

**SUCCESS & FAILURE
OF THE SEWERAGE PRIVATISATION IN MALAYSIA:
A MANAGEMENT PERSPECTIVE**

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ABSTRACT

It is depressing to note that the sewerage condition in the country has long been in a deplorable state that untreated waste and unhygienic sanitation is widespread. So little emphasis has been placed on the development of this public utility sector where lack of funds and expertise has always been the logical excuse. The development pace has been too slow to meet the demands of the country's progress and environmental disaster; somehow, looms in the near future.

The sewerage privatisation was seen as a necessary move by the government and in doing so, changed the industry from being public-owned to a private monopoly company in IWK. Apart from the economic, social and political reasons, the privatisation became a national project meant to improve and develop the entire sewerage system, a tall order by any standards.

This report was conducted to assess the success and failure of this sewerage privatisation seen from the management point of view. Despite the improvements the country has seen and the development the industry has achieved since privatisation, success seems a far distant and problems unending. This report has shown that though some problems are inherited, others are expected, which is natural in any form of privatisation effecting the consumers. But this report also highlighted that consumer opinion and perception towards the private company and the privatisation in general, has been relatively low.

This can be reflected to the privatisation being new and consumers lack confidence in the company, which is understandable, but it has gone for too far and too long. Putting aside those who out-right reject the privatisation, the low perception among consumers has its implications - on the revenue, the industry, the environment and the integrity of the government's decision to

privatised. Perhaps its not too late to salvage by putting in effective communication and some major structural reforms, which could be essential factors in bringing the success of the privatisation closer.