

Stockholm, 20 March 2010

Independent Expert on the issue of human rights obligations related to access to safe drinking water and sanitation

ESCR Section

Special Procedures Division

UNOG-OHCHR

Palais des Nations

CH-1211 Geneva 10,

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Dear Ms de Albuquerque,

In view of your reviewing the issue of water for the UN Human Rights Council, I send a link to the Google Books site of my book *Water for Sale: How Business and the Market Can Resolve the World's Water Crisis*. <http://korta.nu/a2c0>.

In the book, which was published in 2005, I present data and case studies showing that most of the claims of the anti-privatization movement are false. In fact, privatization (or the more proper term, PSP) has led to millions of previously unserved households being connected to water mains. This is primarily due to superior skills and incentives. On average, the price of water has not gone up following privatization, and since those who were previously unserved were disproportionately poor and paid on average twelve times the price of mains water for secondary water of inferior quality, the most vulnerable groups have gained from PSP. Since the publication of my book, new research has confirmed my findings.¹ Even though I am skeptical to the idea of treating access to water as a human right, it is beyond doubt that the private sector has contributed positively to the realization of this "right".

It is important to bear in mind that the debate regarding the role of the market and enterprise in water distribution has two important aspects that must not be disregarded. First, ideology and second, interest. The ideological differences are unlikely to be overcome. However, the interest aspect of the debate has been treated in an unfair manner. Arguments and publications from the corporate side have been discarded as biased. But the fact that the strongest opponents to PSP have public sector unions has not received the same attention.

Almost all privatizations have led to staff reductions, due to efficiency improvements and enhanced productivity. Therefore, public sector unions are opposed to privatizations, since their members risk losing their jobs. But the aim of water distribution is not to create public sector jobs, but to distribute

¹ See Katharina Gassner, Alexander Popov, Nataliya Pushak: *Does Private Sector Participation Improve Performance in Electricity and Water Distribution?*, The World Bank 2009, and Philippe Marin, *Public-Private Partnerships for Urban Water Utilities: A Review of Experiences in Developing Countries*, The World Bank 2009.

water to households and firms. And, here there is no doubt that the private sector has been superior. The arguments put forward by the public sector unions and their researchers (such as the PSIRU at the University of Greenwich) should therefore be treated with the same amount of skepticism as the information provided by business.

Sincerely,

Fredrik Segerfeldt

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