THE IMPACT OF POLITICS ON THE APPLICATION OF THE DRINKING WATER DIRECTIVE (80/778/EEC)

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Abstract

This paper seeks to address a growing lack of historical knowledge in the water industry of how European Union (EU) water policy has developed and been responded to. It also aims to overcome the lack of comparative studies that explore the role politics has played in the development and application of EU water policy. As a result, this paper develops an historical comparative understanding of how England and Wales and the Republic of Ireland have responded to the Drinking Water Directive (80/778/EEC). It does so from the perspectives of political priority and ideology. Political ideology is shown as having had a greater impact on facilitating achievement of the Directive's standards in England and Wales. However, it is established that the political priority national governments have accorded compliance has been central to ensuring the application and enforcement of the Directive's standards. Despite the apparent success of political ideology in England and Wales, the paper sounds a note of caution with regard to judging privatisation as being uniformly successful, for it has not, particularly if issues of water charges, customer debt, and financial and reporting irregularities are considered.

Keywords: Drinking Water, Directive 80/778/EEC; Water Industry; Political Priority; Political Ideology; England and Wales; Republic of Ireland.

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Introduction

The management of water resources has to compete with numerous other issues that demand the attention and resources of government. Maloney and Richardson (1995) highlight that there are three kinds of processes that shape the agenda of governments – problems, policies and politics and that the resultant agenda is continually under pressure due to the emergence and changing priority of issues. Ultimately, 'political decisions are needed to mediate between competing interests, competing ideas and competing values' (Maloney and Richardson, 1995: 3). Consequently, water policy is a political solution to an issue or group of issues that have potential consequences, good or bad, for those who wield the reigns of power. While it is not necessarily difficult to identify and forward policy proposals that aim to 'reasonably' manage water resources, the real difficultly rests with the 'priority' politicians attach to the issue of water resource management (Caponera, 1985). How the commitment of government is then administered is dependent on political 'ideology' (Morris, 1996; Petrella, 2001). In recent times, there has been a move away from government ownership of water services to the private ownership of such services. The ideology that underpins private ownership has been embraced as offering the best political solution to allowing the water industry to meet consumer, industrial, and environmental needs (OECD, 1999; Gleick et al., 2002).

As a result of the preceding discussion, this paper focuses on two key aspects of politics; 'priority' and 'ideology', to explore the application of the Drinking Water Directive (80/778/EEC) in England and Wales, and the Republic of Ireland¹. The paper argues that the political 'priority' a government attaches to an issue is central to understanding the application of a policy response, with a knowledge of political 'ideology' being central to understanding how governments respond to a societal issue, such as water. This focus allows for a targeted and rationalised discussion of how 'politics' has affected the policy response of national governments to be ascertained.

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¹ To aid conciseness from this point onwards, England and Wales are referred to as England/Wales, and the Republic of Ireland is referred to as Ireland.

The above focus also allows for the construction of a much needed historical understanding of how national governments have responded to water policy standards developed by the European Union. To date, the literature concerned with water policy has had a tendency to discuss perceived impacts, to be limited with regard to the number of studies undertaken, and brief with regard to the generation of supranational case studies that seek explore water policy in the context of political 'ideology' and 'priority' (see Buller, 1996; Morris, 1996; Jordan *et al.* 1998; Petrella, 2001; Gleick *et al.*, 2002).

To generate an understanding of the application of Directive 80/778/EEC from the perspectives of political 'priority' and 'ideology', this paper is split into five sections. The first section provides a brief overview of the methodology used to undertake the study. The second section briefly outlines the origin of the Directive and compliance responses of England/Wales and Ireland. Attention then focuses on discussing how political priorities and ideology have been found to have influenced compliance with the Directive. Finally, the paper is drawn to a close with a brief conclusions section.

Methodology

A qualitative research approach was adopted to analyse the role and impact political 'priority' and 'ideology' have had on compliance with the standards of Directive 80/778/EEC in England/Wales and Ireland. In particular, a series of semi-structured interviews were undertaken in England/Wales, Ireland and Brussels. The interview approach enabled a series of set questions to be developed, which were then expanded upon during the interview, if comments made needed further clarification. Initially, interviewees were selected from articles in professional publications, academic literature, and direct liaison with individuals currently involved in the provision of water services. Further interviewees were identified via the process of snowballing, which involved interviewees being asked for their recommendations of who could be interviewed next.

