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BOOK REVIEW

Katko, T.S. 2016. Finnish Water Services: Experiences in Global Perspective. Published by the Finnish Water Utilities Association Water. Print ISBN 9789526697260, 288 pages, €55 + postage. And e-book Co-published with IWA Publications, 2017.

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Is it possible for interdisciplinary analyses to succeed without authors becoming 'entangled' in the world they study? This 288-page book is fascinating, and could only be achieved by an academic dedicated to water issues for many years – and close to professional circles. The book covers all issues of 'urban water' in Finland (an impressive task even for a small country population-wise), including historical development and ongoing and emerging issues, water administration and governance, as well as water industry, technologies, operators and even private service providers, social issues in Finland and abroad, in other developed countries as well as in cooperation with developing countries. The final chapter presents the diverse reactions of seven international experts and academics, which illustrate how much there is to share between Finland and the rest of the world.

The book is well presented and very well illustrated, which makes the reading enjoyable despite the weight of the volume! It is composed of four parts and twenty chapters, plus a chapter of references.¹ The parts cover successively: water problems, solutions and technological developments; operational environment and economics of water services; institutional development and governance; and societal importance and the future of water services. Obviously these broad headings go on to cover the complex reality of urban water from various angles, which might lead to overlaps and redundancies. But the author has intelligently adopted a system of cross-referencing and redirection to other chapters to avoid repetition.

The quality of this volume is also due to the international experience of the author: there are many points of comparison with Sweden, of course, but also with other Nordic and Baltic countries, EU member states and even with the United States. Some of these comparisons might lead to further research: for instance, we learn (p.48) that Finland and Denmark have kept local cooperatives between neighbours for water supply while Norway and Sweden phased them out in favour of municipalities. It is also intriguing to note that many sewage works in Finnish cities operate underground: is this due to the cold winter, or for some other reason?

As Katko comes from a larger European country with a low average population density, I am glad he

¹ However, when the endnotes of each chapter direct the reader to the references at the end of the book it is unclear why the author chose that reference. Sometimes readers would like to get more detail.

did not omit the issue of non-connected communities, and not only to sewers but even to water supply, as is bound to occur in a country with such a low population density once the cities are taken out: 300,000 homes and as many secondary residences depend on their own well (p.83). The progress in decentralised potabilisation systems offers an alternative solution to the over-expansion of the water networks: Finland already ends up (Fig. 8.1 p.87) with a cumulative length of 90,000 km of water mains (19 m per connected person) while France cumulates 1 million km (15 m per connected person) and does not know how to maintain this amount of infrastructure while keeping water prices affordable in rural areas. This holds even more for sanitation: Finland, with only 80% of its population connected to a sewer system (p.106) for a cumulative length of 45,000 km, is right to experiment with individual smooth discharge systems or common pool technologies (pp. 114-115).

Finland's cities mirror others in Europe: by blending ground and surface water (p.60) they limit the risk of failing to meet the standards of drinking water quality. They are also experiencing a decline in the consumption of potable water (p.69), and the author thinks it is partly due to the inclusion of a wastewater fee in water bills from as early as the mid-1970s, i.e. similar to Switzerland, Germany and the U.S. I fully agree with this explanation, which holds for other EU countries, but there is something to be added: even though the notion of SWC is not completely clear², total drinking water consumption seems relatively high in Finland (Fig. 6.5 p.73). Although it has declined from 450 lcd in 1973 to 250 lcd in Helsinki today, these numbers are clearly above the European average (consumption is as low as around 100 lcd in Wallonia and northern France), and, despite the considerable availability of the resource (no scarcity), they call for additional investigation. This would be particularly relevant since the data on the distribution of domestic water use between hygiene, toilets, cooking etc. (pp. 70-71) add up to a much lower total in per-capita consumption than the above-mentioned SWC (decline from 155 to 116 lcd between the late 1970s and 1988) and are presented in pie charts which are not easily legible. This is probably due to a lot of non-domestic water users being connected to the services, but it remains to be better understood why.

As with most EU member states, technological and economic developments have led to some 'upscaling' of water utilities at a supra-municipal level. This is well described on pp. 134-135, except possibly for the Helsinki area, which is too quickly covered for the reader to understand what was at stake. Chapter 10, on the 'ever-changing operational environment', is very informative on the changes in general governmental organisation in Finland and the consequences in terms of water supply and sanitation: territorial reorganisations, the combining of the management of water and sewer systems, and multiservice utilities. One can understand why the joint management of water and electricity would not be feasible in Finland (on the basis of the example given³), yet it is the case in developing countries, such as Morocco, as well as in developed countries, including Germany, where the tradition of the *Stadtwerk* is well established, although at odds with neoliberal approaches that favour the unbundling of services.

