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### 1. Introduction

Water is life! Without it we cannot survive. That is why access to water needs to be treated as a human right. In 2012 the Right2Water European Citizens Initiative (ECI) - the first ever successful ECI - put the human right to water and sanitation on the European political agenda. The ECI demanded that the EU take action to achieve universal access to water and sanitation. The ECI thereby shaped European and national policy-making for the universal access to water. EPSU has been a key actor in the Right2Water ECI.

The Right2Water ECI changed the debate on water significantly. At the time, the EU's policies for liberalisation and open market had put water privatisation on the political agenda. Assisted by the research findings of Public Services International Research Unit (PSIRU), EPSU had already campaigned for public ownership of water in order to achieve access to water for all. With the Right2Water ECI, EPSU came together with a broad coalition of social movements and trade unions to campaign for water to be treated as a public good - a necessity for life and not a commodity to be sold for profit for the benefit of shareholders. The Right2Water ECI was therefore not only a powerful statement on the European level in that it collected nearly 2 million signatures calling for universal access to water and sanitation, but also because it assisted and united different European and even global struggles against water privatisation and for water remunicipalisation and renationalisation.

Yet in Europe there are 48 million people who do not have access to piped water at home and 31 million people in Europe don't have access to basic sanitation.¹ A global perspective makes it even more apparent how severe the problem of exclusion from water is: although the right to safe and clean drinking water and sanitation has been a human right since 2010, according to the UN World Water Report, around 2.2 billion people have no access to a safe drinking water supply. The problem is getting worse, not better. In just a few years, by 2025, it is expected that 'two thirds of the world population could face water-stressed conditions' according to the UN.²

Coming just over a decade since the ECI, this report gives an overview of some of the achievements since and due to the ECI, while also pointing to some of the key challenges that still lie ahead. The study highlights the importance of public ownership to put the human right to water agenda into practice. It thereby contributes to the human right to water debate by selecting case studies that offer important lessons for the human right to water struggles and by showcasing some of the challenges that demand the attention of labour and social movements in the near future.

<sup>&</sup>lt;sup>1</sup> https://www.unwater.org/news/equitable-access-water-and-sanitation-still-challenge-europe#:~:text=31%20 million%20people%20in%20Europe,defecation%2C%20mainly%20in%20the%20countryside

<sup>&</sup>lt;sup>2</sup> https://press.un.org/en/2016/sgsm17610.doc.htm#:~:text=By%202025%2C%20nearly%201.8%20 billion,carbon%20capture%20and%20storage%20systems





# 2. EU developments in a critical perspective

### 2.1 Drinking Water Directive

In October 2022, the European Parliament adopted a resolution of the right to clean drinking water and sanitation as a human right. The European Union's new Drinking Water Directive (EU) 2020/2184<sup>1</sup> was passed into law across the European Union in January 2023 (European Commission 12 January 2023). The directive aims to increase the quality of and access to drinking water. The fact that it specifically refers to the ECI 'Right2Water' can be celebrated as a victory by the water movements in Europe. It also welcome that the directive aims to tackle the problem of water leakage as on average 23% of treated water is lost during distribution in the EU.3

However, while this directive is a step in the right direction, it falls short of adequately enshrining the human right to water into EU legislation. The ECI, global water movements and a range of research have demonstrated that the marketisation and privatisation of water leads to water poverty, reduced access to water services and environmental problems (see also section 3). As such, the European Water Movement, of which EPSU is an active member, has formulated the following demands for the EU to action a human right to water approach, namely:

- The official rejection of quotation of water in the Stock Market and declaration of water as an inalienable common good not subject to commodification and trade;
- The inclusion of the right to water in the EU Charter of Fundamental Rights;
- The Urban Wastewater Treatment Directive must respect the human right to water and sanitation and must ensure that the chemical and pharmaceutical industries do not keep polluting our waters;
- A more complete definition of the right to water by assuring together with the universal access to water and sanitation services - affordability, a minimum individual daily quantity of water based on WHO and UN standards, prohibition of water disconnections;
- Exclusion of water from liberalisations and trade agreements.'4

Furthermore, PSIRU research points out that in order to increase access to clean tap water in Europe, it must become more affordable (Lobina 2018). Key to making water affordable is avoiding or reversing privatisation, as profits are costly and drive water prices up. As such, failing to tackle the issue of ownership means failing to tackle the risks fuelling water poverty and undermining the human right to water (Ibid.).

³ https://environment.ec.europa.eu/news/improved-quality-and-access-drinking-water-all-europeans-2023-01-12\_en

<sup>4</sup> http://europeanwater.org/news/press-releases/1102-ewm-meeting-in-brussels-final-declaration





#### **Reading recommendation:**

Lobina, E. (2018) Commentary on the European Commission's "Study on Water Services in Selected Member States". PSIRU.

#### 2.2 Wastewater Directive

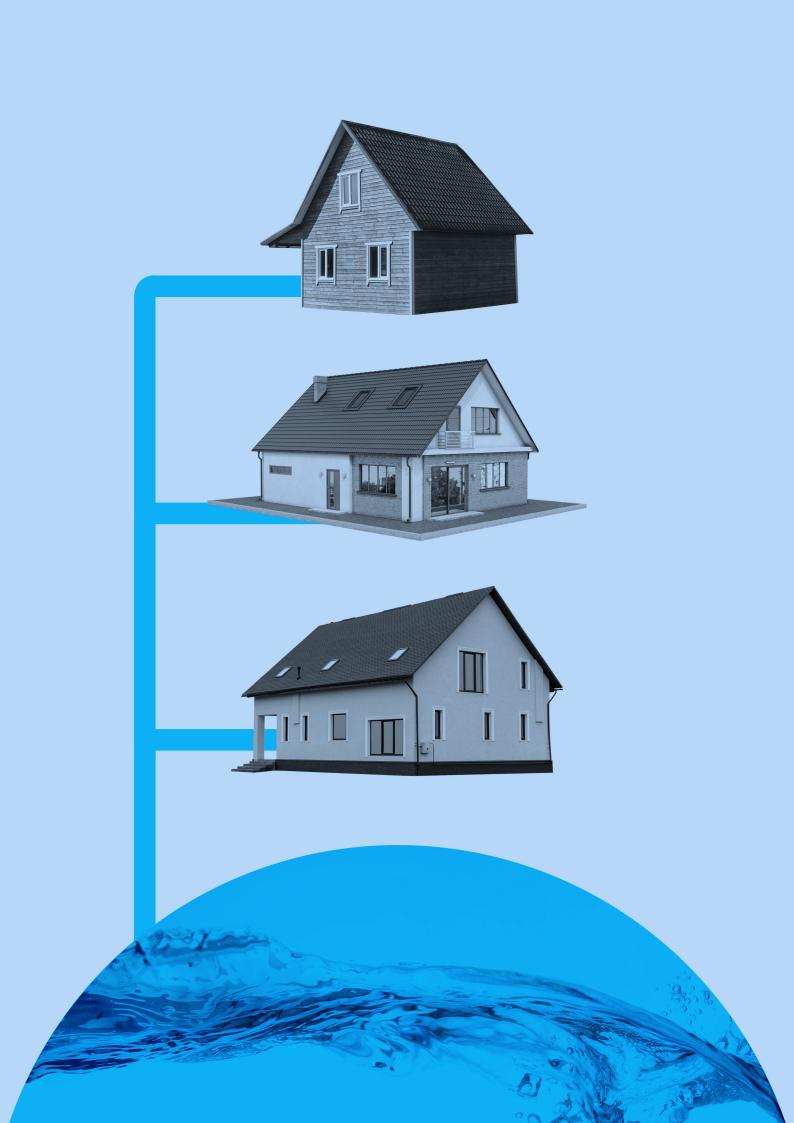
The EU's Urban Wastewater Treatment Directive (UWWTD), which aims to protect the environment from the adverse effects of urban wastewater discharges, is more than 30 years old, having come into force in 1991. As of mid-2023, the directive is undergoing revision to ensure higher standards for wastewater treatment. This demands investment in infrastructure and technologies. To finance these investments, the aim is that pulling sectors will be charged – a concept known as the 'polluters pays' principle.<sup>5</sup> However, it can be assumed that the directive will include several exemptions – ie, loopholes - that could undermine the polluters pays principle in practice. Special attention needs to be paid to what are known as 'forever chemicals' or Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS). These are chemicals found in cosmetics and textiles which end up in our water system and which can cause cancer and liver damage.<sup>6</sup> It is important that the EU's revised UWWTD ensures that PFAS will be removed from the water cycle, and that this is paid for through the polluters pay principle.

