

Power to the Public

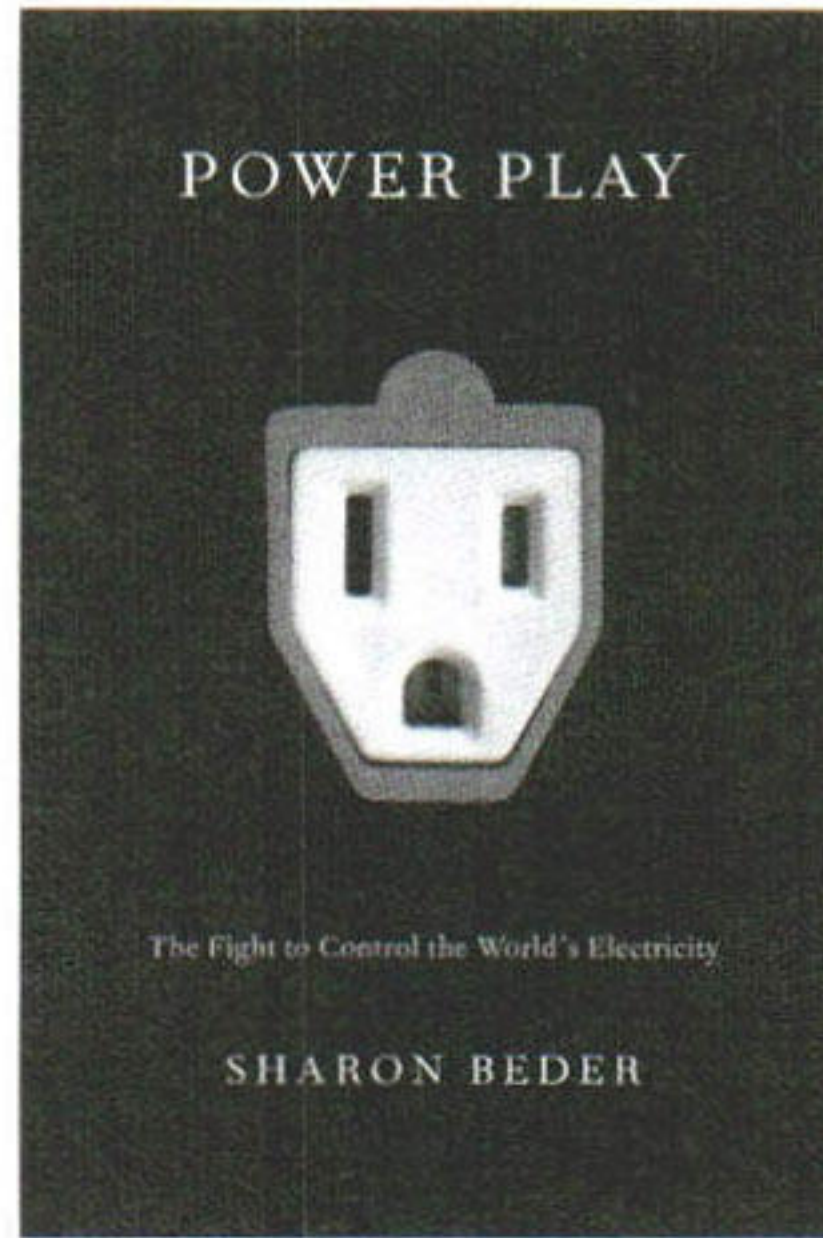
Power Play: The Right to Control the World's Electricity, Sharon Beder, New York: The New Press, 2003.

Hydro: The Decline and Fall of Ontario's Electric Empire, Jamie Swift and Keith Stewart, Toronto: Between the Lines, 2004.

