

Cooperativism and Water Services

Small-scale Community Water Supplies in European Union.

Current State and Relevance

1° EFRWS, Rome

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Management Models in the Water Industry

- Sustainable water management is a local public service, with local specificities: harmonization is hard and difficult to be met
- The decision on how best to operate water services is firmly in the hands of the public authorities in each Member States (COM 2014/177)
- *There is no one best system for governing water resources Successful community resource management is not only possible but commonplace* (Ostrom et al., 2003): water as a common-pool resource

WATER MANAGEMENT	PUBLIC	PRIVATE
DIRECT	Municipalities	Privately owned utilities Coops or other community-owned water supplies
DELEGATED	Publicly owned utilities Mixed owned utilities	Privately owned utilities

Small and Community-Owned Water (COWS) Supplies throughout the World

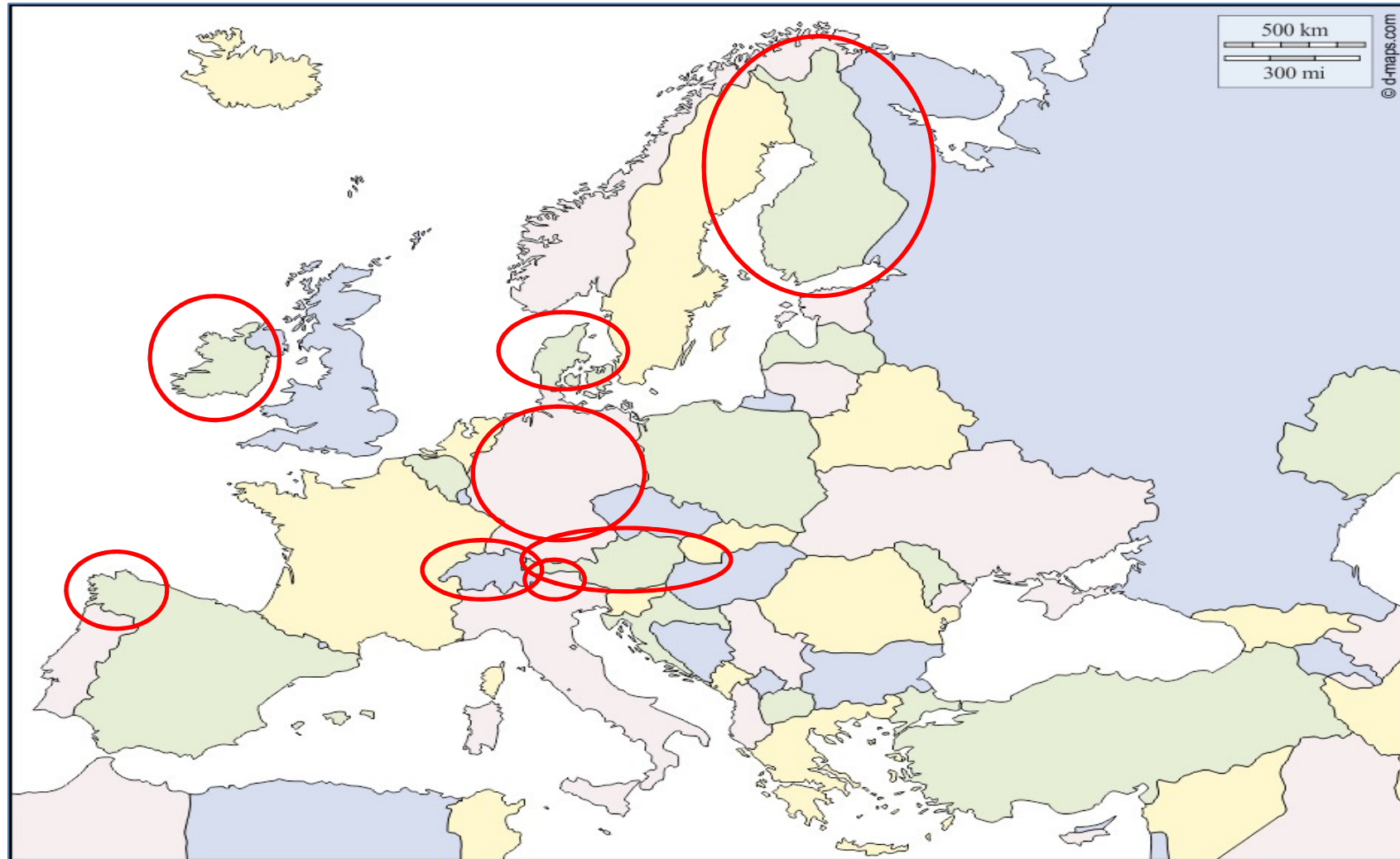
- 73% of World Health Organization (WHO) European Region citizens live in rural areas, where small water supplies are prevalent (WHO, 2016). WHO European Region comprises 53 countries, covering a vast geographical region from the Atlantic to the Pacific oceans
- Small supplies (i.e. serving less 5.000 people or less than 1.000 m³ per day) provide water to around 65 million people in the EU – 12-13% of the EU population (EU Commission, 2014)




