RE-InVEST
REBUILDING AN INCLUSIVE, VALUE-BASED EUROPE OF SOLIDARITY AND TRUST THROUGH SOCIAL INVESTMENTS

Towards inclusive service delivery through social investment in the EU

The case of water

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Executive summary

This report provides a qualitative overview of changes in social investment in water services in eight EU-jurisdictions of the RE-InVEST partners: Belgium, England and Scotland (in Great Britain), Ireland, Italy, Portugal, Romania and the Netherlands. Each country study analyses existing market regulations in relation to the human rights and capabilities in the basic service sector of housing services. Whether the recent developments affecting water services as capability can be considered a social (dis)investment in capabilities and human rights is of key concern.

The analyses in six jurisdictions were carried out based on a literature study (England, Ireland, the Netherlands, Italy, Portugal, Romania and Scotland), while for one country, Belgium, data were collected based a housing case study on the quality of customer services in water provision. The case study demonstrated the strong role citizen's participative action and civil society organisations can play in ensuring a quality water service and in holding account both statutory and private water providers.

Water was affirmed as a core human right in both UN and Council of Europe policy and norms as well as an underpinning necessity to realise core functioning's in terms of housing, health, employment, and family or community life. Particular issues arise for vulnerable groups including migrants, Roma and homeless populations, and for women and children. A range of developments has occurred across the eight countries studied with the following themes emerging across affordability access, quality, governance, ownership and democratic decision-making.

Strong common themes emerge from the comparative analysis of these seven EU states (including both England and Scotland within in the UK). These include a trend of water charge increases since the crisis; in some states increased disconnections form both public and private services; issues of water affordability in the context of a general decline in incomes and/or increased charges or changes to social tariffs; general issues of water quality in the context of weak infrastructure due to a lack of historical and recent investment; incidences of privatization and Public Private Partnerships (PPPs), as well as concerns about these trends towards commodification; as seen in examples of citizen action and examples of public provision/ municipalisation; and discussion on how capabilities and rights of most vulnerable are impacted/enhanced from these.

Comparing recent reforms and shifts in provision models across the eight countries, we see some commonalities. In continental Europe (Smets 2016), the accepted policy on water, charging is to be is half way between a liberal approach and a public property approach. Most European states require that investment and major decisions on water issues remain formally in the hands of public authorities. In some countries, privatisation of water companies has been forbidden by law and in some cities, there is a shift from a previous period of privatisation towards re-municipalisation. One outlier, Ireland, still maintains state provision, albeit with high levels of PPPs in water infrastructure, and a regime base funded through taxation rather than user charges, recent successful citizen action in response to proposals to commodify water has uphold the status quo of full state provision. The UK model with privatised water utilities remains an outlier.

Austerity is associated with attempted privatisation. Within the bailout programmes, we see water infrastructure privatisation promoted by the Troika in Greece. Even in states with strong statutory frameworks, in Scotland for example stakes used the economic downturn to argue for water privatisation and mutualisation of Scottish water (Unison). While in April 2016, the Italian Chamber of Deputies approved a draft bill that removes compulsory public management of municipal water services.

EU policy remains largely unchanged over time however the 2013 EU citizens' initiative has over time led to the 2018 ReCast water directive which is some senses affirms the right to water for vulnerable groups

albeit key advocacy groups including EPSU argue more can be done to legislate for the right to water. So while in contrast to energy, there is no formal offensive push by the EU to liberalize provision of water nonetheless privatisation (Ross 2014, Clarke et al 2009, Euro found 2015, Finger & Allouche 2002) in its numerous forms is more and more a feature of national water policy in the austerity era.
'It is difficult in this report to be coherent in its judgement about privatisation of the water sector. While there are increased pressures for water provision to be privatised it is only the UK model that has fully privatised water utilities and moved towards financialisation in the form of private equity form ownership in some instances, but the UK remains an outlier. In some countries, such as Portugal, where water is defined as a structural public sector by ERSAR, there is 'growing privatisation' in the shape of PPPs; while in Scotland, water is provided by a public company but reforms including privatisation are being debated. Belgium and the Netherlands have water provision as a public service, in Ireland privatisation fears did not materialize due to citizen action while in Romania and Italy there is a strong momentum towards privatisation in urban areas.

The reality that collective action has helped guarantee access to public water is a key finding. Using collective agency citizens have asserted that water needs to be treated as a human right and resisted the pressure of big private water companies to access the sector. Neither the EC nor the EU are not promoting liberalisation of the water sector to the extent that they promote it other competition in other sectors.

We raise significant questions about how reflective EU policy is of citizen and state views on water services. Strong public responses and mobilisations around the right to water including the EU Citizens Initiative have had mixed responses. Crucially Hall finds a major motivation in water and other municipalisation projects is the degree of enhanced control over effective delivery of public service objectives and greater local control or effective achievement of public interest, this is a clear instance of society opting for collective capability and capacity to undertake long-term strategic social investment.

Following a human rights approach this approach needs to be legally enshrined in the European Pillar of Social Rights and where possible and relevant at constitutional levels in EU member states. Investment in water needs to facilitated and fiscally enshrined in EU structural funds and EIB instruments. Strong regulatory practice is required at both EU and state levels to ensure citizens and residents right to water. Water services should be Services of General Economic Interest (SGEIs), this would enable state aid be targeted primarily towards services that would not be delivered (adequately) under 'regular' market operations and that concern public objectives, if water services are established as a SEGI and protected from full competition then and a water chapter in the EU SIP could promote common definitions, measurements, promotion of best practice and policy investment frameworks for EU funding and investment in water infrastructure.

The overall reflection is that while the right to water is well established in EU and international (UN) discourse this right cannot be left at the level of an abstract norm. In September 2018 the Environment and Public Health committee of the European Parliament voted the report on the Recast of the Drinking Water Directive but did not advance the key demand of the ECI for recognition of the human right to water in EU legislation and Right to Water and Sanitation in the Frame Work Directive". However even a more meaningful legislative basis will require institutional underpinning. Rather the right to water is related to a citizen's capability to realise the right. This means paying attention to how water is delivered (the nature of the investment and service) and who delivers water, and related issues of access, quality and affordability. Leaving the choice of delivery as optional leaves the right to water open to chance.

Regulatory guidelines, including those under discussion in the 2018 ReCast directive, are needed to place controls on the nature of delivery and investment, regardless of who is delivering, to ensure issues of access, quality and affordability and participation are guaranteed outcomes. The principle of progressive universalism enables a tiered system of charges with social tariffs used to enable a targeted provision for vulnerable groups and with a guarantee of access affirmed in protection from disconnection. Access to water in public spaces is a key public health issue and particularly relevant in times of climate intensification and high levels of migration. In essence, we find marketization is problematic as a framework for social investment. While the underlying rationale for enabling various market delivery options remains unconvincing, as it is likely to

lead to negatively impact on the rights and capabilities of the most vulnerable as a result of under investment in quality, uneven access, lack of affordability, and issues of quality.

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Introduction

This report was prepared in the framework of the Horizon 2020 research project 'Rebuilding an inclusive, value based Europe of solidarity and trust through social investments' (RE-InVEST). The RE-InVEST project aims to contribute to more solidary and trustworthy Europe, through an inclusive, powerful and effective social investment strategy at the EU level. Moreover, the project itself adopts a participative approach that lends a voice to vulnerable groups and civil society organisations. The RE-InVEST consortium covers a broad range of European countries, both geographically (12 countries, 13 regions) and in terms of representation of different welfare and labour market traditions. The local partners, who consist of NGOs and/or researchers, carry out the analyses. In particular, this report is one of five sector reports, which examines the operation of *basic service sectors* from a social investment perspective, the four other sectors are early childhood education and care, health care, housing and financial services.

This paper scopes the argument for social investment in water. It provides evidence on, and arguments for, the impact of *social investment* in water on human rights and capabilities and, where relevant, evidence of the negative impacts of liberalisation. The paper is concerned with whether investment in water is through public, private or non-profit services, how this affects the potential to improve individual or collective rights and capabilities, and how water markets are regulated. It also highlights the power of collective agency where, with exceptions, people's resistance has been pivotal in preventing and reversing water privatisation across Europe.

The paper proceeds by first defining water as social investment, outlining theoretical arguments for 'social investment' in the water sector from both capabilities and rights perspectives. It then scopes key issues under the following headings; governance, regulation and ownership; effective access across geographical scales and social groups; affordability, price setting and social tariffs etc.; and quality of both water and water services. It then outlines recent reforms at EU-level, scopes the position of this sector within EU's internal market policy, referring to general and specific market rules and specific policy initiatives including funding, legal initiatives, OMC, CSRs in European Semester, social dialogue and the EPSR. We then proceed with a comparative analysis of this service market across EU examining **h**ow universal/inclusive are services in this sector, and issues of access, affordability and quality (of water and customers rights). Eight country case studies are offered (seven 'standard' national sector profiles and one in-depth case study of Belgium). While we use available data sources from the main Eurostat database, the OECD, and the EU-SILC (and accessed in this instance by Anna Ruelens, KU Leuven), and our own qualitative data, we also point to a general deficit of relevant water related statistical data at EU level.

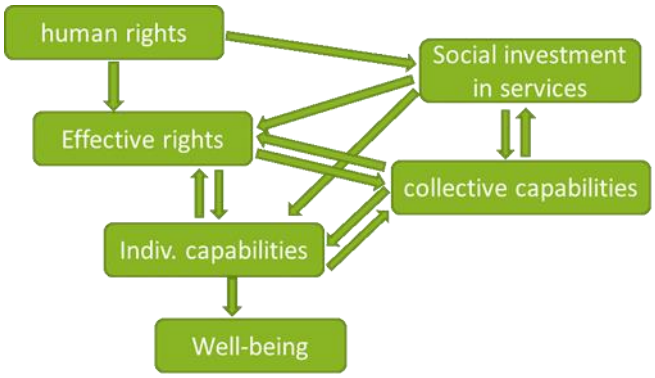
Overall while there is strong divergence across the EU in terms of the trends in these themes with both across and within countries and regions we see a pattern where vulnerable households are more affected by the austerity, disconnections and underinvestment in water services than others. The conclusion and recommendations outline measures needed to optimise social investment and include the legal and regulatory framework, issues concerning funding and price setting and market regulation of social standards as well as measures towards progressive universalism which rollback damage from under-investment, budget cutbacks and liberalisation.

1. Theoretical/normative framework

1.1 Theoretical framework

Our theoretical model builds on *human rights and capabilities* as building blocks for the social inclusion/ wellbeing of individuals. Formal human rights (e.g. right to a minimum living standard, right to health care) are values, social norms that do not automatically result in improved wellbeing. Implementation of such ESC rights requires different types of policy measures: legislation, organisation of (public) services, subsidies, social transfers, inspection, judicial enforcement... Although some legal measures may establish effective rights (e.g. a guaranteed access to water, guaranteed places for children in childcare), most policies necessitate additional 'social investment' in individual and collective capabilities through public or subsidised service provision (e.g. ECEC, health care, ...). They also incur transfer of power and resources – either directly to individuals/households (e.g. through free-of-charge minimum packages or social tariffs), or to companies and civil society organisations (e.g. subsidies to housing companies, water distribution, ECEC providers). These 'collectives' in turn interact with households and may invest in their capabilities.[1]

Figure 1.1 From human rights and capabilities to individual wellbeing



Bonvin and Laruffa (2017) reconsider the capabilities of a (vulnerable) individual from a different angle, distinguishing between three roles: *receiver, doer* and *judge*. The first role reflects his/her need for adequate support (in terms of resources or services); the second role refers to his/her agency in transforming resources into valuable activities (including work, leisure, domestic activities, social participation etc.); finally, the role of 'judge' reflects his/her freedom to make choices and his/her voice in various 'collectives' to which s/he belongs. In this context, *social investment*-related measures may affect individual capabilities in many ways: by investing in (tangible or intangible) assets, by transferring financial resources that allow households to invest in themselves, by strengthening their rights and freedoms through regulations, or indirectly, by strengthening the agency of collectives that interact with vulnerable people.

RE-InVEST understand social investment as 'investment of collective resources into the sustainable enhancement of individual and collective capabilities'. The criterion to judge the efficacy of investment thus becomes the sustainable impact on capabilities rather than the nature of the investment. The investment

1 Individuals in turn can invest in collective capabilities through contributions and/or voluntary action. All capabilities are actually combined capabilities, i.e. a mix of individual and collective action. In other words, there is no such thing as capability without the joint action of individuals and collectives.

dimension of a specific policy expenditure largely depends on its design features (conditionality, duration, etc.), on the specific national context (complementarity with other policies) and circumstances in time (economic cycle, growth path). Our focus here is on water investment, which is social in orientation and has a sustainable impact on capabilities. While water investment differs from other forms of social investment, some of the features of successful social investment are relevant for determining effective sustainable water investment. Our core focus is on vulnerability and whether quality and clean water is accessible for all, in particular across gender, migrants and nomadic groups including Roma and Travellers (EC 2013 p. 38).

1.2 Water as capability

The theoretical arguments for 'social investment' in the water sector largely stem from the degree to which 'water is life' and so a basic requirement unpinning all human rights. While the right to water has been recently elucidated by the UN (see below) water if also essential for capabilities and functioning. Water is required to produce, consume and prepare food. Water is also necessary for personal hygiene and sanitation and closely connected to the right to health and a life free of disease and malnutrition. Water provides the basis of the underpinning functioning to translate a range of capabilities (education, work, leisure, family life, travel) into freedoms to be.

For this reason, water investment was traditionally understood in most European states as a social policy. It was concerned with water supply and sanitation and was a key element of early state welfare efforts in investing and developing public health systems and infrastructure.[2] Provision of water and sanitation as a social good enabled the poor as well as the rich to have access, and controlled the spread of disease and epidemics, generating clear individual and possibly even collective capability. Water provision is very important as a social determinant of individual capabilities and a crucial context factor for translating into reality the social rights of people.

The recognition of water as central to capability, freedom and personal development is most recently articulated in Goal 6 of the 2017 UN Sustainable Development Goals, which seeks to ensure access to water and sanitation for all. Following a capability logic the UN, argues 'clean, accessible water for all is an essential part of the world we want to live in. Water scarcity, poor water quality and inadequate sanitation negatively affect food security, livelihood choices and educational opportunities for poor families across the world.[3]

1.3 Water as human right

The 1966 International Covenant on Economic, Social and Cultural Rights contains *no explicit reference to the right to water*, but recognises the right of all to a decent standard of living, including food, clothing and housing, as well as the improvement of living conditions. It is clear that energy, water and sanitation are understood as basic services in the framework of decent housing, and that the UN links the right to water to the right to a healthy life. In July 2010, the *General Assembly of the UN explicitly recognised the right to water and sanitation as a human right*, essential for the fulfilment of the right to life. 'the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and of all human rights' (Sultana and Loftus, 2012:1)

In September 2010, the UN Human Rights Council Resolution confirmed this right to quality drinking water and sanitation and legally bound states to respect, protect and fulfil the right to water and issued a range of guidance to support this right. The UN special rapporteur on water sees water charges and private

2 This was recognised for example in the 1842 Report from the Poor Law Commissioners on an Inquiry into the Sanitary Conditions of the Labouring Population of Great Britain.

3 At a global level the UN SDG analysis focuses on the need to invest in water, noting improvements 663 million people are still without access to water and 1.8 billion people globally use a source of drinking water that is fecally contaminated, Each day, nearly 1,000 children die due to preventable water and sanitation-related diarrhoeal diseases water scarcity affects 40% of the global population and by 2050, at least one in four people is likely to live in a country affected by chronic or recurring shortages of fresh water'.

investment in water infrastructure as consistent with the right to water[1] . She also advises that as long as the regime accommodates provision of free water for poor users incapable of paying for it and recognises tensions between environmental objectives (charging for the use of water to discourage wasteful consumption), economic rationales (financial sustainability to ensure a good service for all) and affordability considerations.

The *Parliamentary Assembly of the Council of Europe* is also of the opinion that access to water should be recognised as human right, the EC has over the period 2013-2016 also affirmed water as a right, and more recently at EU level, in a significant move the ESPR has incorporated and affirmed the right to water in its framework.

1.4 Water ownership and governance; the role of the state in water investment

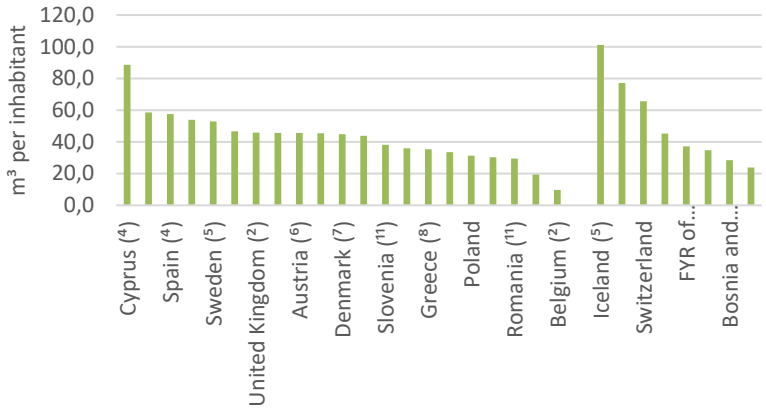
The UN resolution confirms States have the responsibility to guarantee the full implementation of human rights, even in cases where provision of water is delegated to third parties. States should hold these providers accountable for the services they deliver, to ensure they are of good quality and at affordable prices.

The right to water recognises the role of the state as the obvious actor with obligations to provide basic water infrastructure. Even in the context of a mix of public and private supply, and with different forms of charges, the state remains responsible for 'environmental goods' such as clean water, clean air, safe food and sanitation and regulates both the quality of water supply and water markets and as verified by various UN general comments on water.

A key dimension of 'social investment' relates to the extension of collective environmental and social resources. Depending on how it is provided and how the collective provision is organised, water is often the focus of collective agency (group water schemes, co-ops, local authority water provision).[4] As local authorities, non-profit companies and civil society organisations are strengthened (e.g. regional/municipal water companies, group water schemes, participation in water governance, user advocacy, water user associations) they may in turn improve the well-being of households. Water distribution is a public service, due to its non-exclusive nature (although provision to some consumers can technically be cut off, it is almost impossible to provide them with less or lower-quality water). Eurostat figures for water use from public supply for household needs across European countries for 2013 illustrate how the state remains central to the provision of public water supply for household needs with Cyprus consuming the most from public supply and Belgium (based on 2011 estimates) appearing to consume the least of the public water supply per inhabitant.

4 Goal 6 SDG seeks to support and strengthen the participation of local communities in improving water and sanitation management.

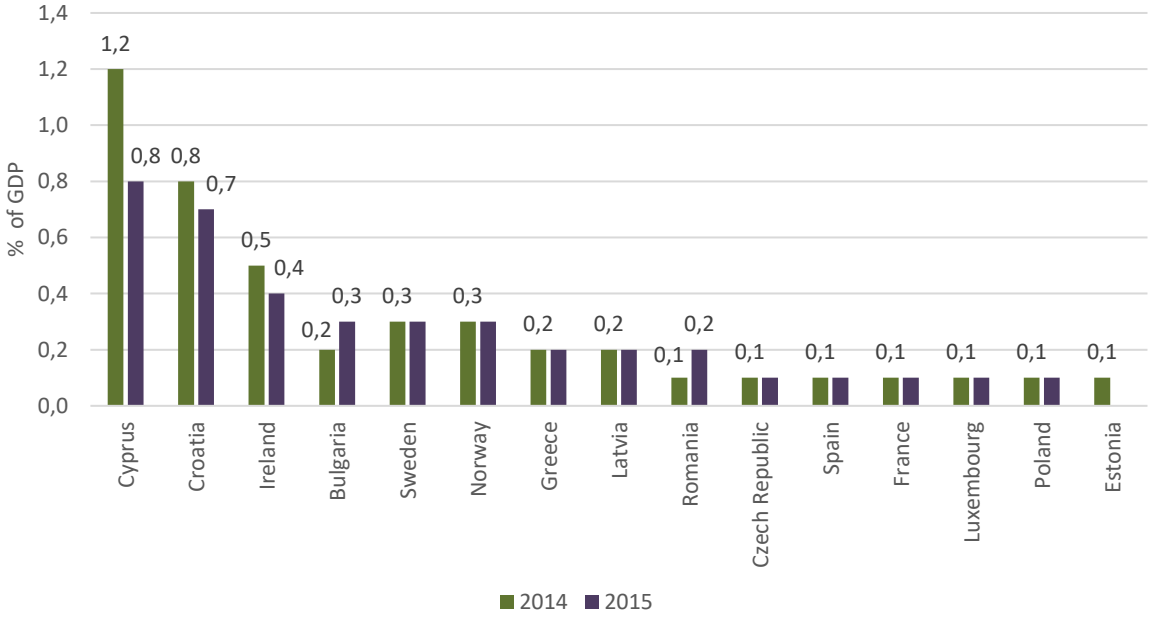
Figure 1.2 Water use from public supply for households needs, 2013



Source Eurostat database, online data codes [env_wat_cat and demo_gind], 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

The state's role is also reflected in 'government spending on water supply as percentage of a country's total general government expenditure'. The graph below for selected European countries for 2014 and 2015 shows considerable variation in levels of investment, with Cyprus, Croatia, and Ireland exhibiting higher expenditure levels than the rest of the depicted countries and expenditure varying form a high of 1.2% (Cyprus, 2014, but .8% in 2015) to 0.1 – 0.2% of general government expenditures in many countries.

