Geopolitics of Europe in a changing world – So3

Energy: Privatisation or Nationalisation?

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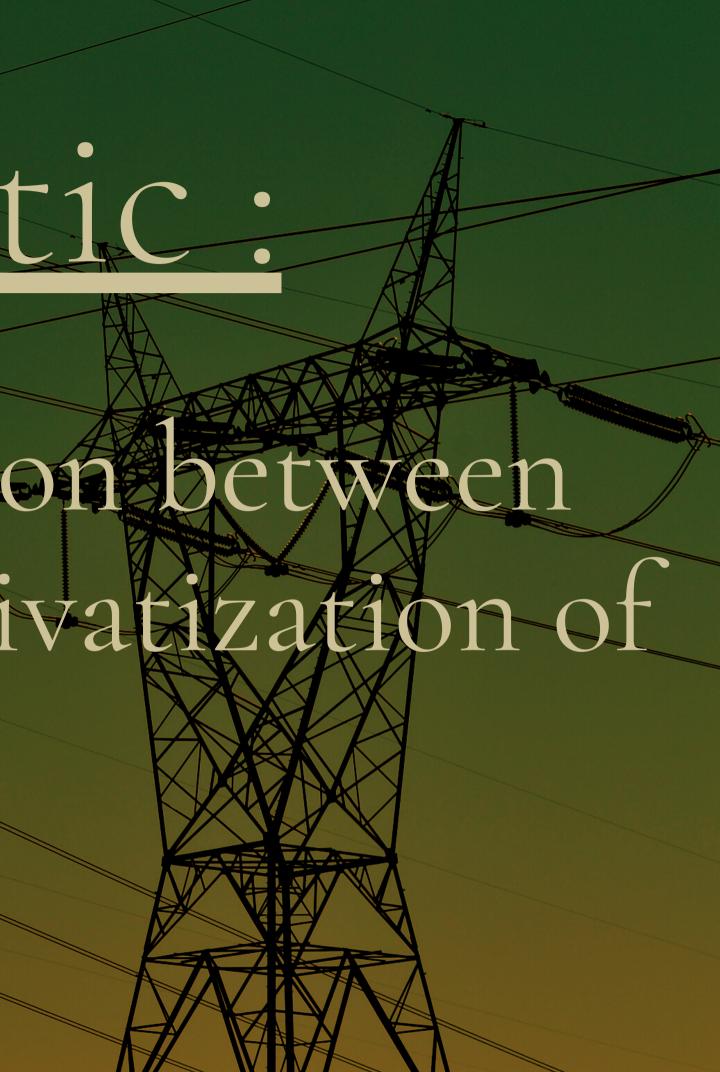


Problematic:

What is the best option between

nationalization and privatization of

energies?



NATIONALIZATION

<u>ADVANTAGES</u>

- 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

<u>ADVANTAGES</u>

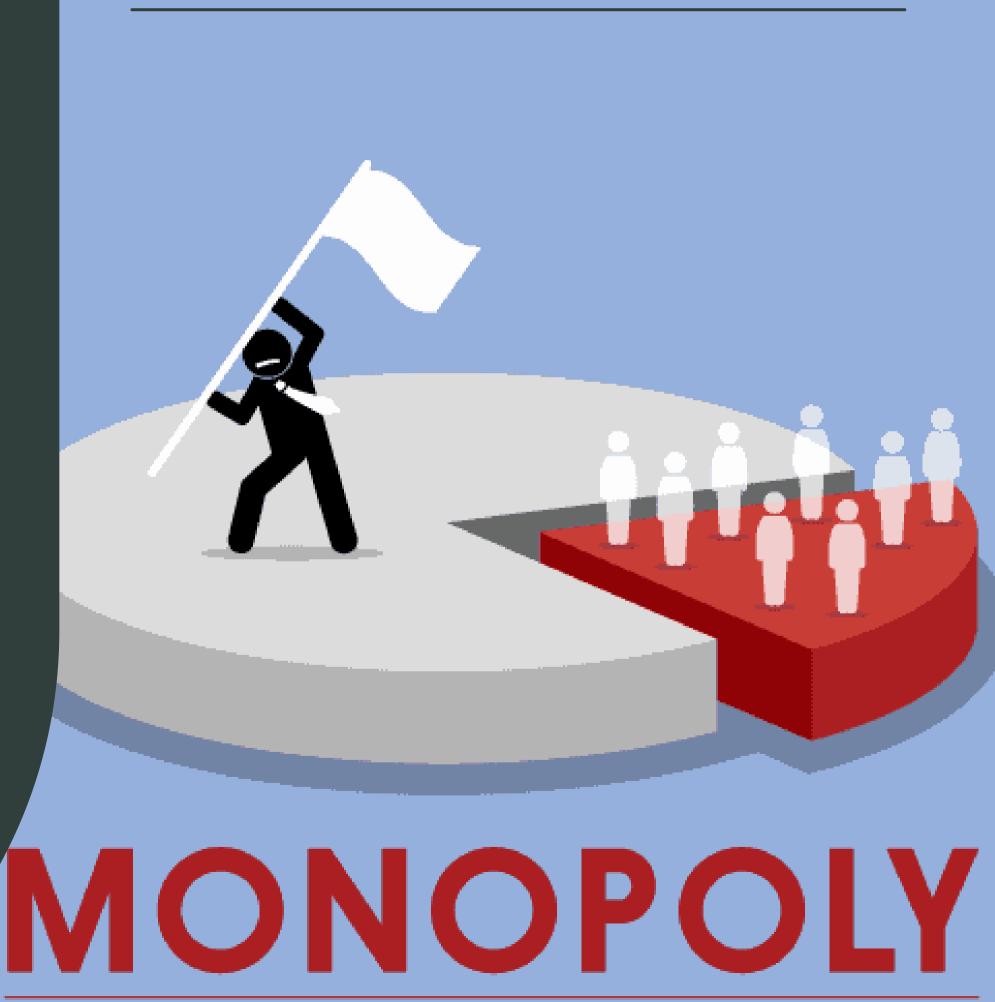
- Can be used to repay creditors quickly or simply reduce state expenditure
- Improve the internal functioning of the company
- Improve the quality of the services offered
- Development of a competitive industry
 Best selling price for consumers



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



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



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