All interviews were conducted in confidence, with all comments subsequently being made anonymous. Interviewees were selected to represent the organisations and individuals involved in the application of Directive 80/778/EEC. In Ireland, a total of 19

interviews were undertaken with individuals from the Department of the Environment and Local Government (DOELG), the Environmental Protection Agency (EPA). Individuals from the providers of water services were also selected for interview, which included Dublin City Council, Fingal County Council, Rathdown County Council, and South Dublin City Council. In England/Wales, a total of 33 interviews were undertaken with individuals from the Department for Environment Food and Rural Affairs, the Office of Water Services (Ofwat), the Drinking Water Inspectorate (DWI), and WaterVoice. Representatives of the providers of water services in the London area, namely Thames Water and Three Valleys Water, in addition to individuals from national representative groups such as Water UK, were also selected for interview. At the supranational level, a total of 12 individuals were interviewed. They were drawn from the EC and the European Parliament (EP). Individuals were also selected for interview from the European Union of National Associations of Water Suppliers and Waste Water Services (EUREAU). All interviews, with the exception of one, were conducted in person, with the length of interviews lasting between 30 minutes to 2 hours.

Interviewees were selected to generate a contemporary understanding of the application of Directive 80/778/EEC between 1975 and 2002. This was undertaken to ensure that an historical picture of the national application response could be formed and subsequently analysed.² The information collected was supported with information derived from reports and papers from parliamentary committees and proceedings, government departments, EU organisations and institutions, privately commissioned research, interviewee articles and conference presentations. The Times and Irish Times were also consulted to aid in the construction of a contemporary picture of the role politics has played in application.

To ascertain the compliance of England/Wales and Ireland with the standards contained in Directive 80/778/EEC, and thus the potential impact of political priority and ideology on compliance, the annual national reports for drinking water quality were assessed. Such

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 $^{^2}$ 1975 was when the original proposal for Directive 80/778/EEC was put forward. 2002 is the last year the Directive was in force before being superseded by Directive 98/83/EC.

reports began to be published at the start of the 1990s. As a consequence, the year 1990 was taken as the starting point for assessing overall compliance with data subsequently being collated up until the year 2002. Compliance with the standards set for nitrates and total coliforms were also analysed to ensure that the analysis of overall compliance trends did not mask more detailed improvement in individual standards.

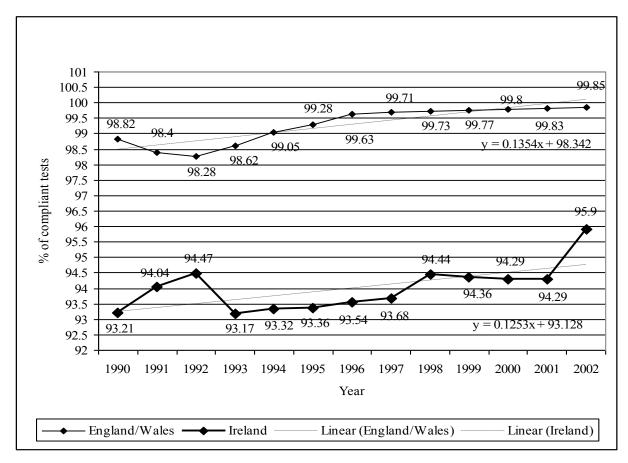
The Drinking Water Directive and Compliance Responses

The Drinking Water Directive (80/778/EEC), adopted on the 15th July 1980, established for the first time 62 water quality standards for water intended for human consumption. The Directive has had a substantial impact upon the providers of water services and has been the driving force behind improvements in drinking water quality in EU Member States (Breach, 1989; Semple, 1993; Kramer, 2000). The policy seeds for the Directive were sown by the first two Environmental Action Programmes (EAPs) of the EU (CEC, 1980). These were partly concerned with better protecting public health from toxic chemical substances and bacteria, which were increasingly entering the water supply network due to growing volumes of waste water being used for drinking water (CEC, 1980).

