



<input checked="" type="checkbox"/>	Master's thesis
<input type="checkbox"/>	Licentiate's thesis
<input type="checkbox"/>	Doctor's thesis

Subject	International Business	Date	23.6.2009
Author(s)	Leena-Kaisa Piekkari	Student number	
		Number of pages	130
Title	Water consumption and limitations for effective operations in the Leningrad region water sector: Comparing the findings from Finland, Latvia, Lithuania and Russia		
Supervisor(s)	Ph.D. Kari Liuhto, B.Sc. Marika Heikkilä		

Abstract

Water consumption has traditionally been very high in Russia and other former Soviet Union countries. The water sector of the Baltic States has gone through great changes during the past two decades, and domestic water consumption has reduced dramatically in the area. The Russian water sector has been expected to experience the same, but similar dramatic changes have not yet occurred. The purpose of this study is to analyze the development of domestic water consumption and the main factors influencing it in the Leningrad region in the 2000s. The four sub-objectives are as follows: 1) how the domestic water consumption has developed in the Leningrad region in the 2000s, 2) what are the main factors, that have influenced this development, 3) what are the limitations for the water utilities of the region to operate efficiently and 4) what are the differences and similarities that occur in water consumption related issues in the Leningrad region, Finland, Latvia and Lithuania.

This study is a case study that uses both quantitative and qualitative research methods. Data was collected from four countries using variable data collection methods (interviews and questionnaires) and sources (documentary information and archival records). Findings were analyzed using appropriate tools. It was found that water consumption has decreased in the Leningrad region, but still remains to be rather high. Reductions in consumption have not been even nearly as dramatic as in the Baltic States. Such factors as price increases, increasing metering coverage of households and undeveloped water treatment techniques are the main factors behind the development of water consumption issues in the area. Factors like too close relationship between the water sector and town politics, tariff policies that do not correspond to the real costs of water provision, the ageing of the water sector infrastructure and the lack of investments in renewing it were mentioned as major challenges for the water sector actors of the area.

It could be concluded from the findings that although water tariffs have been greatly increased in the area, prices have been so low, that only lately price increases have started to notably affect the water use of households. As prices are still so low, water metering does not yet bring such remarkable benefits for households that they would be willing to purchase their own meters. Also the incentive to fix leakages is small, as water is still so cheap. Real changes in the water sector seem to be dependent on whether water tariffs are increased or not. Great changes could be achieved by increasing water tariffs notably, but at their current level prices do not act as an incentive for households to conserve water. The close relationship between water sector decision making and town politics makes this task difficult to fulfill.

Key words	domestic water consumption, water demand management, tariffs, metering
Further information	