Figure 1.3 Government expenditure on water supply for selected European countries



Source Eurostat database, indicator [gov_10a_exp], 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

1.5 Water ownership regimes

The OECD distinguish different water allocation regimes and different types of water property ownership regimes. Over the period in question, globally we see a growth of non-state actors with the for-profit private sector encouraged investing in water, a growing private market actively seeking opportunity to invest in global and European water infrastructure and provision (see Bluefield,[5] [6] Holland, 2005). From the perspective of human rights, individual capabilities and collective agency, there are a number of concerns which arise about privatisation and whose interests it might serve or harm. There are issues of accountability, control and sovereignty (in the case of foreign private equity ownership), of excessive profits (and bills rising beyond inflation), accountability to and control by consumers, worries about the sustainability of the industry and capacity to invest, issues of government support and responsible capitalism (Unison 2016). Corporate Accountability International argue we are facing a crisis of political will to prioritise democratic water governance over corporate influence. They argue equitable, sustainable use is best ensured by entrusting water governance to democratically accountable public institutions instead of private water corporations who prioritise maximising shareholder returns. Advantages of public control of water include:

- access and affordability: successful public utilities have stronger records of accomplishment of expanding access than their corporate counterparts do. Virtually every privatisation scheme includes rate hikes and 'cost-recovery' policies, whereas public agencies are positioned to use progressive rate structures or targeted subsidies for low-income access;
- infrastructure investment: the key to expanding access is to invest in infrastructure rather than shareholder dividend and private-sector executive salaries;
- transparency and responsiveness: as a capital-intensive natural monopoly, water policies are vulnerable to corruption and favouritism. While democratic governance is imperfect, public control allows for accountability mechanisms that do not exist in the private sector;
- labour benefits: where privatisation often means downsizing and anti-union austerity measures, public utilities have historically been a stable source of local, skilled jobs;
- finance: public utilities can raise funds at lower interest rates and access government resources;
- capacity: governments are better positioned to manage this collective resource as an ecological trust over broad territories and the long-term.

Little wonder then that water governance has become a deeply contested concept with critical theorists highlighting how water ownership and investment plays an important role in neoliberalism. Water is one of the key spaces/public commodities, along with health, education, and housing that provide new opportunities for global capital/finance capital in search for profit seeking. Thus, water has become a key site for contention between the public sector, the state, markets, corporations and citizens seeking to protect and enhance their capabilities and right to water. Harvey, for example, argues that the freeing up of water service provision to the private sector and attendant efforts to ensure full cost recovery represent a new wave in what he terms 'accumulation by dispossession' where capital seeks new terrains for profitable investment in what previously had existed outside of capital's orbit. Swyngedouw'[7] focuses on changing relations between water and social power and highlights the range of local and global resistance movements contesting the hegemonic logic of water privatisation and fighting for alternative modes of water management.

5 (2) 2011; (3) 2007; (4) 2012; (5) 2005; (6) 2010; (7) 2004; (8) 2009; (9) Provisional; (10) Households: estimate; (11) Estimates; (12) Not available; (13) Based on average population for 2012 instead of 2013; (14) Households: 2009. All NACE activities: not available.

6 http://bluefieldresearch.com/research/italian-water-sector/

7 Over the last two decades, water has become one of the central testing grounds for the implementation of global and national neoliberal policies. The privatisation of water production and delivery services, particularly urban water supply systems, has become an important arena in which global capitalist companies operate in search of economic growth and profits. The water sector, together with many others, has become one of the battlefields over which 'accumulation by dispossession' tactics are waged, often won by capital, and occasionally lost.

1.6 Water access

RE-InVEST is interested in water investment related to improving access, quality and affordability and particularly where there is a targeted dimension to disadvantaged households with greater need of public support (investment) than better off households. This could mean investment in infrastructural provision or subsidisation of supply of water to households by means of public subsidies, allowances, discounting, differential tariffs or regional pricing strategies for water (or utilities such as gas or electricity). Social innovation in water policy should allow testing new policy approaches and selecting the most effective ones.

General Comment No. 15 of the Committee on Economic, Social and Cultural Rights states, '[s]efficient, safe and acceptable water must be accessible within, or in the immediate vicinity, of each household, educational institution and workplace.' They advise that setting a 'universal' goal without setting specific targets to address inequalities may perversely result in States prioritising those to whom it is easier to deliver services, in order to demonstrate rapid progress towards the goal of universal access might mean most disadvantaged individuals and groups would be the last to be reached. States must therefore devise specific strategies to reach the most disadvantaged individuals and groups and remove discriminatory practices. This requires setting targets to progressively eliminate inequalities in access. Without this focus, interventions in water and sanitation may reinforce existing inequalities. It is not acceptable to set lower standards for poorer or disadvantaged households, and any lower interim targets must not become long-term solutions, but must be time-bound. Scoping key aspects of access, the UN 2010 offers a framework outlining access challenges and issues associated with equitable access.

Table 1.1 Equitable access to water and sanitation: a conceptual framework

BASIC CHARACTERISTICS OF WATER AND SANITATION SERVICES	CHALLENGES REGARDING ACCESS	EQUITABLE ACCESS DIMENSION
No physical access (no water available, water sources polluted, no facilities)	Certain areas of a country (rural areas, poor urban neighbourhoods, areas affected by environmental degradation or scarcity) have no physical access or have access of lower quality than other areas	Geographical disparities
Low quality of physical services (water contamination, discontinuous service)		
Good quality of physical services	Physical services are not adapted to the physical or cultural needs of certain groups (people with disabilities, schoolchildren, nomadic people)	Access by vulnerable or marginalized groups
	Persons belonging to certain groups are discriminated against in the provision of physical and customer services (e.g., due to unsafe tenure, ethnicity or illiteracy)	
	The water and sanitation bill represents too large a share of disposable income for some households	Affordability for users

Source UN (2012) No One Left Behind

Progressive and focused targets to eliminate inequalities, a policy of progressive universalism, must complement an overarching goal of universal access to water and sanitation. Water access is highly gendered, the world of water policy is dominated by technical professions and highly gendered in implementation and access practice[8] given different access of men and women to natural resources, including land and water, there is a strong possibility that the poorest members of the community, including women, will be disadvantaged. However, it is also related to the more gendered feminisation and management of poverty, and

8 http://www.kintera.org/atf/cf/%7BCB95058B-1CD4-434F-B7BA-28C03A814CA%7D/Gender_Poverty_Water.pdf

women, especially female farmers and precarious workers, have insufficient financial resources to pay water user fees. Mc Donald (2011) argues the right and access to clean water is intrinsically linked to gender equality with a differential impact on women when their rights to water and sanitation are impeded. Often natural resource managers, women and girls are responsible for collecting water for cooking, cleaning, drinking, health and hygiene, and growing food but women are rarely brought into policy-making spheres, which continue to neglect gendered needs and concerns. Other issues for vulnerable groups are relevant to migrants, nomadic and rural populations as well as people with disabilities.

Table 1.2 Challenges faced by persons belonging to vulnerable of marginalised groups

EXAMPLES OF VULNERABLE AND MARGINALIZED GROUPS	EXAMPLES OF CHALLENGES TO ACCESS TO WATER AND SANITATION SERVICES
Persons with disabilities, older persons, persons with serious and chronic illnesses	Standard water and sanitation facilities may not be adequate to their special physical needs.
Persons belonging to nomadic and travelling communities, homeless	Public facilities (fountains, showers and toilets) on which they rely may not be available.
School children, hospital patients, detainees, refugees, internally displaced persons	Institutions on which they rely (schools, hospitals, prisons, camps) do not always have adequate water and sanitation facilities.
Illegal settlers, illegal immigrants	Water and sanitation service providers may not serve undocumented persons or housing facilities located in untenured land.
Indigenous people, persons belonging to ethnic or other minority groups	Water providers and social services agencies may intentionally or unintentionally discriminate against these groups in terms of service provision, allocation of water-related aid or with regard to participation in decision-making.

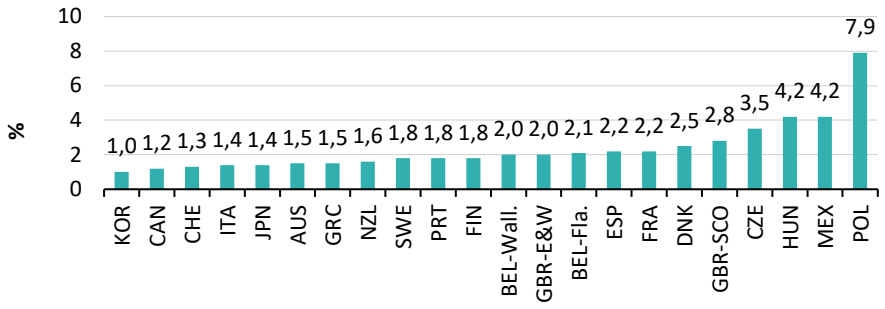
Source UN (2012) No One Left Behind

1.7 Affordability

The Water Poverty Index (WPI)[9] is an interdisciplinary measure that links household welfare with water availability and indicates the degree to which water scarcity impacts on human populations. While EU MS tend to be reflected in the water prosperity rather than water poverty end of the index, there are links between poverty, social deprivation, environmental integrity, water availability and health, or how water is related to individual and collective capabilities. It is generally accepted that a household or individual experiences water poverty when spending more than 3% of net income on water supply, although 3%-5% is often used (Smets 2015). This is clearly a European issue, with various cities and states measuring above 3%. Water poverty constitutes a serious issue for the lowest decile of the population in the OECD countries. including vulnerable households in East European countries such as Czech Republic, Hungary, and Poland, in the latter water supply and sanitation bills 8% of household's net disposable income for the families at the lowest income decile, this compares to France (2.2%) and Italy 1.4%, suggesting the range of affordability measures outlined below are relevant in an EU context.

11 http://liu.diva-portal.org/smash/get/diva2:607546/FULLTEXT01.pdf

Figure 1.4 Water supply and sanitation bills as a share of average disposable income of the lowest decile of the OECD population, 2008



Source OECD, 2010. Pricing Water Resources and Water Sanitation Services, Paris, p. 75

Table 1.3 Affordability measures for domestic users in OECD

Measure taken	No. of countries
Income support for low-income households	30
No disconnection of water supply of low-income households with arrears for water	14
Subsidies for water supply and/or sanitation over 30% of total service cost	13
Progressive water tariff in general use	13
Social water tariff (reduced price for certain groups of users)	12
VAT on water below normal rate	11
Unmetered (cheap flat rate tariff)	9
Targeted assistance i.e. grants or forgiveness of arrears for low-income households	8
No fixed fee (only proportional fee)	6
Reduced waste water tax or other water charges for low-income groups	3
Provision of a first block at zero price for low-income households or all households	2

Out of 30 OECD countries

Source OECD (2006), Table 6

1.8 Quality

Quality is understood from two perspectives: the quality of the water and sanitation services and the level of investment to ensure future quality, and the quality of water customer services

The OECD argue access to clean water is fundamental to human well-being but that, despite progress many suffer from inadequate quantity and quality of water with run off from fixed sources such as industrial and municipal wastewater treatment plants, diffuse pollution from agriculture and urban run-offs. Almost 81% of people in OECD countries say they are satisfied with water quality and while average European water quality satisfaction is high, there are clear quality deficits and inequalities across the EU. Around nine out of ten respondents in Romania (94%), Italy (91%) and France (89%) consider water quality a serious problem for their country, with water quality a very serious problem for 64%, (Romania), 53% France and Italy. By contrast, more than half of the respondents in Finland (59%), Austria (58%), Germany and the Netherlands (both 52%) do not consider water quality to be a serious problem in their country.

The quality of water customer services and provision of rights and capability based provision of customer services draws attention to the degree to which service provision principles and practices respect human rights and citizens or customers capabilities. This means a focus on redress, appeals information and quality services in both state and private water companies.

2. European policy framework for water

2.1 EU Water Framework Directive (WFD)

The exception of private French companies[10] (Hall & Lobina, 2008), municipalisation or direct local/national governmental water provision was the European norm but this did not preclude charging and many European countries have historically had specific water charges (Barraqué *et al.*, 2015). A landmark EU level water policy began at the International Conference on Water and the Environment Dublin (1992) which eventually led to the EU Water Framework Directive (WFD) which by 2010 introduced 'the recovery of the costs of water services' along with 'an adequate contribution of the different water uses, disaggregated into at least industry, households and agriculture' (Article 9.1).[11] This move from a public provision utility (Feldman, 2012) to a market environmentalist model (Bakker 2005; 2010), polluter pay' driven policy has potentially serious implications for water as social policy as, without adequate safeguards in policy design, it can potentially undermine access and affordability for low income and vulnerable water users. Some southern European member states and Ireland sought a derogation from the water charges element of the EU WFD (Kaika, 2003).

Pressure associated with economic crisis and investment deficits have increased the level of privatisation of water services over the last decade. Such recent moves across Europe to privatise water (e.g. UK, Greece and Berlin) motivated the formation of the *European Citizens' Initiative* (ECI) framed around the understanding that 'Water and Sanitation are human rights! Water is a public good, not a commodity![12] Almost two million (1,884,790) Europeans signed the ECI petition, which had been spearheaded by the European Federation of Public Service Unions, in a bid to have the EC introduce a legal right to water in the EU and exclude water services from liberalisation. The initiative argues rights cannot be guaranteed if they are subject to market forces under a single market in goods and services which counters the 2010 UN Resolution.[13] The initiative proposed EU institutions and Member States be obliged to ensure that all inhabitants enjoy the right to water and sanitation, that water supply and management of water resources not be subject to 'internal market rules', that water services be excluded from liberalisation and that EU increases its efforts to achieve universal access to water and sanitation'. In line with capabilities and rights approach that places the participation of citizens as central, the assentation by citizens that water, its access and as a public good and human right is central to a capabilities and rights understanding of investment in water.

The initial EU response to ECI contains no new policy initiatives but does affirm water 'as a right' and core to capability, 'starting *from life itself but also vital to poverty reduction, inclusive growth and sustainable development'*. It argues the WFD recognises that '*water is not a commercial product like any other but, rather, a heritage which must be protected, defended and treated as such*'. The response highlights how certain rights and principles set out in the Charter of Fundamental Rights can be interpreted as directly relevant for access to safe drinking water and improved sanitation. It acknowledges effective protection of fundamental rights, like the right to dignity (Article 1) or the right to life (Article 2), is affected by the lack of access to safe drinking water and sanitation.

10 Veolia and Suez, now major transnational players in water services provision

11 To address increasing demand and conserve adequate supplies the EWD promotes the concept of 'adequate water pricing' requiring Member States to ensure that the price charged to water consumers - such as for the abstraction and distribution of fresh water and the collection and treatment of waste water - reflects the true costs. Derogations are possible in less-favoured areas or to provide basic services at an affordable price.

12 www.right2water.org

13 http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52014DC0177&from=EN

It also highlights EU commitment to a high level of environmental protection in Article 37. As such, it is grounded in a capability and rights approach to water.

Despite these affirmations, there have been few recent specific policy initiatives in this sector for example in relation to funding, legal initiatives, OMC, CSRs in European Semester, or social dialogue. The EU response to the ECI, while it does not introduce new policy, does reaffirm existing policy around three principles; access, *affordability, and quality.*

Access: EU Cohesion funds for development and upgrading of infrastructure provide access to drinking water and wastewater services. While over 2007-2013- €22bn was available, access to quality water and sanitation is problematic in areas served by small scale water supply systems identified in the 2012 Water Blueprint (serving less than 5.000 people but affecting 65 million people in the EU, in particular in Eastern European Member States).

Affordability: and related effective access to water services. While the EU has no role in the setting of water prices it does establish basic principles for water pricing policies in MS. WFD requires the price charged to water consumers to reflect the true costs of water use and assumes MS are competent for taking concrete support measures safeguarding disadvantaged people and tackling water-poverty issues. This, it assumes, can be done through support for low-income households or through the establishment of public service obligations in procurement processes that ensure MS policies to reduce poverty and social exclusion should ensure access to a minimum water supply to all citizens (WHO, WFD).

Quality: in 2015, the Commission adopted Directive (EU) 2015/1787 to improve monitoring of drinking water; this allows greater flexibility as to how drinking water is monitored across the EU. A new EC 2016 directive advances guarantees on minimum water supply[14] by setting standards for drinking water and to protect public health from the adverse effect of any contamination by ensuring water for human consumption* is wholesome and clean. There appears to be no similar guidance on water services customer relations.

2.2 EU Water Policy - 2018 developments

There has been a change in proposed EU legislation, since the presentation of the proposal for a directive on the quality of water intended for human consumption (Recast COM (2017)753 final, 2017/0332). On Feb 1st 2018 the EC proposed that Member States should be obliged to guarantee access to water, especially also for vulnerable groups and to improve the quality of drinking water and provide greater access and information to citizens**.** The proposal for modernising the 20 year old drinking water directive (98/83/EC) comes as a result of the REFIT evaluation, the implementation of the Commission's response to the European Citizens' Initiative 'Right2Water' and as a contribution to meeting the targets of the Sustainable Development Goals. This important policy initiative is the Directive on the quality of water for human consumption, COM (2017) 753,[15] this is also the answer to the European Citizens Initiative Right2Water, and aims to increase access to drinking water. The proposal contains a new article that adds an EU action alongside the EU support via EU funds.

The proposal updates existing safety standards in line with latest WHO recommendations, empowers authorities to better deal with risks to water supply and engage with polluters, empowers consumers by giving them much more information and oversight over the efficiency and effectiveness of water suppliers. It aims to enable EU countries to manage drinking water in a resource-efficient and sustainable manner so as to reduce energy use and unnecessary water loss, to reduce the number of plastic bottles through increased confidence in tap water, improved access and promotion of use of drinking water.

- First, an obligation for Member States to improve access to and promote use of drinking water via a number of measures, some of which are included in the Article (assessing the share of people without

14 Directive 98/83/EC — quality of water intended for human consumption http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=URISERV:l28079&from=EN

15 http://ec.europa.eu/environment/water/water-drink/pdf/revised_drinking_water_directive.pdf final

access to drinking water, informing them about connection possibilities, encouraging the use of tap water in public buildings and restaurants, ensuring that equipment to freely access tap water is available in most cities, etc.),

- Second, an obligation for Member States to take all measures necessary to ensure access to drinking water for vulnerable and marginalised groups. When those groups do not have access to water intended for human consumption in the sense of this Directive, Member States should swiftly inform them of the quality of the water available to them, and give the necessary related health advice.

This is in line with the principles of the new European Pillar of Social Rights,[16] which is consistent with the promotion of an obligation for EU countries to improve access to safe drinking water for all and to ensure access for vulnerable and marginalised groups. The latter refers to another important policy development in Chapter 111 of the EPSR under the social protection and inclusion category which includes principle No 20,Access to essential services:.

'Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need'

The directive should also contribute to the commitment taken under UN Sustainable Development Goal 6 and the associated target to '*achieve universal and equitable access to safe and affordable drinking water for all*'.

The concept of equitable access to water is usually three-dimensional, encompassing: geographic differences in services provided (for instance, due to lack of infrastructure), difficulties faced by vulnerable and marginalised groups (e.g. refugees, nomadic communities, homeless people and minority cultures such as Roma, Sinti, Travellers, Kalé, Gens du voyage, etc., whether sedentary or not) trying to access water services, and financial affordability. Concerning affordability, any water pricing policy in the Union must take into account the principles of recovery of costs and polluter pays. Member States are also allowed to have regard, when establishing differentiated water tariffs, to the variation in the economic and social conditions in the population. The principle of recovery of costs therefore does not prevent Member States from adopting social tariffs or having measures safeguarding populations at a socio-economic disadvantage, in addition to the measures provided for in new Article 13 of this Directive.

In its reaction to the ECI, the *European Parliament* affirms water and sanitation services are services of general interest and that water is a public good that must be delivered at affordable prices on basis of a progressive tariff. It urges the Member States to ensure that fair, just and transparent tariff structures are implemented to guarantee access to quality services for all citizens, regardless their income.[17]

However, the *European Economic and Social Committee* expressed its disappointment that the Commission did not propose an EU law recognising access to water and sanitation as a human right, and points to the lack of data on the size of vulnerable groups[18] while ESPN also called for a legislative basis for the right to water (ESPN 2018). The key for both the EPSR right and the Recast Directive is to make as strong a legislative basis as possible for the right to water.

2.3 Ownership and governance – EU competition policy

The position of the sector within the EU's internal market policy and general and specific market rules differs from other forms of social investment. In the EU access to water is not considered a 'social service' of general interest, but a 'services' of general interest so has to be considered under a different EU policy framework than other social services (Huber et al 2006), and it is not necessarily automatically considered in the context of policies that act as stimulus investment.

