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Date deposited: 11 January 2010

Version of file: Author Final

Peer Review Status: Peer reviewed

Citation for published item:

Castro JE. [Review of: Prasad, Naren \(ed.\) \(2008\), Social Policies and Private Sector Participation in Water Supply: Beyond Regulation. New York: Palgrave-Macmillan.](#) *Development in Practice* 2009, **19** 7940-942.

Further information on publisher website:

<http://www.tandf.co.uk/journals/titles/09614524.asp>

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Naren Prasad (ed.)

Social Policies and Private Sector Participation in Water Supply. Beyond Regulation
Palgrave Macmillan, 2008, ISBN: 9780230520820, 237 pp.

This collection makes an important contribution to the understanding of the conditions required for the successful implementation of social policies in the water and sanitation sector. This is very relevant because overcoming the global crisis that affects the organization and provision of these essential services is one of the crucial challenges for development policy and action in the twentieth-first century.

The book examines experiences of private sector participation (PSP) in water and sanitation highlighting crucial aspects of social policy. It is based on research carried out by the United Nations Research Institute for Social Development (UNRISD) that focused on “how and why social policies can ensure affordable access to water [provided by private operators] while independent regulatory instruments are still being developed” (p. 4). The book aims at responding several questions: “how do social policies address issues of affordability and access? What is the role of tariffs [...]? How are policies designed to help the poor [...]? Are the poor able to benefit [...]? And, more generally, how can [the] private sector be used to serve poor customers (p. 4)?” In order to achieve their objectives, the authors adopted a conceptual framework whereby social policy is defined as state intervention informed by the principle of equity, “which addresses concerns of justice, equality, and rights” (pp. 4-5). The editor Naren Prasad argues that regulation, an ambiguous concept with multiple meanings, and particularly the type of regulation that has characterized the recent expansion of PSP in water services, is insufficient to guarantee that these services actually benefit the poor and therefore it needs to be complemented with social policies, especially in “developing and transition economies” (p. 5).

The work is composed by eight chapters. Chapter 1 provides an editorial introduction including the theoretical framework, the research questions, a brief historical review of social policies in the water sector, and a summary of the main findings and conclusions. It is followed by seven chapters covering the experiences of France, Great Britain, Colombia, Brazil, Malaysia, Hungary and Burkina Faso. Among the key findings identified it is worth highlighting the following: 1) the provision of basic infrastructure services such as water supply is a prerequisite for social and economic development and constitutes a state responsibility. 2) The main challenges facing the international community in relation to these services include a) the need for sound financial arrangements to expand and maintain the infrastructure, b) improving the management capacity of water service utilities to enhance efficiency and productivity, c) prioritizing socio-political considerations such as affordability, transparency and accountability, and d) properly addressing the interlinkages between water and sanitation, the environment, and public health. 4) Regarding the expansion of PSP in water services since the 1990s, private water companies went to countries that already had achieved high levels of coverage, while the countries in Africa or Asia where investment needs are greater attracted significantly less private interest. 5) Many developing countries accepted the introduction of PSP because of “the influence and persuasiveness of international donors [such as] the World Bank” and their policies of decentralization and privatization (pp. 14-16). 6) Despite the fact that these PSP policies had disappointing results and attracted much criticism worldwide, international donors continue to insist in implementing these initiatives currently “repackaged in

different terminologies” (p. 17). 7) The main editor concludes that “expenditure in water supply, rather than creating regulatory bodies, would be more effective in increasing coverage” (p. 31), which conveys the message that effective social policies that cater for the needs of the poor and the excluded should be prioritized over managerial and market-driven initiatives.

There are some issues in the book that deserve attention, although they do not affect the power of its main conclusions. One problem is that although the introduction rightly takes a long-term perspective to explore the historical role of PSP in water services, most chapters do not and this created an imbalance in the analysis. This led to some problematic statements, for example that “PSP is a relatively new phenomenon in developing countries” (p. 3), while in practice PSP in water services was one of the early industrial exports from England, France, and other developed countries already in the nineteenth century. Similarly, the introduction refers to existing debates such as the status of water for essential human uses as a commodity, as merit or public good or as a social or human right (pp. 8-10), but the treatment of this subject was left underdeveloped and largely oblivious to the vast existing literature on the matter. Likewise, most of the chapters fail to relate the discussion of the individual cases to the wider literature, which is particularly notorious for the chapters on Latin America. Finally, there are a number of mistakes, ambiguities and overgeneralizations that could have been avoided. For instance, there are some unsupported and contradictory arguments such as that the reasons for the introduction of PSP in Latin America were “excessive political interference in public utilities and corrupt government” (p. 13), the already mentioned “influence and persuasiveness of international donors” (p. 14), or “poor management and the lack of sufficient capital” (p. 24). But there is no proper discussion about which of these reasons was more important to explain the expansion of PSP, or in what degree, which would have been an important contribution to the ongoing debate. Finally, I found also problematic that the almost single mention in the book to “sociopolitical issues” were limited to the “affordability, transparency and accountability” of water services (p. 2), when much of the material presented in the book gave substantial ground for an in-depth discussion of the politics of water services. As a result, perhaps, the book conclusions are somewhat ambiguous because it seems to argue that the solution to the crisis of water services would lie on better social policies, which leaves out of the analysis more crucial issues such as the need to democratize water policy and management in general. These criticisms are aimed to be a constructive contribution to the authors, whose book represents a significant addition to our stock of knowledge on the subject matter.

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