This page lists some examples of privately utilities.

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Sanitation[edit]

Supply of Water and Sanitation in the UK[edit]

At the start of the nineteenth century this provision was mainly in the hands of chartered private water companies. Ever since the famous 1842 Sanitation Report these private bodies have had a very bad press from historians. Their strictures were often justified, particularly in London. Yet the picture was rather more complex
than a simple reading of the 1842 Report would suggest. In some areas, such as Ashton-under-Lyne, the water companies worked effectively, providing a constant supply at high pressure. As most contemporary commentators noted, the central problems were the lack of competition and the chaotic state of local government - London had 300 separate bodies operating under 250 local Acts. In Manchester local initiative had in 1796 brought about the creation of a Board of Health independent of central government; it led to a marked improvement in sanitation.[1]

United States[edit]

During the nineteenth century, several cities, including New Orleans, Phoenix, and Atlantic City, granted exclusive franchises to private companies to operate their sewer systems. Most of these sewer companies charged a sliding scale of fees geared to various classes of customers. The Atlantic City Sewerage Company typified this approach by setting rates based on the number of rooms and the type of structure served (such as, hotel, lodging house, or factory).

Private sewer arrangements were especially common, and probably most successful, in small- and medium-sized cities. Atlantic City's company, for example, generally received satisfactory ratings, while New Orleans's experience with a sewer franchise was comparatively negative. In the case of New Orleans, the city granted two successive franchises in the 1880s and 1890s. The first company failed to begin construction, while the second lapsed into bankruptcy after laying only 3,600 feet of pipe. The city government ultimately bought out the franchise and completed the system. By 1902, no city with a population over thirty thousand still had a private sewer company.

What can explain the apparent geographic disparity in the quality of service between small and large urban areas? Probably the most persuasive theory has been advanced by historian Stephen Davies. Davies speculates that there may be an optimum size of population and geographical area for certain utilities beyond which efficiency and profitability decline. More specifically, if the service area expands too far beyond limits set by market demand, revenue earned by the company can no longer sustain the resulting higher transaction and capital costs. On the other hand, if the market (not the political authorities) determines the utility's rate of geographical growth, "the costs are borne by the beneficiaries ... who can therefore trade off costs and benefits. After a point, the costs start to exceed the benefits. When that happens, left to itself, the market would signal this by a failure to supply or an undersupply of public goods," thus leading to a check on urbanization or at least a different pattern of urban growth, perhaps in the form of medium-sized towns instead of large cities. Indeed, the main criticism leveled against private suppliers at the time was not poor service per se but a reluctance to expand to outlying areas.

If Davies is correct, two related questions come to mind. First, to what extent did legal mandates, such as franchise requirements that companies cover extensive geographical areas, push beyond this natural limit and thus exacerbate (or perhaps cause) the failure of private systems? Secondly, what role did politics, including grants of eminent domain and monopolies on the use of city street easements, play in determining the type of sewerage technology cities adopted? Beito theorizes that the market (had it been left to develop freely) would have favored more decentralized technologies. [2]

Recycling[edit]

The private sector was also important in the development of sewerage recycling facilities. The decision by a city to install a recycling facility was usually not a matter of choice. In almost all cases, it resulted from adverse litigation brought by downstream individuals against municipal sewage pollution. Even then, recycling plants were the exception, not the rule. Until the 1930s, the vast majority of municipalities merely dumped their raw sewage into the nearest waterway.

The private sector was extensively involved in the most publicized type of recycling during the late nineteenth century: sewage (or broad) irrigation. It was not uncommon for the raw sewage to be pumped directly through
pipes to fields. While much of the success or failure of these efforts depended on the crops grown and the type of soil, the sewage, composed of elements such as nitrogen, potash and phosphorus, had great value as a fertilizer.

The early twentieth century brought a reversal in the trend toward sewage irrigation. Why? Most of the evidence indicates that it had, at best, a mixed record of profitability. There were also health dangers, including the perception, whether real or imagined, that fields irrigated with sewage were breeding grounds for disease.

