

**Beyond Privatization:**  
*North-South privatization experiences in dialogue*

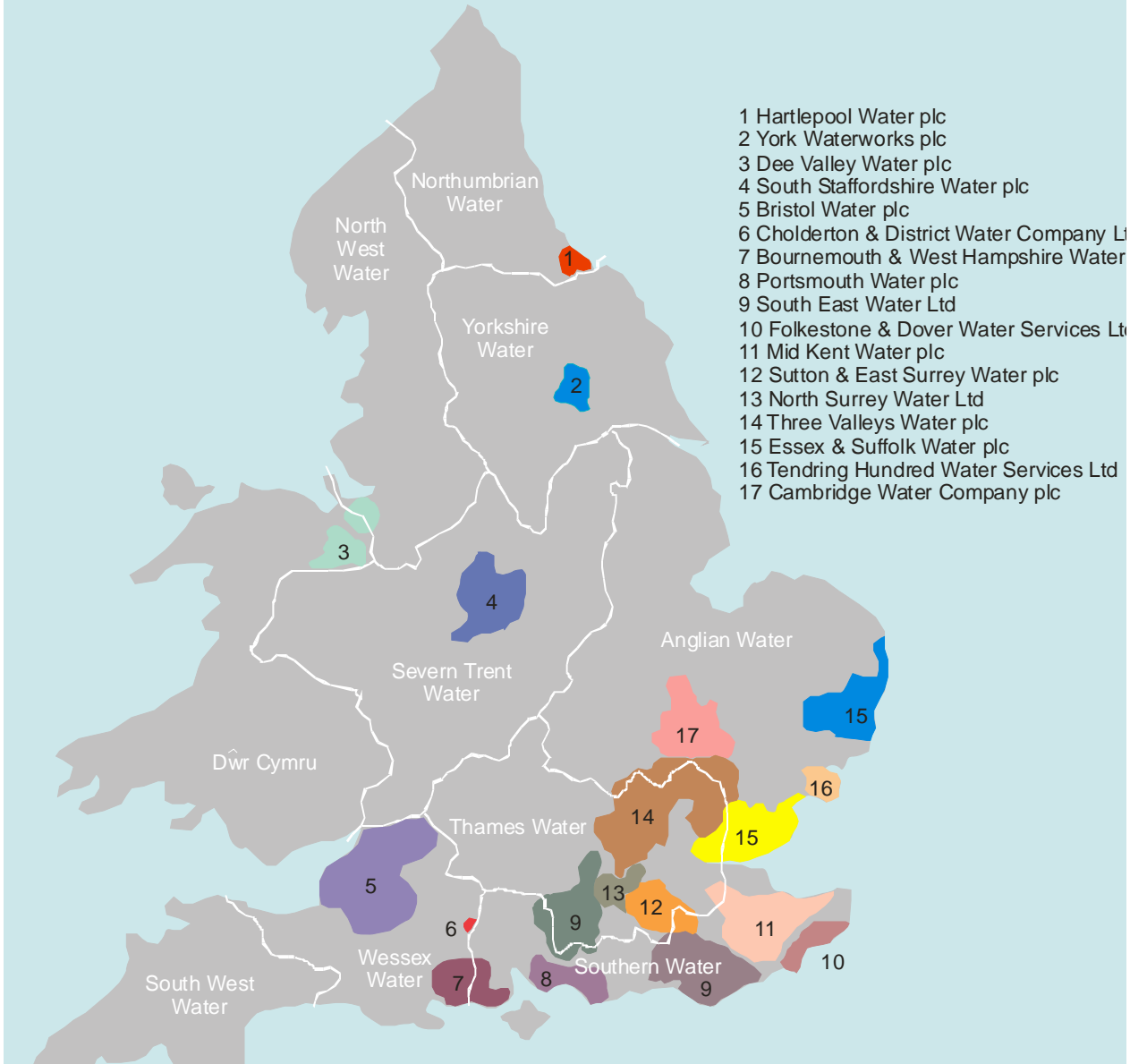
Karen Bakker

*Director, Program on Water Governance*

*Associate Professor, Department of Geography*

*University of British Columbia*

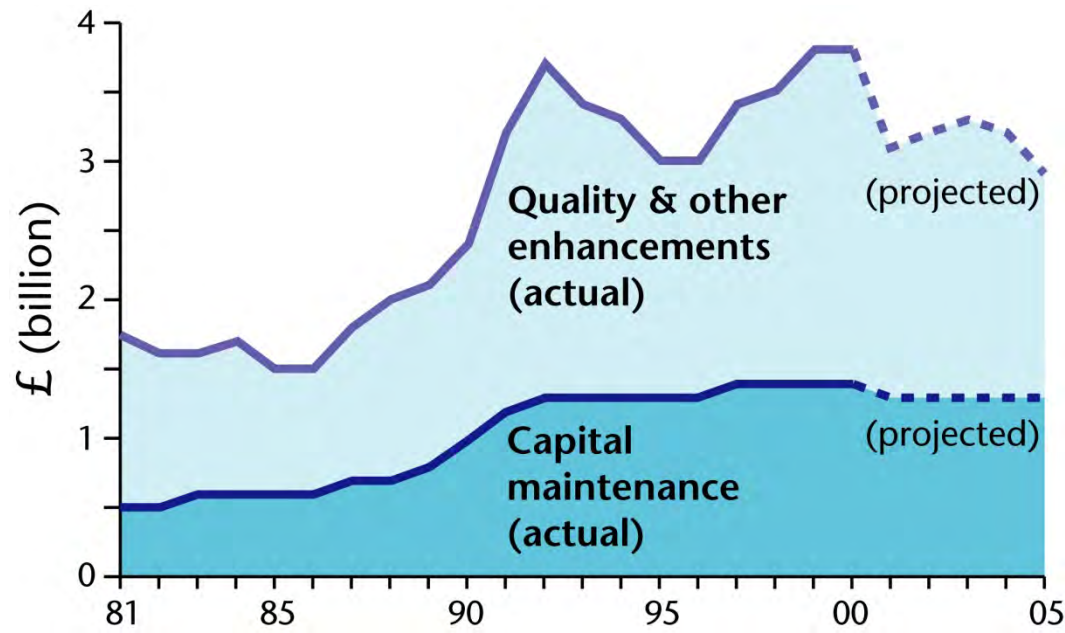
# Water and Sewerage Companies and Water-only Companies, England and Wales, 1999



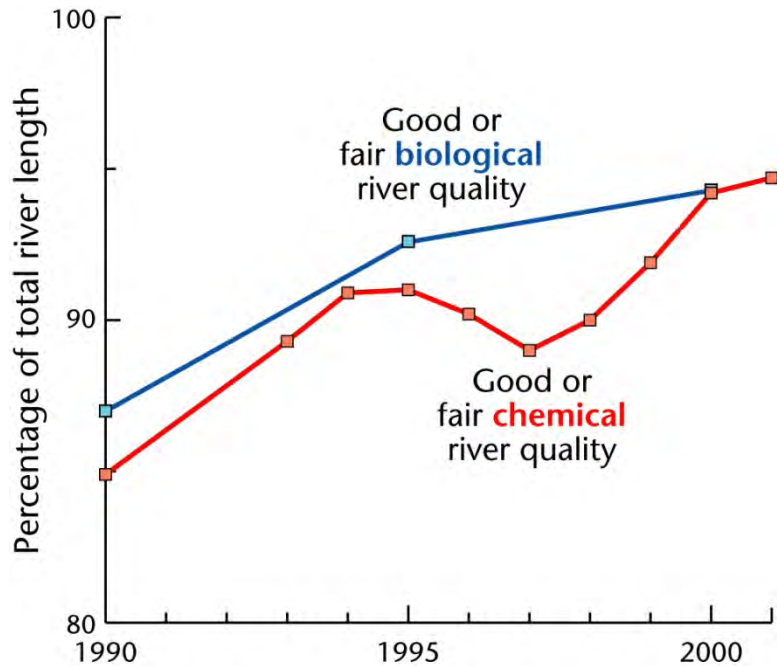
# Assessing Privatization: The Case of England and Wales

Privatization in 1989 promises:

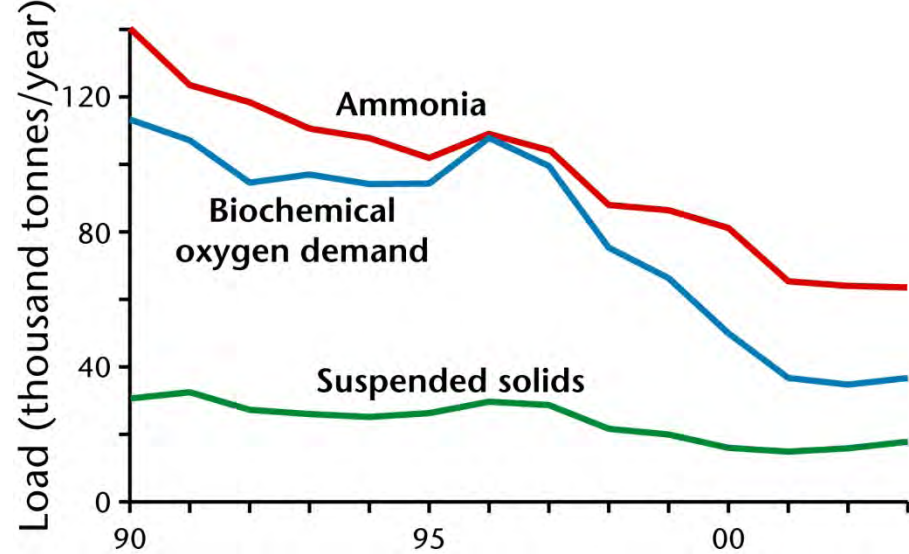
1. Increased capital investment
2. Improved water quality
3. Lower prices
4. Higher efficiency
5. Better accountability



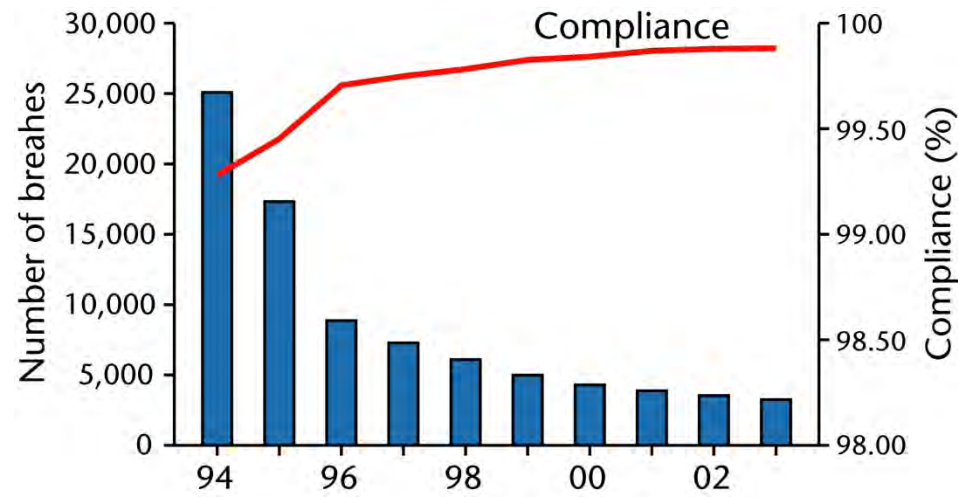
## Reduced discharges



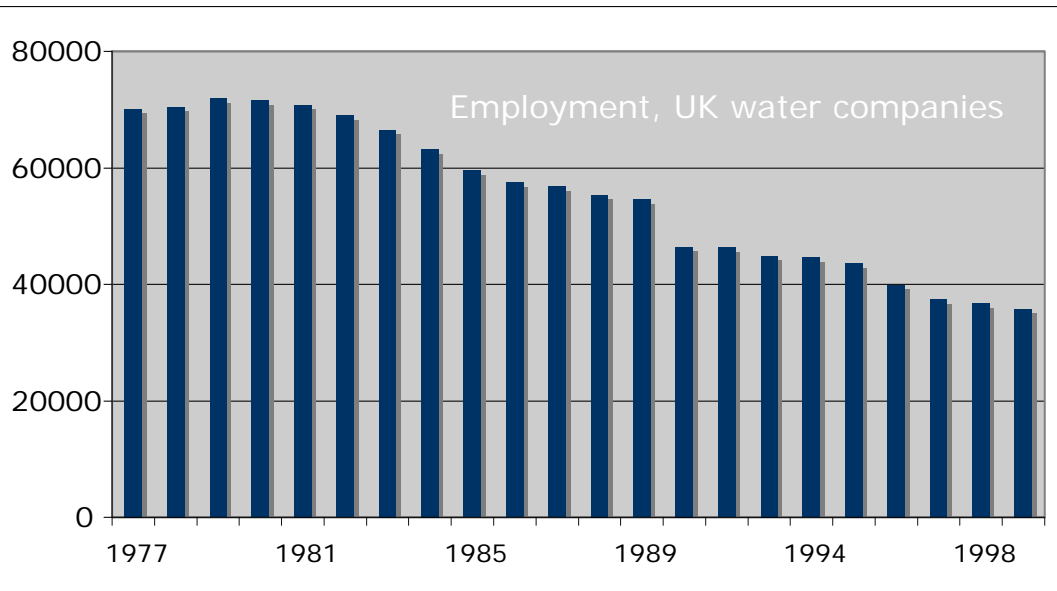
*Increased compliance with drinking water quality standards*