16 https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

17 www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0294+0+DOC+XML+V0//NL

18 Webapi.eesc.europa.eu/documentsanonymous/eesc-2014-02361-00-00-ac-tra-en.doc

During the debate on the *2006 Service Directive,*[19] the anti-poverty movement repeatedly claimed that 'social minimum standards' needed to be established at EU level in order to prevent harmful social effects of liberalisation on vulnerable groups. This raises the issue of social minimum standards in relation to access, quality and affordability of water and utilities. *Guidance on protection of social services of general interest* is now updated in a biannual pattern[20] it does not include guidance on water but is an important starting point in examining potential water and utility related reforms at EU level. Until water is considered within this framework there, will remain a contradiction between EU policy, which grounds water in rights, capabilities, and the reality of its treatment as a service of general interest, which by definition is more open to liberalisation and privatisation?

2.4 EU Social Investment Package

The EU SIP provides that the EU budget should be *'a catalyst for growth and jobs across Europe, notably by leveraging productive and human capital investments'* in modernisation of public services, territorial investment and social inclusion policies. Funding under the European Social Fund can be complemented by further financing from the ERDF, notably for investing in health, social, childcare, housing and education infrastructure, as well as support for physical and economic regeneration of deprived urban and rural communities. The Common Provisions Regulation71 (CPR) sets out the priorities to be financed from ESI Funds. While water provision is not specifically mentioned, it is clearly related to social investment, health, housing and regeneration and might be regarded as included in the remit of social investment.

The EU SIP includes various commitments with capacity to impact on human rights as well individual capabilities and collective agency and with potential relevance to future water policy. For social services of general interest (but not general services such as water) SIP commits to

- Clarify to public authorities and service providers how EU rules on State aid, internal market and public procurement apply to social services, through an updated Guide and regular exchanges of information with stakeholders.
- Stimulating 'best-offer pricing' options for consumer products and services egg establishing the lowest price that a consumer could pay for a specified good or service, including, where appropriate, by purchasing 'bundled' goods or services (SIP 2013 p. 10).
- Developing legal frameworks that ensure access to efficient, high quality and affordable social services that respect the EU rules;
- Explore and develop innovative ways of securing additional private financing for social investment, for instance through public private partnerships

Finally, building on the political discourse associated with UN developments and the political dynamic of the EU Citizens Initiative, the EPSR most recently has affirmed water as a social right

19 See http://ec.europa.eu/growth/single-market/services/services-directive_en

20 EC (2013) 40 Social Investment Package, COMMISSION STAFF WORKING DOCUMENT, 3rd Biennale Report on Social Services of General Interest, EC Brussels EU 2013.

3. Comparative analysis of this service market across EU

Table 3.1 Overall framework for comparative analysis

	IRL	ENG	SCOT	FL	NL	PL	RO	IT
Access	Full – but travellers	Good and legal prohibit disconnect	Good and legal prohibit disconnect	Disconnect allowed	Disconnect allowed	Disconnect allowed Uneven rural	V poor rural & Roma	Good but SI issues
Afford	NIL	Poor +3% lowest 10	Good – 3%	Poorer than before crisis	Good	Uneven	Serious	Low but investment issues
Quality	E.coli, boil notice	Good	Good	Good	Good	Uneven	Poor	Poor in SI
Service	Irish Water poor reputation	CC Water	CAS	LACs a mediation body in context of disconnections	Various Good	ESRAR	Various Uneven	Innovative practice in some regions
Ownership	Priv citizens movement, PPPs for infrastructure	Stock market	Fears of priv	-	-	PPPs	PPPs	Priv, referendum
Regulation	Commission for Regulation of Utilities (CRU) and the Environmental Protection Agency (EPA).	Ofwat (The Water Services Regulation Authority	Ofwat (The Water Services Regulation Authority	Flemish Environment Agency (VMM).	Minister for infrastructure and environment	Water and Waste Services Regulation Authority (ERSAR)	AANSR	Italian Regulatory Authority for Electricity Gas and Water (AEEGSI)
State	Central	Regional	Central	Regional	Central	Central	Regional	Municip'n

3.1 Overview

Strong common themes emerge from the comparative analysis we have undertaken (outlined above) of eight EU states. These include a trend of water charge increases since the crisis; disconnections form both public and private services; issues of water affordability in the context of a general decline in incomes; general issues of water quality in the context of weak infrastructure due to a lack of investment; incidences of privatisation and Public Private Partnerships (PPPs), as well as concerns about these trends towards commodification; examples of citizen action and examples of public provision/municipalisation; and discussion on how capabilities and rights of most vulnerable are impacted/enhanced from these.

The overall reflection is that while the right to water is well established in EU and international (UN) discourse this right cannot be left at the level of an abstract norm. Rather the right to water is related to a citizen's capability to realise the right. This means paying attention to how water is delivered (the nature of the investment and service) and who delivers water, and related issues of access, quality and affordability.

Leaving the choice of delivery as optional leaves the right to water open to chance. Regulatory guidelines are needed to place controls on the nature of delivery and investment, regardless of who is delivering, to ensure issues of access, quality and affordability and participation are guaranteed outcomes. In essence, we find marketisation is problematic as a framework for social investment. While the underlying rationale for enabling various market delivery options remains unconvincing, as it is likely to lead to negatively impact on the rights and capabilities of the most vulnerable as a result of under investment in quality, uneven access, lack of affordability, and issues of quality.

3.2 Ownership and governance

Comparing recent reforms and shifts in provision models across the eight countries, we see some commonalities. In continental Europe (Smets 2016), the accepted policy on water, charging is half way between a liberal approach and a public property approach. The UK model with privatised water utilities remains an outlier. Most European states require that investment and major decisions on water issues remain formally in the hands of public authorities. In some countries, privatisation of water companies has been forbidden by law and in some cities, there is a shift towards re-municipalisation. The other outlier, Ireland, still maintains state provision, albeit with high levels of PPPs in water infrastructure, and a regime base funded through taxation rather than user charges, as a result of citizen action

EU policy remains unchanged despite the citizens' initiative. So while in contrast to energy, there is no formal offensive push by the EU to liberalise provision of water nonetheless privatisation (Ross 2014, Clarke et al 2009, Euro found 2015, Finger & Allouche 2002) in its numerous forms was more and more a feature of national water policy in the austerity era.[21] [22] Austerity is associated with attempted privatisation. Within the bailout programmes, we see water infrastructure privatisation promoted by the Troika in Greece. Even in states with strong statutory frameworks, in Scotland for example stakes used the economic downturn to argue for water privatisation and mutualisation of Scottish water (Unison). While in April 2016, the Italian Chamber of Deputies approved a draft bill that removes compulsory public management of municipal water services.

It is difficult in this report to be coherent in its judgement about privatisation of the water sector. While there are increased pressures for water provision to be privatised it is only the UK model that has fully privatised water utilities and this remains an outlier. In some countries, such as Portugal, where water is defined as a structural public sector by ERSAR, there is 'growing privatisation' in the shape of PPPs; while in Scotland, water is provided by a public company but reforms including privatisation are being debated. Belgium and the Netherlands have water provision as a public service, and in Ireland privatisation fears did not materialise due to citizen action. The reality that collective action has helped guarantee access to public water is a key finding for collective agency as citizens have collectively asserted that water needs to be treated as a human right and resisted the pressure of big private water companies to access the sector and the EC and the EU are not promoting liberalisation of the water sector to the extent that they promote it other competition in other sectors.

All that said we do see greater use of Public Private Partnerships (PPP) in Ireland and Portugal. Ireland experienced significant growth in PPP's with approximately 63 percent of all Irish Public Private Partnerships (PPPs) in operation were contracted in the water sector – and the state specifically favouring a PPP approach (Hearne 2011, Reeves, 2013b). After Greece, Ireland is the second highest level of public/private operation of wastewater services in Europe in 2008 (45 percent) (EUREAU, 2009). We also see more involvement of Private equity firms**:** Since the UK opened up to privatisation of water in 1989; three ownership models dominated the industry. Up to the mid-90s, water holding groups listed on the stock exchange dominated, overtime multinational ownership of the industry grew, reaching a peak in 2000, since then, private equity consortia have taken over half of the industry and financialisation is a common feature

21 David Hall and Emanuele Lobina (2012) Financing water and sanitation: public realities.

22 http://www.right2water.eu/news/our-response-consultation-drinking-water-europe

of water ownership, in 2016 four foreign owned private equity firms owned 40% of turnover. If, as expected, United Utilities is taken over by private equity, private equity share will be 60%.

Nonetheless, across Europe we also see contra trends away from privatisation and towards re-municipalisation**.** Given the negative impacts of privatisation, there are clear signs that privatised municipalities are moving towards re-municipalisation in Germany, Hungary, France and the UK.[23] Given that EC and EU policy is to promote liberalisation these local state level responses towards re-municipalisation and assertion of the right to water, combined with high-levels of citizen mobilisation for the right to water, raise significant questions about how reflective EU policy is of citizen and state views on water services. Strong public responses and mobilisations around the right to water including the EU Citizens Initiative have had mixed responses, stemming reforms in Ireland, stalling reforms in Italy, while privatisation reforms proceeded in Greece. Crucially Hall finds a major motivation in water and other municipalisation projects is the degree of enhanced control over effective delivery of public service objectives and greater local control or effective achievement of public interest, this is a clear instance of society opting for collective capability and capacity to undertake long-term strategic social investment.

3.3 Regulation

The Water Framework Directive represented a first step towards creating a level of harmonisation in the practices and principles of the European water sector and established standards to protect water resources, promote efficient use and sustainability. Water regulators across Europe are pivotal, and even in the context of diverse national frameworks have since 2015 worked through WAREG (the EU level network of economic regulators) to share common objectives, and learn from each other's experiences

All the eight countries have by now an established regulator and regulatory framework, while there is an emerging best practice for regulation for example the Netherlands system of benchmarking; there remains a clear absence of common standards and frameworks across the EU.

Table 3.2 Regulatory bodies in eight case studies

Regulation	IRE	SCOT	ENG	FL	NL	PT	RO	IT
	Commission for Regulation of Utilities (CRU) and the Environmental Protection Agency (EPA)	Ofwat (The Water Services Regulation Authority	Ofwat (The Water Services Regulation Authority	Flemish Environment Agency (VMM)	Minister for infrastructure and environment	Water and Waste Services Regulation Authority (ERSAR)	AANSR	Italian Regulatory Authority for Electricity Gas and Water (AEEGSI)

3.4 Water access and disconnection

Water access remains an issue affecting vulnerable groups in the EU. More than 1 million people in the EU still lack access to safe and clean drinking water and nearly 2% of the EU population does not have access to sanitation.[24]

23 In 2010, Paris concerned with rising prices and poor accountability, cancelled contracts with two private companies and established a new public company – Eau de Paris - to unify production and supply services. Paris saved 15% costs in year one, with 8% in year 2 and increased investment in water conservation, water resource protection, research, innovation, and awareness raising. Inspired by Paris, a further 40 French municipalities re-municipalised water services, including major cities such as Grenoble, Bordeaux and Brest. There was also a partial municipalisation of the Berlin Water Company in 2012, while in Hungary the city of Pecs and Budapest also municipalised water services. In 2015 A Spanish court questioned the nature of concessions for private water operator Aguas de Barcelona – one of Europe's largest private water companies. Barcelona city council is committed to returning water services back in citizen's control.

24 https://www.etuc.org/water-initiative-reaches-another-level

Table 3.3 summarises measures to ensure access to water and sanitation services in the EU. Portugal, NL and UK all of which have social tariffs (alongside Flanders who also have exemptions for some lower income groups), while Portugal also has income supports and direct subsidies, while the UK has both disconnection bans and remissions for lower income groups. Ireland, with no domestic charge for water, has none of the above. There is much more that can be done to address issues of affordability, access and quality, pilot projects could be launched where investments in water and energy saving appliances could be pre-financed, local housing, energy and water desks should advise house owners and tenants.

Table 3.3 Policy measures to ensure access to water and sanitation services across the EU

Measure	Countries													
Social tariffs	AT	BG	CZ	EL	HU	IT	LT	LU	MT	NL	PL	PT	ES	UK
Income support	AT	CZ	DK	FI	FR	DE	EI	EL	HU	PL	SK	ES	SE	
Direct subsidies	CZ	EI	EL	HU	LV	PL	PT	SK	ES					
Disconnection ban	AT	DE	DK	EI	FR	LV	SE	UK						
Reduced VAT rate	BG	DE	FR	PL	RO	ES	UK	CY*						
No fixed fee	AT	CZ	EI	HU	PL									
Progressive tariffs	FR	EL	ES	CY										
Targeted assistance	FI	FR	HU											
Remissions for low-income groups	NL	UK												
No meter	DK													

Source Reproduced from the European Union, 'Resource document on disproportionate costs and affordability assessment', WG Economics, 2015[25]

3.5 Access and disconnection policies

Access and connection charges are a significant issue in ECE particularly for example Romania where access costs have to be understood in the context of likely affordability issues. In Ireland, rural households face unsubsidised costs of sinking and maintaining wells or pumps or maintaining small-scale group water and sewerage schemes, while urban dwellers access water paid through direct taxation. With a view to targeting public subsidies to reduce, price disparities in Portugal municipalities with possible affordability issues have priority funding for their investment plans. Nonetheless, in Portugal high connection costs impede access, for some low-income household's connection can cost three times their monthly income, causing ERSAR to recommend elimination of the immediate connection charge.[26]

UN guidance insists laws and policies should outline the steps that service providers must follow before disconnecting households from water and sanitation services, and these must comply with human rights obligations. Those affected must be informed

- in advance, with reasonable notice, of the planned disconnection;
- of their options for recourse to legal remedies before the disconnection takes place, and

25 In Cyprus for all drinking water uses progressive tariffs are applied (for details refer to the source above). * In Belgium, the water policy has recently changed so the information for Belgium was taken out.

- of how to gain legal assistance to obtain remedies.

Technologies such as pre-paid water meters must be assessed for human rights compliance, in particular with respect to affordability, to avoid 'silent disconnections'. States must ensure that there is a regulatory body with the mandate and capacity to regulate private sector participation in water and sanitation service provision effectively, including with control of issues such as tariff setting, see for example the UN good practice check list.

In Bel, Fr, and NL the legal provision for disconnection for non-payment of water charges is rarely implemented as it is considered an out of proportion response to household water debt in the context of genuine financial difficulties and the human right to water, increasingly legal safeguards are introduced. Nonetheless, the NL and Flanders case studies demonstrate thousands of annuals disconnections. UNECE (2012, p. 49) argue 'In addition, there are other relevant non-tariff measures aimed at ensuring that affordability constraints do not prevent households from gaining access (e.g., connection subsidies) or do not force them to lose access. Further in NL we see how even in a strong state provision model there is insufficient *account of children's rights when it comes to disconnection of water services' with impacts of children - reducing both rights and capabilities*

Some countries prohibit service providers from disconnecting users from water and sanitation services when they do not pay their water debts (e.g., in Austria, Latvia, Switzerland, United Kingdom). In order to avoid encouraging non-payment by those who can afford to pay, service providers are often allowed to reduce water provision to a basic amount of water and/or to certain times of the day. In several Swiss cities, disconnection is legally possible in case of a user's dishonesty, but requires official approval from the town council.

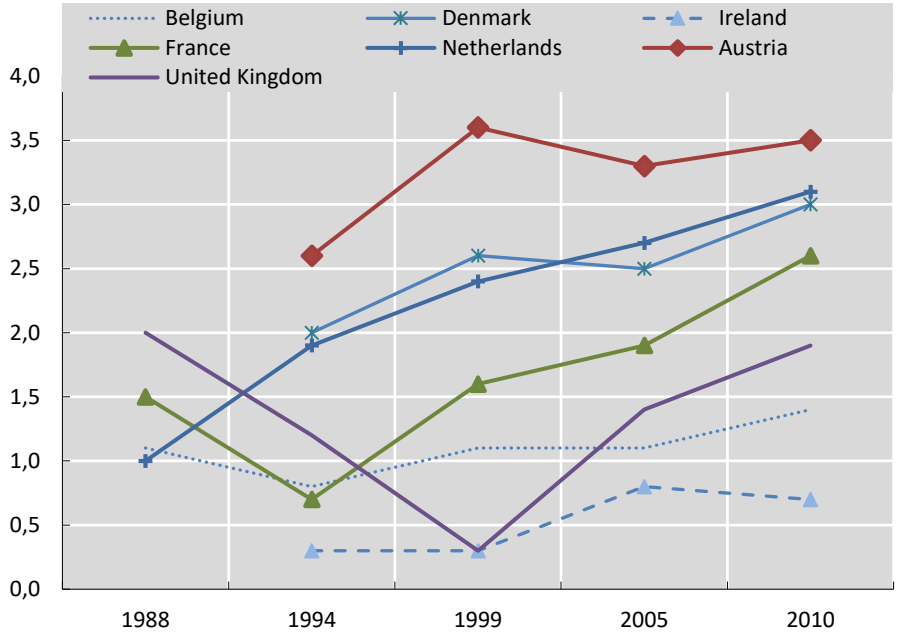
The growing privatisation of the water sector raises the issue of guaranteeing universal access. In Portugal 'in just six cities 3,000 families each month were disconnected in 2012 from the water provisioning network as a result of incapacity to pay the water invoices, associated to the economic crisis while in 2012 3,000 homes disconnected each month in the city of Oporto.

3.6 Water affordability and water poverty

One way of assessing affordability is to measure the 'expenditure share defined as the proportion of total household expenditure associated with water utility' (Deller & Waddams, 2015). While analytically useful, any changes of expenditure share should be interpreted with caution as the changes can be due to several reasons including price increases in other household utilities or changes in consumption patterns as well as actual water charge increases. The evolution of the expenditure share spend on water and household services for Belgium, France, Denmark, Netherlands, Ireland, Austria, and the United Kingdom, over the period 1998 – 2010 shows (with the exception of the UK) the expenditure share on water and household services is greater in 2010 as compared to its initial level in 1988. In France the level increased from 0.7% in 1994 to about 2.5% in 2010 and in Netherlands the level increased from 1% in 1988 to 3% in 2010. The UK experienced a significant drop in its expenditure share from 1988 to 1999 but a considerable increase from 1999 (0.3%) to about 2% in 2010.

Figures 3.1-3.7 are reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

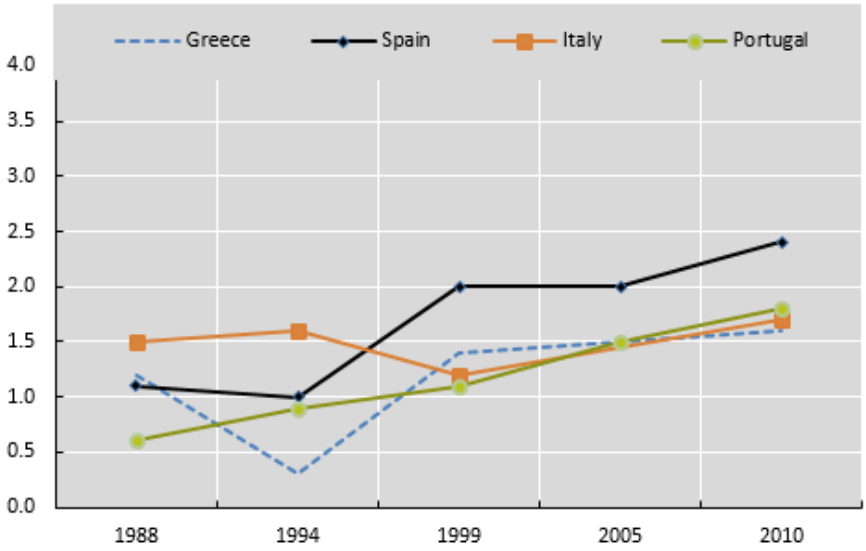
Figure 3.1 **Expenditure share spent on water and household services for selected Northern and Western European countries, 1988 – 2010**



Source Eurostat database, Household Budget Surveys, 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

In Southern Europe Portugal and Spain experienced a substantial increase in expenditure shares compared to their initial levels while Greece reflects a similar trajectory to the UK

Figure 3.2 **Expenditure share spent on water and household services for selected Southern European countries, 1988 – 2010**



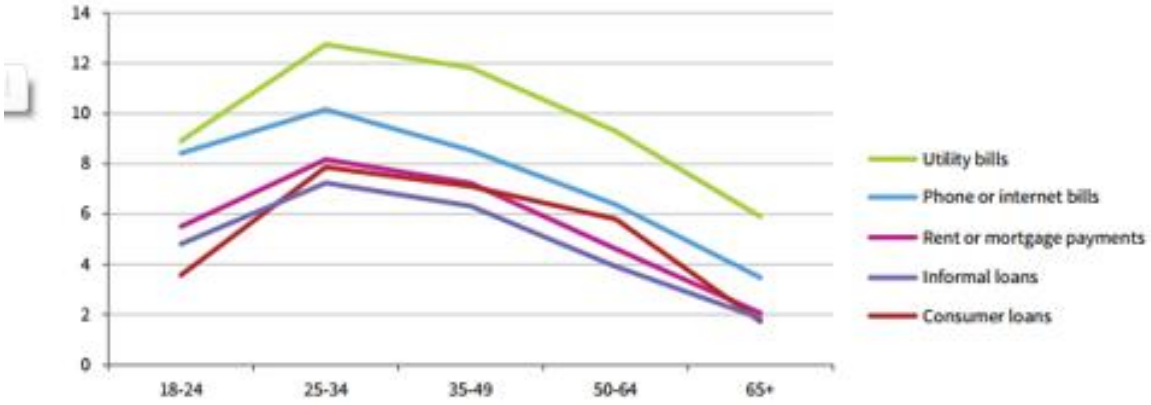
Source Eurostat database, Household Budget Surveys, 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

Overall in most of the countries studied water charges have increased (see for example Flanders and England) while capacity to pay has decreased (Oxfam, 2013), and increases have caused increased pressure as evidenced by both arrears and disconnections in Bel, Port, and NL. These increases affected most especially single parent households, single persons, tenants and households in the three lowest income deciles face difficulties. In some cases, some of the increases were due to national government taxes, NL for example doubled the drinking water tax between 2013 and 2014 even in the context of impaired household spending. Charges also increased in the context of EWF cost equalisation requirements but without compensation strategies to ensure affordability is maintained for vulnerable households.