As Figure 1 demonstrates, between 1990 and 2002, the overall compliance of England/Wales and Ireland with the drinking water quality standards contained in Directive 80/778/EEC has improved, with England/Wales exhibiting a higher more consistent level of compliance throughout the period of time detailed. However, as Figures 2 and 3 clearly demonstrate, England/Wales has also achieved far more significant and consistent improvements in compliance with standards set for nitrates and total coliforms, with the compliance performance of Ireland appearing to be far less effective.

Figure 1 Overall Drinking Water Quality in England/Wales and Ireland Between 1990 and 2002^{3,4,5}

³ The percentage rating for overall compliance was calculated in relation to the parameters openly reported in the annual reports. In the case of England/Wales, the parameters openly reported in the annual report include: total coliforms; faecal coliforms; colour; turbidity; odour; taste; hydrogen ion; nitrate; nitrite; aluminium; iron; manganese; lead; PAH (polycyclic aromatic hydrocarbons); trihalomethanes; total



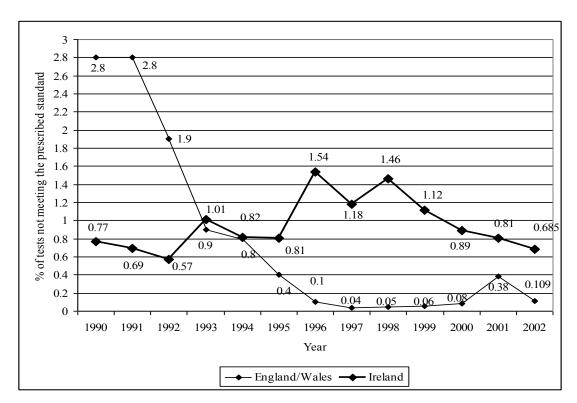
(Source: DWI, 1991-2003; EPA, 1991-2003)

Figure 2 Drinking Water Quality in England/Wales and Ireland in Relation to Nitrates

pesticides (all pesticide sampled for); individual pesticides (e.g. simazine; atrazine; propyzamide); all others (refers to 38 other parameters regularly tested for but rarely found at non-compliant levels [e.g. copper; zinc; temperature]). In relation to Ireland, the parameters openly reported upon in the annual report include: aluminium; ammonium; total and faecal coliforms; colour; fluoride; heavy metals (e.g. copper, zinc, cadmium; lead); iron; manganese; nitrate; nitrite; odour; taste; pH; trihalomethanes; turbidity; cryptosporidium (EPA, 2003).

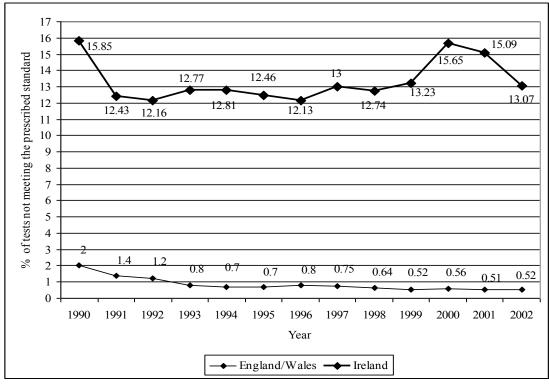
⁴ It is acknowledged that use of a linear trend line is not ideal for 13 observations. The line has only been used to highlight the overall trend in the data presented.

⁵ In 2002 the EPA decided to discontinue calculating the overall compliance rating for drinking water quality in relation to the parameters detailed in footnote 10 (EPA, 2003). The discussion of parameters would either make sole reference to the overall percentage compliance rating for a parameter, or break it down with regard to group and public water schemes. No data was then provided on the number of samples that passed or failed in relation to group and/or public water schemes. As a consequence, it was not possible to calculate independently the overall compliance rating because an overall compliance rating could not be calculated that took in account the number of samples undertaken with regard to group and public water schemes.



