

Introduction Paulus Jansen, spokesman Dutch Socialist Party Parliamentary Group on water management and water boards

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I was asked to tell something this afternoon concerning the vision of the Socialist Party on the organization of water management in the Netherlands, and in particular the role of water boards. As party we have a strong opinion on this subject, which I will explain in a moment.

I will give a critical note. That is also what belongs to this debate. Let me first emphasize that the water safety in the Netherlands is at a high level, the drinking water is of excellent quality, and also the drainage and purification of waste water is in perfect condition.

The quality of the surface water is less satisfying, though there are made great strides in the past 25 years on that. Also the water levels of surface water and groundwater is not optimal, its still too much dictated by agricultural interests. So there is certainly room for quality improvements and cost reduction, but we do speak about an optimization of a structure that is OK, at annual costs that currently amounts about 1% of the Gross Domestic Product.

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The Netherlands is a low-lying delta, like the Mississippi Delta in the U.S. or the Ganges Delta in Bangladesh. Almost half of our country is below sea level. I think the assignment in those areas are largely comparable.

My message of today is: a strong, well-organized government is vital to ensure a sustainable water management and water safety. And secondly: the water boards have been a usefull authority in the past centuries, but now we need a reduction of administrative density, with a clear separation of responsibilities of the national, regional en local authorities.

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But let me first tell you something about my own background. I am a Member of Parliament for the SP since 2006, as spokesperson on the subject water, energy / climate and housing. Although these are the main themes for which I am responsible, I feel much more a generalist who tries to solve problems on many different topics that are associated with each other.

Before I joined the parliament, I was already a party member for over 30 years: I was a local activist, local branch board member, regional and national board member and member of the city council and provincial council. In the first four years of my membership of Provincial Council of Utrecht I was the only SP representative, in that situation you have know a bit of everything. And now I am a member of one of the largest groups in parliament, with a much more specialized portfolio.

I am accompanied today by my assistant on environmental and water issues Patrick van Lunteren, who as needed, also can contribute to the discussion.

We try to combine our parliamentary work with mobilizing, organizing and supporting citizen initiatives which tries to change the political direction of the government. Last year, for example, in protesting against raising the state pension age. The SP has also successfully campaigned against the introduction of a European Constitution, to avoid that too much power of national states would be transferred to the European Union. In my field, I am a building engineer, we have conducted many protests against demolition and in support of

improvement of social housing, energy saving, and mixed neighbourhoods, so the contradictions and segregation of the public can be reduced in a natural way.

The Socialist Party stands for equality, human dignity and solidarity. We believe that everyone should have a good chance, regardless of whether your parents are rich or poor, whether you're smart or dull, healthy or sick. A strong and democratic government must create conditions to achieve these goals. Good education and health for every person are well-known examples.

But also water management is part of this. Many people have now forgotten, but hundred fifty years ago the Netherlands had a huge infant mortality due to poor living conditions, and the homes of many people were not connected to the sewer and it also lacks safe drinking water.

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Private initiative did not solve these outrageous situations: the rich moved to rural areas, where water quality was better. The construction of a sewerage system or a drinking water network in the cities, and so in the neighbourhoods of the poor, requires a large investment with an uncertain return.

In 2000 the United Nations set eight Millennium Development Goals, eight steps to a world that offers better opportunities for everyone. Clean water is one of them. If you look 150 years backward, the Netherlands were not much better off than many developing countries nowadays. The main driver of progress was a strong government, which took the initiative to major projects to develop on public costs.

Between 1870 and 1940, the municipalities connected all Dutch homes to the sewerage network.

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They also started municipal water companies, the larger cities had their own, and the smaller communities shared corporate companies together. Around 1900 there came a Housing Act, which made it possible for non-profit housing corporations to get at low interest loan from the government to build affordable rental houses. Between 1900 and 1940, hundreds of thousands social rental houses were built, which were provided with a water connection, toilet, wash basin and a decent kitchen. As a result of these three improvements the infant mortality decreased within fifty years by a factor of ten, a great performance as result of a powerful and ambitious government.

Of course this type of investment requires adequate financial resources, so there has to be collect taxes. Although no one pays taxes for fun, research shows that the vast majority declares it as reasonable to help pay for public goods, if it satisfies certain conditions:

- The government must constantly show that they only perform tasks that serve a common interest and are not- or less efficiently to organise by commercial companies;
- Must be accounted for periodically on the utilization of resources
- Basic services must be paid from taxes based on the capacity principle: the strongest shoulders must bear the heaviest burden.

The examples I gave were just all on the quality of water. Of course there are other interests that have to do with water. As example flood protection, the reclamation of low lying areas

and management of water levels in surface water and groundwater, especially for agriculture.