EPSU welcomes the renewal of wastewater legislation. The increased accountability is particularly welcome, as the example of the UK (see section 4.1) shows how private companies save money by not treating sewage, likely at the cost of the environment. Three out of five wastewater treatment operators in Europe are publicly owned (mostly by local municipalities). It is therefore important that the directive is adequately financed and the polluters pays principle is properly enforced so that the municipalities do not end up being unreasonably burdened. Moreover, it is important that the stricter rules on wastewater management are not used to open the door to the private sector. Rather than using the (false) argument that private sector participation is needed to attract the appropriate technology and investment required to implement the UWWTD, the public sector needs to be sufficiently resourced to put the directive into action. Furthermore, additional treatment costs must not burden water users with higher prices.

<sup>&</sup>lt;sup>5</sup> https://www.euronews.com/my-europe/2023/04/25/new-eu-wastewater-directive-makes-its-way-through-parliament-but-at-what-cost

<sup>&</sup>lt;sup>6</sup> https://www.reuters.com/business/environment/no-eu-vote-restricting-forever-chemicals-before-2025-eu-official-says-2023-05-26/

<sup>&</sup>lt;sup>7</sup> https://eurocities.eu/latest/new-urban-waste-water-directive/





# 3. Battles we won and what we can learn from them

### 3. 1 Overview: the struggle for public ownership

Many cities and municipalities in Europe successfully fought against plans for the privatisation of water and others have managed to bring back privatised water into public ownership. Yet, as the next section shows, there are continuous reoccurring threats of profit-making, and private sector participation undermines access to clean water for everyone. This section offers lessons from past victories that can be helpful for current and future struggles for the human right to water. Effort has been made to select cases that have not received wide coverage to date, have been more recent, and which offer variations across the European region.

The topic of privatisation fightbacks and water remunicipalisation in Europe has been well researched (see box). The Public Futures database is an additional resource that collects remunicipalisation cases across the world in various sectors, including water. It shows that there have been 195 cases of water remunicipalisation in Europe since 2000. However, the number of water remunicipalisation cases is likely to be far higher in reality, as not every case is recorded in the database.



#### **Reading recommendations:**

- » Bieler, A. (2021) Fighting for Water. Resisting Privatization in Europe. Zed. London
- » EPSU (2021) The Fight for the Human Right to Water in Europe. EPSU and Water is a Human right.
- » Kishimoto, S.; Lobina, E. and Petitjean, O. (2015) Our public water future. The global experience with remunicipalisation. TNI.

As some of the cases in this briefing show - eg in Greece and Portugal - a successful defense of public water or a victory of remunicipalisation is ensuring protection from future privatisation attempts, either of the same or different water services. As such, it is best to try to achieve security of public ownership for the future. Some countries, for example the Netherlands, have forbidden the privatisation of water by constitution (Hall et al. 2004). The fact that this is not contrary to any EU law makes it an example that other EU countries could follow to ensure the sustainability of public ownership and prevent future re-privatisations. Slovakia and Slovenia have similarly included the right to water into their constitution, thereby declaring water as a public good and preventing any future privatisation.<sup>8</sup>

<sup>8</sup> https://balkangreenenergynews.com/slovenia-to-hold-referendum-on-drinking-water-on-july-11/#:~:text=On%20November%2017%2C%202016%2C%20Slovenia,good%20and%20prevented%20its%20 commercialization.



### 3.2 Greece: better not to privatise in the first place

For over 10 years the water companies in Athens (EYDAP) and Thessaloniki (EYATH) were threatened with privatisation. Trade unionists and social movements fought back against it and managed to successfully resist them again and again. While attempts to privatise water in these cities were already made way before the imposed austerity after the financial crisis, the austerity measures amplified the pressure. Between 2010 and 2015, Greece was forced to enter three bail-out agreements with the Troika – the single decision-making group created by three entities, the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) – that made privatisation conditional to reduce state debts. Water services in Greece are mostly in public ownership and managed by the municipality. Only the water companies in the two biggest cities, Athens and Thessaloniki, are directly managed by the state. Both of those public companies have been very profitable and hence have been of particular interest to private capital (Bieler 2021).

The two companies had already been exposed to more marketisation in 2001, when they were transformed into commercial companies with the state as the main shareholder. This change introduced market logic into the management of the company, and staff and investment were cut dramatically. In Thessaloniki, the workforce was reduced from 700 workers to 235. The French water company Suez (now Veolia) secured a 5% stake of EYATH and since then tried to increase its share. The workers resisted the privatisation vehemently, even staging a three-day hunger strike when SUEZ first visited the company. When the Greek government announced its plans to privatise both companies in 2009, the workers occupied the main building of the company for 12 days. The privatisation never went ahead. In spring 2011, the Troika demanded the privatisation of both companies (at least 40% of EYATH and 27.3% of EYDAP with the selling of further shares envisioned in the future). This was again resisted by the workers and various social movement groups. In May 2014, water activists initiated a referendum, where 98% voted against the water privatisation. The privatisation was also challenged in the courts. While the lawsuit in Thessaloniki was dismissed on technical grounds, in Athens the Council of State ruled the privatisation to be unconstitutional. In the end, the New Democracy government suspended the privatisation. This was a major victory for the water movement (Bieler 2021).