(Source: DWI, 1991-2003; EPA, 1991-2003)

Figure 3 Drinking Water Quality in England/Wales and Ireland in Relation to Total Coliforms



(Source: DWI, 1991-2003; EPA, 1991-2003)

Political Priorities and Application

The political priority attached to an issue can affect the associated institutional response (Caponera, 1985; Jordan *et al.*, 1998). As Figures 1 to 3 served to demonstrate, drinking water quality in England/Wales and Ireland has consistently breached the standards of Directive 80/778/EEC while exhibiting improved compliance. As a result of these failings the institutional responses of England/Wales and Ireland have been forced to change, This paper contends that if the political priority accorded the application of the Directive is high, then governments will seek to ensure a more effective application of public policy, and vice versa. Why governments should seek to respond to an issue deemed to be important, particularly by the public, can be explained by public choice theory. This argues that politicians are driven by a desire to govern. To disregard public opinion threatens the ability to govern and results in actions designed to address the concerns of the public (Downs, 1967; Weale *et al.*, 2000).

The political priority associated with the national application of Directive 80/778/EEC in England/Wales and Ireland has altered. Wider concern for the environment, and the need for the improved application of European environmental directives, served to increase the political priority governments in England/Wales and Ireland assigned to Directive 80/778/EEC. In the early 1980s, there was little political concern associated with the application of the Directive. For instance, departmental circulars used to transpose the Directive in England/Wales and Ireland demonstrate the then national governments as viewing application as unproblematic, with it serving to reinforce rather than alter existing drinking water regulatory practices (Circular 20/82 DoE [England/Wales]; (Circular L6/83 DOELG [Ireland], 1).

This lack of concern is explained when the attitudes of those involved in the application of the Directive are considered. In particular, the comments of civil servants interviewed in England/Wales and Ireland revealed that the Directive was viewed in an 'aspirational' light. This 'aspirational' view of the Directive, supported by the work of Jordan (2002), was not confined solely to England/Wales and Ireland. Such a view was prevalent

amongst other Member States during the first few years of the Directive's application. In the context of England/Wales, it emerged that this somewhat 'aspirational' view of the Directive was accompanied by certain feelings of 'superiority' with regard to the institutional arrangements then in place. However, this feeling of 'superiority' did not emerge from the interviews conducted in Ireland. When interviewees were asked why this feeling of 'superiority' might have been prevalent amongst the political class in England/Wales and not Ireland, it was suggested that this might have had much to do with Britain's 'former empire' status. This in turn made it more difficult for the institutions of Britain to accept being told how to govern whereas once it told others how to govern. The contention that Britain's 'former empire' status somehow affected its view of EU environmental policy is supported by Lowe and Ward (1998) and Wright (2000). In particular, they have argued that Britain's past would have led it to have a different outlook on trade and foreign affairs and as a result it was slow to adapt to and appreciate the implications of European integration, a greater recognition of which would have served to emphasise its diminished role in an emerging new world order.

The institutional arrangements associated with the application of the Directive in England/Wales and Ireland have changed over time. In particular, the organisations created to oversee enforcement and compliance with water legislation have evolved. Why the political priority attached to the application of the Directive shifted is in part explained by an increased public concern for the environment that emerged during the mid to late 1980s. According to a former Environment Commissioner, the political priority for action in relation to the environment was reinforced by the Chernobyl nuclear accident. In discussing the increased focus on the application of water policy, some interviewees drew attention to the role played by the European 'Year of the Environment' in 1987 in increasing the political priority for action. Increased, public concern also began to be expressed when events, such as Seveso in Italy⁶, highlighted the failure of Member States to apply and enforce environmental policies. As a consequence, increased

⁶ In 1983, drums of hazardous waste containing dioxin originally from Seveso (near Milan) went missing. They were found later in northern France. In response, the European Parliament appointed a committee of enquiry to investigate the application of the 1978 Directive targeted at regulating toxic waste. The findings of the committee resulted eventually in the European Parliament censuring the Commission for failing to undertake its task of ensuring directives were implemented correctly (Haigh, 1995).

attention began to be paid to understanding the application and enforcement of EU environmental policy (Haigh and Lanigan, 1995; McCormick, 2001).

