Today, water and sanitation services are organized very differently in Britain and Germany, with privatization at a regional level in Britain and municipal companies in charge of several public services in Germany. In this article, written by Founder and Director Emeritus of Ecologic Institute, R. Andreas Kraemer, and Bernard Barraqué, the history of water supply privatization and centralization in Great Britain and Germany is discussed.

In Britain, water services were developed earlier than on the continent, by private companies which pumped the water close to cities with the newly invented steam engine. As soon as the end of the 17th century, Parliament made some companies statutory, which protected them from competition. But in the second half of the 19th century, many of these companies were bought by local authorities or replaced by direct public management entities. Both the government and business communities supported this development for hygienic and welfare reasons. After the 1929 financial crisis, the British government initiated a reorganisation of public services at regional level, which resulted in a consolidation at river basin level of water resources and service management. Fifteen years later, full privatisation of water and wastewater...
services was accompanied by increased centralisation in the planning of resources and regulation of users.

In Germany, Berlin was a notable exception, since the Emperor overrode the opposition of the local council and imposed a water service run by a private company listed on the London stock exchange. All other cities directly chose public management, together with a preference for groundwater or bank filtration. But pragmatism led to network services becoming autonomous from general budgets, and to the creation of mixed economy companies under private law but with 100% public capital, grouping together water, gas, electricity, district heating and public transport. These municipal companies have generally resisted movements towards centralisation and privatisation, and the model was imposed in the new eastern federal states after re-unification.

In the end, they contrast the histories of Britain where the public versus private debate ended up in centralisation, and Germany where the principle of subsidiarity prevailed, and they provide some explanations at the end of the article.

Main Link

Journal Article: Les services publics d'eau en Grande-Bretagne et en Allemagne : origine commune, trajectoires différentes

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Author(s)

R. Andreas Kraemer

Author(s)

Bernard Barraqué

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