Yet, the pressure of the Troika to privatise water and other public services was high. Eventually SYRIZA (The Coalition of the Radical Left – Progressive Alliance), who won the national elections in early 2015, signed another conditionality agreement with the Troika that put the privatisation of water back on the agenda. As part of the privatisation drive under the third bail-out agreement, the SYRIZA government had to transfer all major public companies - including EYDAP and EYATH - into a superfund to enable the administration of the privatisation. However, the workers and the citizens kept resisting the privatisation. Eventually, in July 2023, the government announced the regaining of control of EYDAP and EYATH. As such, the people managed to once again successfully fight off privatisation.

<sup>9</sup> https://www.epsu.org/article/greek-water-workers-and-water-movement-achieve-success-water-companiesreturn-state-control





Again and again, the power of the workers and citizens, backed by international solidarity, made successive governments abandon their plans to privatise water in Athens and Thessaloniki despite the heavy pressure of the Troika.

# 3.3 France: most cities are now back to public ownership in Europe's heartland of water privatisation

France is the home of one of the largest water companies of the world, Veolia. Veolia has recently merged with Suez, another French water giant, and since then its revenue and profit rates went up. France has a long and expansive history of water privatisation. In 1954 only 32% of the water sector were privatised by the year 2000 80% were in private ownership.

Then the tides started to turn. In 2001 Grenoble became the first city in France that returned their water to public ownership after over a decade of water privatisation. The water privatisation had led to a price increase of 56% between 1989 and 1995 (Binctin 2018, Hall and Lobina 2001). Soon other, mostly smaller, municipalities followed.

In 2010 a milestone was achieved when Paris remunicipalised its water. Like in Grenoble, the privatisation of water had led to major price hikes in Paris. Between 1985 and 2009 (the time of the privatisation) the water price had increased by 174%, excluding taxes, corresponding to an annual increase of 6.95%. These price increases were not only way beyond inflation but also could not be justified by the investments made during that period (Lobina et al 2021). After the remunicipalisation water prices dropped immediately. The example of Paris demonstrates that remunicipalisation offers opportunities to realise the human right to water. It points to the transformative potential of remunicipalisation, which is not an end in itself but a means towards progressive and democratic water governance (Lobina et al 2021). In 2017 Eau de Paris received the United Nations Public Service Award.

Other French cities followed and remunicipalised their water, including big cities such as Rennes, Nice and Montpellier. Between the years 2000 and 2017, 144 concession contracts in France have been reversed (Kishimoto et al. 2017). Most recently, in 2023 water was remunicipalised in Bordeaux and Lyon. In Bordeaux a 30-year long water concession contract came to an end and the city seized the opportunity to remunicipalise their water. Lyon had an even longer experience of water privatisation – water was first privatised in 1986 (MacErlean 2023). The remunicipalisation case of Lyon is especially significant as it is the second largest city in France.<sup>10</sup>

<sup>&</sup>lt;sup>10</sup> (Lyon and Bordeaux skip water privatisation • Water News Europe)





The many water remunicipalisations in France demonstrate that a reclaiming of public ownership is possible even in places where (water) privatisation is well established. The cases also point to the transformative potential of remunicipalisation. Not only can remunicipalisation lead to cheaper prices and enhance access to water, but it can also introduce a democratic and participatory water governance.

# 3.4 Portugal: remuncipalising mid-contract despite the pressure of the Troika

Like other European countries, especially Greece (see above) and Ireland, Portugal faced pressure from the Troika to privatise water. However, these privatisation attempts have mostly been resisted, especially the privatisation of Águas de Portugal (AdP) – the biggest Portuguese water company – where trade unions have been at the forefront of the struggle (Bieler and Jordon 2018). To date, most water services are directly owned and managed by the municipalities. Most municipalities buy water from AdP and some municipalities are responsible for water capture (Stadheim 2022).

Nonetheless, Portugal experienced some water privatisations on the municipal level. Quickly realising the devastating effects of privatisation, several municipalities have reclaimed their water in recent years, mainly due to the price hikes that occurred due to the water privatisations. The city of Mafra, was the first to remunicipalise its water services in 2016, eight years before the contract with the private provider expired. While the council had to pay compensation costs to the company for cancelling the contract prematurely, it worked out to be still cheaper for the council. Mafra is a conservative municipality, showing that even in municipalities that are not run by progressive parties, remunicipalisation can be achieved. After Mafra, several other municipalities in Portugal reclaimed their water services, such as Paredes, Alcanena, Fafe and most recently in Setúbal in 2022. Apart from Setúbal, all remunicipalisations occurred before the contract expiry (Interview with a trade union representative from STAL). In Setúbal water was privatised since 1997 (ie for 25 years). When the municipality finally remunicipalised its water, it managed to immediately lower prices by around 20%.



It is possible to remunicipalise mid-contract. The Portuguese cases show that one does not need to wait until the contracts with the private providers expire to return water into public ownership and that this can still work out cheaper despite compensation costs that might occur. This case also shows that remuncipalisations are possible despite donor-pressure (in this case the Troika).



# 3.5 Germany: promoting privatisation abroad but a champion of public ownership at home

While some of Germany's public municipal companies engage in the water business abroad, behaving very similarly to private companies (see Box), the country itself has mainly kept water in public ownership - though it did experiment with some privatisations, especially in the 1990s. Many of these privatisations have already been returned to public ownership. In total, the Public Futures database records 20 remunicipalisations since 2000. Often the return to public ownership was achieved through social movements, most famously in Berlin.

In 1999 Berlin had privatised its Water through a PPP contract with Veolia and RWE. These contracts had a duration of 28 years were kept secret. Later, it was revealed that while the contract had prohibited price rises until 2003, there was no price protection for the rest of the duration of the contract. Hence, after 2003 prices increased drastically – by 21% between 2003 and 2006 alone. Suddenly, Berlin had the most expensive water in the whole of Germany. This led to anger among the population. A broad civil society campaign ("Berliner Wassertisch") demanded transparency over the contracts. This then led to a campaign for the remunicipalisation of water and a successful referendum in 2011 in favour of remunicipalisation. Since December 2013, water in Berlin is again fully in public ownership. However, the city agreed to pay RWE and Veolia what they would have made in profit until the end of the contract in 2028, in total over 1.2 billion Euros (Weghmann 2020). This shows that remunicipalisation before the end of the contract can be very costly. Hence, most of the other water remunicipalisations in Germany were achieved when the contract expired. For example, in 2018 the city of Rostock overturned an important privatisation of the water company Remondis when the contract expired. The local trade unions played an important role in enabling a smooth remunicipalisation process despite fierce private sector fightback (Weghmann 2021). The latest example of remunicipalisation of water in in Germany occurred in 2022 in Weisswasser, a small city of 20,000 inhabitants in Saxony. The public utility of Weisswasser had sold off 74.9% to Veolia. When the concession ran out in 2022 the city remunicipalised its water.<sup>11</sup>



