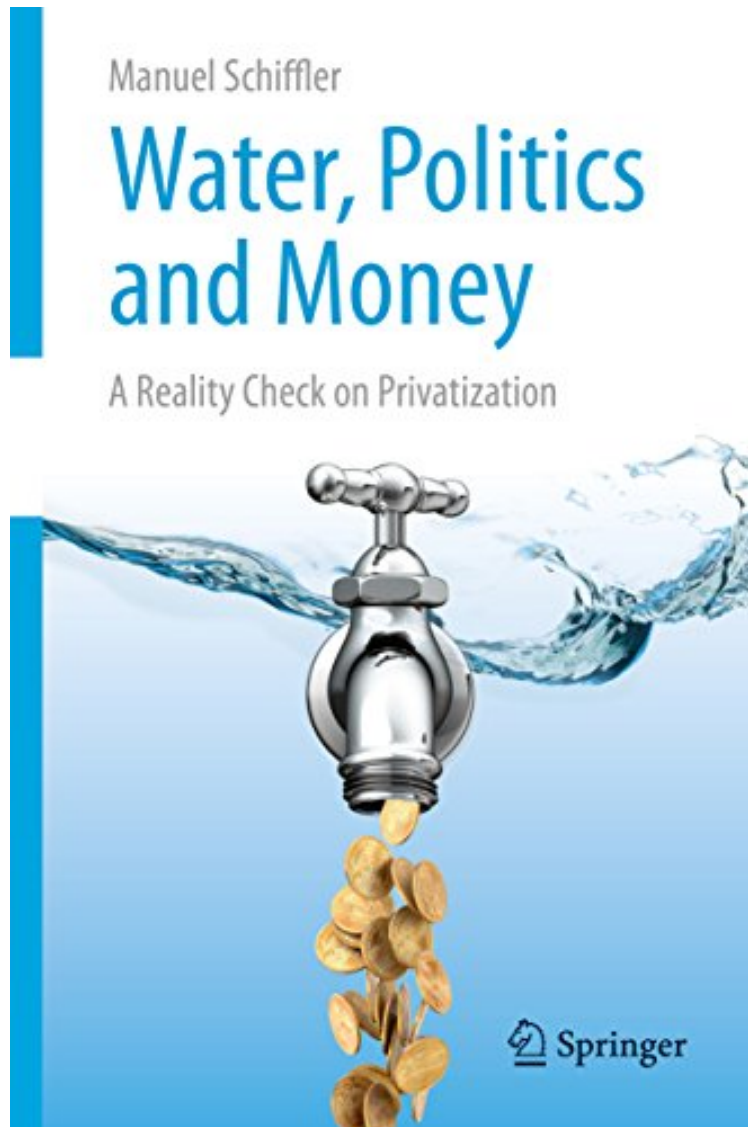


[Download] Water, Politics and Money: A Reality Check on Privatization

# Water, Politics and Money: A Reality Check on Privatization

*Manuel Schiffler*

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**Manuel Schiffler : Water, Politics and Money: A Reality Check on Privatization** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Water, Politics and Money: A Reality Check on Privatization:

1 of 1 people found the following review helpful. The best part about the book is that there is no ...By Sahana Singh  
The book takes a fresh look at private sector participation in city water utilities around the world and separates the wheat from the chaff of information that we have been reading all these years. For instance, how many of us know that some examples of "water privatisation" just refer to a single treatment plant? Or that out of the 61 million people supposedly served by the private sector in the US, more than half are served by publicly-owned and

managed utilities that have contracted out only one type of service to a private company? The book carefully analyses 12 case studies from different continents, including Buenos Aires, Kampala, Manila, Egypt, Amman, Phnom Penh, London, Berlin and Paris. It traces the political background and sequence of events of each privatisation right from its inception to beyond the end of contracts, unlike other books, which keep us guessing about what transpired after a contract was terminated or completed. Thus, readers come to know what happened in Cochabamba, Bolivia after the "foreign private company" Bechtel was kicked out. "The water supply remains intermittent, and half the people of Cochabamba remain without tapwater," it says. We are informed that average residential tariffs under public management are now more than twice as high as under private management at the height of the Cochabamba water war. Water bills are at 4% the median income, which is far above the accepted threshold of 3%. The Paris remunicipalisation, followed by the remunicipalisations of many other towns in France have received much attention and are often projected as an example of failure of the French companies on home turf, despite dominating the international water sector. It had been alleged that the water tariffs went up substantially during the 25 years of the lease contracts, but the book reminds that it still constituted less than 0.7% of the average income at a time when rents were skyrocketing in Paris. The author points out that there are 4,700 public-private-partnerships for drinking water alone in France and 700 contracts are bid out every year. Thus, the private sector maintains a strong position as an operator in the French water sector. The best part about the book is that there is no bias towards either public or private management of utilities. The author evaluates a spectrum of models in the light of facts from various sources and does not go by shallow statistics. Thus, he lauds William Muhairwe for ushering a corporate culture in Uganda's public water authority NWSC and offering a viable alternative to privatisation. Even though Mr Muhairwe had to eventually quit on account of controversies about his personal wealth, the author insightfully points out that "being a Ugandan, he had the knowledge, credibility and persuasion to win over his employees and board members that no foreign managing director would have been able to muster." After going through the entire book, it becomes clear that success or failure has little to do with public or private. But, it has everything to do with institutional frameworks, management and human resources. Not a single case study sounds like a complete success. But perhaps, the most interesting observation is that not a single privatisation, turnaround or remunicipalisation has taken place as planned. Unforeseen events have greatly affected outcomes. And thereby hangs a tale.