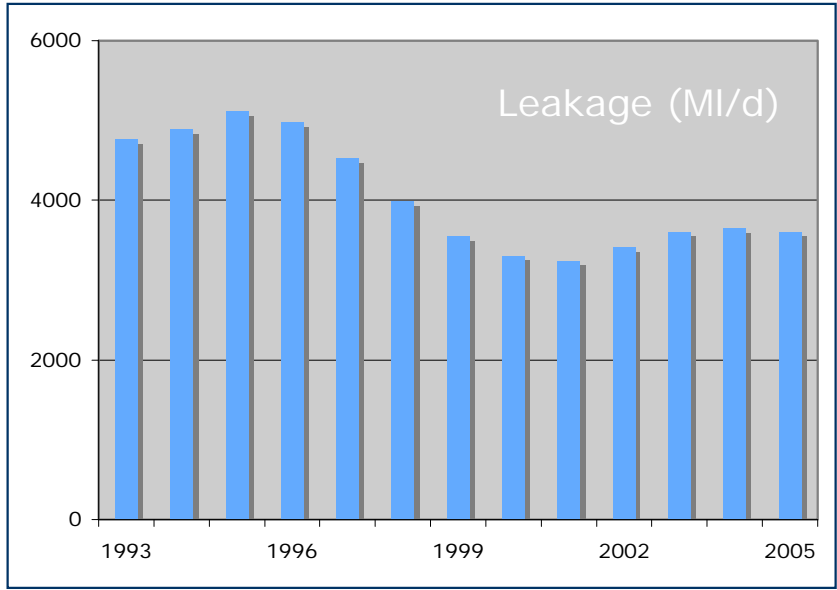
## Better river water quality

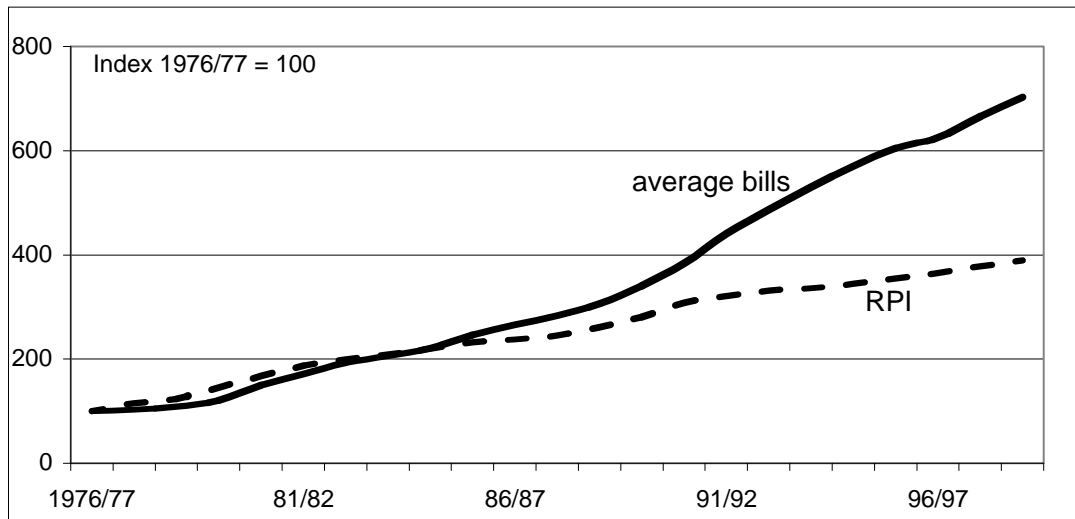


# Increased efficiency?

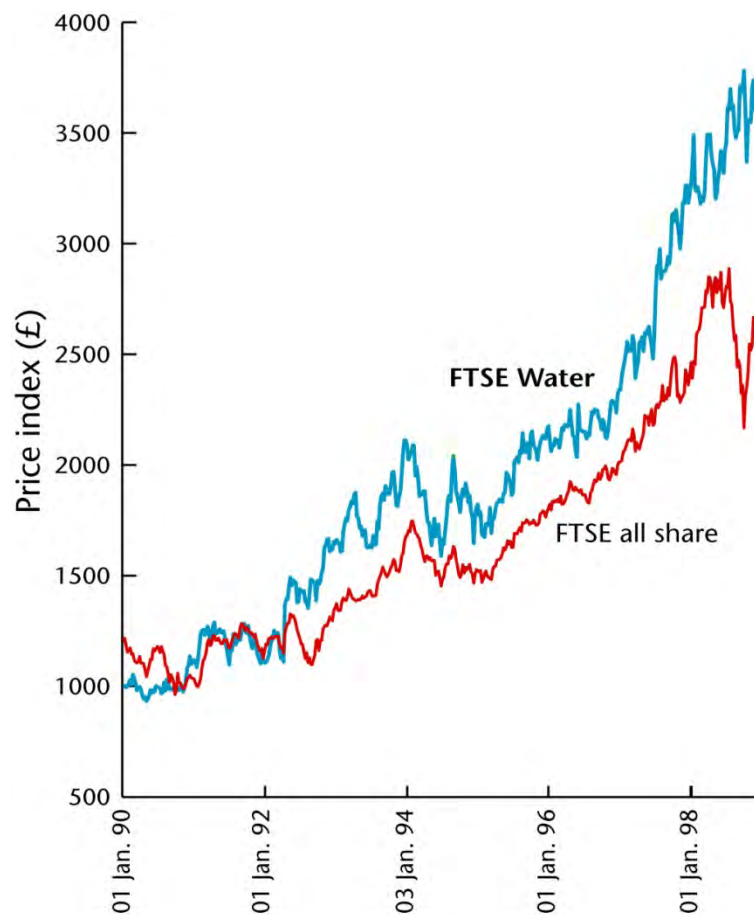


Average leakage rate UK (2005): 24%  
Netherlands (2003): 5.4%



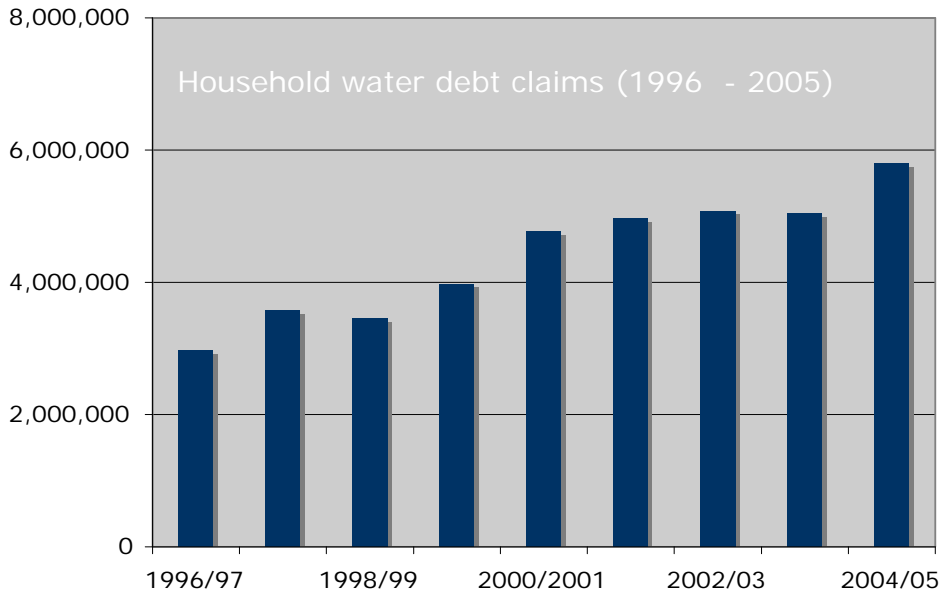


*Bills increase rapidly...*



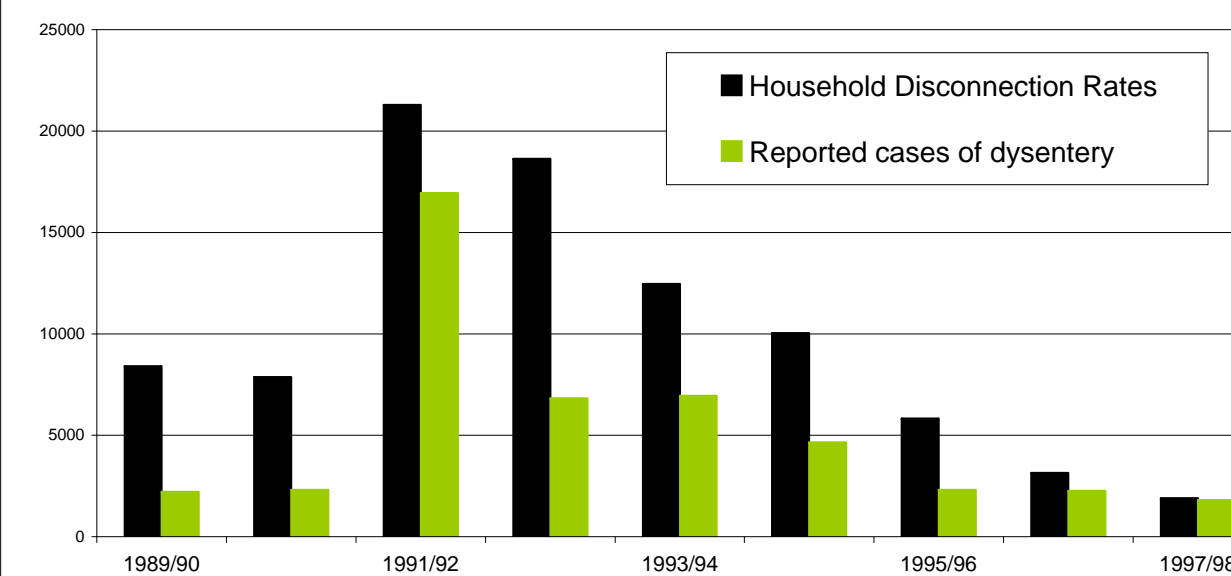
*...and so do share prices*

# Water poverty and public health



22% of households in 'water debt' (2005)