- Lobina, E.; Weghmann, V. and Nicke, K. (2021) Water remunicipalisation in Paris, France and Berlin, Germany. PSIRU.
- Weghmann, V (2021) Daseinsvorsorge und Rekommunalisierung.
  Eine Handreichung. Rosa Luxemburg Stiftung. [In German only]

<sup>11</sup> https://publicfutures.org/en/cases/1695)



# **The German Water Lobby**

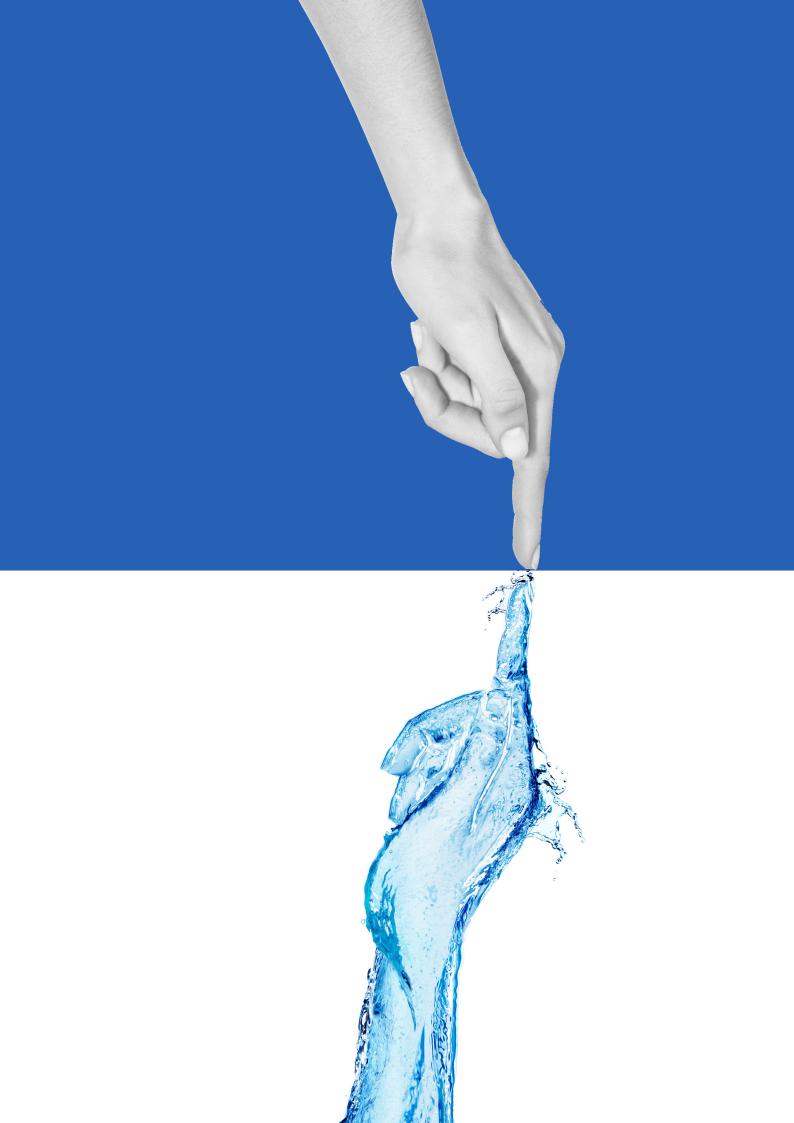
The German Water Partnership (GWP) was founded in 2008. One of the main goals of GWP is to give German companies and public utilities the opportunity to do business abroad, for example through direct public-private partnerships (PPP) and more generally the opening of foreign markets to German companies. The GWP is a lobby group that not only represents global players such as Remondis and subsidiaries of Veolia (SUEZ WTS Germany GmbH and Veolia Wastewater Germany GmbH) but also several municipal utilities and municipal water suppliers such as Hamburg Wasser, Hanse Wasser (Bremen), Berliner Wasserbetriebe (BWB), Oldenburg-Ostfriesischer Wasserverband and Stadtwerke Ettlingen.

It is illegal for German utilities to do business abroad as they are not allowed to spend any local revenues funds from their customers outside of their service area. However, there is a loophole which has been encouraged by the GWP, namely via subsidiaries. For example, Hamburg Wasser - which is 100% owned by the city of Hamburg and which prides itself for being one of the oldest public utilities in Europe - has engaged heavily with the GWP. Its former CEO, Michael Beckereit, has been the president of the GWP since it was founded in 2008 and he is still on the GWP's board. Hamburg Wasser thus exemplifies a model that enables German public utilities to profit from water business abroad, namely through subsidiaries. Hamburg Wasser's subsidiary Consulaqua, can operate abroad. Consulaqua is responsible for the financial aspects of the contracts, while the experts from Hamburg Wasser oversee the actual services. Most of Consulaqua's international projects are financed by the German Association for International Cooperation (GIZ) and the development bank, Kreditanstalt für Wiederaufbau (KfW) or the World Bank. In other words, aid money is used to facilitate business opportunities abroad for German public utilities (Weghmann 2021).

The GWP is openly advocating public-private partnerships (PPPs) and the opening of foreign markets to German companies. For example, the GWP and the GIZ facilitated German PPPs to manage and operate the water, wastewater and watering system of Egypt's New Administrative Capital. Everywhere else in Egypt, the water and wastewater services are publicly owned and operated. However, in the New Administrative Capital - a smart city which will be the home to approximately 6-7 million people - water management is now privatised (Weghmann 2021).



The German example highlights the hypocrisy and contradictions in the struggle for public water. Water has mostly remained in public ownership in Germany. In many municipalities, where water was privatised there is now a turn towards public ownership upon contract expiry. At the same time, GWP advocates abroad for water privatisation and facilitates that German municipalities to make profits from water business in other countries.





# 4. Battles we are still facing

#### 4.1 Overview

Water in Europe is still exposed to marketisation and privatisation initiatives. As the examples in this section demonstrate, some countries (UK) and municipalities (such as Marseille) are continuing with the privatisation of water management. However, the future battles will not be about the delivery of water but rather about water resources. With increasing droughts and water shortages in Europe and globally, this is where the private sector aims to make a profit out of scarcity. Water resources will be under constant threat of marketisation. Rivers, reservoirs and water desalination plants will be targets for PPPs.

This means that water grabbing will take many forms in the future. Water grabbing can be understood as 'the process in which water resources are expropriated by capital to expand accumulation to the detriment of local communities' (Bieler and Moore 2023: 2). Water is thus no longer seen as a public good, but as a commodity. Water grabbing comes in many forms, such as privatisation of water and sanitation infrastructure; commodification of water for beverages; and water enclosures for energy production and mining projects (ibid.)