3.7 Arrears with water bills

It is impossible to disaggregate the information on arrears on water services from other utilities (i.e. electricity, gas). Nevertheless, this indicator allows to trace the evolution of subjective perceptions of affordability challenges in paying utility bills across the European context.

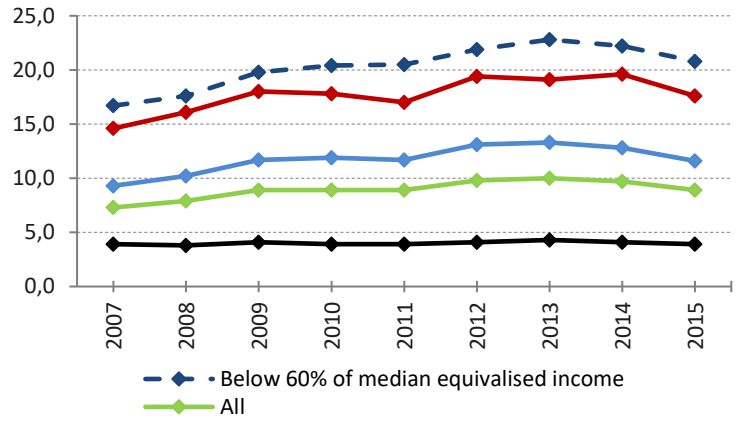
Figure 3.3 Proportion of people in arrears in EU, age group and people



Source Euro found EQLS p 42 2016 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

The 2016 EQLS see above) identifies 10% of Europeans as being in arrears with utility bills but again does not distinguish water from other utility bills. This European average conceals a broad range from Sweden (3%) to Greece (almost 50%, increasing from 15% in 2007 to 40% in 2011, to 48% in 2016). Figure 3.4 shows how keeping up with utility bills is a particular challenge for the long-term unemployed in Europe, largely than for those who have been unemployed for less than 12 months (31% compared with 19%). Single parents with children are another significant risk group (22%).

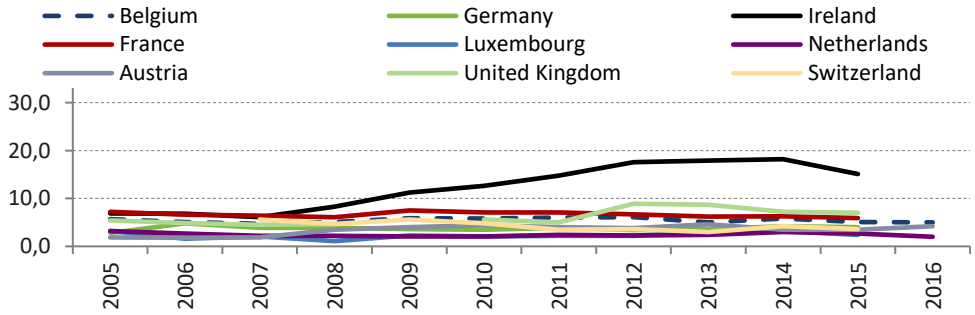
Figure 3.4 Percentage with arrears on utility bills by household type: EU27 averages



Source Eurostat database, European Union Statistics on Income and living Conditions (EU-SILC), 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

Figure 3.5 plots the information on arrears on utility bills for the Western European countries and shows the percentage of individuals with arrears on utility bills below 10%.[27]

Figure 3.5 Percentage of persons with arrears on utility bills for selected Western European countries, 2005 – 2016

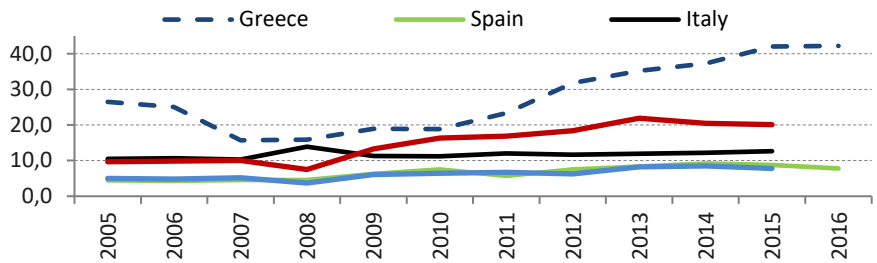


Source Eurostat database, European Union Statistics on Income and living Conditions (EU-SILC), 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

While the proportion of individuals reporting arrears in Spain and Portugal remains below 10%, in Italy, Cyprus and Greece this proportion is bigger than 10%. Beginning with the onset of the economic crisis in 2008, both Cyprus and Greece have experienced dramatic increase in the percentage of persons reporting the arrears on utility bills. This evolution is astounding especially when compared to a relatively stable trajectory of the proportion of respondents reporting arrears in Northern and Western European countries. As an illustration, in 2015, the percentage reporting arrears on utility bills in Greece was approximately 8.2 times more than in Belgium and 17.5 times more than in Luxembourg. These comparisons and trends render visible the detrimental effects of the economic crisis for the Southern European households.

27 The trend is rather stable for all countries with the exception of Ireland, where the percentage of respondents reporting arrears rose from 6.8% in 2007 to 18.2% in 2014 with the following decrease to 15.1%. This staggering increase can be partly be attributed to the introduction of water meters and water charges adopted in Ireland in the context of austerity, and suspended in 2013 (Murphy, RE-InVEST, 2016).

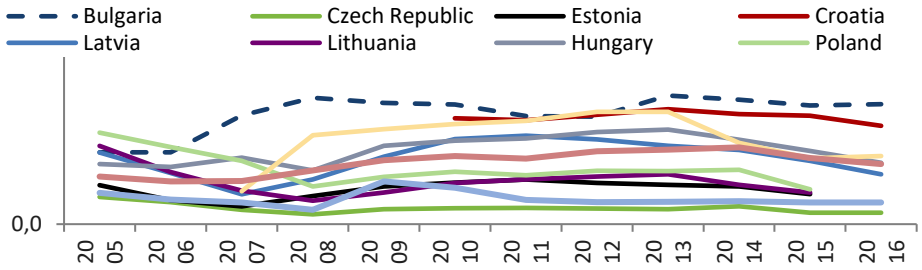
Figure 3.6 Percentage of persons with arrears on utility bills for selected Southern European countries, 2005 – 2016



Source Eurostat database, European Union Statistics on Income and living Conditions (EU-SILC), 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

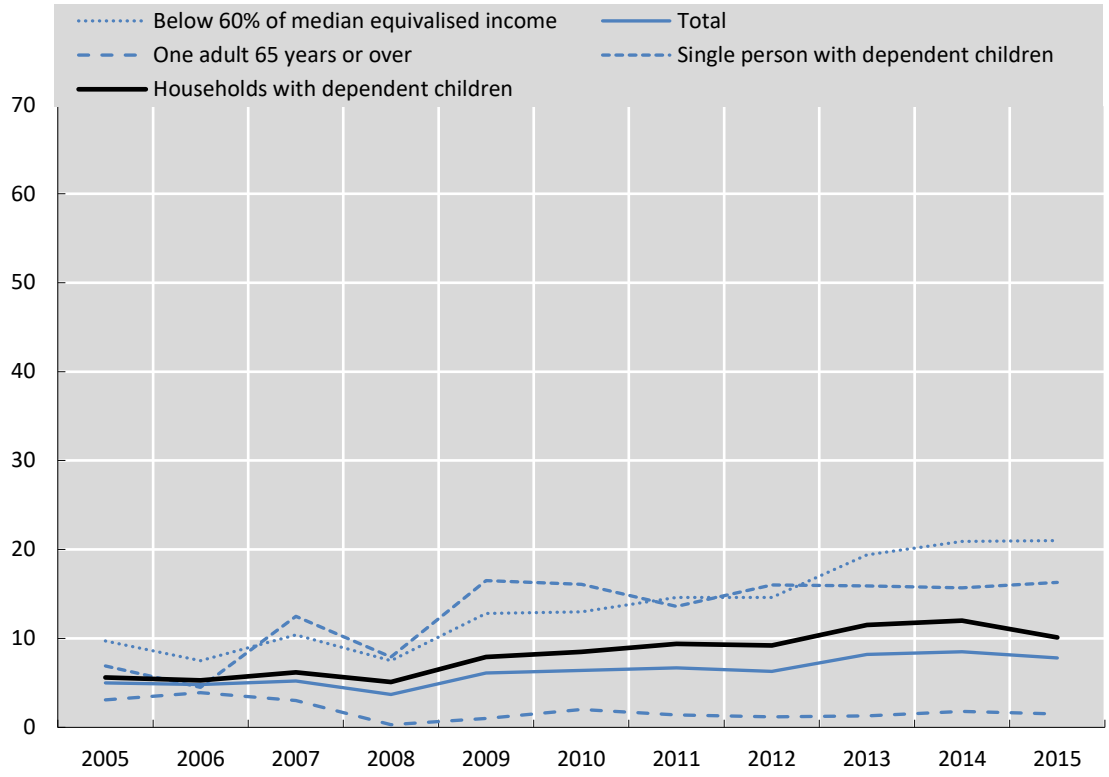
Similarly, the percentage reporting arrears on utility bills is relatively higher in countries of Eastern and Central Europe than in the Western and Northern European region with most countries reporting levels higher than 10% of the total population with arrears on utility bills, this is especially noticeable during the period of the economic crisis, 2008 – 2010.

Figure 3.7 Percentage of persons with arrears on utility bills for selected Eastern and Central European countries, 2005 – 2016



Source Eurostat database, European Union Statistics on Income and living Conditions (EU-SILC), 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

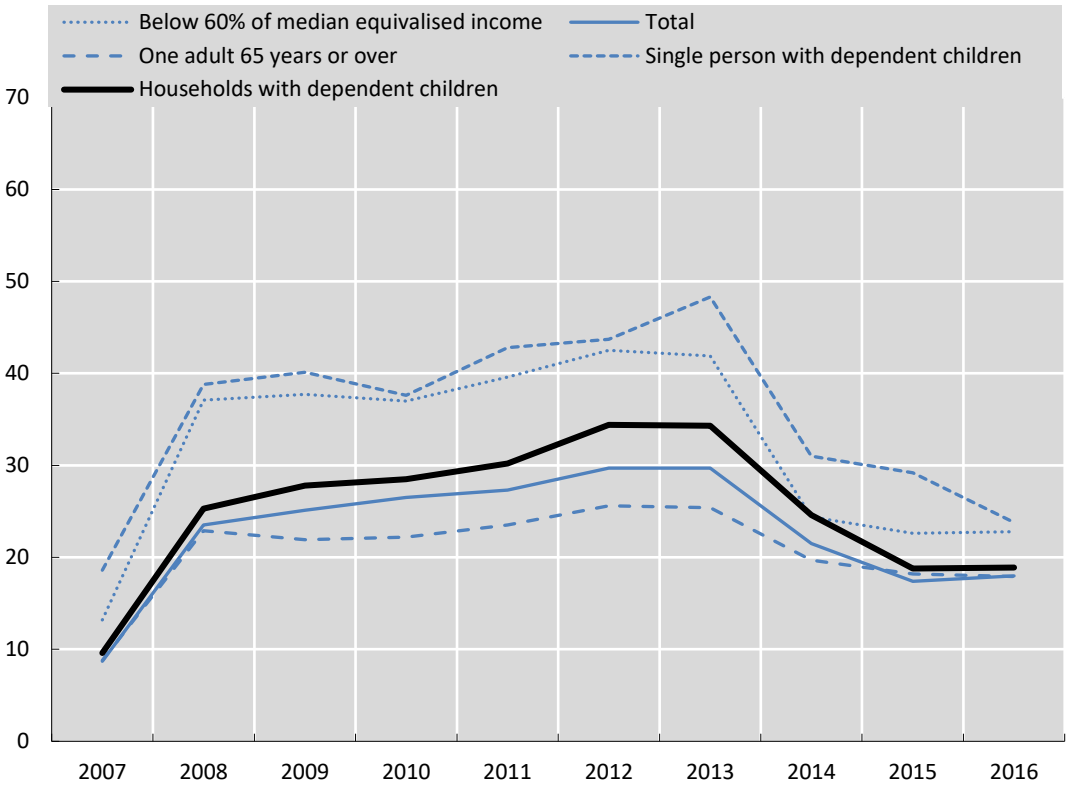
Figure 3.8 Percentage with arrears on utility bills by household type: Portugal



Source Eurostat database, European Union Statistics on Income and living Conditions (EU-SILC), 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

In the case of Romania (Figure 3.9), we see a dramatic increase in the percentage reporting arrears on utility bills across all categories of households beginning in 2007. For the categories of low-income households and a single person with dependent children, the percentage remains around 40% until 2013, with the consequent decrease to about 20%. For other categories, this increase in the percentage of households reporting arrears on utility bills is less but still noticeable. In 2016, the percentages range between 18% and 24% across the categories.

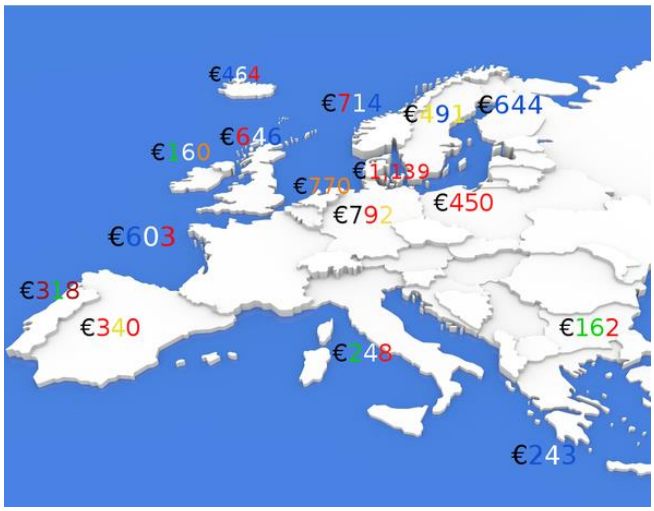
Figure 3.9 Percentage with arrears on utility bills by household type: Romania



Source Eurostat database, European Union Statistics on Income and living Conditions (EU-SILC), 2017 reproduced from Ruelens, A., & Nicaise, I. (2018). Examination of basic service markets: access, quality, and affordability. RE-InVEST

3.8 Affordability

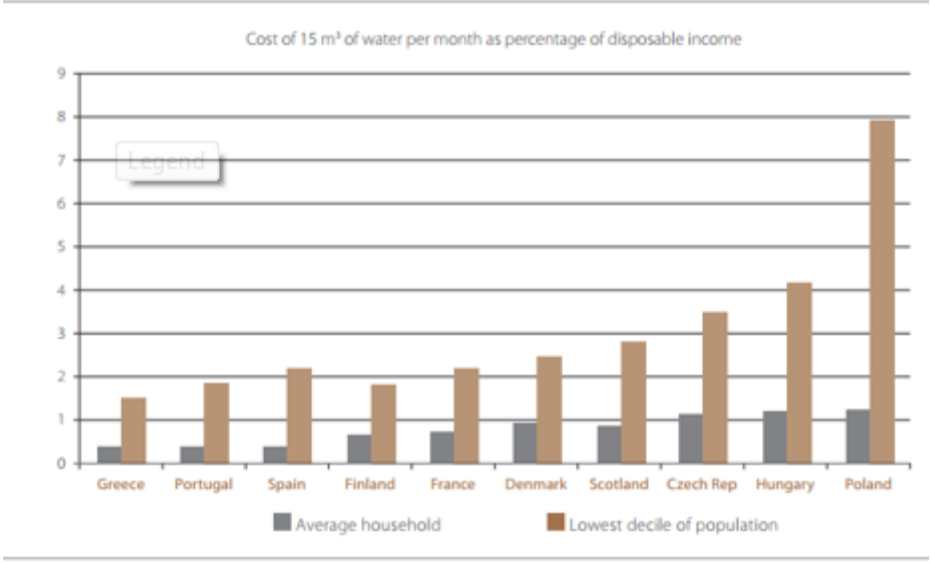
Figure 3.10 Water charges across European states



Source OECD 2010

Figure 3.10 above shows the diversity of water charges across European states. Generally, macro affordability indicators suggest water bills do not represent an excessive burden on household disposable income in the EU. However at a more micro level it is clear lower-income social group's households face difficulties, paying water bills and that this has increased in recent years (OECD, 2010; Raynaud, 2016). While affordability indexes and formulas have been developed in the UK context (Snell & Bradshaw, 2009; Bradshaw & Huby, 2013) and in the US (Westcoat *et al.*, 2007) there are serious data deficits in comparing water affordability across the EU. That said water affordability is clearly relevant to the context of SIP minimum income and reference budget recommendations. Figure 3.11 puts these prices into affordability by seeing them as a percentage of disposable income.

Figure 3.11 Affordability of water and sanitation in selected EU MS average income and lowest decile



Source OECD (2010)

While only Romania in our comparative cases exceeds the 3% limit, other EU states also breach it underscoring the degree to which water affordability is an issue for EU policy. In addition, this data is from 2010, and affordability issues have subsequently gained momentum in some Member States because of the current economic and financial crisis (EEA, 2013). Aqua Publica Europea (APE)[28] argue affordability is crucial for the realisation of the human right to water and sanitation. Even where charges have not increased a decade of economic stagnation has had adverse effects on disposable income, especially for the more vulnerable households. The proportion at risk of poverty in the EU-27 has been steadily growing since 2008, reaching 17.2% in 2015 and water affordability is particularly marked in some states giving rise to strong social protest movements. The price of water has also increased with a reduction of cross-subsidisation of water services through general taxation (in line with Article 9 of the WFD and associated with policy to increase environmental standards and decrease water consumption). There is no composite data post 2009 to assess the impact of the crisis on affordability and 2009 data suggests water affordability issues for the lowest decile in a number of EU states including Poland, Slovakia, Hungary, Czech Republic, and Germany.

28 http://aquapublica.eu/IMG/pdf/water_affordability_final-2.pdf Aqua Publica Europea (APE) is the European Association of Public Water Operators. It brings together 100% publicly owned water and sanitation services, and their national and regional associations to promote public water-management at both European and international level.

Table 3.4 Average water/wastewater bills as share of income of the lowest decile of the population

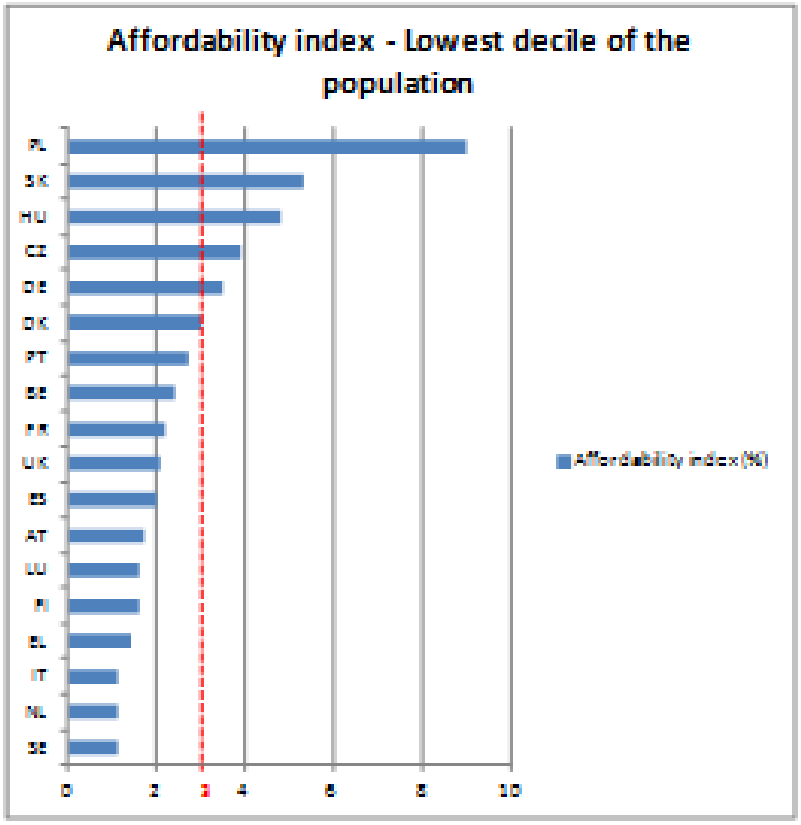
Country	%	Country	%	Country	%
Turkey	10.3	Belgium	2.4	Greece	1.4
Poland	9.0	France	2.2	Switzerland	1.4
Slovakia	5.3	USA	2.2	Canada	1.3
Hungary	4.8	UK	2.1	Norway	1.2
Czech Rep.	3.9	Australia	2.1	Korea	1.1
Germany	3.5	Spain	2.0	Italy	1.1
New Zealand	3.3	Austria	1.7	Netherlands	1.1
Mexico	3.1	Luxembourg	1.6	Sweden	1.1
Denmark	3.0	Finland	1.6	Iceland	0.8
Portugal	2.7	Japan	1.5		

* OECD median = 2.1%; OECD mean = 2.3%

Source OECD (2009)

This disparity is likely to reflect the different living conditions, income and purchasing power disparities among EU countries. Hutton's (2012) analysis percentage of population spending a high proportion of income on water provision also shows affordability a key issue for vulnerable populations in Latvia, Romania and Poland as well as the poorest 2% of UK households who spend more than 8% of income on water provision.