...suspected link between water poverty, disconnections and disease



# Privatization does not necessarily...

- Maximize efficiency

Requires effective regulation and correct incentives

- Lower prices

Depends on investment, cost of capital, rate of return

- Enable affordable finance

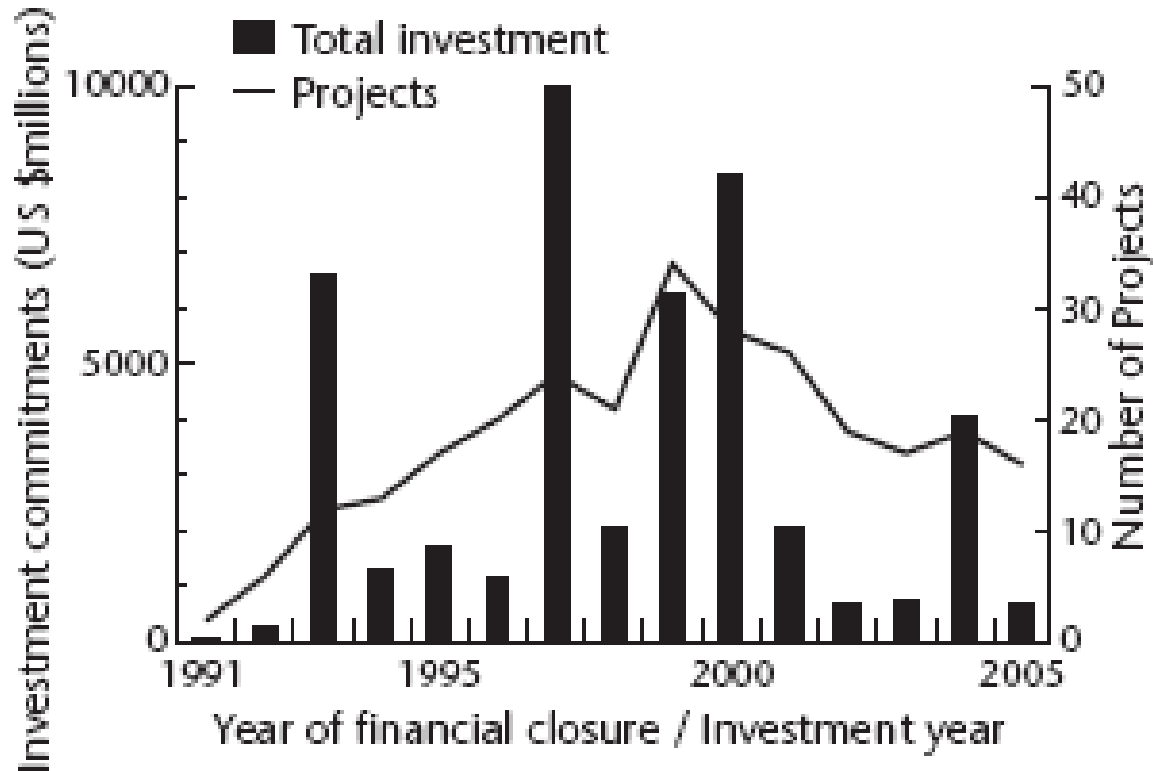
Profit and risk raises cost of capital

- Improve governance

Attenuated accountability and commercial confidentiality

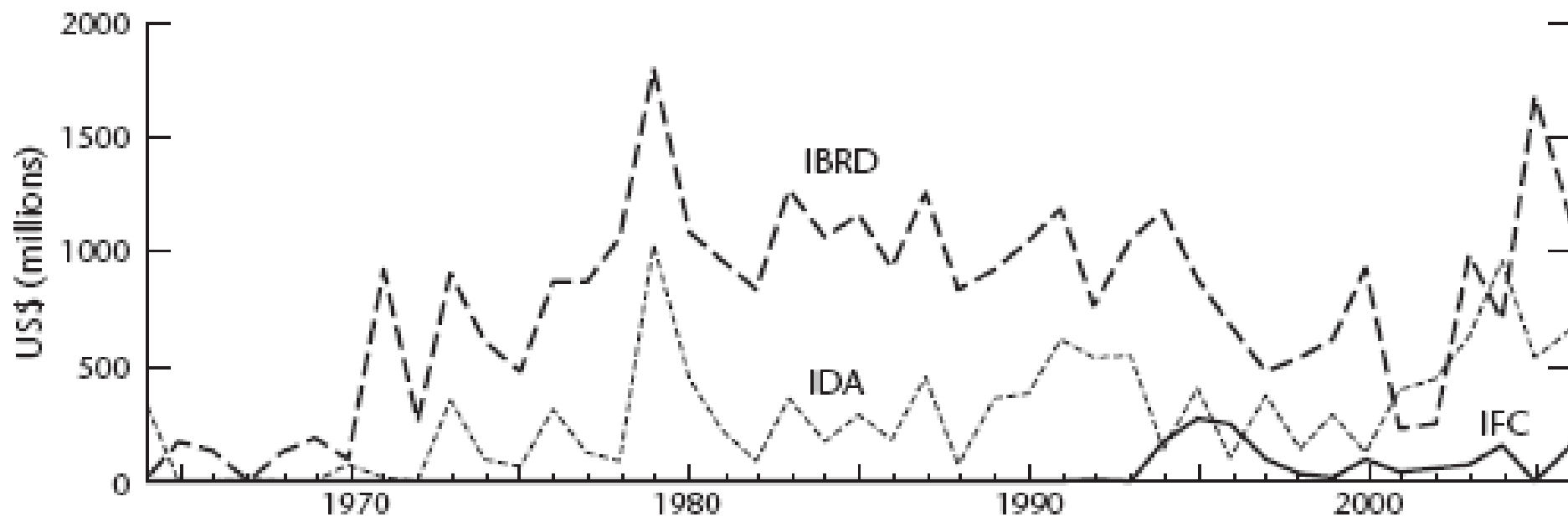