These are the themes for why more than 700 years ago the first water boards were established. The initiators came mainly from the peasantry: they wanted their country to protect against flooding, conquer additional land from sea and rivers and water level control so that they could increase the crop yield much as possible. The costs were paid through a system where your vote counted more as you pay more taxes. So no 'one man, one vote', but 'one dollar, one vote'. Besides the farmers had to provide services in barter, such as the cleaning of ditches, so the water can drain better. Has this system worked well? Yes and no.

The water boards used to have a very direct manner of democracy, the taxpayers were heavily involved in the policy, given their direct financial interest. But the boards also looked primarily to the short-term, they were interested the most in investments that may soon bring in money through higher agricultural yields. Safe dikes are much more a long term interest. Moreover, the safety against flooding in low lying parts of the Netherlands depends on the weakest link in the chain. The hundreds small water boards did only care for their own small region, what was making it difficult to increase investments in the interest of the inhabitants of several water boards.

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There have been, despite of the good work of the water boards, between the 14th and 19th centuries with great regularity major floods, often named after a saint, like the St. Elizabeth flood of 1421, which was partly caused by the struggle between the cities of Dordrecht and Geertruidenberg and the neglect of the dykes. By this flood a lot of land washed away in the south west, and created the Biesbosch, what now is a very valuable wetland.

After the establishment of the Directorate-General for Public Works and Water Management (Rijkswaterstaat) in 1798 there was a strong central control on water safety, which was combined with the construction and improvement of waterways and ports. Since then the Netherlands had to cope with just two large floods: in 1916 around the Zuiderzee in 1953 in the South-western Delta.

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The disaster of 1916 led to the construction of the afsluitdijk and the IJsselmeerpolders, the current province of Flevoland.

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The disaster of 1953 led to the Delta Plan, the estuaries of the Zeeland Delta were largely completed by dikes and flood barriers. I believe that the quality of the Dutch water safety really came on a higher plane in 1798 when the national government decided to take full control and finance the build of large hydraulic works by national treasury.

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Also since then there had been a more integrated approach to water safety, water transport, special planning, road and rail development, agriculture, and more recently nature and environment.

The most recent example is the opinion of the Veerman-commission, about the adapt of the Netherlands for the impacts of the climate change in the period to 2100. This adjustment will

request an additional investment around 1 billion euro's a year, but that money is not just defensive. Many measures will also contribute to nature, recreation and more liveable cities. [PP-10]

Since the government is responsible for many major decisions, the water boards have as political bodies become less important.

The SP asked over ten years ago, in 1999, the Dutch Parliament the question of whether the water boards as independent government are out of date by now. At that time we stood alone. But these days, the Labour Party, Green Left, the Party of Geert Wilders and the Party for the Animals are with us to abolish the water boards. Both the SP and those other parties think water management is important, but are doubtful whether the water boards are necessary for us to ensure dry feet, clean water and sewage treatment.

No institution is more important than the goal it serves. It strikes me that the view that water boards are an goal in itself especially is honoured by those who are employed in the field it's self. It looks as if this is the way they want to protect themselves against the evil outside world that sees water is not the only priority, as the measure of all things. With all due respect for their expertise: it is an example of a way of thinking that is not based on a rational analysis of the problems we face. We neither have a separated government for public education or health, do we?

The twenty-six water boards are the only sectoral government that the Netherlands have, they are only responsible for water. Its not very logical, because authorities have to make integral policies. Water management has such a strong connection with themes as town planning, urban development, agriculture, nature management, environmental, traffic and water management. The responsibilities for these matters rests with the national government, twelve provinces and four hundred thirty municipalities, all of which also have specific water duties. [PP-11]

The activities of water boards mainly take place at regional and local level, it would be obvious to make integral policies there also, within the legal and policy frameworks of the national government. This can also reduce administrative density and shorten the length of decision making.

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A second limitation of the water boards is the lack democratic legitimacy. The turnout of the elections is very low compared with other integral governments: in the last election less then 25% voted, against 80% for the Parliament and 60% to 50% for municipal and provincial council. The elections are even not based on the one-man-one-vote principle, because beside the votes of the citizens, there are also representatives nominated by the farmers' organizations, employers and environmental organisations. Finally, the media interest for the water boards is very low, with the result that people hardly know what the government discusses.

Another disadvantage are the administrative costs. Those costs for all 26 water boards are annually between 50 and 100 million euros, depending on the costs you include. The abandoning of the water boards as political bodies would release money for executive functions, so the rates have to rise less likely. The coming years there are large investments

needed in water safety, because of the effects of climate change.