Figure 3.12 Average water/wastewater bills as a share of income of the lowest decile



Source OECD (2009)

3.9 Regional and spatial variations

National macro data however is however very misleading, comparing country/city assessments shows how regional or territorial affordability is in practice. Nevertheless, a review of economic micro-accessibility in Portugal reveals problems in some municipalities that exceed the 3% consumption threshold of 60m3: 3.47% in the North and 3.20% in the Centre. For the 120 m^3 consumption the threshold is exceeded in five regions of mainland Portugal[29] Italy shows significant North-South variation as does England/Wales in the UK

Table 3.5 Affordability indexes eight EU capital cities (Smets, 2008) and country-level indexes (OECD, 2009)

Country and city	Affordability index at the city level (%) –Smets, 2008		Affordability index at the country level (%) – OECD, 2009	
	Average household	Lowest income decile	Average household	Lowest income decile
NL - Amsterdam	1.4	5.8*	0.3	1.1
DE - Berlin	1.4	3.5	0.9	3.5
UK - London	0.9	3.4	0.7	2.1
IT - Rome	0.8	2.8	0.2	1.1
EL - Athens	0.8	2.6	0.3	1.4
SE - Stockholm	1.1	2.4	0.3	1.1
ES - Madrid	0.8	2.4	0.4	2
FR - Paris	0.6	1.7**	0.7	2.2

Source Smets (2008)

In 2011 the average price of water across many European Cities varies from €0.40 up to €5.75 per 1,000 litres and within countries there is huge variation. In Sweden, for example, citizens in Malmo pay just €1.03 while those in Gothenberg pay €4.19 per 1,000 litres. Of the 65 western European cities reported on who charge for water (Dublin, Cork and Belfast being the only ones who do not) only one city (Glasgow) has a decreasing price structure, i.e. the more water you use the less you pay per litre. This can be thought of like a bulk-buying discount. 20 cities (mainly located in Greece, Spain, Portugal and Italy) have increasing pricing, so the more you use the more you pay per litre, potentially leading to affordability issue for larger families or those with specific disability related needs. The remaining 44 cities (Germany, France and UK) have linear charging schemes, so you pay the same price per litre regardless of how much you are using (publicpolicy.ie).

29 North (5.15%); Centre (5.16%), LVT (4.35%) and Algarve (3.25%).

Table 3.6 Water prices across selected cities (per 1,000 litres)

City	Average Charge (€)
Milan	0.40
Athens	0.78
Lisbon	0.85
Madrid	0.99
London	1.63
Paris	2.16
Munich	2.26
Copenhagen	3.28
Gothenberg	4.19
Gent	5.75

Source Global Water Intelligence Annual Tariff Survey September 2011.
http://www.globalwaterintel.com/archive/12/9

3.10 Policy responses to affordability

A range of policy measures have potential to enhance human rights and individual capabilities or collective agency addresses affordability. Compensatory measures or alternatives to full cost recovery fall into two categories: measures supporting target group incomes, and measures creating preferential prices for those target groups. Table 3.7 charts the diversity of policy responses to make water more affordable across EU states with large subsidies, no fixed fees and income supports the most common responses.

Table 3.7 Diversity of policy responses to make water more affordable across EU states

	Large subsidies (a)	Reduced VAT (b)	Reduced WWT (c)	Progressive tariff (d)	Social tariff (e)	Targeted assistance (f)	Disconnection ban (g)	Free block (h)	No meter (i)	No fixed fee (j)	Income support (k)
Austria					Y		Y			Y	Y
Czech Republic	Y	Y								Y	Y
Denmark							Y		Y		Y
Finland						Y					Y
France		Y		Y/N (l)		Y	Y				Y
Germany		Y					Y				Y
Greece	Y			Y	Y						Y
Hungary	Y				Y	Y				Y	Y
Iceland							Y		Y		Y
Ireland	Y						Y	Y	Y	Y	Y
Norway							Y		Y		Y
Poland	Y	Y								Y	Y
Portugal	Y	Y		Y	Y						Y
Slovakia	Y										Y
Spain	Y	Y		Y	Y						Y
Sweden							Y				Y
Switzerland	Y	Y					Y				Y
Turkey	Y			Y							Y
United Kingdom (m)		Y			Y	Y	Y		Y		Y

Source Aqua Publica Europea, 2015

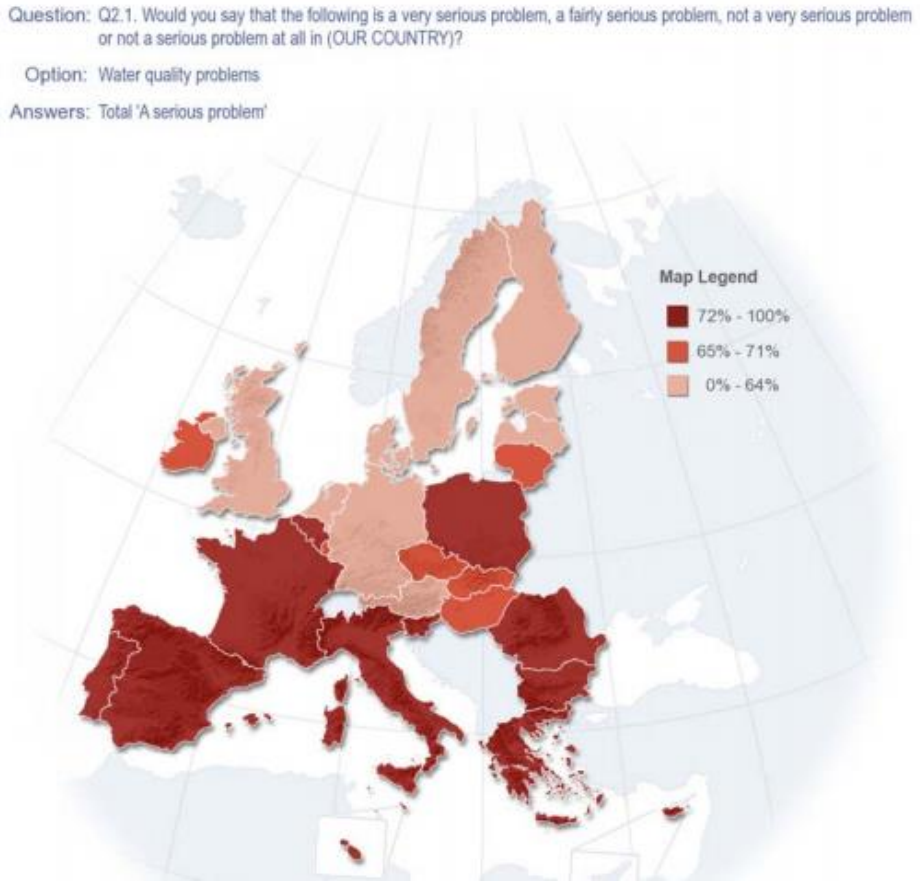
3.11 Water quality

The water, sanitation and health agenda in the pan-European region remains unfinished.[30] Every day 14 people die of diarrhoea due to inadequate water, sanitation and hygiene. More than 60 million people in the region lack access to adequate sanitation facilities and 14 million people do not enjoy access to basic drinking water. The growing impacts of climate change, population growth and urbanisation represent additional challenges to ensuring access to water and sanitation for all. Safe and sustainable drinking water and sanitation are a cornerstone in creating healthy and resilient communities where people can work and children can learn. They lead to better nutrition and safer environments in both rural and urban settings. Better access also contributes to reducing inequalities between the rich and poor, the urban and the rural dwellers, the general population and marginalised groups, and to promoting gender equality. Without paying due attention to water and sanitation, most of the sustainable development agenda will not be achievable. Data issues pertain despite International benchmarking network for water and sanitation facilities WB 1996, IWA ISO 260 performance indicators. Ireland, Romania and Portugal are three countries with persistent issues concerning water quality, particularly in rural areas and for vulnerable groups including Travellers in Ireland and Roma in Romania.

30 A healthy link The Protocol on Water and Health and the Sustainable Development Goals UNECE 2015.

OECD find water quality to be rated well in all the seven OCED member states in the comparative study Italy 70.9%, Ireland 82.2%. Belgium 84.4%, UK 85.3%, Portugal 86.9% and Netherland 93%,[31] but Romania the 8th country has poor water quality. However a 2012 Eurobarometer (344) suggest a majority (68%) of EU citizens believe that water quality and quantity problems are serious. This proportion has decreased by one percentage point since 2009.

Figure 3.13 2012 Eurobarometer (344) EU citizens attitudes to water quality



3.12 Quality in services and participation and advocacy in water policy

While participation is a key principle of the EWF there are, across the case studies, varying degrees of citizen and consumer advocacy and empowerment that are more or less consistent with demands for rights and capabilities approaches from citizens. UNECE (2012, p. 20) offer as best practice a model for empowering consumers *The Consumer Council for Water in England and Wales.* CCWater, an independent statutory consumer body, working directly with English and Welsh governments, regulators and water and sewerage companies, and water consumers and using consumer feedback to inform water policymaking and implementation, for instance, as regards affordability and addressing complaints of domestic and business consumers.[32] Similar initiatives exist in ESRAR in Portugal, CAS in Scotland and in regional bodies in the Netherlands. The Flanders based LAC's are the focus of analysis in the Belgium case study, here we see dynamic examples of

31 http://www.oecdbetterlifeindex.org/topics/environment

32 Notably, in 2010-2011, CC Water helped get nearly £2.3 million back for customers. CC Water is organised around four regional committees in England and a committee for Wales which regularly meet with the water companies in public meetings. In 2011-2012, CC Water's running costs were 21p (€ 0.23) per bill payer.

dialogue with vulnerable groups of water users who through participation in merging of knowledge processes, contribute into improving water services and customer supports.

Water struggles and public control of decision making about water are now a common feature in global and European politics and water social movements are a focus of citizen mobilisation worldwide (Belén et al 2005, EPSU 2015, and see Belier 2017 for the most recent account of contemporary water struggles). In a May 2014 referendum 95% of Thessaloniki residents rejected water privatisation (EPSU 2015). Nonetheless, privatisation occurred in a context where the cash generated through sell off was used to pay state creditors. Slovenia became the first EU country (and one of 15 states globally) to amend its constitution to make access to drinkable water a fundamental right for all citizens and stop it being commercialised. The new article in the constitution reads 'Water resources represent a public good that is managed by the state. Water resources are primary and durably used to supply citizens with potable water and households with water and, in this sense, are not a market commodity.'[33] In contrast a successful 2011 anti-privatisation referendum in Italy seems unlikely to stem future privatisation. Opposition to the Troika-imposed charging of water and potential privatisation of public water sparked the largest social movement and acts of public civil disobedience in modern Irish history, with water playing a role as a totem to opposition to austerity for the population. The Irish 'Right to Water' campaign for a constitutional referendum to safeguard state ownership of water has achieved political support.

We also see actions against privatisation plans in Italy and Denmark. PSIRU have been active in monitoring and presenting the trend towards municipalisation and the failure of privatisation. Food and Water Watch reported on the struggles to keep water services outside of trade agreements, a very topical issue given the discussion on TTIP, CETA and votes in the European Parliament on the agreement.[34]

33 Slovenia is the first European Union country to include the right to water in its constitution, while 15 other countries across the world had already done so.

34 http://www.right2water.eu/news/fighting-water-democracy-following-right2water-european-citizen%E2%80%99s-initiative

4. Conclusions and recommendations

4.1 Conclusions

Ruelens and Nicaise (2018) finds that access, affordability and quality of water services differ greatly between countries and within countries over time. At the country level, over the period of the economic crisis most European countries experienced their water and sanitation services becoming less affordable and this was especially the case for low-income consumers. The negative impact of the economic crisis on water access and affordability is especially prominent in the countries of the Southern and Eastern European region. At the household level vulnerable low-income and single parent households have most difficulties with paying the utility bills. These challenges increased in line with the economic crisis.

We find that, while the issue of privatisation of water is dominant in public discourse, many examples of public provision exist and public provision is still the dominant form. This is, in some respects, a function of citizens working to maintain public services, as illustrated earlier in the experience of the EU citizens initiative whose petition was a clear example of collective agency. Nonetheless, there are still macro policy moves towards privatisation and this report demonstrated many negative examples of marketisation and Public Private Partnerships in water infrastructure.

Little wonder then that water has become a lighting-rod issue exercising populations across Europe towards political advocacy and citizen action. Citizens assert themselves as 'non-commodified citizens' and assert their right to democratic participation in how water is owned and delivered. They advocate for water to be a human right, to be protected from privatisation and kept in public ownership and for citizens to be provided the equal right to access affordable water (ECI, 2013). This is in stark contrast to, and a rejection of, the narrow neoliberal vision of citizens as an individual 'consumer', and as water as a commodified market product which still frames national debate in various EU states.

Rights have been reinforced in recent processes. The Charter of Fundamental Rights has been interpreted as directly relevant for access to safe drinking water and improved sanitation. EU responses to the ECI acknowledge effective protection of fundamental rights, like the right to dignity (Article 1) or the right to life (Article 2), is affected by the lack of access to safe drinking water and sanitation**.** More recently, the European Pillar on Social Rights under principle 20 affirmed everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need. In February 2018 the EU Recast Directive took steps in the right direction obliging Member States to take all measures necessary to ensure access to drinking water for vulnerable and marginalised groups. However the EU parliament and others including EPSU (2018) argue health advice and information on the quality of water falls short of legislating for human right to water as detailed in reports of the UN Special Rapporteurs for the Human Right to Water and Sanitation, there is further room to expand t*he Right to Water and Sanitation in the Frame Work Directive'.*

Clearly for citizens, the nature and form of investment in water and how water is treated as a public or private good really matters for their human rights and achievement of capabilities. If water policy and social investment in water is to fulfil citizen's capabilities and rights, water needs to be defined as a human right, to be affordable, accessible and to be a publically protected good and accountable to citizens. Water should not be a commodified, financialised and unaccountable asset controlled by private corporations and the private market.

This is of particular relevance given the need for significant and on-going investment in water infrastructure. The nature of such investment matters for citizens who see increasing private investment through

Public Private Partnerships as moving towards privatisation and commodification. The EU must look at how investment can be provided through EU states, for example with the support of EU institutions such as the ECB. In addition, if the private sector is involved, control, operation, and management should be regulated and publicly controlled and accountable to citizens. Privatisation of water services is associated in higher costs carried by the consumer, this is particularly the case in the English context. More attention has to be paid to the issue of water affordability in the context of privatisation reforms.

From an 'optimal' social investment perspective EU member states already operate a number of legal frameworks, funding and price setting mechanism which can inform market regulation and the setting of social standards which can be usefully adopted as best practice recommendations. While devolution requires that many policies are decided and implemented at the most local level, in most instances complementary framing actions at EU level can be useful. Although many European countries have adopted specific policy measures with the aim of making water and sanitation services more affordable for vulnerable households, the high rates of arrears on utility bills especially in the Southern and Eastern European region calls for more social investment in the water sector.

Who pays for social or environmental investment also matters. It is notable that the environmental motivation behind the EWD has had a considerable impact on quality but often at the expense of equity. The move from a public provision utility to a market environmentalist model 'polluter pay' driven policy has had implications for water as a social policy as, without adequate safeguards in policy design, it has undermined access and affordability for low income and vulnerable water users. The investments in infrastructure and purification led to a steep increase in the prices of water, which, despite the EWD policy, was only partially compensated by policy measures to ensure access for all people to quality and affordable water (social tariffs and the protected client notion were introduced at the same time). The 2018 Recast Directive is welcome in that regard but needs to be based in legislation.

The challenge of balancing efficiency, affordability and sustainability or financial sustainability, environmental sustainability and social equity needs to be proofed with a special focus on the needs of the most vulnerable, including women, their human rights and capabilities. The aim has to be policies that maximise the long-term individual and societal benefits, that maximise the inclusiveness of the service sector (e.g. progressive universalism') and also measures that consolidate the principal of collective solidarity, reinforce the centrality of the state and prevent and/or redresses damage from budget cutbacks or the impact of liberalisation.

We conclude that a citizen's capability to realise the right to water is impacted by how water is delivered (the nature of the investment and service) and who delivers water, and related issues of access, quality and affordability. Leaving the choice of delivery as optional leaves the right to water open to chance. Regulatory guidelines are needed to place controls on the nature of delivery and investment, regardless of who is delivering, to ensure issues of access, quality and affordability and participation are guaranteed outcomes. In essence, we find marketisation is problematic as a framework for social investment. The underlying rationale for enabling various market delivery options remains unconvincing, and is likely to negatively impact on the rights and capabilities of the most vulnerable as a result of under investment in quality, uneven access, lack of affordability, and issues of quality.

4.2 Recommendations

Recommendations are framed according to the various instruments needed from an 'optimal' social investment perspective and include recommendations on legislation, finance, policy standards and evaluation, democratic participation and decision-making. We urge an examination of how measures at national as well as EU level – including EPSR and other sector-specific initiatives of EU – can generate an 'optimal' social investment perspective which would maximise the long-term individual and societal benefits of social investment as well as maximise the inclusiveness of the water service sector so that under the principle of 'progressive universalism' water can be understood as a basic universal service and right for all EU citizens. The right to a basic universal water service implies proactively ensuring access for vulnerable groups.

4.2.1 Law

In Goal 6 of the Sustainable Development Goals the UN Council of Human Rights have made important strides in articulating the Right to Water, but more might be done to develop legal and court precedents to substantiate and develop this right. EU policy needs to be set in the context of objectives of Goal 6 of the SDG which seeks by 2030 to achieve; 'universal and equitable access to safe and affordable drinking water for all, adequate and equitable sanitation and hygiene for all, while paying special attention to the needs of women and girls and those in vulnerable situations, as well as improving water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally' .

While water is not an EU competence Euro barometer No 344 (2012) suggests significant support for water intervention at EU level. While welcoming the 2018 Recast Directive, and the advances made in the EPSR Principle No 20 Access to Essential Services, we believe more can be done to secure a legislative base for the right to water. A legislative base is necessary to counteract a tendency in some state to leave water provision to market devices and to provide a firm basis for water market regulation.

At *European level*, legislate by ways of EU law, for access to water and sanitation and explicitly recognise these objectives as a human right in the EPSR and in any future treaty changes. Legislation should require that water be protected as a public good that must be delivered at affordable prices to all citizens**.** This means that provision of water not be the subject of liberalisation and that internal market and competition rules should not apply to the provision of this public good. In practice this means legal changes to extend the provisions of the EU SSGI framework to the water sector.

*At national level*s following the practice of Slovenia (and 14 other countries globally) MS should r*einforce the right to water and sanitation by* inclusion of the right in the national Constitution or its equivalent , so as to safeguard the public character of water provision at national and international level.

4.2.2 Finance

We welcome the Recast Directive, the proposal for which contains a new article that adds an EU action alongside EU support through EU funds. EU related budget recommendations could also include a review of how EFSI, structural funds etc. can be sued to advance water access, affordability and quality, including how the EU's multiannual financial framework can be best used.

The OECD acknowledge that the economic crisis presented challenges and opportunities for the water sector. As state income reduces, charges have often increased even in the face of reduced ability to pay as a reality for many Europeans and residents. In the face of decreasing national revenues, governments are tempted to reduce public financing of investment in water and sanitation infrastructure and to advance investment through PPPs. However, the significant economic benefits from investing in the sector suggest that governments should include such investment in their fiscal stimulus packages (as done in the US and China). This requires action at ECB level to develop instruments to promote public investment in water rather than PPPs and privatisation and to enable EU states invest in water as fiscal stimulus

At European level EU procurement policy should be reviewed to ensure it does not unintentionally undermine key principles or practices underpinning the right to water including access, affordability and quality of both water and customer services. This may mean making water services provision an explicit objective of procurement policy re social clauses in public procurement and reserved projects. It could also mean an expansion of the concept of Social Services of General Interest to include water advice, information and advocacy. The EU should guide MS to establish of public service obligations in procurement processes that ensure MS policies to reduce poverty and social exclusion should ensure access to a minimum water supply to all citizens (WHO, WFD).