# Retreat of the private sector?



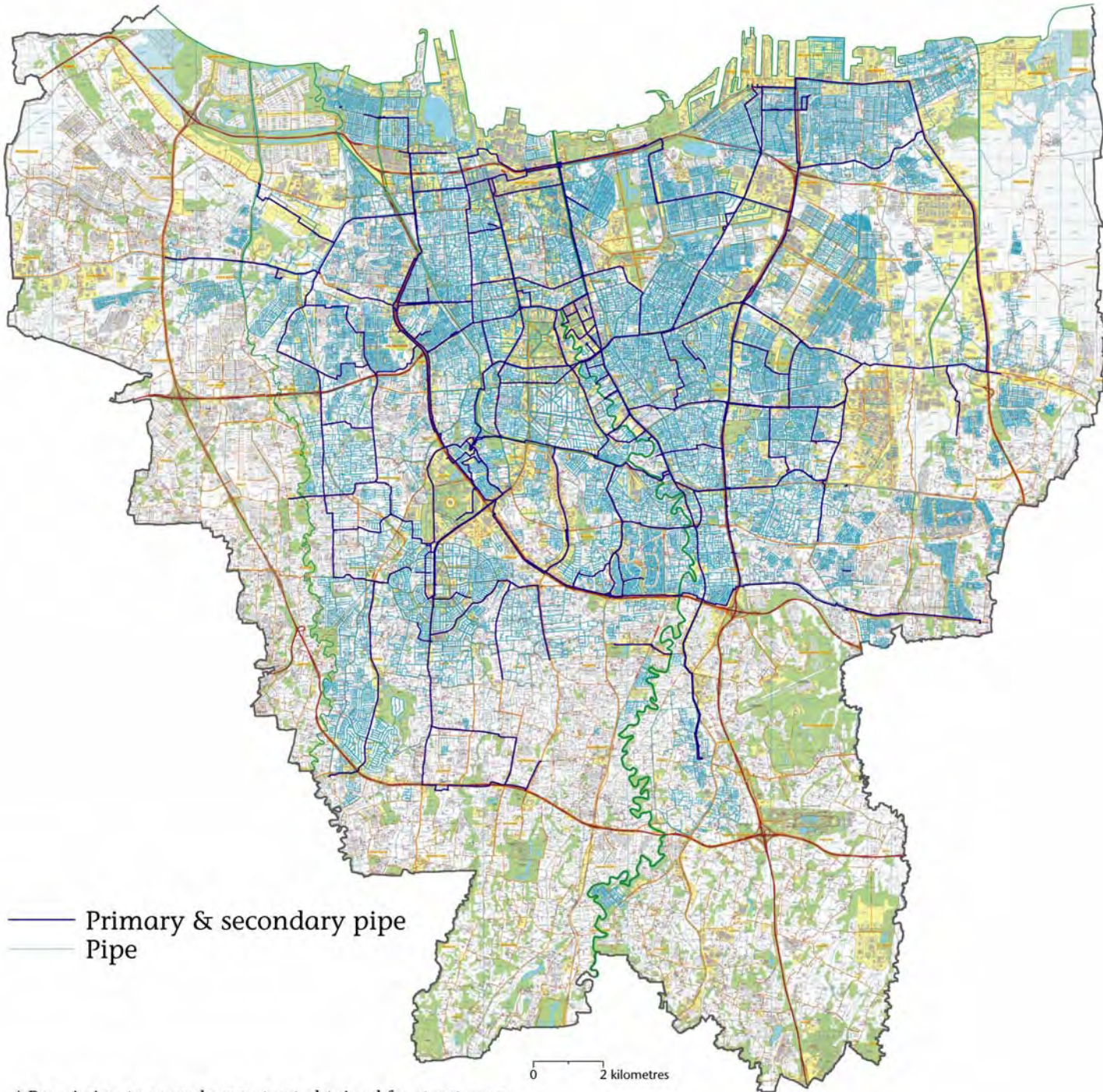
Data Source: World Bank PPI database

# World Bank Group WatSan commitments, 1964 – 2006 (2006\$)

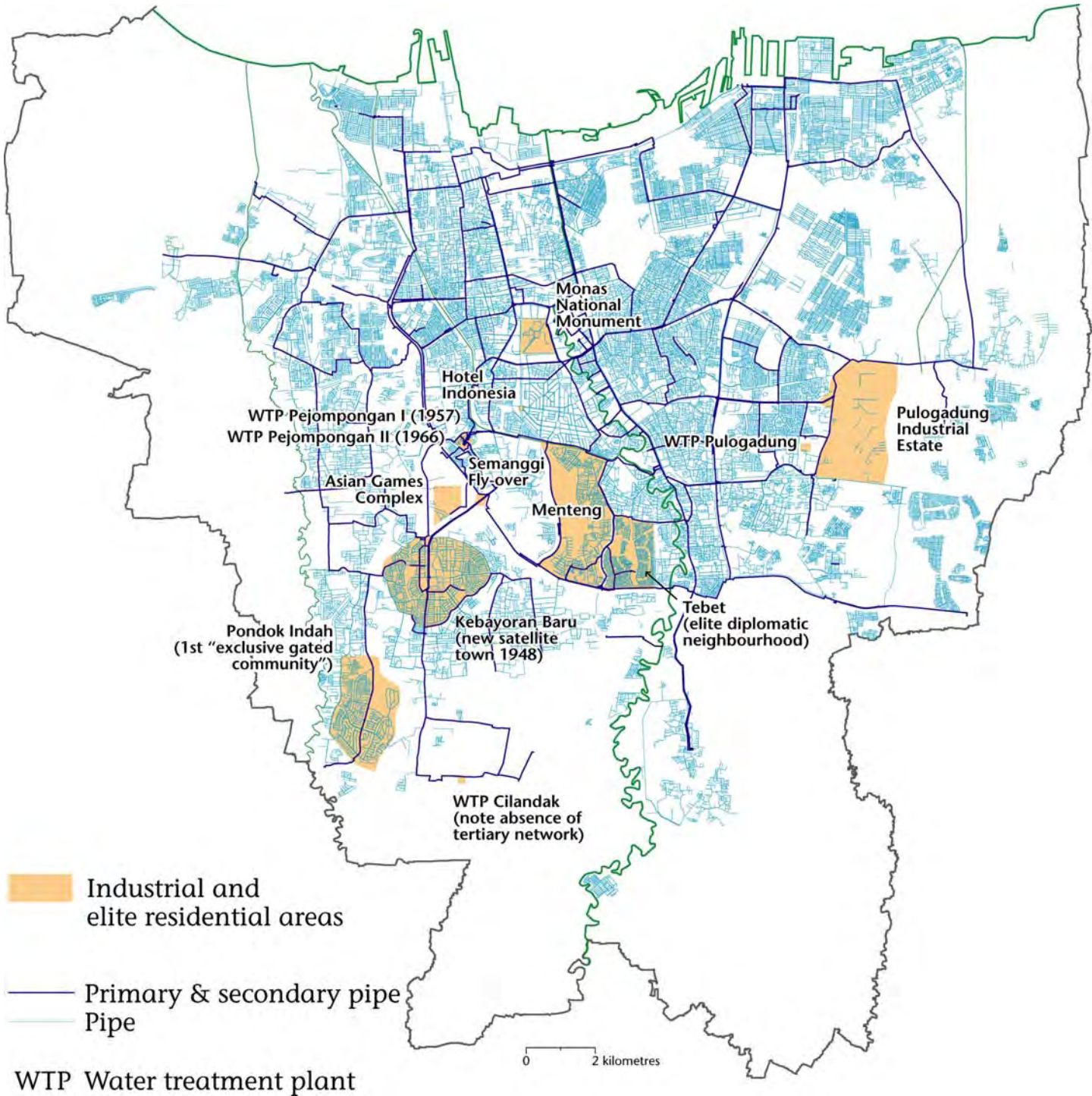


Data source: World Bank Group annual reports

# Urban archipelagos: *Jakarta's water supply network*

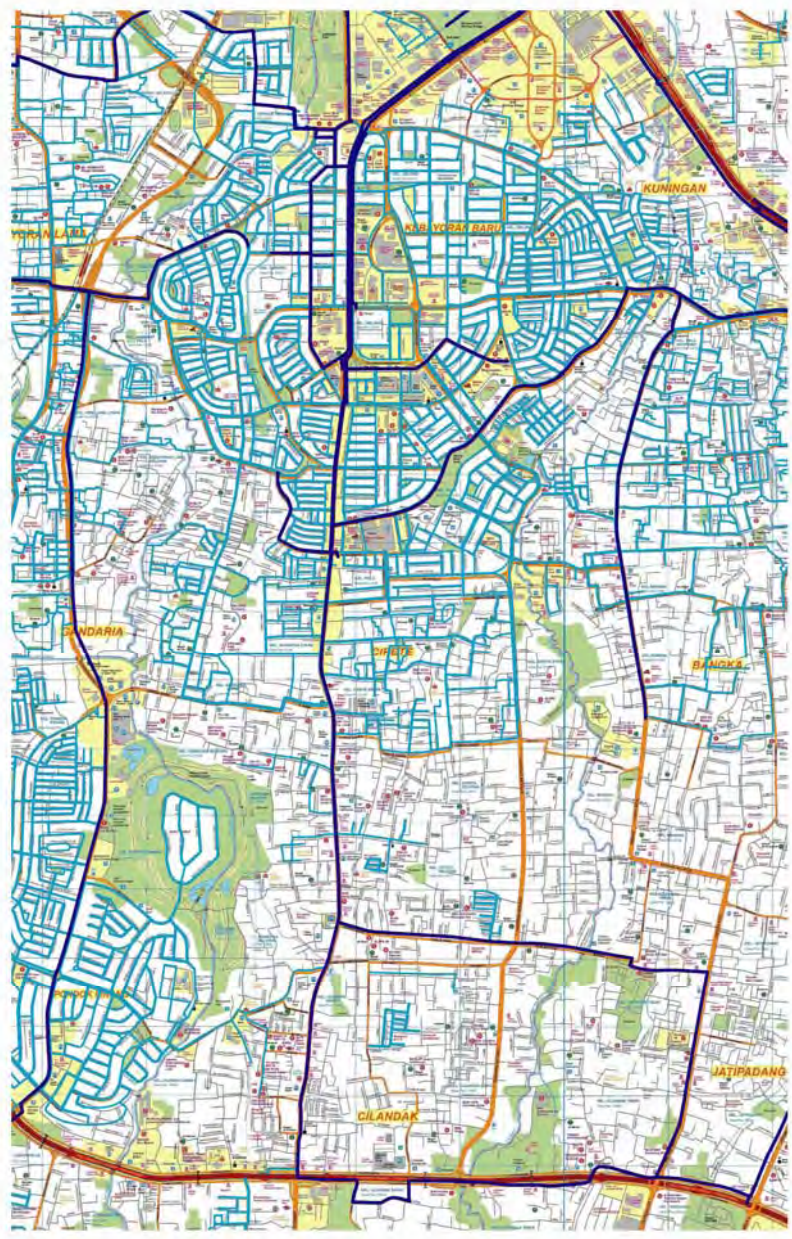






— Primary &  
secondary pipe  
Pipe

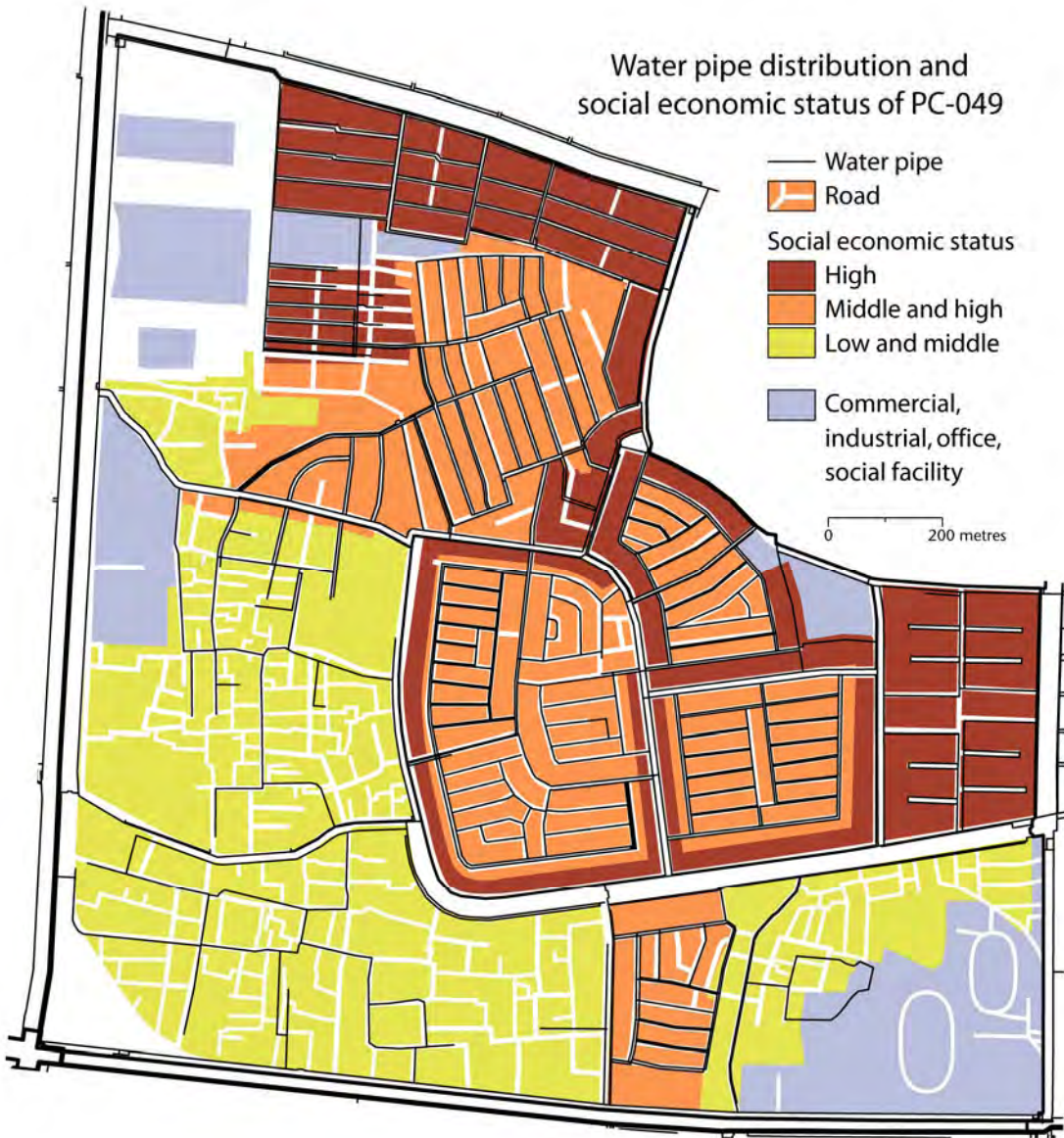
\* Permission to reproduce  
not yet obtained for  
street map



