

April 5th 2014

Check against delivery

Water rights and wrongs

Remarks by Unite Regional Secretary Jimmy Kelly to 'Our Water is Not for Sale' Conference, Saturday April 5th

A clean, safe and reliable water supply is a basic human need – and should therefore be a right.

This was recognised by the United Nations in 2010, when it declared that:

“The right to safe and clean drinking water and sanitation is a human right that is essential for the full enjoyment of the right to life”.

Unfortunately, the Irish Government abstained from the vote on this resolution. Water is not defined as a right either in the Irish Constitution, or in the various laws pertaining to water supply – most recently, the legislation setting up Irish Water.

Where we are now ...

In 2012, in our submission on reform of the water sector, Unite argued that a new single agency with responsibility for water supply and management should be established as a subsidiary of an existing semi-state.

We proposed that it should be a subsidiary of Bord na Mona, which already has considerable expertise in the area. But the decision to establish Irish Water under the auspices of Bord Gais Eireann has been made, and our priority now is to ensure the terms and conditions of workers assigned to Irish Water – and to ensure that the company is not gift-wrapped for future disposal to the private sector.

Protecting water workers

Workers are always on the coalface of change – and Unite's members up and down the country are at the forefront of the transition to Irish Water – a transition that affects workers in 34 different local authorities. Local authority water workers will be transferred to Irish Water under a twelve-year Service Level Agreement – and Unite and other trade unions have succeeded in ensuring that their terms and conditions are protected for the duration of that agreement.

We will continue working to ensure that workers' conditions are protected beyond the life of that agreement – including their pension rights.

But what of the workers who are not in a union? The workers we have seen installing water meters during the past number of weeks work for private contractors, and Unite is very concerned that many of these workers are not unionised. This means a lower level of protection for the workers themselves - and for members of the public.

Non-unionised workers are not guaranteed the rates and conditions which have been laboriously negotiated by unions over the years – and the public has no assurance that those carrying out the work are qualified in the trades concerned – in this case as plumbers. The outsourcing of work to private contractors can trigger a race to the bottom which will ultimately impact on all of us.

If we accept that water is both a need and a right, then we must treat it as a natural monopoly – in other words, a public good which must be provided by the public sector. Unite's priority is to ensure that remains the case, and that our water supply is not privatised **or part-privatised** next year or next decade.

Creeping privatisation: our homes, our health, our pensions

You won't read it in the media headlines – but we are already witnessing a campaign of 'privatisation by stealth' – in housing, in health, in pensions.

- We have a rental housing crisis, with 100,000 on the social housing waiting lists. In Dublin there is a crisis in the private rental sector – with not enough units and rising rents. Yet the Government has effectively outsourced provision to private sector landlords. The result is poor standards, high rents, long housing queues – and rising homelessness.
- In terms of healthcare, the Government intends to require everyone to purchase health insurance from private providers. This will be expensive for consumers – and will allow private providers – looking at the bottom line – to determine what healthcare, operations and procedures they will approve.
- Our pensions are also being sized up for privatisation. Defined-benefit schemes are being closed and workers forced into defined-contribution schemes, where workers bear all the risks. This allows employers to shed any responsibility for employees' retirement income.

Privatisation – evidently wrong

So what? Perhaps some services are better provided by the private sector?

Unite has consistently argued that policy should be based on evidence – and all the evidence shows that privatisation of public goods – whether in the telecommunications,



energy, public housing, health, sanitation or water supply sectors – is neither economically efficient or socially equitable. Two examples from our own recent experience should sound alarm bells.

- The privatisation of Eircom at the end of 1999 allowed the company to be pillaged by a succession of corporate investors who were more interested in their own bottom lines than in developing and maintaining vital infrastructure. As a result, Ireland languishes at the bottom of the broadband table in terms of both speed and cost – and this, in turn, is a major impediment to our economic recovery.
- The privatisation of municipal bin services in Dublin two years ago has resulted in plummeting service standards (and, in some areas, chaotic collection), uncontrolled user charges, de-unionisation of a once organised sector and - 150 years after municipal waste collection services were inaugurated in Dublin as part of a campaign against dirt and disease – bin bags piling up at street corners, especially in poorer parts of the city.