At national level MS should re-examine processes to ensure changes (legal and operational) to national public procurement processes so that competition policy will not apply when local authorities decide to provide water services through a joint venture or through an affiliated undertaking or to include full use of social clauses with particular attention to vulnerable groups. MS should implement EU guidance on public

service obligations in procurement processes that ensure MS policies to reduce poverty and social exclusion should ensure access to a minimum water supply to all citizens (WHO, WFD).

At a national level a priority for universal basic water services should be investing in the provision of free public water points and sanitation in every municipality. This is necessary not only to remedy equal access to drinking water, but also to achieve cultural change, to cut down on the environmental damage of plastic water bottles and to cuts down on cost of portable bottled water.

4.2.3 Policy: embedding a rights approach in a SIP water chapter

Water was not an explicit policy within the EU Social Investment Policy 2013. In the context of SIP under the EPSR framework it should develop a water sector-specific initiative to optimise a social investment perspective for water. We believe SIP or any follow up to SIP should include the possibility of leveraging national Social Investment in water through the European Semester process and through country specific recommendations, a water sector chapter in SIP would include a focus on:

- *Measurement and definition:* at EU level a water chapter could develop a measure of water poverty (as in progress re fuel poverty or as in the ETHOS framework for homelessness) and measures to benchmark water quality. Access to transparent data is a way of empowering citizens who can articulate demands based on a commonly agreed EU level operational definition of water affordability or water poverty.
- *Standards:* at EU level a water chapter would include measures to strengthen the rights of citizens (as consumers, as rights-holders, as collective guardians of this natural resource) by organising networking and co-operation between different actors, obliging accessibility of water companies (accessible offices, free telephone number, contact persons), requiring use of uniform, transparent and readable bills, develop an EU level binding concept of 'reasonable payment', provide sufficient information and guidance (local energy, water and housing desks, regional information services, pay attention to illiteracy and the digital divide).
- *Services:* the provision of a minimal service delivery has been highly contested by poverty organisations, since that often leads to self-restriction of people in their use of water, it is better to argue for the prohibition of disconnections.
- *Funding social tariffs:* at EU level a water chapter would include best practice frameworks for tariff systems that meet social, solidarity and ecological criteria*:* ensure that water bills are affordable, extend the status of privileged client to cover more people that risk water poverty, expand the group enjoying social tariffs, create a social fund to support in cases of payment difficulties, examine the financing of public service obligations.
- *Disconnection and water poverty prevention services*: at EU level a water chapter would give guidance on how to treat payment difficulties in dialogue, with full respect of the clients' rights. This would foresee a minimal service delivery, ensure flexibility in payment plans, reinforce the legal position of clients in procedures through appeal procedures, reinforce quality of functioning of institutions to promote the mediating and supportive necessary to support customers, enable exchange of best practices and better outreach methods for vulnerable people, reinforce the position of client in cases of transfer of debt.
- *Vulnerable groups and targeted services:* at EU level a water chapter would ensure policy concerning disconnections takes into account children's or other vulnerable groups rights when it comes to disconnection of water services' and broader access issues , this is important when it comes to promoting rights and capabilities of vulnerable groups. The water chapter would include guidance on targeted services through for example well-conceived campaigns, promote water scans, creation of local energy, water and housing desks, establishing a strong link between housing policy and rational energy and water consumption. *This could include guidance on funding social tariffs* - make available local subsidies to address affordability, individual,

collective, targeted regionally or demographic (old, family, rural, gendered, Roma, Traveller, disability) or other forms of unequal access to, affordability of or quality of water
At a national level regional and local pilot projects could be launched where investments in water and energy saving appliances could be pre-financed, or where local housing, energy and water desks could advise house owners and tenants or energy saving practices.

- *Monitoring:* EC should research monitoring processes across MS that affect (both in terms of expanding and reducing) the right to water and associated capabilities of European citizens. In particular the Commission should research and highlight the downsides of processes of privatisation/marketisation of water and in particular assessing them in terms of human rights and capabilities, and research places where right to water has been implemented, and the experience of processes of re-municipalisation
- *Data:* to draw appropriate policy conclusions and recommendations, it is paramount to have quality and timely comparative data (Reulens, 2018). At present, there is a serious lack of data pertaining to water access, use, and affordability both on a regional and a country-level. A dedicated harmonised database combining various data sources may help to facilitate comparative analyses in the future.
At a national level each MS should commit, in the context of a common EU framework (see above), to collect data re lack of access to water and sanitation, and to publish an annual 'citizen water update' to give full transparency and accountability re policy and practice.

4.2.4 Regulation

All state services (and where private ownership remains permitted) need to be delivered in the context of a structural organisational component to guarantee people's access to the right to water.

At a national level regulators should seek to guarantee improvement of the *practices of water companies* and licenced permission should require compliance with standards and service guarantees. WAREG (the EU level network of economic regulators) should continue to be a platform to share common objectives, and learn from each other's experiences. An interesting feature of the Dutch water sector is a performance benchmarking system for water companies first introduced in 1997, which has inspired similar efforts in other European countries. The Dutch parliament passed a law in 2004 banning private sector provision of water supply (albeit public water companies can contract many services to the private sector

4.2.5 Politics and public participation

This report demonstrates the important role that democratic participation and consultation and other forms of collective agency by civil society have played in water policy at both national and EU level and we believe it is imperative that decision-making processes include civil society and citizen engagement in policymaking.

While water is not an EU competence, Euro barometer No 344 (2012) suggests significant support for water intervention at EU level. Over one-third think that the EU should propose additional measures, and want to be able to express their views on such measures (37%). An almost equal proportion (36%) think there the EU should propose additional measures, but are not interested in having a say on them. There are a range of processes through which citizens and residents can engage in water policy, these can be advanced through EU policy, legal and institutional processes.

The UN Sub-Commission Guidelines on the Promotion of the Realisation of the Right to Drinking Water and Sanitation state that 'Communities have the right to determine what type of water and sanitation services they require and how those services should be managed and, where possible, to choose and manage their own services with assistance from the State.' National and local standards and targets should therefore be based on studies and consultations to ascertain what different individuals or groups, particularly those who are disadvantaged, consider to be the most essential aspects of their water and sanitation services, so as to ensure the relevance of the standards to the local context. (See Principles: Participation, pp. 57-69).

The ECI has demonstrated how EU Rights can be advanced through citizen mobilisation, key stakeholders need to build on the ECI to ensure water remains a key public policy concern/ and or focus of citizen mobilisation so citizens can play a key role in arguing for legal or human rights strategies to address access, affordability or quality of water.

Democratic processes and participation: UN Sub-Commission Guidelines on the Promotion of the Realisation of the Right to Drinking Water and Sanitation that 'Communities have the right to determine what type of water and sanitation services they require and how those services should be managed and, where possible, to choose and manage their own services with assistance from the State. National regional and local governments should ensure adequate processes are in place to realise democratic participation of citizens in water policy'.

4.2.6 Making rights real

Minimum service level standards and rights that reflect the legal content of the human rights to water and sanitation should be set nationally, but with some flexibility to be adapted to local realities. People must be informed about standards and targets, and must be able to participate in the setting of standards and targets to ensure that are relevant and achievable (see UN Report No 4, p 14). *At a national level* MS should strengthen the rights of citizen- consumers. This can be done via:

- requiring greater accountability of water companies (accessible offices, free telephone number, contact persons, ...),
- requiring them to use uniform, transparent and readable bills,
- requirement for develop a binding concept of 'reasonable payment';
- provide sufficient information and guidance (local energy, water and housing desks,
- providing regional information services,
- paying attention to illiteracy and the digital divide)
- introducing of legal appeal procedures for water clients of state and private customers.

appendix 1 Individual country case studies

a1.1 Romania

'Van den Nieuwenhof' P Cert C (2017), Towards inclusive service delivery through social investment in Romania The Open Network; Romania

Context

There is a given chronic need for investment in access to water in much of CEE countries and, with access currently so limited; affordability of future tariff increases is more relevant than the affordability of current consumption. The Romanian National Administration[35] have national responsibility for water management, water resource and water quality protection and the EU Water Framework Directive, river basin management plans and the strategy on sewage sludge from wastewater treatment plants. Local authorities provide water and sanitation services through 226 utilities and forty-two large regional water utilities provide water and sanitation services to 44% of the population

Reforms

The regionalisation of Romanian water services was designed and planned to overcome excessive sector fragmentation and to achieve economies of scale. It is expected efficiency will further improve through reducing non-revenue water and staffing levels and increasing the metering level as well as implementation of an integrated multiyear capital investment program in order to improve the standards of municipal water and wastewater services. However, it is less clear what this will mean for quality access or affordability. Up to €15 billion in investments is required to comply with all EU acquis requirements, which are to be effectively implemented by 2027.

Residential tariffs in transition countries have risen sharply over the last few years and tariff reform remains one of the most important regulatory challenges. Assessing the social impact of such reforms and social protection or compensation measures is necessary. Present macro affordability factors for Romania show electricity 4.5, heating 2.5 and water 3.1, however micro data suggests affordability issues for poorest the 40% are +5% disposable income. Affordability issues are highly likely in the extension of water supply and charges to remaining population.

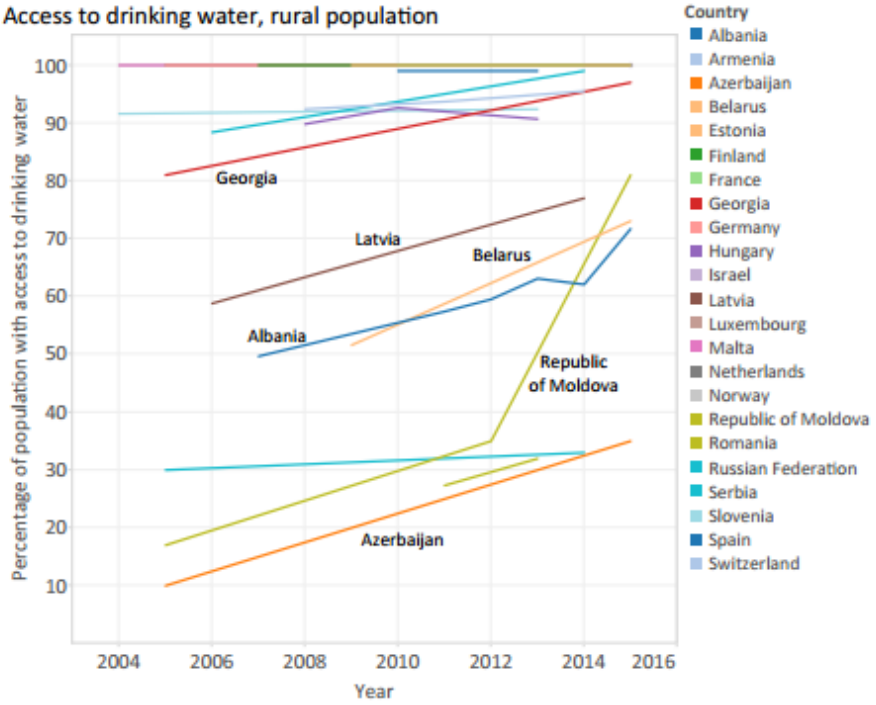
Access

Only about two-thirds of the population have access to piped water supply and flush **sanitation**, much below regional averages. There remains a significant rural population in Romania, access to piped water ranges from 91% in urban areas to 29% in rural areas. About 47% of the population is connected to sewerage systems and 41% to wastewater treatment facilities. Those rates have steadily increased since Romania became an EU Member State.[36] Improving access to water and sanitation in rural areas is a key challenge for Romania. Completion of the regionalisation of water services, as stated in the Sector Operational Programme, could help improve the quality of and access to water and wastewater infrastructure for the unserved population, especially in rural areas

35 ANRSC. 2012. *Annual Report of the National Regulation Agency for Public Services for Water.* Bucharest: National Regulation Agency for Public Services of Romania

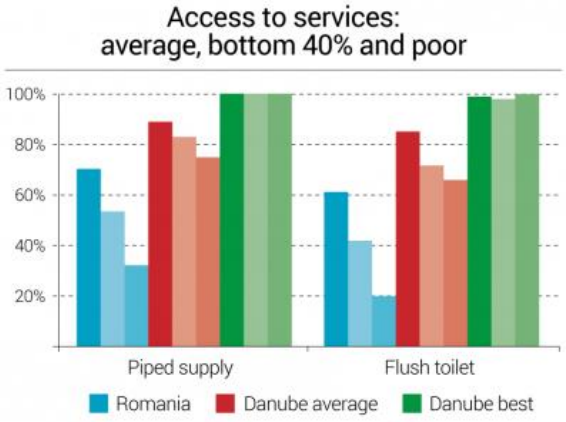
36 http://sos.danubis.org/eng/country-notes/romania/

Figure a1.1 Access to drinking water rural population Romania



Source WHOCollaborating Center for Health Promoting Water Management and Risk Communication at the University of Bonn

Figure a1.2 Access to water services Romania



Only 32% of the poorest share of the population (those living on less than $2.50 a day) has access to piped water, and 20% to flush toilets. Addressing affordability issues regarding water and sanitation prices is crucial as upcoming investment efforts could exacerbate the affordability issue in the future. 3.3% of the Romanian population belong to the Roma minority. Of the 620,000 Roma living in Romania, 230,000 are living in urban areas and 390,000 in rural areas. 72% of the Roma population does not have access to an improved

water source and 83% does not have access to improved sanitation.[37] [38] The National Agency for Roma coordinates with other line ministries to implement programs aimed at improving the living conditions of the Roma and in the new National Roma Inclusion Strategy (NRIS) 2013-2020.

Quality

Drinking water supply relies mainly on surface waters, which are vulnerable to pollution. Water demand of households, industry, and agriculture has decreased considerably from 20.4 billion m3 in 1990 to 6.49 billion m3 in 2012 due to a reduction in both industrial activity and in water losses, and due to water-thrifty technological processes.

Drinking water is predominantly supplied from surface waters (62%), which require treatment, unlike groundwater (ANAR 2012). Waters are polluted with nitrates coming mainly from agriculture, phosphorus, and organic waste load coming mainly from household wastewater discharge.

Participation

There is limited public involvement in the preliminary consultation processes on water, health and environment issues. When the Water Framework Directive was implemented, the public was engaged at different levels through the 11 River Basin Committees (consultative bodies) but better results can be obtained if the number of interest groups is expanded according to the specific thematic problems, broader tools, non-technical language, and adequate financial resources for public participation.

a1.2 Scotland

Mc Hardy F (2017), Towards inclusive service delivery through social investment in Scotland Glasgow: Poverty Network

Context

In Scotland, public drinking water and sewerage services are provided by a public corporation, Scottish Water, accountable to the Scottish Parliament and entirely responsible for the provision of water and wastewater services to all customers, be it private households or businesses, and for maintaining the public system.[39] With 99% of homes unmetered water charges for households in Scotland are levied according to Council Tax Bands, with rates increasing with the value of the dwelling but there is universal access and generally good service quality. In a UK context, charges in Scotland are the lowest on average by around £40 per year. The charging profile is a progressive one based on council tax band related to historic property values.

Reforms since the crisis

Stakes have used the economic downturn to promote water privatisation and mutualisation of Scottish Water, which despite very strong level of customer confidence nonetheless has been restructured resulting in an incremental drift towards privatisation (EEA, 2013. P.80-86).. Firstly, this had happened through hugely expensive PFI schemes that even the pro-privatisation Water Industry Commission (WIC) has criticised as being poor value for money. A broader PPP scheme, Scottish Water Solutions and the extensive contractorisation of Scottish Water have followed this. (Bring this out in the main discussion more)

The regulatory structure seeks to replicate the privatised industry in England and Wales with a WIC committed to market principles that are simply not appropriate for a public service undertaking - as there is no effective way of creating real competition in a monopoly industry. When Scottish Water was created, the

37 UNDP survey (UNDP/World Bank/EC 2011),

38 https://www.google.ie/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=roma+and+access+to+water+romania &*

39 Source: Scottish Water Industry Background [website], available at: http://www.gov.scot/Topics/Business-Industry/waterindustryscot/SWI-1

assets were valued at £15bn. When privatisation was last pushed, the value had miraculously fallen to £5bn. Now, according to Unison, a figure of £1bn is being discussed.

Affordability

Pricing in Scotland depends on whether the consumption is metered or not. 99% of homes are not metered and so charged on the value of the property (bands assigned by the local tax assessor).[40] The Scottish water regulator (Water Industry Commission for Scotland) regulates prices. Charges are paid directly to the local council, which transfers the money to Scottish Water. Over the crisis, there has only been relatively small increases in the Scottish Water average bill, which has gone from being higher than England and Wales to being £54 lower in 2013-14. Hence affordability is not a significant issue for Scotland, the charging profile is a progressive one based on council tax bandings, which in turn relate to historic property values, charges are assumed below a 3% of income threshold.

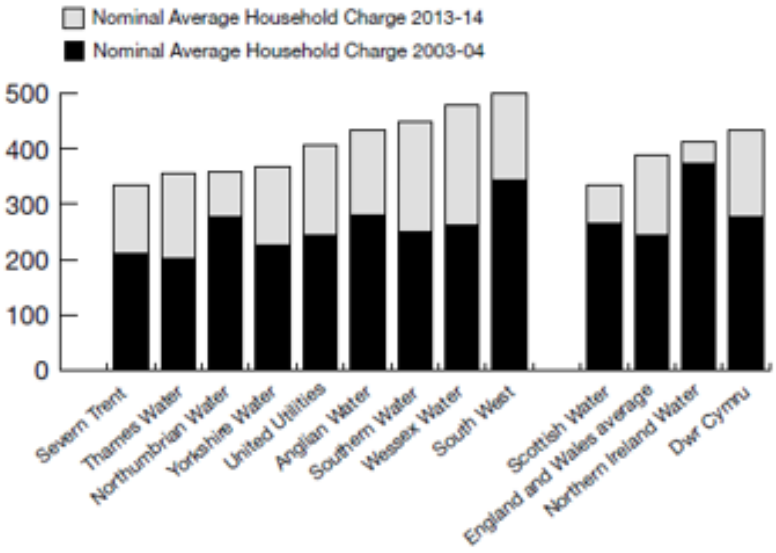
Specific council tax discounts and exemptions are available for specific groups of people (e.g. students, low-income households, disabled persons, etc.)16. These discounts generally allow for either 25% or 100% off the bill. . Scottish Ministers' 'Principles of Charging' demand that for the current charging period (2015-21) charges must not rise above inflation, remain stable and that cross subsidy be removed unless made transparent, such as exemption for students or certain charities. Those in more valuable properties, who tend to be the better off, pay for subsidies to those in the lowest value homes, who tend to be the more vulnerable members of society. Affordability is also tackled by working to keep charges low for everyone. Scottish Water's average household bill is the second lowest in the UK, however OECD 2010 found a pattern of disproportionate water charges as a percentage of disposable income for the poorest decile.

Quality

Water and sewerage services are provided by a single public company, Scottish Water and there have been incidences of concern re water quality and legal action by the water regulator. Citizens Advice Scotland the representative body for water consumers in Scotland has lobbied for it to remain a principle of charging to provide a commitment to work towards water and sewerage charges that are affordable for all consumers. CAS have also stressed engaging further with consumers to ascertain the degree to which they wish to be connected to public supplies and to improve health aspects of Scotland's drinking water by seeking ways to reduce and/or eliminate lead in water (Lead in Water Action Group).

40 Water Industry Commission for Scotland (2014) sets the charge caps to be respected by Scottish Water when setting their tariffs.

Figure a1.3 Comparing water bills in the UK 2003-4 to 2013-14



Access and Disconnections

The water regulator (the Water Industry Commission for Scotland)[41] sets the rules, which govern those disconnections, are not allowed if the water is used for domestic purposes but non - households may be disconnected for unpaid bills.

a1.3 Portugal

Costa G. (2017), Towards inclusive service delivery through social investment in Portugal Porto, EAPN

Context

In 1997 Portugal introduced mechanisms to regulate the water sector through the Regulatory Institute for Waters and Waste (to be known as ERSAR), which has gradually grown as a competent authority for quality of water. In 2014, ERSAR defined water provisioning and wastewater sanitation as structural public services, essential for general wellbeing, public health and collective safety of populations, economic activities and environmental protection.