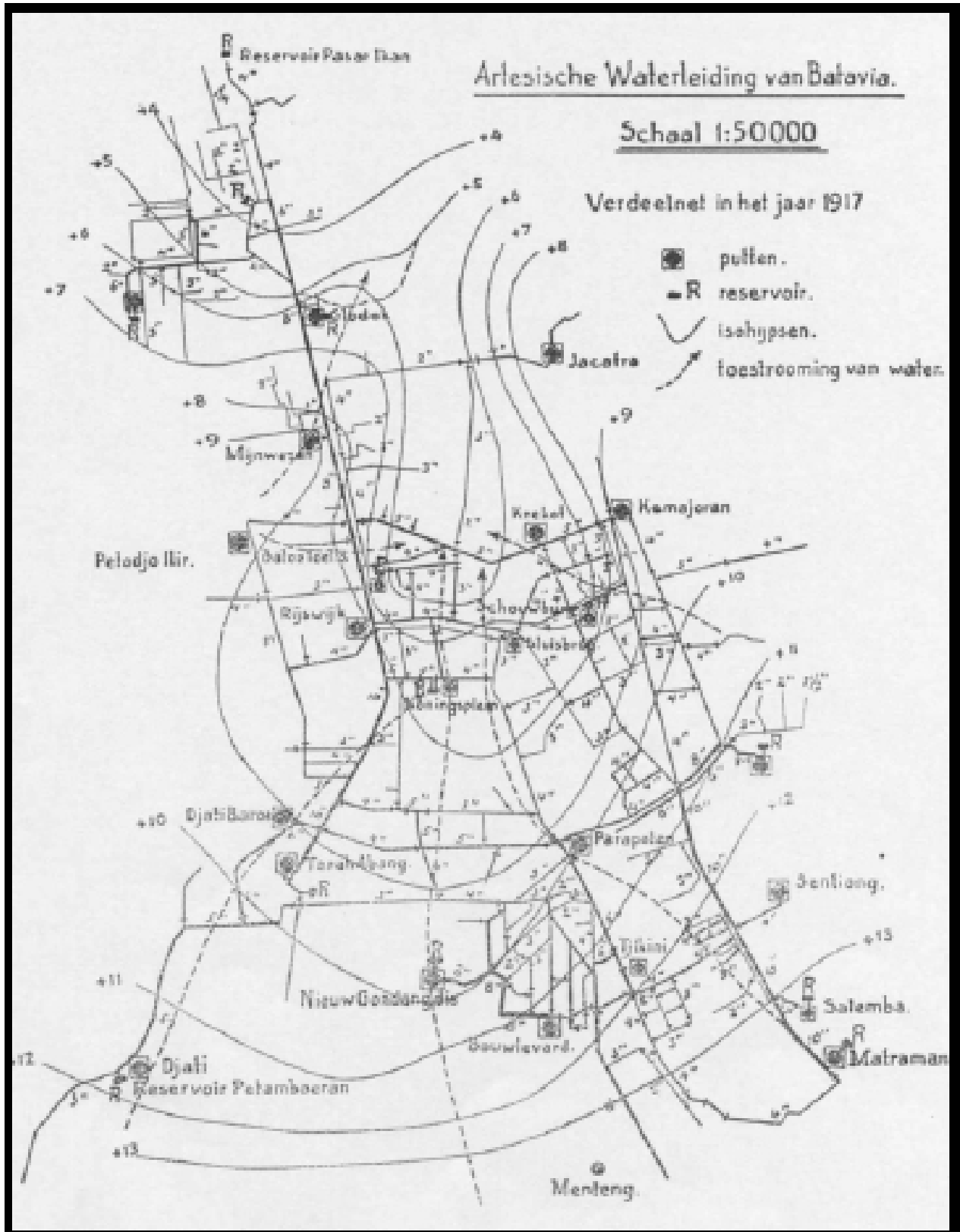
0 2 kilometres



### Water pipe distribution and social economic status of PC-049



# Batavia's artesian water supply network





1. **Vervoort, M. 1926.** Glimpses along Batavia's Canals. Inter-Ocean, Vol.7(5), p.265-72.
2. **Prumpung 2005.** Doing laundry outside MCK, by river (just on right hand side)



**Taking water from the hydrant Passar Baroe-East**  
**The water is hauled in petro-cans**

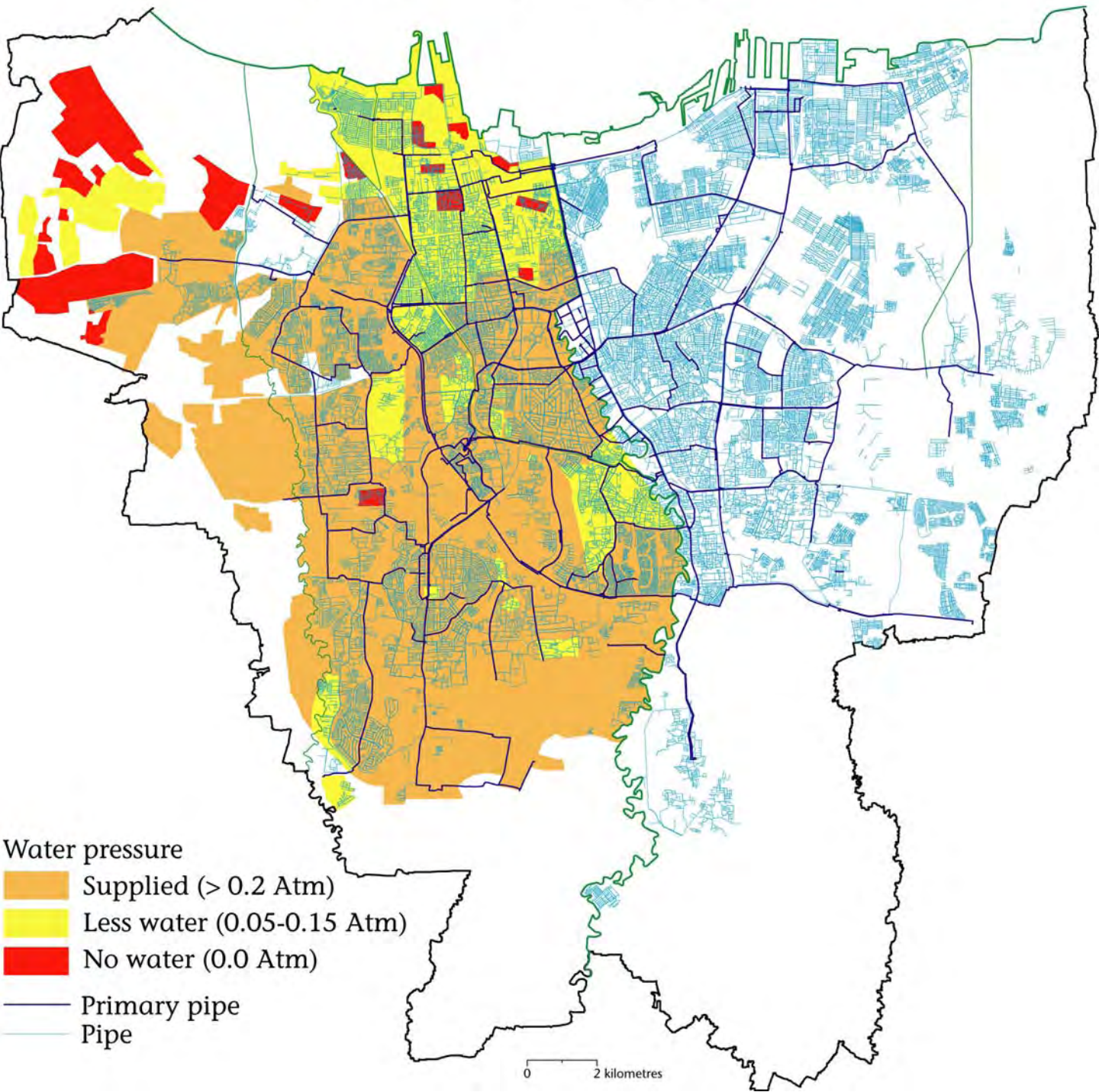
**Drost, D. 1918.** Ontwerp Bronwaterleiding voor Batavia.  
 Gedrukt bij Albrecht and Co.: Weltevreden, November, 1918.