With regard to the Directive, England/Wales can be noted as having been found to have actively 'subverted' the application of the Directive (80/778/EEC) by not reporting on compliance with certain standards contained in the Directive so as to avoid flagging up breaches of the standard. In particular, the archives of the Times newspaper reveal that this practice of 'subversion' was not isolated to the application of the Drinking Water Directive (80/778/EEC), but was also occurring in relation to the Bathing Water Directive 76/160/EEC. For example:

'Thatcher administrations had never objected to the European Commission about the bathing water directive signed by Labour in 1975, Lord Clinton-Davis, the former EC environment commissioner, said yesterday. From the first, however, the Conservatives had "tried to subvert it"...Confidential papers disclosed in the Times showed that delays by the Government were aimed at fending off prosecutions at a time when the water industry was being prepared for Privatisation' (The Times, 02/06/1990).

As a consequence of the publicity over its failure to effectively apply EU Environmental Directives during the 1980s, the British government came under increased pressure from the European Environment Commission to apply and enforce the quality standards of Directive 80/778/EEC. In response to the feared costs of implementing EU water directives, the political priority of the then Conservative government in England/Wales became such that it proposed the 'privatisation' of the water industry.

In Ireland, the recent political priority associated with the quality of drinking water (and thus with enforcement of Directive 80/778/EEC) has been such that politicians have been forced to respond to the concerns of both its own citizens and the European Parliament:

"Given what most people think they know about Ireland, one would imagine that water would be the least of the country's problems," the MEPs said. Yet judging by the number of petitions received from Irish citizens, it was a major problem' (Irish Times, 02/05/2003).

Despite the intention to improve the application of EU water directives through privatising the water industry, the UK government failed to implement Directive 80/778/EEC fully in the initial years of private ownership. This was because political

attention was focused elsewhere. As a House of Lords committee report on environmental policy implementation stated cryptically:

'Thus, for well-known reasons connected to privatisation of the water industry in England and Wales, the Government have chosen to delay the full implementation of the Drinking Water Directive in relation to certain parameters.' (House of Lords Select Committee on the European Communities, 1992: 14)

The 'well known reasons' have been elaborated upon more clearly by Ken Collins, a former Chair of the European Parliament's Environment Committee. Collins accused the UK government of implementing the Directive in a 'politically expedient' manner to aid the successful privatisation of the water industry (Collins and Earnshaw, 1993).

This changing political priority of the Drinking Water Directive is to some extent explained by the theory of public choice, as proposed by Downs (1967). Downs suggests that government actions are driven by the pursuit of self-interest and/ or a desire to govern. Therefore, this suggests that governments in England/Wales and Ireland were forced to improve the application of EU water directives because failure to do so threatened their ability to win future parliamentary elections, and thus govern in accordance with their particular political ideology.

The Impact of Political Ideology and Party Politics on Application

The application of Directive 80/778/EEC cannot be viewed in isolation from political ideology and party politics. According to Morris (1996) and Petrella (2001), how a policy response is administered is dependent upon political ideology. Political ideology and party politics have shaped the response of England/Wales and Ireland to the Directive. It is within the confines of England/Wales that the impact of political ideology is most stark, notably as a consequence of privatisation.

The privatisation of the water industry in England/Wales was intimately linked to political ideology. Even before privatisation, political ideology towards wider economic management of the economy affected the ability of England/Wales to apply EU water directives. This was due to the neo-liberal ideology of the then Conservative government encouraging the control of expenditure in the water industry to keep public sector

borrowing down in an attempt to control inflation. This in turn resulted in decreased expenditure on water services (Summerton, 1998). Summerton, a former Head of the Water Directorate of the DoE in England/Wales, has recalled that state ownership of the water industry meant frequent political interference:

'As in the case of all nationalized industries, the public and government thought that it owned the authorities and ministers constantly sought to influence their policies and management in what they perceived to be the public interest, and there was constant contact between staff of the relevant ministry and each authority.' (Summerton, 1998: 52)

As recalled by the then Conservative Prime Minster, Margaret Thatcher, the privatisation of the water industry was a 'politically sensitive' issue, but the right course of action to ensure improvements in water quality could be financed:

'The privatisation of the water industry was a more politically sensitive issue. Much more emotive nonsense was talked about along the lines of, 'look she's even privatising the rain which falls from the heavens.' I used to retort that the rain may come from the Almighty but he did not send in pipes, plumbing and engineering to go with it...Privatisation also meant that the companies would be able to raise money from the capital markets for the investment needed to improve the water quality' (Thatcher, 1995: 682)

