

Energy : Privatisation or Nationalisation ?

Timothée Bienaimé



Problematic :

What is the best option between nationalization and privatization of energies?

NATIONALIZATION

ADVANTAGES

- Very significant income for a State
- Incomes may be used for the collective good
- Public safety
- Put in place a development plan and maintain jobs
- Prevents foreign private investors from taking advantage of it



NATIONALIZATION

DISADVANTAGES

- Natural Monopoly
- Abuse by certain states :
 - high tariffs
- loss of competition accompanied by a lack of investment :
 - unfavorable to the citizens



PRIVATIZATION

ADVANTAGES

- Can be used to repay creditors quickly or simply reduce state expenditure
- Improve the internal functioning of the company
- Improve the quality of the services offered
- Development of a competitive industry
 - Best selling price for consumers



PRIVATIZATION

DISADVANTAGES

- Monopoly of a private company
- No choice for consumers
- Lead to negligence in the maintenance of the entire distribution network
- Gateway for foreign capital



MONOPOLY

To conclude

- Nationalization is generally more advisable
- Brings more security especially for the citizens
- Financial guarantees to maintain the sector in the event of a major crisis



Sources

<https://economy-pedia.com/11033068-nationalization>

<https://www.cairn.info/revue-economique-2007-1-page-277.htm>

https://www.lemonde.fr/idees/article/2009/03/09/nationaliser-ou-pas-that-is-the-question-par-martin-wolf_1165283_3232.html

<https://fiches-pratiques.chefdentreprise.com/Thematique/creation-entreprise-reprise-1049/FichePratique/Privatisation-d-une-entreprise-les-points-a-retenir-352281.htm#:~:text=Elle%20permet%20de%20r%C3%A9duire%2C%20%C3%A0,de%20respecter%20les%20r%C3%A8gles%20budg%C3%A9taires.>

https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/lessonsofexperienceno1french

<https://www.cairn.info/revue-internationale-de-droit-economique-2002-4-page-603.htm>