### 4.2 The UK: the failure of privatisation and polluted rivers

The UK is the only country in the European region that sold all its water assets outright and not just on a concession basis for the duration of a contract. The privatisation took place in 1989 under the Thatcher government, when the until then publicly-owned water and sewage industry in England and Wales was sold for £7.6bn.

The privatisation has been very lucrative for shareholders, but expensive for water users. In the 34 years of water privatisation, water companies have paid out £2bn dividends to shareholders on average every year. At the point of water privatisation, all the water companies were debt-free. Now, the water companies have accumulated debts of £60.6bn, according to Ofwat. Thames Water alone has debts of approximately £14 billion, around 80% of the value of the assets of the business. The handsome pay-outs financed by debt have meant that water users are paying the price. On average 20% of bills go into towards servicing debt or paying out dividends. To put it differently, this means that since the privatisation, real prices have increased by 40% To put it differently, this means that since the privatisation, real prices have increased by 40% To put it differently.

Contrary to the neoliberal belief that privatisation leads to investment from the private sector, the UK case shows that privatisation has only led to money being taken out but not put in. Research shows that that any investment that does occur is almost entirely financed through income from customers (Yearwood 2018).

The British population suffering through price hikes and increasing water poverty was not the only negative consequence of the privatisation (Lobina 2019). The privatisation of water in the

<sup>12</sup> Down the drain: how billions of pounds are sucked out of England's water system | Water | The Guardian

<sup>&</sup>lt;sup>13</sup> https://www.neweconomybrief.net/the-digest/thames-water-and-the-ownership-of-utilities

<sup>&</sup>lt;sup>14</sup> Down the drain: how billions of pounds are sucked out of England's water system | Water | The Guardian

<sup>15</sup> Thames Water faces resistance in £1bn investor cash call, says Ofwat chief | Financial Times (ft.com)



UK turned out to be an environmental disaster too. Rivers and the sea have been constantly polluted for years. Data from the Environment Agency revealed that raw sewage has been pumped into England's rivers and seas at least 301,091 times last year - an average of 824 times a day. 16

This has renewed calls for public ownership. The British public has been against the privatisation of water since the idea was first introduced<sup>17</sup> – and this has not changed. On the contrary, a YouGov poll from last year (September 2022) found that 63% of the population believes water should be "entirely in the public sector". <sup>18</sup>



- Hall, D. (2022) Water and sewerage company finances 2021: dividends and investment and company attempts to hide dividends. PSIRU.
- Yearwood, K. (2018) The privatised water Industry in the UK. An ATM for investors. PSIRU.
- » Bayliss, K. and Hall, D. (2017) Bringing water into public ownership: costs and benefits. PSIRU.
- » Lobina, E. (2019) UK Strong and weak lock-in of water governance outcomes in England. In Porcher, S., Saussier, S. (Eds): Facing the Challenges of Water Governance. Palgrave Studies in Water Governance: Policy and Practice. Basingstoke and New York: Palgrave Macmillan, pp. 155-188.

### 4.3 France: the failed remunicipalisation of Marseille

Unlike other cities and municipalities (see section 3.3) Marseille did not take back water into public ownership in 2013 when there was an opportunity. The municipal councillors, under the influence of the mayor, voted by an overwhelming majority to renew the contract with Société des Eaux de Marseille (SEM), a subsidy of Veolia, for another 15 years. This was despite grassroots mobilisation (Sprong and Sink 2019). Marseille is the third-largest urban area in France (behind Paris and Lyon) and therefore represents a very lucrative contract for Veolia. Of symbolic significance is also that Marseille headquarters the World Water Council. The taking back of public ownership in Marseille is particularly difficult as privatisation of public services are deeply ingrained in the fabric of the city. Water as well as other key services have been managed by private firms for as long as anyone can remember. Veolia has provided the water and sanitation services since the late 1800s (Sprong and Sink 2019). Veolia/SEM has also considerable political influence as it has been supported by the mayors and also sponsors various sports clubs and cultural activities (Ibid.)

<sup>&</sup>lt;sup>16</sup> Sewage spills fall by nearly a fifth, but it's 'not down to water firms' actions' | UK News | Sky News

<sup>&</sup>lt;sup>17</sup> https://www.theguardian.com/commentisfree/2022/aug/16/i-worked-on-privatisation-england-water-1989-failed-regime

<sup>18</sup> https://yougov.co.uk/topics/politics/articles-reports/2022/10/19/most-britons-believe-trains-water-and-energyshoul



However, there is a new opportunity for remunicipalisation of the water in Marseille coming up when the contract expires in 2028 with the municipal elections the year before, in 2027. As such, Marseille is a space to watch in the next few years in the struggle for public water in France. However, in the absence of a scandal, the battle for public ownership in Marseille will not be an easy one. An active local civil society will be needed backed by national and international solidarity to achieve a victory for public water (Spronk and Sing 2019).

Long standing privatisations might be harder to reverse than situations where private sector participation in water services is a relatively new phenomenon. When water companies have managed to become embedded into the social fabric (for example by building strong ties with local politicians and sponsoring community and sports events) the struggle for public ownership might not be obvious to many people of the public. An opportunity to reclaim this symbolically powerful water contract into public ownership is coming up in Marseille when the contract expires in 2028. To achieve that urgent action is needed.



- Reading recommendation:
- » Spronk, S.J. and Sing, E. 2019. The struggle for public water in Marseille, France. Water Alternatives 12(2): 380-393

# 4.4 Portugal: dehydration, droughts and why privatisation is not the answer

While Portugal has experienced negative experiences with the privatisation of its water services (see above) and successfully defended the water privatisation of its main water company, privatisations are on the horizon in Portugal's water sector when it comes to water desalination. Portugal, especially the South, is facing severe problems with droughts and water shortages. In April 2023, 89% of the mainland experienced drought, of which 34% suffered from severe and extreme drought. April 2023 was the third-driest month since 1931. In some regions did not rain for many months (European Parliament 02.06.2023).

To counter the water shortages, water distillation plants are built in the South of Portugal through PPPs. The government has announced that at the end of 2023, it will tender the construction of a of a new seawater desalination plant that will be built in Albufeira to provide water for the Algarve area. However, seawater desalination is an environmentally harmful process as it is a high-energy activity and it creates a lot of polluted water that is usually reversed back into the sea. According to the UNDP, for every litre of potable water created through water desalination there is around 1.5 litres of waste liquid which are polluted with chlorine and copper. If this toxic brine is pumped back into the sea, it depletes oxygen and impacts organisms along the food chain (UNDP 02 May 2019).

