Wenke Hansen and Nadine Herbke's article "Quality has its price! But which? - Future of the Water Supply and Wastewater Sector" is published in the documentation of the convention "Füllhorn oder Büchse der Pandora? - GATS, the European Internal Market and the liberalisation of public services in Germany". The article addresses the evolution of prices and charges in the European water and sanitation sector, and the debate over the liberalisation of the German water sector.

Calls for a reform of the German water sector come from all directions. At EU level especially, political efforts abound, after the liberalisation of the other utility sectors, to push for a liberalisation of the water sector. The justifications given for these attempts usually involve the reportedly successful results of the liberalisation of the other utility sectors, the differences in prices for water provision in Europe, the fragmented market and the potential efficiency gains which would result from a modernisation.

The European Commission has initiated first steps with the collection of information through a questionnaire on the structure of
the water sector in all Member States. As can be read in the Internal Market Strategy 2003-2006, the Commission will decide, once the questionnaires have been analysed, on follow-up actions to achieve the goals of the strategy, i.e. further market opening and efficiency gains. However, the argument stating that a liberalisation of the water sector would bring positive effects is partly based on false assumptions or misinterpretations. The water prices used in the Internal Market Strategy are presented out of context, with such elements as natural conditions or service quality left out.

Against this background, Wenke Hansen and Nadine Herbke's article outlines the reasons for price differences, which encompass, alongside the natural condition, differences in service quality for the citizens and the environment as well as the level of cost recovery. Additionally, the authors analyse various competition options (such as competition in the market or for the market) and their impacts, and compare these to the developments in the energy and gas sectors.

The article was published in the Loccumer Protokoll series No 64/03 and can be ordered for 12,- Euro from the Evangelische Akademie Loccum [2].

Main Link
Conference Paper: Qualität hat ihren Preis! - Aber welchen

Ecologic Related Articles
- Water Liberalisation Scenarios (EUROMARKET)
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Citation

Language
German

Author(s)
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Publisher
- Evangelische Akademie Loccum, Germany