to leverage the capacity of cooperating public agencies to control costs and improve the performance of water and sewer systems:

1. **Bulk purchasing:** Through purchasing cooperatives or agreements, utilities and other public entities can save time and money by purchasing chemicals, equipment, fuel and other supplies and materials in bulk.
2. **Shared services:** Public water utilities can save money when they work together through joint capital projects or shared service agreements. For example, rather than building separate smaller water tanks, two nearby utilities can share a single

larger water tank to lower the total investment cost.

3. Reengineering: Public utilities can partner with more-efficient public utilities or team up with non- governmental organizations or their own employees to creatively address inefficiencies or make system improvements. These partnerships allow the combined expertise of technicians, engineers and front-line employees to help maximize efficiencies and reduce costs.

Clean drinking water and wastewater treatment are basic services that societies and governments provide. Water is a necessity for life, and safe water and sanitation are crucial for public health.

In July 2010, the United Nations declared access to clean water and sanitation to be a human right. But recognizing the human right to water does not explain how to deliver this right to households. Even with this historic commitment to enhance water delivery and safety, an estimated 884 million people worldwide lack access to safe water, and 2.6 billion lack access to improved sanitation.

Meeting the needs of these people will require significant investments in infrastructure and expertise. Over the past 20 years, major multinational efforts to provide people water have relied on private sector strategies in both developed and developing countries. These approaches have included numerous public-private partnerships (PPPs) between public water utilities and private water companies.

Proponents of water privatization promised increased investment and efficiency leading to improved and expanded service, but privatization has failed to meet these expectations. Instead, it often has led to deteriorating infrastructure, service disruptions and higher prices for poorer service.

A different model, called public-public partnerships (PUPs), can be a more effective method for providing services. In contrast to privatization, which puts public needs into the hands of profit-seeking corporations, PUPs bring together public officials, workers and communities to provide better, more efficient service for all users.

PUPs involve two or more public water utilities or non-governmental organizations to join forces and leverage their shared capacities. PUPs allow public utilities to pool resources, buying power and technical expertise. The benefits of scale and shared resources can deliver higher public efficiencies and lower costs.

These partnerships can take many forms and may include networks of public water operators in different areas or non-governmental organizations. As a public collaboration, no PUP partner can reap a profit through the partnership. In short, PUPs provide the collaborative advantages of private partnerships without the profit-extracting focus of private operators. As a result they promote the mission of equitably delivering water services.

Although PUPs can be useful for many public services, including roads and electricity, they have particular applicability to water. Access to safe drinking water varies widely across the globe. The United Nations Millennium Declaration, passed in 2000, promised to “halve the proportion of people who are unable to reach or to afford safe drinking water.” To meet that ambitious goal by 2015, more than a billion people will need to gain access to safe water and sanitation. This tremendous undertaking will require both international cooperation and attention to local needs. Public-public partnerships are uniquely suited to this task.

The reason that PUPs work so well is that they retain local, public control of existing water systems. Public utilities are responsible for most water and wastewater services worldwide. In 2010, only about 12 percent of the world’s population had water or sewer service that was privatized in some way.

In the United States, PUPs are growing in importance and already are far more common than public-private partnerships for water and sewage treatment, according to the Municipal Yearbook, published by the International City/County Management Association. Since the early 2000s, the prevalence of PUPs has grown while the rate of for-profit private contracting has declined.

Because PUPs have been shown more efficient, effective and responsive for water and sewer services, public officials should consider public sector solutions before pursuing costly privatization deals. PUPs are a practical and responsible way for communities to address their water and sewer needs, while controlling costs and maintaining public control.

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