Water utility efficiency assessment in Italy by accounting for service quality An empirical investigation

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Abstract

In Italy's water industry, publicly owned utilities (PWCs) coexist with public-private partnerships (PPPWCs), that could contribute expertise for operations, funds, and relationships. This paper examines the effect of ownership structures on efficiency by comparing Veneto (with almost all PWCs) and Tuscany (with almost all PPPWCs). This comparison is highly debated, with possible economic, social, environmental, and political implications. A Data Envelopment Analysis approach, that uses both quantitative and qualitative variables to represent the lack of service quality, was adopted. Results suggest that PWCs perform slightly better when quality issues are excluded, while PPPWCs perform better when considering both variable types..

Keywords

Water utilities, Efficiency, Quality considerations, Ownership, Italy.