Privatisation of water through privately owned desalination plants is a global trend, as water desalination is a growing business. According to a 2019 study, there are now almost 16,000 desalination plants operating in 177 countries (Jones et al. 2019).





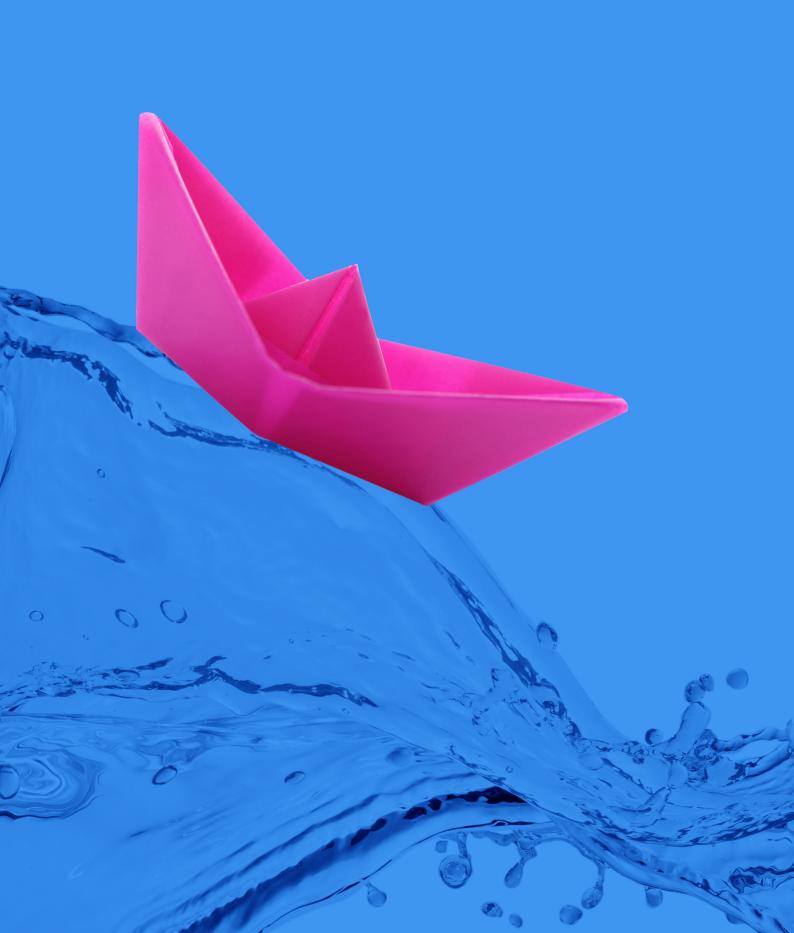
The future battles over water privatisation will be over water resources. They may be large PPPs for water desalination plants, over reservoirs, hydropower plants or unspoiled rivers. This is a space trade unions and social movements need to watch carefully.

### 4.5 Bottled water and the battle over drinking water

The battle for the human right to water and for access to clean tap water for all is interconnected with the fight against the upsurge of the bottled drinking water industry. The rise of plastic from bottled water has been significant in recent years. Over 481 billion single-use plastic bottles are disposed annually on a global scale. This is an enormous amount of plastic waste that contributes to the rising maritime pollution and, through its incineration, rising CO2 emissions. The production of bottled water also demands a lot of energy. Its energy footprint is around 2,000 times higher than tap water (Jaffee and Newman 2013). Plastic production is linked to extractivism. Around 8% of global oil consumption is used for the production of plastic alone. As such, the fight against bottled water addresses several climate change challenges simultaneously.

The bottled water industry is thereby benefitting from the decline in the public trust in tap water. In the US, scandals connected to the privatisation of water led to a rise in the consumption of bottled water, which overtook all other soft drinks in 2016. The failure of water privatisation is leading to a rise in bottled water – in that sense, one form of water grabbing is leading to the rise of another (Jaffee and Case 2018).

<sup>19</sup> https://habitsofwaste.org/call-to-action/plastic-bottles/





## 5. International Outlook

# 5.1 The UN: enshrining the human right to water or furthering marketisation?

In the early 1990s, in the Dublin Principles of 1992, the UN advocated for the marketisation of water, stating that water "has economic value in all its competing uses and should be recognised as an economic good" (United Nations 1992).<sup>20</sup> Hence, the UN's official recognition of water as a human right in 2010 was celebrated as a major victory for water justice advocates (Lederer 2010).

However, water injustices are still manifold. Currently, 30% of people worldwide - more than two billion people - lack access to safe water at home.<sup>21</sup> Even more people - 3.6 billion - don't have access to safe sanitation. 80% of all wastewater is currently disposed untreated into the environment (Heller et al. 2023). With this backdrop, the UN initiated the first UN Global Conference on Water in 46 years in New York in March 2023.

At this conference, however, powerful actors called for the marketisation of water and the increased involvement of the private sector. The Global Commission on the Economics of Water (GCEW), involving among others the influential economist Mariana Mazucatto (author of the book 'The Entrepreneurial State') and Ngozi Okonjo-Iweala, the Director General of the World Trade Organization wrote a report launched at the UN Global Conference on Water that proposes a fundamental market approach to tackle global water challenges (Heller et al. 2023). While the report, "Turning the tide: a Call to Collective Action", uses the language of progressive movements, among its key recommendations is that 'we must cease underpricing water'. Further, it suggests establishing 'just water partnerships' with the private sector – in other words, a rebranding of PPPs.<sup>22</sup> It is recycling old arguments of the World Bank that for decades has argued for pricing water at its "true value," thereby turning water users into customers to achieve "full-cost recovery" (Jaffee 2020). By including guaranteed profit margins, secured by substantial increases in water bills, water thus becomes a lucrative business opportunity (lbid). While the 2023 "Turning the Tide" report draws on the concept of the commons, it – instead of the progressive understanding of the commons that rejects a capitalist logic - argues that market mechanisms are needed to treating water as a global common good (Heller et al. 2023).

The "Turning the Tide" report therefore ignores the lessons that can be learnt from case studies across the world (Heller 2022) which have demonstrated the negative outcomes of water privatisation as well as research which showed that access to water and sanitation in the Global North as well as in the Global South has not been achieved through private investment but through public and community-based systems and through public finance (Hall and Lobina 2012). This is a fact that has even been accepted by the World Bank (Foster et al. 2010). The recent example from rural India's fast access to water demonstrates this once again (see Box).

<sup>&</sup>lt;sup>20</sup> https://www.gdrc.org/uem/water/dublin-statement.html#:~:text=defined%20by%20them.-,Principle%20 No.,sanitation%20at%20an%20affordable%20price

<sup>&</sup>lt;sup>21</sup> https://blogs.worldbank.org/opendata/world-water-day-two-billion-people-still-lack-access-safely-managed-water

https://turningthetide.watercommission.org/?utm\_source=UN+2023+Water+Conference&utm\_campaign=c04df45dfa-EMAIL\_CAMPAIGN\_newsletter\_oct\_2021\_COPY\_01&utm\_medium=email&utm\_term=0\_33a4ec1dd6-c04df45dfa-223352831





» Heller, L. et al. (2023) What water will the UN Conference carry forward: a fundamental human right or a commodity?. The Lancet.



