

Press Statement

Denouncing the Seoul Metropolitan City Government's Water Privatization Plan

Monday 29 October 2007, by [Joint Action against Water Privatization](#) (Date first published: 17 October 2007).

The Joint Action against Water Privatization in Korea held a press conference on 17th october against Seoul City Government's plan to corporatize and privatize city's water. Here is the press statement.

Dear Friends,

On August 10, Seoul Metropolitan City government announced its plan to turn Seoul Metropolitan City Waterworks into a public corporation by 2012, as well as consign 19 other administrative and public services to private management. As a first step for this plan, the city government proposed an amendment to the Personnel Act, which was passed in the city council on August 24. The main point of this amendment was that 231 government employees of the Seoul Metropolitan City Waterworks will be reassigned to other positions or laid off.

The current plan states that the Seoul Metropolitan City Waterworks will be turned into a "the public corporation". However, this plan is alarming in the sense that Seoul's water, which is essential for 10 million Seoul citizens' subsistence, will in fact be ultimately privatized. We, the civil society, strongly condemn this move.

Indeed, the Seoul Metropolitan City government had been planning to privatize or corporatize the water service for a long time, but this plan wasn't put into action because the city government was concerned of potential public resistance. However, the city government decided to implement the plan, after the Korean government confirmed water privatization as a national policy and announced its "5 Year Plan to Foster the Water Industry" in July. When strong public concern arose towards the "5 Year Plan", the Seoul Metropolitan City government was reluctant to make its plan public and even denied it. However, the head of Seoul Waterworks verbally confirmed to the Korean Government Employees' Union (KGEU) the plan to be true, while the media also covered several stories on the issue. This plan can also be seen to have formalized through the bill passed in the council on the reassignment of 144 employees and the lay off of 87 employees.

Both Korean government and Seoul Metropolitan City government argue that the transition to a public corporation is not privatization, since the ownership would remain with the city government. They also provide a rosy picture that the public corporation will be fostered so that it can outreach the global water industry. However, this is nonsense. According to "Plan to Foster the Water Industry", turning the waterworks into a public corporation is not the ultimate goal but rather, merely a stage in introducing full-blown privatization. According to the national policy, at first, smaller waterworks will be commissioned and integrated to K-Water[1] and the waterworks of the metropolitan cities will be turned into public corporations. And then, these public corporations

would compete with each other in the market. At the same time, private corporations and transnational corporations would be induced to join this competition, ultimately introducing market competition throughout the entire national waterworks system. The plan to turn Seoul Metropolitan City Waterworks into a public corporation is a part of the larger "Plan to Foster the Water Industry". Who can dare to say that this is not privatization?

Moreover, we have witnessed that turning public services of local governments into public corporations is a new privatization strategy of the current regime and capital. Because they faced strong public resistance such as workers' general strikes when they attempted to sell out the ownership of public corporations and public services, they changed their strategy from a sell-out to more indirect methods such as listing public corporation stocks, commissioning public services to private entities, and turning public services into public corporations or foundations. Again, turning Seoul Metropolitan City Waterworks into a public corporation is only the first step in gradually privatizing and degrading the source of life for 10 million Seoul citizens.

As a matter of fact, there is no reason to turn the Seoul Metropolitan City Waterworks into a public corporation. Seoul Metropolitan City Waterworks has operated efficiently through auto-mechanization and cost control such as naturally decreasing the number of employees throughout the past years. The quality of water has improved as well through replacement of old pipelines and adaptation of high technology. The percentage of both water flow and coverage show more than 90%, and it is even making profit.

It has been proven in many parts of the world that privatization of water is a disaster. As local governments stop paying subsidies, the price of water increases dramatically while polarization widens. Also the water quality cannot be guaranteed if water services pursue maximization of the profit through minimizing the cost. Job stability becomes at risk as well. Already, restructuring of public offices through methods as forceful retrenchment is threatening government employees.

Instead of rendering the lifeline of Seoul citizens to logic of profit-making, the Seoul Metropolitan City government should put more efforts into making quality water which citizens can drink with trust, by enhancing more participation and monitoring by the citizens. Also, the Korean government should promote more socialization and support small and weak waterworks financially and technologically.

Today is International Day for Eradication of Poverty as designated by the UN, as well as being the Day of Global Action against Privatization of Public Services. According to the International Covenant on Economic, Social and Cultural Rights (ICESCR), "Water is a limited natural resource and a public good fundamental for life and health. [...] With respect to the right to water, States parties have a special obligation to provide those who do not have sufficient means with the necessary water and water facilities and to prevent any discrimination on internationally prohibited grounds in the provision of water and water services." However, the government that seated one of its members as UN Secretary General is worsening polarization by promoting privatization of water.

On this International Day for Eradication of Poverty, we denounce the Seoul Metropolitan City Government's plan to corporatize Seoul Waterworks, which is a prelude for water privatization. We demand that Korean government and local governments withdraw all kinds of water privatization including commissioning of local waterworks to corporations.

We, civil and social movement organizations, environment organizations, labour unions and poor people's organizations, with the aspiration that poverty will be eliminated, will continue, in solidarity with the people around the world who want to protect natural resources and public goods, our struggle to stop the attempts of central and local governments to privatize water.

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Joint Action against Water Privatization (29 organizations)

[1] KOWACO is a public corporation. Although it is a public corporation with 100% government ownership, the government has recently started to promote restructuring in all public organs to make it more profitable and more market-oriented. There is no visible plan as yet to privatize KOWACO itself, however, this is really a matter of time in view of Korean government's urge to privatize major public corporations.

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