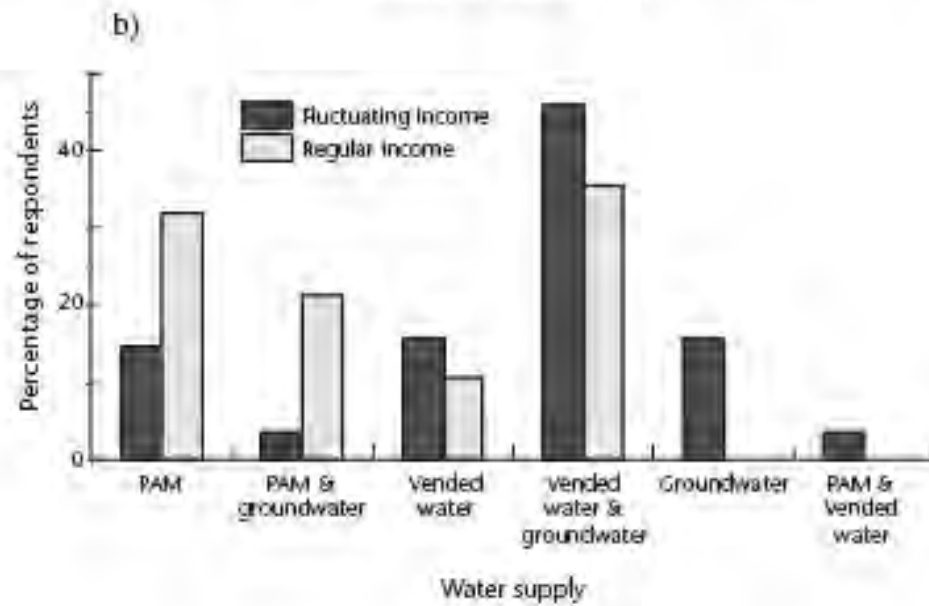
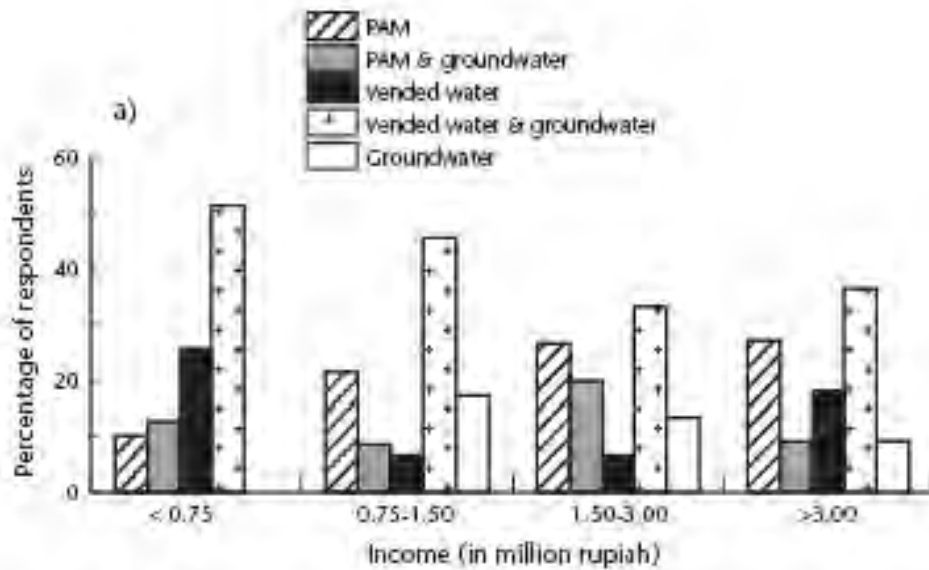
Marlina 2005



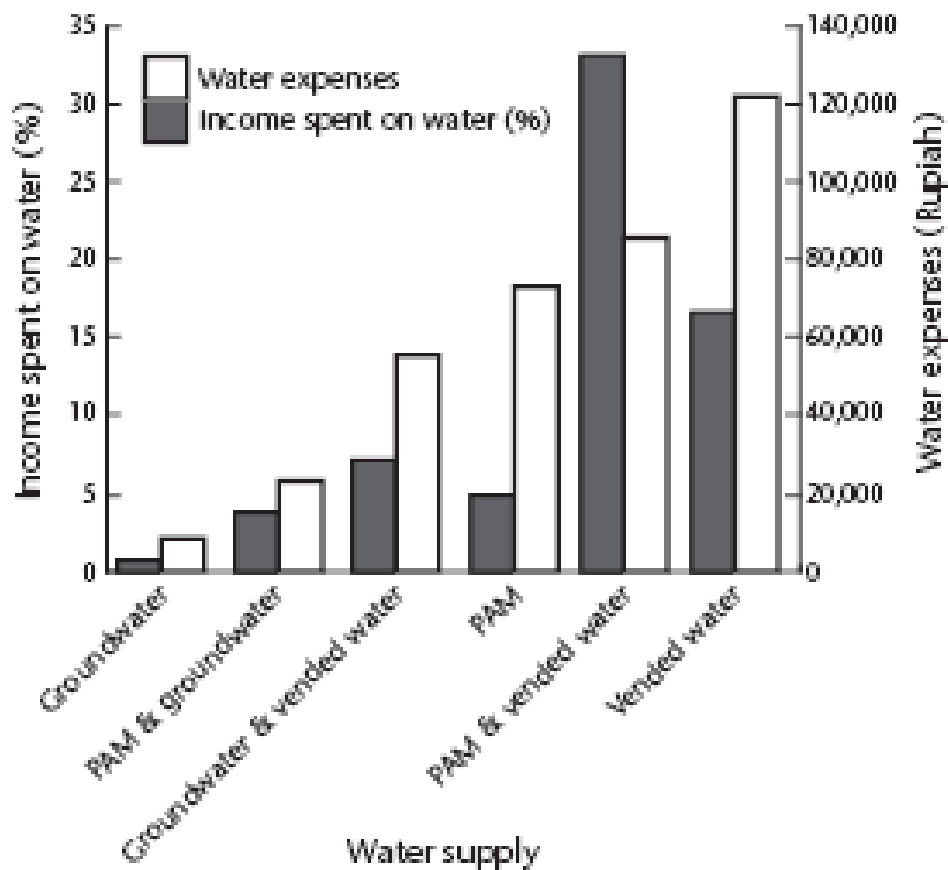
Lower pressure (intermittent or no water flow) is more frequent in poorer neighbourhoods (Kecamatan) of North Jakarta.