The Netherlands will notice the effect of climate change in different areas: the sea level rises. Extreme high river discharges will occur more frequently, thus increasing the risks on flood in the river valleys, in the summers the chance of more prolonged drought increases, with outcome that greater water buffers needed for agriculture and prevent salinification. The total cost of this additional investment amounts for the coming decades are about one billion euro a year. In addition there are the investments in the replacement of old sewers and improving the quality of the surface water, as result of the Water Framework Directive. It is natural then to critically examine the potential for reducing the overhead and bureaucracy in the water management.

This brings me to my final criticism. The efficiency loss caused by the fragmentation of the water chain. Economists from the universities of Tilburg and Rotterdam have calculated that 15% cost saving is possible by bringing sewerage and sewage purification of each region in one hand. At this moment sewerage is a municipal task, the sanitation is a task of the water board, while the province is responsible for the water quality policy. The costs can be possibly reduced 5% more if also the production and distribution of drinking water is located in one organization.

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Of course the waterboards have also their strong points: their technical expertise, their local commitment in the countryside and the stable funding by specific taxes and fees. Those credits should be maintained in the new structure.

How do we have to organise the tasks in the field of water management as the water board will disappear as political body?

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In our view, the organization of water safety, the public water supply and sanitation tasks will stay governmental tasks. The SP is a strong supporter of keeping the water management and drinking water production in public hands. Water is a necessity of life for people, animals and plants. This is a collective interest that should be well protected.

As French potash mines pollute the Rhine, the entire downstream area will encounter all its consequences. Of course you can and have to protect the public interests by law, that is also the case of the Rhine, were its done through the Water Framework Directive of the European Union. This Directive forces the member states to combine forces per basin in cleaning up the rivers. Other European Directives, such as Natura2000 and the Ecological Main structure forces the member states to pool their efforts and avoid shifting the responsibility.

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Legislation, national and European, is most important. But the ownership of the water chain and water companies provides more certainty when quality is priority, rather than profit. Also this way you can consider a more equitable funding of the necessary costs, in a balanced manner taking into account principles such as:

- The ability to pay principle;
- The polluter pays principle;
- Low administrative costs, avoidance of bureaucracy

- The avoidance of perverse incentives.

In countries where water tasks are privatized, the quality of the service is usually worse and the costs are higher. Only a few weeks ago two thirds of the wastewater from the city of Brussels was dumped untreated for more than one week in the river Rupel, because the Brussels-North purification site was out of order. The plant is operated by Aquiris, owned by the French company Veolia, after it took over Brussels' drinking water supply and wastewater treatment from the government, as result of a privatization process in 2001.

Another dramatic example is the privatization of the water company of Cochabamba in Bolivia in 1998, under pressure from the World Bank. The new commercial owners doubled the price without investing a penny. At the next mass demonstration was one dead and dozens wounded.

To put it briefly, the care of the water should remain in public hands.

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The SP believes that the tasks in the field of water safety, water quantity, water levels etc. should be placed under the responsibility of the provinces. They should be able to choose to put the work per basin in a cooperate system. This keeps the expertise retained in one place.

Sewage management and sanitation have no relationship with basins, which tasks you should join in non-profit utilities, owned by one or more local authorities. It could be considered to bring them together with the regional drink water companies, who are also owned by municipalities and provinces. At the initiative of the SP they investigated in 2006 the optimum scale for a water company. That was around the 500,000 households, about the scale of a province. Also for the wastewater collection and treatment seems that a good scale. In the region of Amsterdam has already formed on voluntary basis a water chain company by the water board and a number of municipalities. This has a positive impact on the rates. Given the optimal scale is it very logical to place the concentration of shareholding at the provinces.

It is important that the ownership of a water company is not too much fragmented and no profits should be paid, otherwise, the provinces and municipalities are only concerned about short term profits, rather than looking at the public performance.

I conclude.

Water management is vital in a densely populated low-lying country like the Netherlands. You must not leave this to a sectoral authority as the water board. Sanitation and sewage management is better placed in regional utilities, owned by the provinces and / or municipalities. We should consider whether the drinking water companies must be integrated into these public water utilities. The concern for regional water safety, water quantity and water quality can best be housed at the provinces, the basins of the Rhine, Meuse, Scheldt and Ems, where necessary, we should establish a joint implementing body. The primary responsibility for the dikes belongs in our opinion with the government, which where executive tasks efficient can be delegate to the local government.

Then the water boards will no longer be needed. They had a useful role for centuries. Their employees will better serve the public interest in the new structure. The world has

known many types of government that become redundant. As the lyrics of The International already said: "Die, you old forms and ideas!"

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Thank you for your attraction.