Documentary recommendation: Up to the last drop: The secret water war in Europe

### India

Har Ghar Jal (translation: Water to Every Household)

India's Har Ghar Jal initiative shows that through public investment it is possible to achieve access to water on a large scale. While India is currently ruled by Modi's BJP neo-fascist government, India offers a lesson in how to achieve universal access to water through public ownership. It's a lesson that social democratic countries across the world can learn from.

In 2018, 44% of India's rural population lacked access to drinking water sources on their premises. Rural India is the home of over 908 million people,<sup>23</sup> almost the same as the population of Europe with Russia and Turkey included.<sup>24</sup>

In August 2019, the Har Ghar Jal scheme was launched with the aim to connect every rural household with affordable and regular access to safe drinking water through taps by 2024.<sup>25</sup> Four years later, the numbers have been impressive: as of August 2023, 96 million households have been connected. This has been achieved in a tremendous speed: in 2023 so far, on average, one tap connection has been provided every second.

While the 2024 goal will be missed, it is estimated that by March 2024 75% of rural households are likely to have a water connection. India has invested INR 3,600 billion (US \$43,62 billion) into this mission. It has been financed entirely by public money from the central government, while India's federal states have been part of the planning and implementation. This shows that big infrastructure projects implementing the human right to water are possible without private sector involvement. In fact, according to the Indian government, this initiative is actually saving India money – thereby actually paying for itself – as it saves money the government loses through Disability Adjusted Life Years (DALYs). DALYs are the sum of the years of life lost to due to premature mortality.

<sup>&</sup>lt;sup>23</sup> India Rural Population 1960-2023 | MacroTrends

<sup>&</sup>lt;sup>24</sup> https://www.worldometers.info/world-population/population-by-region/

<sup>&</sup>lt;sup>25</sup> JJM Dashboard (ejalshakti.gov.in)

<sup>&</sup>lt;sup>26</sup> No Har Ghar Jal by 2024: Report (thewire.in)



### **5.2 Water Operator Partnerships (WOPs)**

Water operator partnerships (WOPs) are peer-to-peer partnerships in water and sanitation on a not-for-profit basis, and thus supposedly fundamentally different from PPPs. WOPS were initiated by the UN Advisory Board in 2006. The implementation of WOPs is overseen by the Global WOPs Alliance (GWOPA), established in 2009 as a program of UN-Habitat. The original WOPs were a form of Public-Public Partnership (PuP), defined as 'a collaboration between two or more public authorities or organisations, based on solidarity, to improve the capacity and effectiveness of one partner in providing public water or sanitation services' (Hall et al. 2009: 2). Since then, the World Bank has started to support WOPs, a donor agency with a long history advocating for private sector participation at every arising opportunity (see above).

Previous PSIRU research has warned against the inclusion of the private sector into WOPs, as private companies could use WOPs as a marketing opportunity and an access point to subsequently obtain profitable contracts, potentially also undermining opportunities for PuPs (Hall et al. 2009). Indeed, research has shown that WOPs in Latin America and the Caribbean have been used as 'policy vehicles' to promote an agenda of PPPs and business opportunities (Terhorst 2012). Beck (2023: 192) finds that in international water policy circles 'WOPs are increasingly framed as a vehicle to prepare water utilities for infrastructure finance, including from private sources'.

# 5.3 Aid and trade as vehicles for private sector involvement in water management

For decades the neoliberal idea of 'state failure' in the Global South has facilitated private sector involvement through aid, loans and trade. One paradigm followed the other from 'structural adjustment' and 'participation' to 'good governance' and 'poverty reduction', all advocating for better (water) management through more private sector involvement and further marketisation (Bakker 2013). As such, aid agencies were encouraged to partner up with private companies, thus facilitating access for private companies (Büscher 2021) – in other words, brokering privatisations. National and international financial institutions, notably the World Bank and the IMF, were highly influential in driving this neoliberal agenda in water management. The latest privatisation drive is coming through the World Bank's Green Structural Adjustment (Bigger and Webber 2021).

Swyngedouw (2005) has shown that active state intervention is essential to facilitate privatisation. The examples are manifold and detailed studies have documented the process of using aid for facilitating water privatisation. A recent PhD study analysed the Mozambican-Dutch water aid relationship which subjected water to market mechanisms in Mozambique and how these processes were deeply entangled with global capitalism (Büscher 2021).



- » Büscher, C. (2021) WATER AID AND TRADE CONTRADICTIONS Dutch aid in the Mozambican waterscape under contemporary capitalism. PhD Thesis. SOAS.
- » Jaffee, D. (2020) "Enclosing Water: Privatization, Commodification, and Access." 303-323 in Katherine Legun, Julie Keller, Michael Bell, and Michael Carolan (eds.), The Cambridge Handbook of Environmental Sociology (Vol. 2). Cambridge: Cambridge University Press
- » Bakker, K. (2013) Privatizing Water: Governance Failure and the World's Urban Water Crisis, Ithaca, NY: Cornell University Press.





# 6. Conclusion: 10 years right to water, 10 lessons that we learnt

### 1. Universal access to water and sanitation in Europe requires proper public financing.

The renewed Drinking Water and Urban Wastewater Treatment Directives are a step into the right direction. However, to achieve the universal access to water, large investments are needed to connect the 31 million people in Europe that still do not have access to clean tap water at home. In this regard, Europe can learn from India where in just four years and in the middle of the pandemic (between 2019 and 2023) 96 million households (many of which house several people) have been connected to tap water in rural India. This impressive step towards making water a human right in reality not just in words was only possible as it was publicly financed and managed locally by the municipalities themselves, without the obstruction of private sector profit making.

# 2. Sewage is polluting Europe's rivers and seas. Public financing is needed to prevent even more environmental harm.

More than 30 years after its inception, the Urban Wastewater Treatment Directive is overdue revision. The fact that the EU is aiming for more accountability for polluters is positive. Thankfully, wastewater treatment in Europe is mostly in public ownership. But where it is not the consequences have been environmentally devastating. This is clearly shown in the UK where water privatisation led to a system where raw sewage is released into the sea and rivers every single day – creating great environmental harm and an increasing public health threat.

#### 3. The best privatisations are those that are avoided.

Across Europe, social and labour movements have successfully fought back against privatisation. Having learnt from international lessons, citizens have been very aware of the risks of privatisation (including higher water prices and thus increased water poverty, decreased investment, and environmental damage, all while shareholders continue to benefit) and mobilised across Europe to prevent it. Local examples are found in almost all European countries. Countering the pressure of the Troika, people organised to defend public water in Portugal, Greece, Italy and Ireland. The examples, of Athens and Thessaloniki demonstrate the innovative means of the labour and social movements to successfully fight against the privatisation of water again and again.