ERSAR is an autonomous entity with powers to regulate the adoption of tariffs applied by the different private and public entities. Besides regulating the sector, it inspects, recommends, controls quality and manages complaints. The water sector in Portugal is mostly organised in a two-tier horizontal system: A 'high' system includes entities that capture, treat and provision 'low' managing bodies (MB), the latter being responsible for direct provisioning of water to the population, these include public management directly by Municipalities or less directly through mixed capital and PPPs. All MBs have a majority of public capital and are deemed public.[42] [43]

Access

5% of the population does not benefit from the public service and is mainly provisioned through individual solutions (boreholes, wells). Access is an issue in predominantly rural areas. The growing privatisation of the water sector raises the issue of guaranteeing universal access. In 2012 'in just six cities, Viana do Castelo

41 17 That is, the Scotland « Disconnection Code », which can be accessed at: http://www.watercommission.co.uk/UserFiles/Documents/130520%20Disconnections%20Document%20-%20clean.pdf

42 http://www.ces.uc.pt/ficheiros2/files/PPAgua%20Policy%20Brief.pdf

43 According to ERSAR, in 2010 Portugal have 261 provision 'low' managing bodies: 26 operating municipal companies, 2 operating multimunicipal companies, 1 public partnership between State and municipalities; 210 municipal services.

(800), Braga (213), Aveiro (200), Lisbon (1027),Coimbra (300) and Olhão (365), around 3,000 families each month were disconnected from the water provisioning network as a result of incapacity to pay the water invoices, associated to the economic crisis' (Costa, 2012). Another report counted around 3,000 homes disconnected each month in the city of Oporto only (Visão, 2012).[44]

Between 2007 and 2011, the coverage rate of water provisioning services (AA) increased around 3%, reaching 95%. In turn, the coverage of Sanitation and Wastewater Services (SAR) increased 8% as far as treatment and 1% as far as collection of urban wastewaters, reaching coverage levels of 78% and 81%, respectively.[45] Nevertheless, access remains an issue in more local blackspots.

Affordability

At a macro-accessibility level Portugal does not have problems of economic accessibility to water services, average annual expenditure per household is 1.1%, while the EU15 average is 1.5% (under the OECD 3% threshold).[46] Nevertheless a review of economic micro-accessibility (reveals problems in some municipalities that exceed the 3% consumption threshold of 60 m^3: 3.47% in the North and 3.20% in the Centre. For the 120-m3 consumption, the threshold is exceeded in five regions of mainland Portugal.[47] Hence, in the inner zones in rural areas of North and Centre, the results are less satisfactory and the problem is greater in predominantly rural areas, followed by averagely urban areas, in both cases exceeding the national average. During the crisis period, Water Services were suspended for a significant number of families for failure to pay, due to financial difficulties.

The 2010 Water Act affirms two principles that must combine to set tariffs: the social value of water, enshrining universal access to water for basic human needs, at a socially acceptable cost and without being a discrimination or exclusion factor, and the economic value of water, using principles of polluter/user-payer. The 2020 PEAASAR 2020 strategy for the sector includes promoting among populations access to a good public water and sanitation service, adequate to their needs, with socially acceptable costs[48] and some safeguards for rights of populations including social support, emergency plans, easy extrajudicial payments and other procedural strategies.[49] Mechanisms to favour households (e.g. large families with low incomes and low-income families) through social tariffs are heterogeneous in distribution, economic accessibility varies due to cost of services in municipalities. Of 308 operators only 10% practice social and family tariffs.

Quality

Between 2007 and 2011, the high quality levels reached allows maintaining values (98%). Most EG have either reached the 99% level of excellence or are very close thereto, with high uniformity between entities, predominantly rural areas having occasional less satisfactory situations. Although most of the population in mainland Portugal is served by EG (Managing Entity) with average or good quality of service, when performance is measured in terms of number of EG, most have unsatisfactory performance. (PEAASAR2020 vol.I:20). As far as the national indicator, the percentage of water masses with ecologic status above or equal to 'Good' is 53%, and the percentage of water masses with ecologic status 'Less than Good' is 39%. Around 8% of water masses were not ranked (page 46).

44 Borges, M., Leitão, A., Duarte Lopes, P. , Nascimento, D.(2015) O acesso à água em Portugal em tempo de crise: o setor da água in Portugal 'em baixa'. Oficina No. 427, Centre for Social Studies, University of Coimbra (page 4).

45 https://poseur.portugal2020.pt/Content/docs/Poseur/PENSAAR_2020_Relatorio_final_Volume1.pdf (page 16).

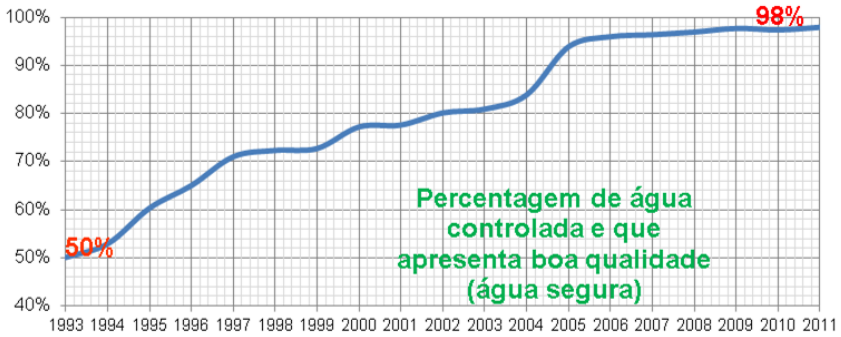
46 The accessibility threshold is 3% of the average income available with burdens of the water services OECD (2002); the OECD indicator for Portugal is 1.6%. The average burden for consumption of 60m3 (1.5%) and 120 m3 is (2.6%).

47 North (5.15%); Centre (5.16%), LVT (4.35%) and Algarve (3.25%).

48 PEAASAR 2020, Vol. I, page 15.

49 http://www.ces.uc.pt/ficheiros2/files/PPAgua%20Policy%20Brief.pdf

Figure a1.4 Evolution of water with controlled and good quality between 1993 and 2011



Source ERSAR

a1.4 Netherlands

Haffner m Elsinga M (2017), Towards inclusive service delivery through social investment in Netherlands: Delft

Context of Drinking water provision[50]

Water provision is the responsibility of the Dutch government who classified water services as Service of General Interest (SGI) with the state fully responsible for water infrastructure, flood defence and water quality. However, water management involves a network of many actors in a *'robust and adjustable institutional and policy framework'*. Of 24 regional water authorities (waterschap or hoogheemraadschap) and ten public drinking water companies (drinkwaterbedrijf (OECD 2014: 20), as well as different levels of government. Municipalities are responsible for urban water management (which includes non-urban areas), including sewerage (Vewin, 2017c). National government is responsible for the strategies and the provinces for the implementation of water management. The national ministry supervises the National Water Authority (Rijkswaterstaat) with responsibility for the big rivers, channels, and the North Sea, among others.

In 2009 eight water laws were combined into one national framework, the Water Act (Water wet) (OECD, 2014). In 2011 (1 July) the Drinking Water Act came into force (United Nations Economic Commission for Europe & World Health Organisation Regional Office for Europe, 2012: 23). It makes the drinking water companies responsible for a durable and efficient drinking water production.

'To ensure equitable access to drinking water, every drinking water company is obliged to:

- *Make an offer to any person who requests access.*
- *Provide a connection under conditions that are reasonable, transparent and non-discriminatory.*
- *Apply tariffs that are cost covering, transparent and non-discriminatory.*
- *Develop a policy aimed at avoiding disconnection of small consumers.*

In addition, benchmarking (performance comparison) is used to compare service delivery and costs between companies, thereby pressuring suppliers to better their performance and lower their costs to remain competitive.'

The June 2012 the Rule of Disconnection for Small Consumers of Drinking Water[51] requires drinking water companies to follow certain procedures (writing, advising about help options (like debt management), advising the client that disconnection cannot take place because of health reasons (evidenced with a doctor's certificate), and making efforts to contact the client personally.

50 Information in this section that is based on United Nations Economic Commission for Europe & World Health Organization Regional Office for Europe (2012) Henning (2013), Oxfam (2013), Working Group Economics (2015), Ramdhan et al. (2016) and the OECD Better Life Index (http://www.oecdbetterlifeindex.org/countries/netherlands/).

51 (Regeling afsluitbeleid voor kleinverbruikers van drinkwater) (Ramdhan et al., 2016; Rijksoverheid, 2012)

The 2014 Budget included an increase of the tax on drinking water (BoL) from 16.5 eurocent to 33 eurocent, which amounted to a doubling of this tax, to finance additional spending in education, and to relieve impacts of austerity (*water charges have increased while capacity to pay has decreased Oxfam, 2013* (see also Section 1 and Haffner et al., 2016a, b). There appear to be little dominant issues in terms of quality and affordability of water services and access to water services.

Quality

Evidence ranks Dutch water quality above both UK and US with no need for chlorine as disinfectant of the water due to extensive treatment/purification processes, so that risk of disease from drinking water in the Netherlands is low. A new water pipe system causes less leakage and contamination. The OECD Better Life Index (http://www.oecdbetterlifeindex.org/topics/environment/)[52] finds the Netherlands on position 9 out of 38 based on 93% of people saying that they are satisfied with water quality, while the OECD average is 81%.

Access

The OCED Environmental Performance Index 2014, ranks NL first (with 21 other countries out of 178 for access to an improved drinking water source and sanitation (Dutch Water Sector, 2014),and as second for the proportion of treated collected wastewater. The 2014 Drinking Water Act and the Ministerial Decree prevents household water disconnections as much as possible, for households bill arrears paying their water bill, but does not prevent disconnections. In 2013, water companies disconnected more than 8000 households and companies (PILP, 2015), in 2015 more than 10,000 and in 2016 almost 7,500 in 2016. In 2013, 500 to 750 disconnected households had children (PILP, 2015). Disconnections show a disputed legal history in relation to the right to water with Ramadhan et al. (2016) arguing NL *does not take into account children's right when it comes to disconnection of water services'.*

Affordability

The drinking water companies charge a fixed fee plus a variable one based on consumption units (Vewin, 2017b). Water charges are based on the cost price of the drinking water companies (including taxation), no other special or 'social' price is available for households, which may have difficulty making ends meet (see also: Working Group Economics, 2015). The benchmarking used to compare performance between drinking water companies aims to stimulate the companies to operate as efficiently as possible with efficiency gains transferred to the consumers. While account should be taken of equity consumption-based costs of necessary, goods cause lower-income households to pay a larger share of their income than higher-income households.

National government doubled the drinking water tax (BoL) between 2013 and 2014 even in the context of impaired household spending. Even if social needs are partially addressed by income policies, some households, particularly those with a lower income, ran into arrears with their utility bills (for which water cannot be separated out). In 2015, nine percent of the population with an income below 60% of median equivalised income (poorest 2% of the population) had arrears, while in 2007 only 7% of this group was affected (Table 1.1).

a1.5 Italy

Rovere A (2017), Towards inclusive service delivery through social investment in Italy CNCA

Context

The 1993 Galli Law consolidated local water providers into regional utilities but water investment levels and efficiency still remain low, putting service quality at risk. Of 91 regional water areas or 'ATO's, 72 have

52 Based on Gallop World Poll, three-year average 2014-2016.

chosen an operator with 6 served by a private operator, 12 by a 'mixed' (public-private) operator, 13 by operators listed on the stock exchange and 34 publicly-owned operators ('in-house') and 7 by 'other', the remaining 19 ATO's are fragmented and incomplete with multiple operators. The price of water is regulated in each ATO is overseen by a national Regulator ((AEEGSI) to ensure consistency with the national 'tariffing calculation method'.

Water services in Italy are relatively good quality and cheaply priced (the average monthly residential water and sewer bill in Italy is 20 Euro compared to 31 Euro in France), however this means water in Italy has been under-priced with relatively high per capita water use for residential uses. There is an uneven distribution with better resourcing in the North than the South, and with extensive leakage, malfunctioning water meters and issues of water theft. Existing water infrastructure is under pressure with 9% of the population facing water cuts. Low tariffs are enabled though government subsidies for investments which are increasingly hard to sustain and make it difficult to justify investment in an ageing infrastructure in Southern Italy where water supply is intermittent or naturally contaminated.

Recent reforms in context of crisis

The regulator AEEGSI (Direzione Sistemi Idrici, 2015) piloted a new tariff component, at a national level, to redress social and territorial inequalities (through territorial cross-subsidisation), and to protect economically weaker groups of users. The reforms also aim to incentivise merge processes among operators, prioritise investment to meet EU water-related legislation. The 2015 law mandated AEEGSI (law n. 221 28-12-2015) to ensure the access to meet basic needs has been slow to be implemented.

While a 2011 referendum saw 96 per cent of voters reject a proposal to privatise water supplies, in 2016, a draft bill removed compulsory public management of municipal water services as part of broader water market restructuring, Water rates have increasingly come under the control of semi-privatised giants such as ACEA (becoming more standardised and expensive). There has been some limited remunicipilisaiton (in Imperia, Reggio Emila, Varena and Temoli).

Affordability

Italian water prices are relatively low within the European context, with a yearly average expenditure fora household of 3 people amounting to €260 for 150 m³ in 2014 but varying across cities, ranging from €86 in the city of Isernia to €410 in the city of Pisa for 150 m³, the VAT rate is 10% on the total water bill. Northwestern and southern Italy are usually cheaper than the rest of the country with the highest prices encountered in the centre. No specific assessment of affordability is available in Italy but in 2010, the average national percentage of non-payers was 4,3% (with strong territorial variation, 2,4% (North) - 8,6% (South), these rates worsened over the crisis. Some regional preventive measures are in place for the members of society that are more financially vulnerable. SMAT company (Torino) for example allows a discount on the water bill if the yearly income is less than €12,000.

Affordability issues worsened over the crisis, and regional disparities intensified, costs increased due to prolonged economic stagnation, and tariffs increased largely due to new investments in the context of full cost recovery. Since 2012, ATO's can financially support weaker groups of users when in difficulty of payment, by offering a discount on the price of water (water bonus), implementation varies from region to region. Some ATO's responded with good initiatives.

- Viveracqua consortium - a solidarity fund (about €1 per user per year), to support to users in economic difficulties, lobbying through Utilitalia for a national 'guarantee fund'.
- CAP Holding Group (Milan) lobbied to establish social tariffing schemes for people in need'.
- Acquedotto Pugliese lobby for 'water tariff discount' (as used for gas and energy users)
- Apulia Region (Southern Italy) introduced, in 2012, a water tariff reduction for low-revenue households specifically aimed at ensuring the realisation of the right to water.
- SAL C aim to incentivise reduction in household consumption. 'fact sheet' on costs and on good practices to reduce water costs, 8% reduction in household consumption over 3 years.

Access

In 2017 disconnections will remain permitted and decided by the water operator (ATO) but are nationally regulated by the AEEGSI, guidelines limit user arrears and allow for recovery but allow access to the minimum quantity of water required to meeting basic needs.

In one best practice example an ATO or water operator SMAT recognise water as an essential commodity and aim for affordability especially with a reduced 50% tariff for families whose income does not exceed €12 000,00 per year, and who may apply for the reduction of water bill. SMAT has reduced by 50% the amount paid by municipalities for the water/sanitation supplied for 'public uses' (e.g. schools, kindergartens, retirement housing, premises used for social activities, etc., they also developed the 'Punto Acqua' initiative, installed 148 'water kiosks') where citizens may get free drinking water from the network, thus reducing environmental damage of plastic bottles.

In Torino a 'U1I' (€0.4 cents for per cubic meter), is reserved in the case of a natural disaster, such as an earthquake, and is paid by each household for water crisis caused by natural disasters.

a1.6 England

Lavalette M Guest D, Moth R, (2017), Towards inclusive service delivery through social investment in England Liverpool Hope

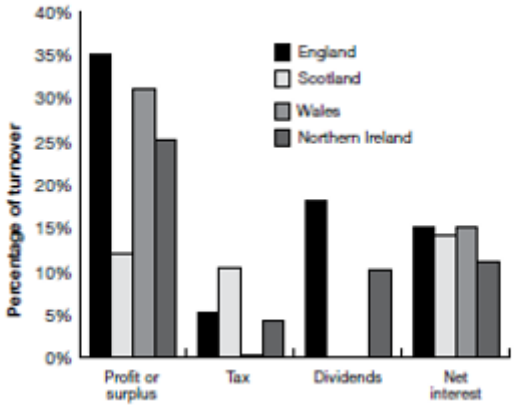
Context

The water industry in the UK (England and Wales) was subject to privatisation in 1989 with three phases of ownership models starting with stock exchange listed public limited companies up to the mid-1990s when multi-national ownership of the industry took hold until the early 2000s when private equity consortia began to become an increasingly important feature. By 2016, over half of the industry had been taken over by private equity consortia with four foreign-owned private equity firms owning around 40% of turnover. Water companies are accountable to Ofwat, the Consumer Council for Water, the Environment Agency and the Drinking Water Inspectorate. The crisis has intensified the ownership by private equity consortia.[53] [54] The growth of the private equity ownership has been based on a financialisation model that has enabled debt refinancing largely through the securitisation of revenue streams with financial engineering replacing civil engineering as the notable feature of the industry.

53 With United Utilities, the water company serving seven million people across the North West of England, remaining as the largest remaining stock market listed company in the face of interest from private equity firms. If United Utilities is taken over by private equity then that would increase this form of ownership to more than 60% of the industry by turnover and reduce the share of publicly quoted stock exchange companies to 25%.

54 Financialising household water: Thames Water, MEIF, and 'ring-fenced' politics John Allen and Michael Pryke, *Cambridge Journal of Regions, Economy and Society* 2013, 6, 419–439.

Figure a1.5 Water company performance across UK 2009-10



Source Ofwhat, Nothern Ireland Water, Scottish Water

Affordability

Ofwat using a measure of inflation and measure for capital investment and profit as dividends for shareholders regulates water charges. Over the last 10 years water charges have increased faster than both earned incomes, inflation leading to many people struggling to make ends meet as their pay is stagnant, and their living costs go up, water bills are now some 20% higher in real terms than ten years ago. This squeeze on living standards is not necessarily because of economic recession, rather lack of competition means consumers are at risk of being exploited by highly profitable companies. More than £100 a year, around 30% of an average household water bill goes on profit for both capital investment to improve water quality that has been driven by national and European Union regulations as well as dividend payments to shareholders, compared with 9% in the energy sector.

The Government's national Water Sure tariff is a mechanism that caps the bills of customers in receipt of a qualifying mean-tested or universal child benefit to the average household bill for their company. The additional costs of providing the Water Sure tariff to qualifying households are cross subsidised by other customers. These cross-subsidies increase the financial burden on other low-income groups.

Figure a1.6 Water bills in the UK 2003-4 to 2013-14

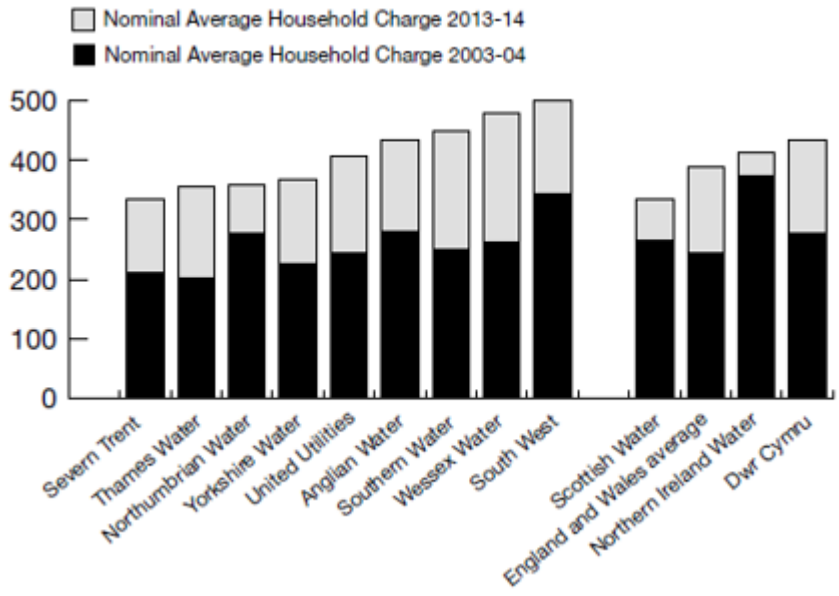
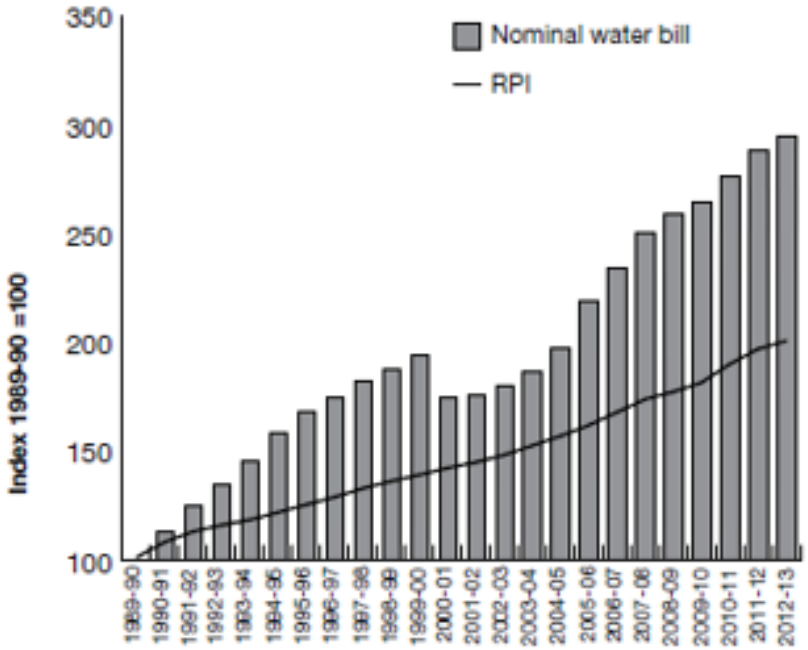


Figure a1.7 Average water bills and retail prices



Source Ofwat, ONS

In 2011/2012 the average bill was €37 per month (€444 per year) and ranged €30 per month in Severn Trent (the Midlands) to over €50 per month in the South West of England[55] [56]. This can cost around 6% for single adults with incomes on the poverty line, while 2% of households spent up to 8% of their household income (Hutton 2012). In 2015, National Debt line took more water-bill related calls than calls relating to rent or mortgage difficulties. Smet also finds that in London the average customer pays 3.4% of income on water, above the affordability threshold of 3%. **A**ffordability issues occur alongside the water industry enjoying high profit margins and dividends to shareholders. The 1989 regulatory framework is associated with higher water bills for customers that are only partially mitigated by Government policy and often managed through a sustained squeeze on peoples' living standards.