According to the 1986 Government White Paper on water Privatisation, privatisation it was claimed, would 'lead to improved standards, greater efficiency, and a better allocation of resources within the water industry' (HMSO, 1986: 13). In relation to the quality of water, which Directive 80/778/EEC was attempting to regulate, the 1986 Government White Paper claimed that privatisation would facilitate 'setting explicit objectives for drinking water quality' which 'will protect the customer and the public' (HMSO, 1986: 2). However, there was concern that privatisation would fail to deliver improvements in drinking water quality, For example, Ken Collins, a former Head of the Environment Committee of the European Parliament (MEP) commented:

'The proposed wholesale privatisation of water supplies in the UK can therefore be expected to impede considerably the transposition of Community legislation on water in future. Indeed, many Member States have encountered legal difficulties in subjecting private water supplies to the requirements of this directive. Specific problems relate to finance for implementing the requirements and monitoring compliance' (Ken Collins, 1988: 30).

Further underlining the role political ideology has played in the delivery of water services and its regulation are newspaper reports at the time of privatisation indicating that the main opposition party was vehemently opposed to privatisation, often calling for its renationalisation:

'The Labour Party, through the mouth of Dr Cunningham, has said it would renationalize water' (The Times, 05/11/1989).

'Labour castigated the water companies yesterday for big price increases to customers and renewed its pledge to take the industry back into public ownership' (The Times, 19/06/1991).

Underlining and reinforcing the role political ideology has played in the delivery of drinking water, the Institute of Public Policy Research (a left of centre public policy think tank) published a report in 1990 entitled 'What to do about Water'. In this report, the author Andrew McIntosh criticised the Government's white paper in numerous areas. For example, while the Government claimed that the privatised water industry would 'be released from the constraints on financing which public ownership imposes', McIntosh retorted that this is:

"...a criticism, not of public ownership, but of the Government's own policies over the decade. Drastic cuts in the external financing limits of water authorities meant that capital expenditure had increasingly to be funded from revenue." (McIntosh, 1990: 10).

The above statement clearly indicates that the privatisation of the water industry was ideological. Indeed, many individuals within or associated with the water industry felt that privatisation would result in decreased investment in water services, and thus poorer application of EU-led water legislation. The previous comments by Ken Collins (1988) typify what critics of privatisation were saying at the time. However, as financial data for the water industry in England/Wales demonstrates, such concerns appear not to have been realized (see Ofwat, 1996; 2001; 2004). On the contrary, investment in water services increased substantially following privatisation, resulting in improved drinking water quality, and thus by association the application of Directive 80/778/EEC. This result of privatisation is evidenced by the remarks of Richardson, a former legal adviser to the Secretary of State for the Environment on water matters:

'Vast infusions of private investment, coupled with heavy increases in charges to customers, have unquestionably led to considerable improvements in standards of service...The quality of drinking water has reached a national compliance standard of well over 99 per cent. So there has been undeniable environmental improvement' (Richardson, 2002: 18).

The above claims are supported by the drinking water quality data presented in Figures 1 to 3. Commenting upon the apparent success of privatisation in England/Wales, some

interviewees argued that improvements in drinking water quality were not the result of privatisation per se, but rather that the Drinking Water Directive had provided a 'framework' within which the privatised industry could operate. In other words, Directive 80/778/EEC pushed the industry to improve drinking water quality.

In Ireland, political ideology has not resulted in the privatisation of water services. Instead, the political ideology of successive governments has been to keep water services under the control of the state, via local authorities and group water schemes. The delivery of water services in Ireland during the 1980s was subject to under-investment by central government, as was the case in England/Wales. According to interviewees, the poor state of the Irish economy served to constrain the application response of local authorities. However, water services in Ireland have received significantly increased funding from the beginning of the 1990s, in similarity with England/Wales (O'Reilly, 2004, per. comm.). Yet how Ireland has chosen to fund water services has come to differ markedly from England/Wales, with the situation lending support to the assertion by Weale et al. (2000: 235) that 'political parties and public opinion do not as such determine policy, but they may help to shape policy strategies'. The theory of public choice, as proposed by Downs (1967), again offers an explanation of why politicians in Ireland removed the ability of local authorities to charge directly for water services. Public choice theory views such behaviour as being driven by a desire to govern, and as the remarks of interviewees in Ireland confirmed, water charges were abolished to win the support of the electorate. This assertion is publicly supported by the following exerts from the Irish Times, which serve to illustrate the desire of the then government to gain an 'electoral advantage', so allowing them to maintain their ability to govern:

'Fianna Fail described the bill to abolish water charges as a piece of legislation to enable the taxpayer to underwrite the cost of saving one Labour seat in Dublin in the next election' (Irish Times, 01/05/1997).