So much for the experience of outright privatisation – where a company or service is parcelled out to the highest bidder (or bidders). But what of privatisation by the back door – privatisation below the radar? Public-private partnerships or part-privatisation?

As the Celtic Tiger gave its final whimpers, it was decided to create ‘public private partnerships’ to implement several major inner city regeneration projects. In a booming property market, when inner city plots were at a premium, developers were given the opportunity to develop choice sites in return for providing social housing units.

The tiger died, the property market collapsed, developers went bankrupt – and residents in areas such as Dominick Street, a few hundred yards from where we are now, were dispersed as their complexes were de-tenanted with no prospect of regeneration and return.

That is privatisation’s legacy of economic inefficiency, broken promises and abandoned communities. And we cannot let it happen to our water services.

Outlawing privatisation

The best way to ensure this is to legislate against future privatisation. And there are international precedents for this.

- In 2004, voters in Uruguay approved a constitutional amendment affirming the right to water as a human right, and stipulating that water and sewage services would only be provided by the public sector. The referendum was promoted by a broad-based coalition including FFOSE, the trade union representing water and waste water workers, and environmental groups such as Friends of the Earth. Unfortunately, the Uruguayan government has not so far followed through with legislation.



- Similar amendment campaigns have been undertaken in Colombia, Ecuador, El Salvador and Mexico, and I'm sure our Marcella Olivera will update us on the Bolivian experience.
- Closer to home, in the Netherlands, a 2004 law prohibits any privately owned company from providing drinking water services to the public, restricting provision to entities which are 100% public or publicly-owned – i.e. the public or semi-state sector.
- In 2004, voters in Hamburg city and state voted in a referendum to oppose privatisation, and two years later the state parliament passed a law requiring that water services remain in public hands.

The fight-back against privatisation: 'Re-municipalisation'

While some jurisdictions are prohibiting privatisation in the future, others are seeking to reverse past privatisations – and for good reason.

Towards the end of the 20th century, however, many countries privatised their water and sanitation services, particularly in the global South, as a result of pressure from international financial institutions, to 'open' up national services. Sounds familiar? Privatisation did not improve the provision of water and waste water services. On the contrary, experience shows that:

- Privatised operations can miss upgrading targets
- They may introduce excessive charges and unaffordable connection fees
- Management activities are opaque and unaccountable

It is therefore not surprising that many cities and regions – and even some countries – have turned their back on privatisation and started 're-municipalising' (or 'de-privatising') – taking water and wastewater services back into public control.

- On November 24, 2008, the city of Paris decided not to renew its municipal water with two private companies which had jointly operated Paris' water supply system since the 1980s. The factors triggering the decision included rising prices and poor accountability. A new public company – *Eau de Paris* - was established in 2010, unifying the production and supply services which had previously been outsourced. The decision to re-municipalise resulted in cost savings of almost 15 per cent in the first year – and in an eight per cent reduction in water charges in the second year. In addition, the new company has been increasing investment in water conservation, water resource protection, research, innovation, and awareness-raising – issues which (shades of Eircom) were not priorities under privatisation.

And the fight-back against privatisation goes beyond water. Throughout Europe there is a new trend – a backlash against privatisation of services.

More and more local and regional governments are taking vital services back into public control: in Germany, the UK, France, Germany, and Finland – a number of services that were previously outsourced or privatised are being effectively ‘renationalised’.

Not just water services: energy supply, public transport routes, waste management, cleaning services and housing services – these vital services are being brought under democratic control and accountability.

And for good reason: under private control these services were suffering from high costs and low quality – and they did not serve the public interest, in that universal, high quality and accessible provision of services was not guaranteed.

We have an opportunity to learn from the mistakes of other jurisdictions – including those that are now reversing disastrous privatisation decisions. As citizens, consumers and workers, we need to send a loud and clear message: Our water is not for sale today or tomorrow.

ENDS