It should come as no surprise that I express some disagreement with the author on two issues: the role of the private sector and the type of goods into which water and wastewater utilities should be classified. Like most water specialists from the European continent, Katko is convinced of the superiority of publicly procured water services over private sector participation. It is for this reason that he distinguishes 'public-private cooperation' from 'public-private partnerships', which, in my opinion, should be better defined than it is in the current volume. At any rate, the issue raised by privatisations

² What the author calls SWC, specific water consumption, or litres per capita per day (lcd), may or may not include non-domestic use, depending on the country. Industry and services can alter the picture considerably.

³ Katko writes: "since the core operations of water and energy supply are clearly different, their merging is very likely to cause additional transaction costs [...] If a 'sale' is made internally, the citizens will ultimately be losers". In Box 10.1 he gives the example of the city of Jyväskylä, where the sale of water services to the municipal energy company resulted in citizens paying more for water and the city making more profit...

(as pushed by the World Bank in the 1990s) should be revisited. At that time the Bank preferred privatisation to inefficient state procurement, but failed to acknowledge the existence of efficient utilities run by municipalities in many European countries, from Switzerland to Finland. Even in France, where the large water companies never controlled the whole market, there remained successful *régies publiques*. The Bank further failed to understand the difference between French delegation (public ownership, private operator, with shared risks), and American 'investor-owned' or English divestiture.

However, the opinion taken from the work of Esteban Castro and other Latin-American intellectuals, that "privatisation not only prevented the extension of services to the poor but has contributed to deeper inequality" (p.153) should probably be qualified, since the inequality in access to services is not caused by privatisation but by the pre-existing social fragmentation that characterises most cities of the global south and which is exacerbated by the unequal provision of services, be they water, electricity or transportation. Some public-private partnerships succeeded, as Philippe Marin⁴ has shown. In France, the homeland of water multinationals, the opening of concession or lease contracts to a bidding process was made mandatory by a law of 1993, meaning that Katko's citing of a 2012 article of Hall and Lobina (p.207), arguing that the majority of private concessions in France have never been subject to competitive bidding, is more complacent than accurate.

This opens the discussion on my second point: in Figure 15.2 p.206, Katko places public water utilities in the category of common pool resources, and cooperatives in the toll goods. I would do the reverse! Part of the problem lies in the author's re-interpretation of the two-entry matrix of the Ostromian typology of goods: while for institutional economists the two entries are exclusion (yes/no) and rivalry (yes/no), in this table rivalry has been replaced by 'use of commodity' (single/joint). Yet the four boxes in the matrix retain their names: private goods, toll goods, common pool resources and public goods. Placing public utilities in the common pool box with 'exclusion unfeasible/single use' is a misinterpretation, because exclusion is the general rule for non-connected people and those who do not want to pay; and even though each customer has its own connection, the use is not single but joint, since all customers are linked together with the operator thanks to the network that connects them.

The counterargument that the right to water as a human right has led to a ban on the disconnection of non-payers does not change the toll or club good nature of the public service, since their water bills are covered by other customers or social services, through some derogation to club membership dues (the water bill: what happens even in Finland when people do not pay?). Similarly, placing public standposts (in the same figure) in the category of public goods is valid only if no charge is paid for the use of the water, and costs are covered by taxation. But in many places in Africa the standpost is managed and maintained by a private individual who charges per bucket, turning the standpost into a club good.

This disagreement we have on the nature of water services as a good characterising water services opens a vast discussion on the very nature of the commons. Many water service providers in continental Europe consider that 'water should be in public hands because it is a common good'. Far from the common pool resources analysed by natural resource economists and environment political scientists, such as like Elinor Ostrom, they mobilise the commons as J. Wagner⁵ calls a 'social imaginary', that "represents commons and commodities as polar opposites". Yet they send water bills to customers they serve, so the opposition is not complete, and further discussion is warranted in academic interpretations.

In any case, the local and public development of WSS services in Europe offered a positive alternative to the simple opposition between partisans and opponents to privatisation at the national

⁴ Marin, P. 2009. *Public Private Partnerships for urban water utilities. A review of experiences in developing countries*. Washington DC: The World Bank Group.

⁵ Wagner, J.R. 2012. Water and the commons imaginary. *Current Anthropology* 53(5): 617-641.

level, notably in Nordic countries. On the whole I recommend reading this impressive work on water services in Finland: it provides a wealth of information as well as points for further discussion.

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