1 of 1 people found the following review helpful. An excellent introduction to the realities of water and the private sector  
By David A. Lloyd Owen  
Manuel Schiffler  
Water, Politics and Money: A Reality Check on Privatization  
Springer 2015  
Dr Schiffler has written a most unusual study, a cool, even-handed look at the pros and cons of water and sewage PPP and lessons learned. It is perhaps the first such example I have come across and is therefore a warmly welcomed addition to the literature on this subject. He is good at cutting through the verbiage from both sides especially in following up what happens to municipalities after PPP contracts end. Dr Schiffler gets straight to the point; what matters is service delivery, not how it is packaged. Municipal services are too often private fiefdoms, the UN is hopelessly over-optimistic about "improved" water supplies and when services and infrastructure deteriorates, people become habituated to sub-standard water supplies on the cheap. People looking for the standard clichés about 'water wars' and 'grabs' by the 'neo-liberals' will find this book hard going, because it is concerned with taking a cool look at the realities of getting safe and affordable water to people and the role PPP has to play. The chapter titles give you a flavour:  
Bolivia: The Cochabamba Water War and Its Aftermath  
Cuba: water Privatization in a Socialist Country  
Argentina: A Flagship Privatization and Its Demise  
Egypt: Kafka on the Nile  
Jordan: Private Plants, Public Utilities  
The United Kingdom: A Natural Experiment Between Private and Public Management  
France: An Improved Partnership in the Motherland of Multinational Water Companies  
Germany: Healthy Municipal Utilities, but with a Quirk  
Berlin: Privatized to Fill State Coffers, Remunicipalized at the State's Expense  
Civil Society and the EU Concession Directive: David Beats Goliath, Using a Few Tricks  
The United States: Public Water in a Capitalist Country  
The Philippines: A Delayed Privatization Success Story in Manila  
Uganda: A Public Utility Turnaround, Triggered by Pressure to Privatize  
Cambodia: A Public Utility Turnaround, Ending with Privatization  
Utility Turnarounds Compared: The Importance of Corporate Culture and Financing  
A particular strength is his considering what happens after a failed PPP. Very often, too little. Here are the main messages: Whatever you do, public or private, gain trust first and ensure you have the institutional capacity to expand before you start. Next, ensure that foreign aid is used where it matters. For any utility, public or private to deliver, it needs good management, competent staff and a functioning institutional framework. Without these, flows of water and funding will go to waste. There is a most useful comparison between the current performance of Uganda's NWSC (municipal), Phnom Penh's PWSA (now part-private) and Manila Water (concession). Although a poorer country the NWSC's staff have pay packages 39% higher than those in Cambodia, along with significantly poorer productivity (6.0 staff per 1,000 connections against 3.0 for PWSA and 1.4 for Manila water), along with higher non-revenue water and poorer access to water. As a result, while water accounts for 1.8-1.9% of household income in Phnom Penh and Manila, it consumes 4.3% of a Kampala's household income. Management speak helps you to talk the talk, but not necessarily to walk the walk. Whether public or private, water services are hobbled by having too many staff who are underpaid, along with a tariff structure so complex that tariffs rises take place once a decade. Reform processes have led to the creation of

further entities, making management more complex. Public scrutiny works and increased scrutiny featured in all cases, from bad PPP (the Grenoble contract eventually being rumbled) to good (Ofwat and data in England Wales). This in turn puts the emphasis on service delivery, for if a PPP fails to deliver, life will be increasingly difficult for those who face such scrutiny. This is a very useful collection of case studies for those who are looking for an unbiased introduction into affordable water services and the best ways of bringing them about.

This book reveals all that can potentially happen when a private company takes over a local water supply system, both the good and the bad. Backed by real life stories of water privatization in action, author Manuel Schiffler presents a nuanced picture free of spin or fear mongering. Inside, readers will find a detailed analysis of the multiple forms of water privatization, from the outright sale of companies to various forms of public-private partnerships. After covering their respective strengths and weaknesses, it then compares them to purely publicly managed water utilities. The book examines the privatization and the public management of water and sewer utilities in twelve countries: the United States, the United Kingdom, France, Germany, the Philippines, Cambodia, Egypt, Jordan, Uganda, Bolivia, Argentina and Cuba. Readers will come to understand how and why some utilities failed while others succeeded, including some that substantially increased access, became more efficient and improved service quality even in the poorest countries of the world. It is natural that a private company taking over a local water supply system causes both fear and worry for consumers. With the aid of solid empirical evidence, this book argues that who manages the system is only half the story. Rather, it is the corporate culture of the utilities and the political culture of where they operate that more often than not determines performance and how well a community is served.

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About the Author Manuel Schiffler has worked for over twenty years on water management and water utilities in more than a dozen countries in the Americas, Europe, Africa, the Middle East and Asia. He worked as a researcher for the German Development Institute and as a project manager at the World Bank. He now supports water projects in developing countries at the German Development Bank KfW. He holds a diploma and a doctoral degree in economics from the Free University in Berlin.