'The present Coalition [government] abolished these impositions on householders in Dublin and other urban areas in order to gain political advantage with a highly volatile electorate' (Irish Times, 07/04/1997).

Although the funding for water services has increased since 1989, the potential for central government to decrease expenditure was highlighted by interviewees, who recalled that expenditure on water services declined from 1978 onwards when water rates were

previously abolished. Within the context of Ireland, the suppression of expenditure by central government may or may not be linked to the political ideology of wider economic management. However, it is probable that the competing demands placed upon the resources of government affected funding (during the timeframe of this study), with a response to other issues being deemed to be more politically expedient and thus worthy of expenditure.

Summary and Conclusions

This paper has developed an historical understanding of how political 'priority' and 'ideology' have shaped how national governments in England/Wales and Ireland have responded to the application of Drinking Water Directive (80/778/EEC). It has been established that political priority and ideology have been instrumental in shaping the organisational responses accorded the Directive. The theory of public choice has also served to allow us to appreciate why the political priority accorded EU water directives has altered over time.

In England/Wales and Ireland the political priority accorded the Directive's drinking water quality standards was shown to have been low initially. This was in part due to the application of the Directive being viewed as straightforward and aspirational by national governments. However, in response to events highlighting the failure of Member States to comply with European environmental directives, the importance of more effectively applying environmental directives increased. As a consequence of this increased concern and attention, England/Wales and Ireland were subsequently shown to be failing to comply with the standards of the Directive. This led to an increase in the political priority attached to the effective application of the Directive primarily because governments in England/Wales and Ireland sought to maintain their ability to govern, which supports the theory of public choice as proposed by Downs (1967).

The analysis also revealed differing levels of compliance with the Directive's standards to be associated with differing political ideologies, particularly when compliance levels for Nitrate and Total Coliforms were looked at. In particular, privatisation in

England/Wales was established as being associated with dramatic improvements in compliance, as well as exhibiting more consistent improvements in overall compliance. This was subsequently noted as contrasting with Ireland, where state ownership has resulted in less consistent improvements in overall and individual compliance levels.

Although this paper has demonstrated that the concepts of political priority and ideology have played a central role in the application responses of England/Wales and Ireland, it is acknowledged that this research is limited. For example, questions relating to the effects and impact of key organisational aspects; such as structures, operational remits, and the number organisations involved in the supply of drinking water, have not been considered. Therefore, this 'gap' represents an area for future research enquiry, particularly with regard to understanding of how Member States have respond to water management issues and the impact this had had on water quality and the application of European water directives.

While privatisation has been successful in facilitating the improved application of the Drinking Water Directive (80/778/EEC) and by association drinking water quality, it is important to appreciate that this study should not be taken as inferring that privatisation has been uniformly successful. While privatisation has delivered improved drinking water quality, at the same time, customer water service charges have risen sharply, customer debt levels have increased substantially, asset striping is prominent, and incidents of financial and reporting irregularities are occurring. This contrasts markedly with the situation in Ireland where such failures are virtually non-existent.

Comparison of the applications of the Directive in England and Wales and in Ireland leads one to question the cross party economic and political high ground that privatisation enjoys in England and Wales. There is scope for looking again at whether water services can be provided in a more equitable manner. For instance, future research should examine the strategies other countries have employed to meet the demands of European water directives. Governments, and regulators alike, should no longer accept the privatisation model used England/Wales as being the holy grail of water services

provision. They need to consider a wider array of water services approaches so as ensure sustainable forms of water service provision are forthcoming. This should in turn help to safeguard the initial benefits of privatisation.

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