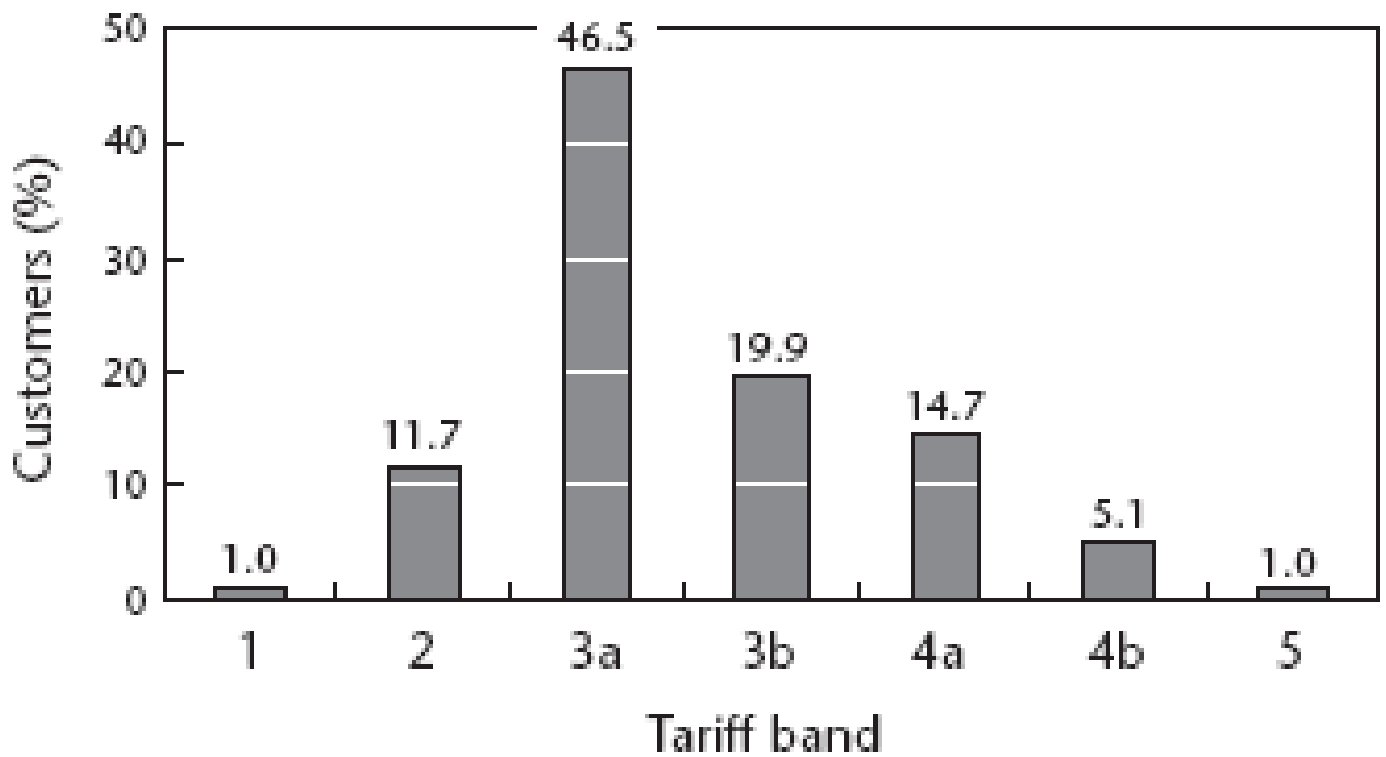
# Income and water supply access



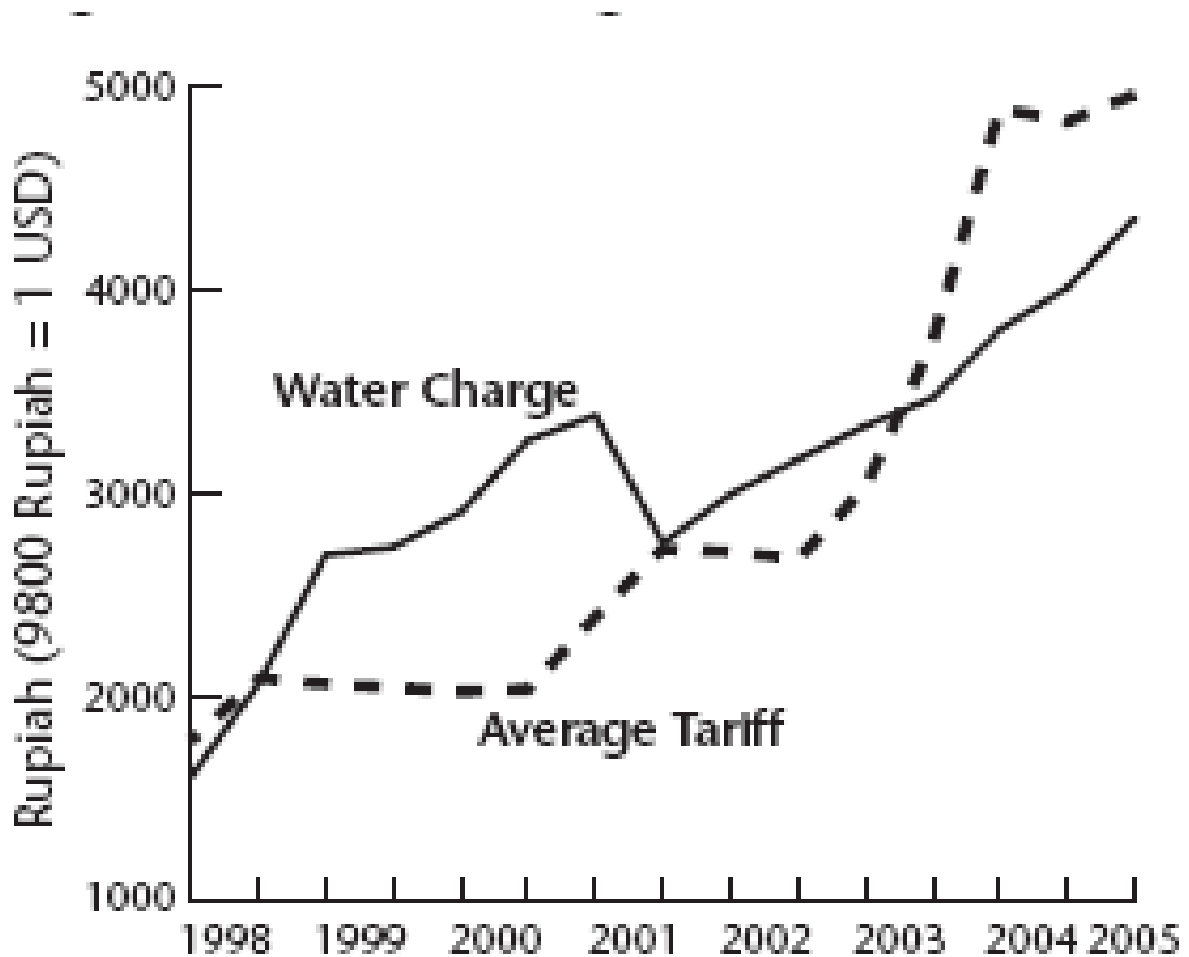
# Water source, income, and water expenses



# Customers per tariff band (2003)

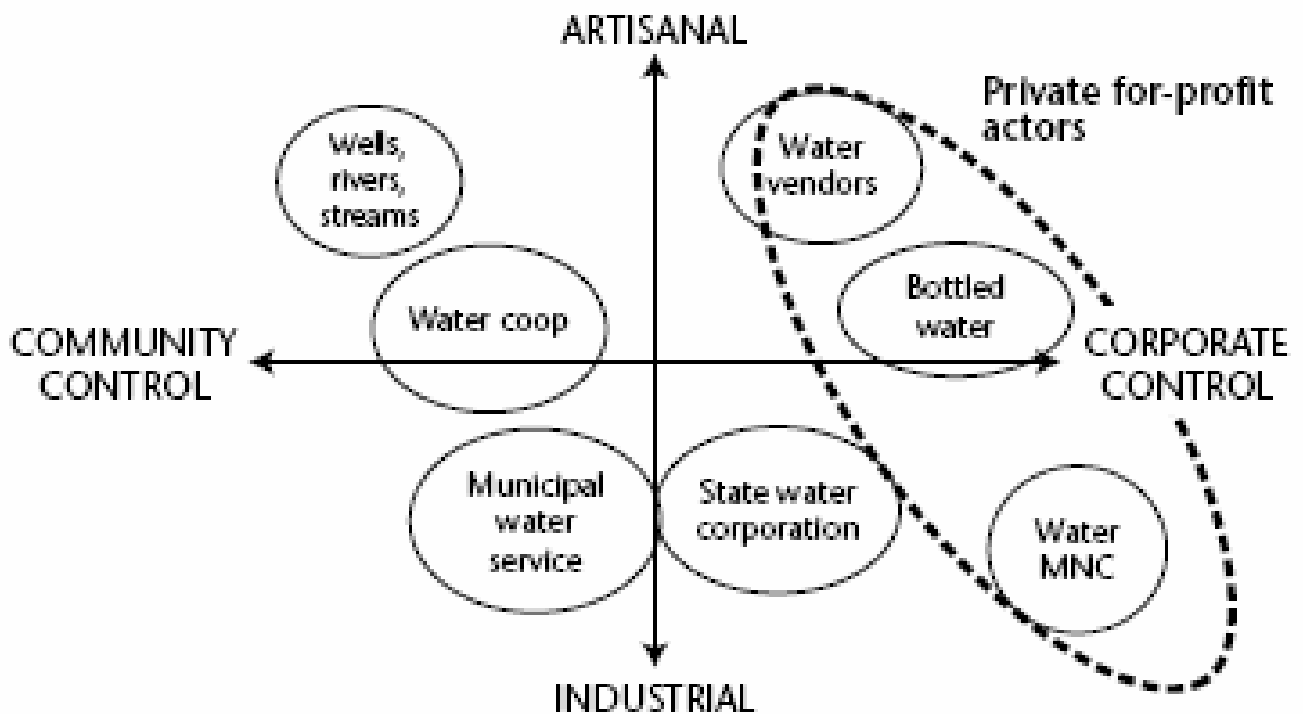


# Water charge vs. average tariff (1997 – 2005)



Source: Jakarta Water Supply Regulatory Body,  
personal communication with authors

# Multiple modes of water supply provision



# Beyond privatization

- Technically
- Conceptually
- Politically