Whatever the reasons, by the early twentieth century, it was not only an infant technology, but also an arrested one. Only a few years before, sanitary and engineering experts touted it as a panacea. Now they dismissed it as a hopeless failure. The failure of sewage irrigation may also have been politically determined. Quite simply, the political and legal environment gave cities few, if any, incentives to recycle or even treat their sewage. Local governments could exercise a virtual blank check to dump their untreated or partially treated sewage in the free public waterways. This trend toward increased government ownership created an environmental "tragedy of the commons". [2]

Privy vaults[edit]

The privy vault served as a temporary storage facility and was usually nothing more than a hole in the ground lined with bricks or stone, usually located in the backyard of a residence. Throughout most of the nineteenth century, the privy vault, followed by its close cousin the cesspool, was the leading method of human-waste disposal for American cities. As late 1880, two-thirds of urban households did not have access to a municipal sewer system.

In most cities, private excavator companies sent wagons throughout the service area to clean out the "night soil" from each vault. What followed varied with location. Sometimes the workers merely dumped the night soil into the nearest stream or lake. In many of the larger cities (including New York and Baltimore), the excavator company mixed the night soil into a compost and then sold it to farmers for use as a fertilizer. Although little is known about this process, it appears to have been extensive. By the end of the century, however, the market had dried up relative to that for chemical fertilizers.

By the end of nineteenth century, the days of the privy vault were numbered. Centralized municipal sewerage had become a panacea, benefiting from some powerful backers. A potent "sanitary coalition" of engineers and public health specialists led the charge for sewers across the country. The fact that members of this coalition staffed the emerging urban city-engineer and public health bureaucracies gave them considerable political clout. Their scientific and medical training guaranteed instant credibility with the powers that be. This was, after all, an era of nearly unbounded faith in "disinterested" expertise.

By the early twentieth century, virtually every city had abandoned privy vaults in favor of sewers.[2]

Japan[edit]

According to a 1980 study produced for the World Bank[3], only about 34 percent of the total Japanese population have sewers, while an even higher percentage rely on a highly modernized version of the privy vault (which includes a system of vacuum trucks). The authors chose Kyoto as their case study, a city where privy vaults serve 40 percent of the population, while another 40 percent use conventional sewers. They contend that privy vaults in Kyoto have several notable advantages. First, they are cheaper to run. This is because they have lower recurrent costs (or day-to-day costs) than sewers. Indeed, low recurrent costs have been invariably portrayed as the raison d'etre of sewers. Sewers, as the quintessential capital-intensive technology, were supposed to essentially run themselves.

Sewers generate a whole set of recurrent costs, including consumption of large quantities of water, an increasingly expensive commodity. A second recurrent cost is the costly treatment plants needed by the average sewer system. The authors calculated that if added together, all these recurrent costs make sewers more than
twice as expensive as privy vaults. Privy vaults also do not produce nearly as much water pollution as sewers, and in fact, from a public health standpoint, are equally safe.

The Japanese example reveals that existing technologies can with some improvements be made entirely compatible with urbanization, industrialization, and environmental protection. Moreover, the authors point out that, unlike privy vaults, centralized sewer systems require massive investment costs not only to built but also to maintain.[2]

### Electricity[edit]

According to The Wall Street Journal, more and more U.S. companies are opting to generate their own electric power, saving money while taking money away from utilities. Federal statistics estimate that the number of electricity-generation units at commercial and industrial sites has increased more than fourfold since 2006 from about 10,000 to about 40,000. Experts say traction for the trend is building as prices fall for solar panels and natural gas, and amid growing anxiety that storms will increasingly cause more power outages. An earlier report from the Edison Electric Institute says the increasing number of companies that are at least partially energy self-sufficient is threatening utility-industry revenues and prospects for expansion.[4][5]

### References[edit]


### Links[edit]

- Saving the Environment for a Profit, Victorian-Style by Pierre Desrochers
- "Municipalized Trash: It's Uncivilized" by Jeffrey A. Tucker, September 2009

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