- In USA more than 50,000 community water supplies: consolidation process is ongoing (NRWA, 2019)
- In Canada there is a long tradition of water coops: e.g. in Alberta there are more than 170 coops and an association, the AFRWC
- In Latin America, water coops operate in Chile and Bolivia, with well-known SAGUAPAC
- Welsh Water in Wales, UK is a *not-for-profit company, owned by its members and limited by guarantee*




COWS in EU





Austria: around 3,400 coops for both water and wastewater (62% of water operators) – 10% population (Regional Umbrella associations)



Spain, Galicia, 2,500 comunidad de usuarios, 10% population (COXAPO)



Denmark: around 2,000 waterworks managed by COWS – 35% population (Danske Vanderverk - DANVA)



Finland: 1,400 coops – 10% population (SWOSK)



Ireland, 5,000 Public or Private Group Water Schemes - 9% population (29% for wastewater) (NFGWS)



Italy, South Tyrol more than 80 waterworks managed by COWS – 9% population



Germany around 150 water coops; Switzerland, Sweden etc

Core Values

- No profit
- Water as a common-pool resource
- Protection of the local water resource
- Democracy in decision making – one person, one vote
- Stakeholder engagement

Economic and Financial Management

- Cost coverage
- Risk avoidance
- Low debt exposure
- Support of local institutions and / or banks
- Investments planned in advance
- Availability for recapitalization by members

Business Management

- Compliance with laws and regulations
- Outsourcing of activities
- Relationships and collaboration with municipalities and other water operators
- Direct involvement of members
- Attention to technological innovations/cost savings

Organizational Management

- Voluntary work of members
- Continuity in administrative roles
- Presence of a Leader, as a reference point
- Direct communication with members, even informal
- Membership checks and controls

Social Management

- Affordable rates
- Solidarity for members in financial difficulties
- Collaborations with municipalities, local companies, other cooperatives
- Participation in supporting and lobbying associations, where existing

Strenghts of and Opportunities for COWS

- COWS are present in rural areas and small communities widespread throughout EU
- COWS are active in social and economic advanced countries and regions such as Finland, Denmark, Austria, South Tyrol, Galicia
- COWS model is in line with:
 - European principles such as *subsidiary, citizen involvement in decision processes and stakeholder engagement*
 - the request of democracy, universal access, no profit, water as a public good and a human right (*European Citizens' Initiative Right to Water*)
- Democratic and partecipative governance; less political influence
- Direct control and surveillance of citizens through general meetings, informal contacts, formal audit role
- New COWS have been created in the last few years; aggregation processes are ongoing

Weaknesses and Threats for COWS

- Small dimension implies frequently scarce resources to hire professionals
- Greater vulnerability in the event of relevant crisis/problems
- Scarce turnover in managerial roles and difficult generational change
- Gender unbalance
- Extension of urban areas at the expense of rural ones
- Potential conflict with remunicipalization processes
- Risks for increasing regulatory constraints implying unsustainable costs
- Need for international networks and lobbying activities at EU institutions