## 4. Remunicipalisation becomes more difficult when private companies have built strong links with the community.

Long standing privatisation might be harder to reverse than when private sector participation in water services is relatively new. For example, in the case of Marseille,



water companies have managed to become embedded into the social fabric (for example by building strong ties with local politicians and sponsoring community and sports events), therefore the struggle for public ownership might not be obvious to many members of the public.

### 5. But water privatisation can be reversed, even in places where it does not seem possible.

France, host to one of the world's biggest water multinationals (Veolia) and in many ways the heartland of European water privatisation, has now become the champion of water remunicipalisation. The case of Paris in particular, but also water remunicipalisation in other French cities, offer a glimpse into the transformative potential of remunicipalisation – a means to not only achieve cheaper prices but also more participatory and democratic governance structures. It is usually harder to remunicipalise mid-contract, hence the vast majority of remunicipalisations are achieved when contracts expire. However, the example of Berlin and the remunicipalisation cases in Portugal show that it is possible to break contracts and that it can be financially worthwhile to terminate the contract early. Even if compensation costs occur, the social and economic costs of continued privatisation are far greater.

#### 6. There is a danger of public utilities behaving like private companies abroad.

Germany has mainly kept water in public ownership and where it did experiment with privatisation, social and labour movements along with local politicians successfully achieved remunicipalisation. Yet, some municipalities in Germany, using legal loopholes, engage in profit making water business activities abroad, despite them actually being prohibited to do so by law.

#### 7. Neo-colonial dynamics facilitate water privatisation abroad.

For decades, the neoliberal idea of 'state failure' in the Global South has facilitated private sector involvement through aid, loans, and trade. For example, European aid agencies are encouraged to partner up with private companies, thereby brokering access for private companies. Also, Water Operator Partnerships (WOPs), peer-to-peer partnerships in water and sanitation on a not-for-profit basis, are at times used to facilitate business access for the private sector in countries of the Global South. However, the example of India shows that countries of the Global South can make rapid progress in achieving universal access to tap water by precisely avoiding both donor involvement and privatisation, as the two often come together.

### 8. Water grabbing comes in many forms. The struggle over water is entering new and intensified terrains.

Water grabbing, the expropriation of water by capital to the detriment of local communities, will intensify the scarcer water becomes. It is a viscous circle of capital accumulation. The less there is, the more money can be made from it. With increasing droughts and water shortages in many European areas, private companies will try to get a share of the pie (or water) wherever they can. Whether through large PPPs for water desalination plants, large reservoirs, hydropower plants or unspoiled rivers. This is a space trade unions and social movements need to watch carefully.

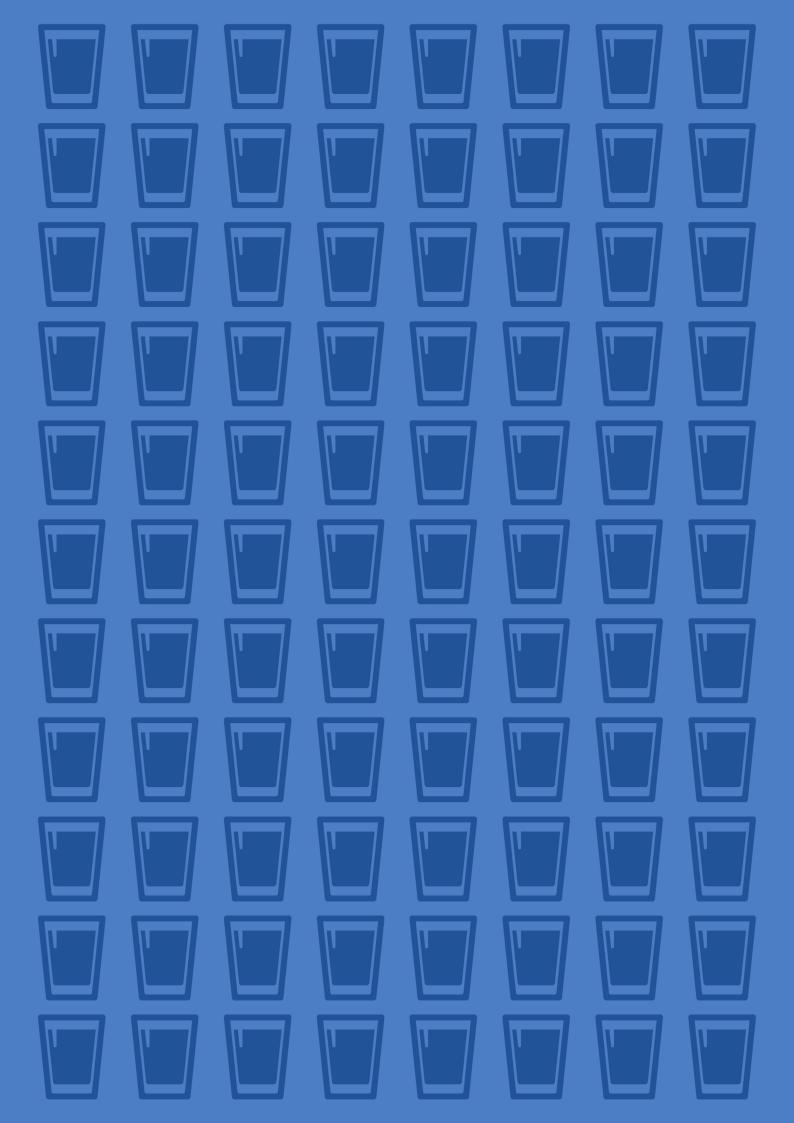


#### 9. Bottled water is marketisation of water in heightened form.

It is paradoxically connected: the less the public trusts tap water, not at least due to failed privatisation that caused public health risks, the more money can be made out of bottling water up. In the US, scandals connected to the privatisation of water led to a rise in the consumption of bottled water. Bottled water is also on the rise in Europe. Bottled water is not only a heightened form of water marketisation but it is also much more environmentally damaging than drinking tap water: the plastic waste pollutes the sea, or when incinerated, the air; a lot of energy is needed to produce the bottles in the first place; and a staggering 8% of all oil is used for plastic. There is thus a direct link between bottled water and extractivism of water and oil.

### 10. The UN Global Conference on water in 2023 is a platform for more water marketisation.

When the UN officially recognised water as a human right in 2010, that was celebrated as a major victory for water justice advocates. Yet, despite the promising outlook, the UN Global Conference on water this year proved to be another platform for the marketisation of water. Using new and often even progressive language, influential actors have used this conference to put forward a fundamentally market driven approach to tackle global water challenges.





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