Quality

1989 Privatisation is associated with improved water quality and environmental standards (national and EU regulations and regional monopoly power of large providers). The Environment Agency is a quasi-autonomous non-governmental organisation sponsored by the Department for Environment, Food and Rural Affairs that is responsible for water quality, abstraction and flooding along with a range of other environmental duties. Companies in ensuring safe drinking water established the Drinking Water Inspectorate in 1990 to provide independent monitoring of drinking water quality with a particular focus on periodic failures.

55 Farnsworth, Kevin; Irving, Zoë 2012 Journal of Poverty and Social Justice, Volume 20, Number 2, June 2012, pp. 133-147(15). McIntyre, O. (2014). The human right to water and reform of the Irish water sector, Journal of Human Rights and the Environment, 5(1). doi: http://dx.doi.org/10.4337/jhre.2014.01.04

56 Paying for Water: Equity, Efficiency and Sustainability | June 2013 p 8 TASC

a1.7 Ireland

Murphy MP and Hearne R (2017), Towards inclusive service delivery through social investment in Ireland, MU, Maynooth

Context

Following abolition of local authority rates in 1977, Ireland is unique in Europe with no domestic water charges.[57] Water investment is resourced from central taxation, however there is a significant level of underinvestment in Irish water infrastructure with consequent impacts on water quality and access and with EU and national political pressure to engage with the 'polluter pays' principle of the European WFD.

In this policy vacuum, and in the context of severe fiscal deficit and EU austerity policy, the 2010 EU-IMF (Troika) Bailout Memorandum[58] included the introduction of water charges and establishment of a centralised semi state agency 'Irish Water' to replace the water functions of 36 Irish local authorities. Following a now disputed tendering process (now the subject of a tribunal), a private company Siteserv was contracted to install domestic water meters and the Water Services Act (2013) consequently legislated for metered water charges. These developments, along with concerns for the future privatisation of public water in Ireland, prompted local community protests and civil disobedience campaigns to disrupt installation of water meters. By 2016, with the Troika departed, water metering and charges were suspended as an outcome of the pressure exerted by the Right2Water campaign, the 2016 general election and subsequent recommendations of the parliamentary Expert Commission on Domestic Public Water Services (ECDPWS, 2016).

The Water Services Act 2017 repealed the already suspended system of domestic water charging, provided for refunds to be paid and set a threshold of 213000 litres pa, usage over this may be regarded as excessive water usage. The Oireachtas approved the committee's additional recommendations including: that principles of equity of treatment and equivalent financial support should be applied equally between households using public water and wastewater systems and households using other systems and a referendum should be held on the issue of water services continuing in public ownership

Those who paid charges were refunded in late 2017. Entering 2018, the policy status quo means that only some new domestic dwellings are being metred and charges only for excessive usage, questions remain about compliance with polluter pays principles and capacity to fund investment.

Quality

Decades of capital under-investment in water infrastructure means continued reliance on significant levels of Public Private Investment with persistent issues of water quality. Remedying leakage rates (of approx. 40%) requires significant infrastructural water investment of approx. €600pa over the next decade. Underinvestment impacts on quality of water with specific regions restricted to purchase bottled water for human consumption and a disproportionate distribution in rural western Ireland of 'boil notices' and water restrictions, lack of progress in implementing Water Safety Plans for each public water supply,[59] and no fully comprehensive assessment water policy to ensure clean and safe drinking water. The ECDPWS (2016) reports 180,000 properties at risk of failing EU guidelines on the maximum levels of lead in drinking water and 38 untreated urban sewage outflows. In 2017, 20% of the population access drinking water from small private wells, where contamination, poor monitoring and weak enforcement create public and private health problems including higher E.coli contamination levels.[60]

58 Ireland (2010) Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding, Dublin: Government of Ireland, p. 30. 532

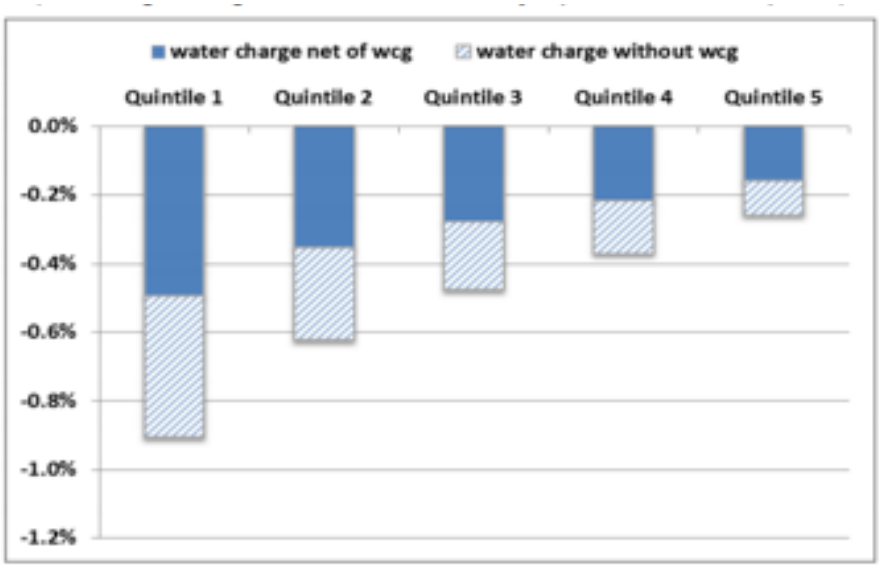
59 Irish Water's Drinking Water Safety Plan: Implementation Plan 2014 –2016.

60 Environmental Protection Agency 2017 *Focus on Private Water Supplies, Dublin EPA*

Affordability

ICESCR obliges governments not to disproportionately affect low-income households. A 2013 affordability assessment of the then proposed water charges found the % of net disposable income was 0.2% for average, 0.3% for median and 1.2% for lowest decile; all well within the 3% poverty index threshold.

Figure a1.8 Distributive impact of the proposed Irish water charges package



However, a 2015 Social Impact Assessment shows the distributive impact of proposed charges had a greater impact on lower income households, with the bottom quintile losing 0.9 per cent compared to 0.3 per cent for the top. IHREC questions whether the principle of equity is met in absence of policy to specifically target low-income households, the disproportionate impact of an additional utility bill on low-income households and issues affecting Travellers and rural dwellers. Given Irish domestic charges are suspended (and unlikely to return) there is no obvious macro issue of household affordability or water poverty.

Access

The Irish Human Rights and Equality Commission (IHREC)[61] affirm that lack of access to clean safe water impacts on guarantees essential for securing an adequate standard of living', right to health, and capability to be and do, as well as impacts on food poverty, as evidenced by Irish statutory assessments.[62] Affordability and equity issues of access remain for up to 30% of Irish households, rural dwellers who pay sinking well and maintenance costs and/or the cost of small group schemes. The National Federation of Group Water Schemes (NFGWS) welcomed the Nov 2016 Commission recommendation for 'equity for those who are not served by public water supplies'. Despite UN guidance over 2,700 Travellers (an indigenous nomadic ethnic minority), some of whom live on halting sites, have no access to piped water supply. Census 2011 demonstrated that one-third of Traveller households living in mobile or temporary accommodation had no access to sewage facilities while a fifth had no access to piped water, 2016 census data has not yet been published.

Participation/collective agency

Ireland saw considerable citizen mobilisation around and resistance to metered water charges and privatisation of water with the majority of households boycotting the introduction of water charges in 2014 and

61 https://www.ihrec.ie/app/uploads/download/pdf/icescr_report.pdf

62 Department of Social Protection (2015) Social Inclusion Monitor 2013, Dublin: DSP p. 39.

2015. The Expert Commission on Water Services Report 2016 highlighted a widespread public 'concern about the potential privatisation of Irish Water'. They stated that public responses to their consultation 'expressed concerns that water charges, and metering of domestic households, could eventually lead to privatisation'. The Report notes that this 'was sometimes set in the context of wider concerns about privatisation of public services, and the commodification of water'. Support for water charges was expressed from some rural dwellers and Group Water Schemes and from some environmental quarters, which demonstrates a pluralistic civil society. Fears of privatisation of statutory centralised agency 'Irish Water' have led to a strong campaign for a constitutional referendum to keep Irish water in public ownership and a recommendation in Nov 2016 (ECDPWS) expert commission report for a 'suitable constitutional provision on public ownership of water services', reflecting strong domestic demand for democratic accountability.

Recommendations

Given that, EC and EU policy is to promote liberalisation this local state level response against privatisation of water in Ireland and the assertion of the right to water through a historic citizen mobilisation, raises significant questions about how reflective EU policy is of citizen and state views on water services, but also importantly, about sources for future investment. The Irish government should, as per the Oireachtas committee recommendations, hold a referendum to enshrine water as a human right and water to remain in public ownership as a public good. There is a requirement for a significant increase in investment in water infrastructure in Ireland, and without EU support in areas such as EU fiscal rules flexibility this will be a challenge. Furthermore, the opposition to water charges by the majority of Irish citizens raises the challenge of Ireland meeting water cost recovery EU obligations while also respecting the democratic wishes of its citizens.

a1.8 Full case study Belgium – Flanders

(all content sourced from Van Lancker A., Bircan T., Nicaise I. (2017), Towards inclusive service delivery through social investment in Flanders, Leuven: HIVA

Belgium

WP 6 national report Van Lancker 2018)

Although Belgium has ratified the 1999 Protocol on Water and Health of the Economic and Social Council of the UN, including the objective to recognise access to water as a human right, the right to water and sanitation is still not officially recognised in the Belgian Constitution. As in most countries in Europe, the provision of water is not liberalised in Belgium and drinking access remains, since 1836, the competence of municipalities who then assign water services duties to public companies. There are 38 such companies involved with the production and the distribution of water in Belgium, and these often have a different policy, especially about pricing. Water policy has become a *regional policy* competence since 2014 so policy and practice differ across the three regions in Belgium; here we focus in this case study only on Flanders. As well as Flemish, based water companies a key factor in Flanders are the municipal based Local Advisory Committees, which adjudicate water disconnection decisions for individual clients.

Affordability

Affordable drinking water is understood as a right in Flemish policy and access to water is guaranteed for all including for people living in poverty. Although water consumption in general in decreasing, between 2009 and 2013, the overall bill for water increased by 14% in Flanders, 25% in the Walloon region and with 46% in the Brussels region, partly due to crisis measures or cuts in subsidies, but primarily to fund increased investments in infrastructure for distribution and purification, as a result of a European directive. SERV (2012) find the proportion of disposable income spent on water is higher for people living on low incomes

(single parent households, single persons, tenants and households in the three lowest income deciles), due to insufficient income, too high water bills and bad housing conditions.

In Flanders, since 2016 there is a new tariff structure for water, composed of a basic tariff and a comfort tariff. Per house unit, a fixed amount of 30m³ is allowed at basic tariff, with an additional 30m³ per person in the household. So for example, a family of four will in this way receive 150m³ at the basic tariff. All additional consumption is charged at a comfort tariff that is double the basic tariff. A special status 'protected client' include people living on minimum income, on benefits for disabled people and for pensioners living on a guaranteed income for the elderly, they can request free water meters, monthly water bills, scans, automatic warnings in case of abnormal consumption, reminder letters and personalised payment plans . Some 'protected clients' are entitled to the 'social tariff', others pay the normal price. The Flemish region foresees an 80% reduction social tariff for people with low incomes but only for 10.8% of the total number of the at-risk-of-poverty population in Flanders (Brussels and Walloon regions do not have comparable social tariffs). This group is considerably smaller than the previous group of protected clients: in 2015 there were 175.355 protected clients (6.8%), of which 154.691 enjoyed the social tariff.

Between 2009 and 2012, the average proportion of the water bill in the expenses of families rose 76%. In the Walloon, region families spend on average 1.06%, in Brussels 0.91% and in Flanders 0.79%. The proportion of disposable income spent on water is higher for people living on low incomes: the poorest people have more difficulties paying their water bills. 5.25% of families in Belgium spent more than 3% of their disposable income (after paying the costs for housing) on water, in Flanders this was 4% while 1.4% spent more than 5%.[63] Especially single parent households, single persons, tenants and households in the three lowest income deciles face difficulties.[64] The ombudsman for energy pleads for extension of the group of beneficiaries to all those who qualify for access to the social heating fund, which would cover around 1 million vulnerable households in Belgium. This number corresponds broadly to the number of families living at-risk-of-poverty-and-social-exclusion (20%).

Access and disconnections

The Flemish Agency for the Environment (VMM) allows that clients request from water companies a delayed payment of water bills. In 2015, a decreasing 6.7% of all clients received a notification for default of payment procedure. VMM statistics show an increase since 2013 in requests for payment plans (to which they have a legal right). There is a relatively stable but increasing number of effective disconnections which are exceptional in Belgium (4000, households or 0.15% of clients in Flanders in 2015, even lower in Brussels/Walloon regions). However, in both regions there is an increase in disconnections since 2012 (SPEG, 2015) The SERV report in 2012 noted that single persons and families with four or more people are overrepresented. In Flanders e LACs are not service providers but are a mediation body in cases of default of payment. They are composed of social workers of the local public services for social welfare and of the water companies and they decide on the procedure to follow up on default payments. There is no appeal procedure in the Flemish region against decisions taken in the LACs, and water companies have a crucial input while clients are not always present. The right to water could be enhanced with the introduction of legal appeal procedures and measures to ensure contacts with clients by the PCSW, prior to the LAC session.

Quality

Flanders water policies have been less driven by equity or social investment (investments of resources into people and into their individual and collective agency), and more driven by environmental sustainability arguments, the consequence has been a considerably worsened situation for certain vulnerable groups of

63 Figures in the previous paragraphs were taken from an exploratory study by SIA for the King Baudouin Foundation and published in Zoom 42 (see Annex).

64 SERV 2012.

people. The Flemish Water Decree from 2002 foresees in stimulation of sustainable use of water and defines a clear link between water consumption and the levy for purification.

In response to a European directive the approach has primarily been to fund increased investments in infrastructure for distribution and purification, so while quality has improved the cost has been passed onto the customer. The investments in infrastructure and purification led to a steep increase in the prices of water, which was not compensated by policy measures to ensure access for all people to quality and affordable water

Further, there is a clear relationship between water poverty and poor quality housing with water leaks affecting water quality and the possibility of *rational water consumption*: while water scans to detect possible water leakages can be requested this is not well known and is expensive for non-protected clients. Pilot projects could be launched where investments in water and energy saving appliances could be pre-financed, local housing, energy and water desks should advise house owners and tenants. The consequences of disconnection for quality of life cannot be underestimated: without water provision, people cannot provide in their basic needs for personal hygiene, healthy food, or they have to turn to more expensive alternatives such as bottled water.

Participation and dialogue

Flanders has a rich tradition of dialogue in relation to water poverty. Firstly, *Combat Poverty Service*, organised regular dialogues with around 40 representatives of organisations ranging from social NGOs, environmental NGOs, poverty organisations, charities, public centres for social welfare, public authorities, and also energy and water companies across Belgium. Their recommendations are strongly rights-based and relate mainly to the concrete realisation of the right to water in general and for vulnerable groups in particular. Recommendations that have been implemented since the consultation took place, were mentioned above in the analysis and are not repeated in this section. Secondly, is the *Samenlevingsopbouw Antwerpen Provincie* framework project for the Flemish Minister for the Environment, on water and poverty in 2014 with a rich dialogue based methodology to consult vulnerable clients. Their recommendations, based on individual cases, individual contacts with the people from target groups and group discussions, mostly relate to improvements in the attitude of water companies, PCSWs and LACs in relation to the realisation of access to quality water for all. Thirdly, the local project of *Samenlevingsopbouw Oost-Vlaanderen* at the PWO in Wetteren in 2017 enabled vulnerable participants to identify concrete steps that can be achieved in the practices of PCSWs, LACs and water companies.[65]

Conclusions and recommendations

These consultation highlighted the important role played by two actors, the LACs and the water companies that tackling water poverty depends strongly on the relation between the service providers and vulnerable clients, and that key to this is the effective professional attitude, experience and communication capacities and overall *functioning of the LACs, which in fact differs from municipality with little common* understanding of minimum quality requirements for social enquiries, out-reach to people who should appear, invitations for and conduct of the LAC sessions, follow-up care etc. The *Guide of good practices of LACs* should be used as proactive tool to remedy this and should be used in training sessions for PCSWs throughout the Flemish region. A second structural organisational component to guarantee people's access to the right to water is the improvement of the *practices of water companies*. Attempts by the water project to discuss the practices on water poverty, procedures in case of default payments and disconnections of different water companies were only successful in two cases. Recommendations to water companies focus on how they deal with the bills, procedures in case of default payments, arrangements between water companies and PCSWs, the functioning

65 Utilising the *participatory approach* for the assessment of access to affordable provision of water and sanitation of good quality in Belgium, this case study incorporates existing participatory approaches in the Flemish region where *Samenlevingsopbouw*, having since2014 led a number of consultative processes to address water poverty, and who in 2017, engaged with the NGO *Permanent Welzijnsoverleg (PWO), in Wetteren* in a participatory process with people experiencing water poverty meeting 18 persons in 6 meetings, from January to June 2017.

of LACs, house moves, water scans and more general service delivery from water companies who need to move towards better and more harmonised practices that can help to ensure people's right to water.

1. ***Reinforcing the right to water and sanitation***: inclusion of the right in the Constitution, safeguard the public character of water provision at national and international level, provision of public water points and sanitation in every municipality, collect data concerning situations where people don't have access to water and sanitation.
2. At ***European level***, by ways of EU law, access to water and sanitation should be explicitly recognised as a human right and be protected as public goods that must be delivered at affordable prices to all citizens**.** This means that provision of water should never be subject to liberalisation and that internal market and competition rules should not apply to the provision of this public good.
3. ***Strengthen the rights of consumers*** by organising concertation between different actors, increasing accessibility of water companies (accessible offices, free telephone number, contact persons…), use uniform, transparent and readable bills, develop a binding concept of 'reasonable payment', provide sufficient information and guidance (local energy, water and housing desks, regional information services, pay attention to illiteracy and the digital divide)
4. ***Guarantee the rights of clients in cases of collective water systems and intelligent meters****:* foresee individual and accessible meters, avoid estimated consumption, apply social measures and public service obligations in collective systems, and evaluate the impact of 'smart' budget meters on poverty.
5. ***Put into practice a tariff system that obeys social, solidary and ecological criteria****:* ensure that water bills are affordable, extend the status of privileged client to cover more people that risk water poverty, expand the group enjoying social tariffs, create a social fund to support in cases of payment difficulties, examine the financing of public service obligations.
6. ***Treat payment difficulties in dialogue, in full respect of the clients' rights****:* foresee a minimal service delivery, ensure flexibility in payment plans, reinforce the legal position of clients in procedures through appeal procedures, reinforce quality of functioning of LACs by promoting the mediating and supportive role of LACs, exchange of best practices and better outreach methods for vulnerable people, reinforce the position of client in cases of transfer of debt.
7. ***Reinforce the policy of rational water consumption for families living in poverty or insecurity:*** through well-conceived campaigns, promote water scans, creation of local energy, water and housing desks, establishing a strong link between housing policy and rational energy and water consumption.

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RE-InVEST - Rebuilding an Inclusive, Value-based Europe of Solidarity and Trust through Social Investments

In 2013, as a response to rising inequalities, poverty and distrust in the EU, the Commission launched a major endeavour to rebalance economic and social policies with the Social Investment Package (SIP). RE-InVEST aims to strengthen the philosophical, institutional and empirical underpinnings of the SIP, based on social investment in human rights and capabilities. Our consortium is embedded in the 'Alliances to Fight Poverty'. We will actively involve European citizens severely affected by the crisis in the co-construction of a more powerful and effective social investment agenda with policy recommendations.

http://www.re-invest.eu/

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