

Privatization an obstacle to right to clean water

A foreign expert on public services has said that water privatization is an obstacle to the government in implementing human rights, especially relating to the access to clean water.

London-based University of Greenwich lecturer Emanuele Lobina took the stand during a hearing on water privatization at Central Jakarta District Court on Tuesday, saying that around 90 percent of cities around the world had ended their cooperation with private companies and returned the provision of their water supplies to the public sector.

Lobina, who has conducted a substantial amount of research into water privatization around the world, said that although the reasons for the contract terminations were various, most of them related to poor services and high operating costs.

“The failure to invest in accordance with the contracts as well as other issues like corruption are also key factors,” he said, adding that this was not only the case in high-income countries but also in middle- and low-income countries.

Lobina gave an example of developing countries, including South Africa. Its water rates were so high, low-income families could not afford to pay them.

“Some locals eventually filed a citizen lawsuit and won the case. The contract was eventually terminated and the country did not have to pay compensation to the private water operator,” he said.

He added that poor services and high operating costs resulted because the private companies tended to prioritize profits.

Lobina also said, however, that around 10 percent of the world’s cities still used public-private partnerships (PPPs) for the provision of water supplies.

“The reasons behind such practices may vary, but many cases occur because of the World Bank’s influence over local decision-making,” he said.

The privatization of Jakarta’s water supply was instigated following a World Bank initiative. According to testimony by a previous witness, the World Bank initiated the water privatization project after lending city-owned water operator PAM Jaya US\$92 million.

A group of residents and campaigners, gathered under a coalition called Jakarta Residents Opposing Water Privatization (KMMSAJ), filed a lawsuit demanding the court annul the cooperation agreement between PAM Jaya, PT Aetra Air Jakarta and PT PAM Lyonnaise Jaya.

Lobina suggested before the court that the city administration should be brave enough to follow the example of those cities that unilaterally terminated their contracts, and in some cases even paid the compensation, rather than continuing with the cooperation.

By terminating the contract, he went on, the city could directly take over the supply of water for the sake of people living in Jakarta.