Reviewed by David B. Brooks

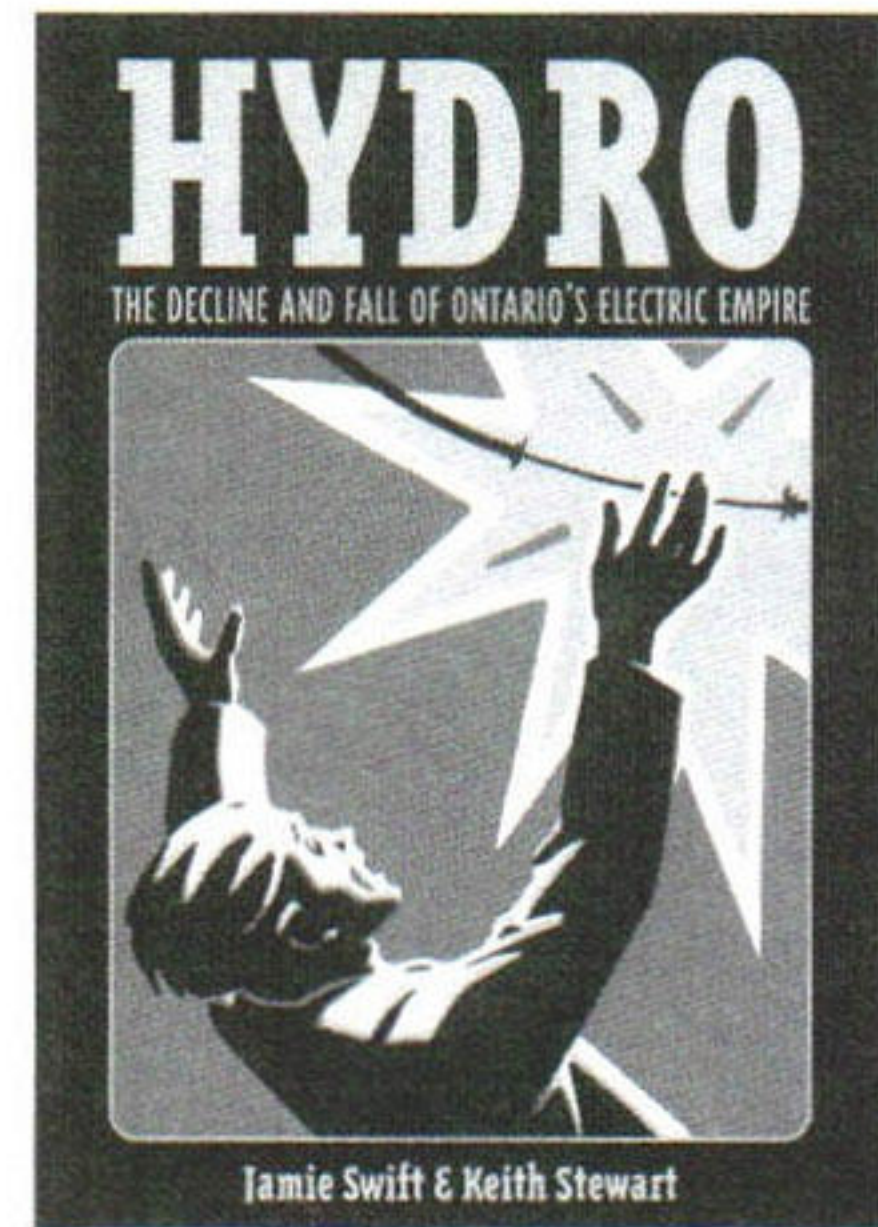
With few exceptions, deregulation and privatization (separate issues that are often linked) have been bad for the public and bad for the environment. They may even have been bad for capitalism. Both *Power Play* by Australian Sharon Beder and *Hydro: The Decline and Fall of Ontario's Electric Empire* by Canadians Jamie Swift and Keith Stewart express strong views and bring convincing evidence to support those views. However, there the similarities between the two books end.

Beder focuses on deregulation and privatization in electrical utilities around the world but with a focus on Australia, the United States and Brazil. (Canada is mentioned only in passing and mainly with reference to the early



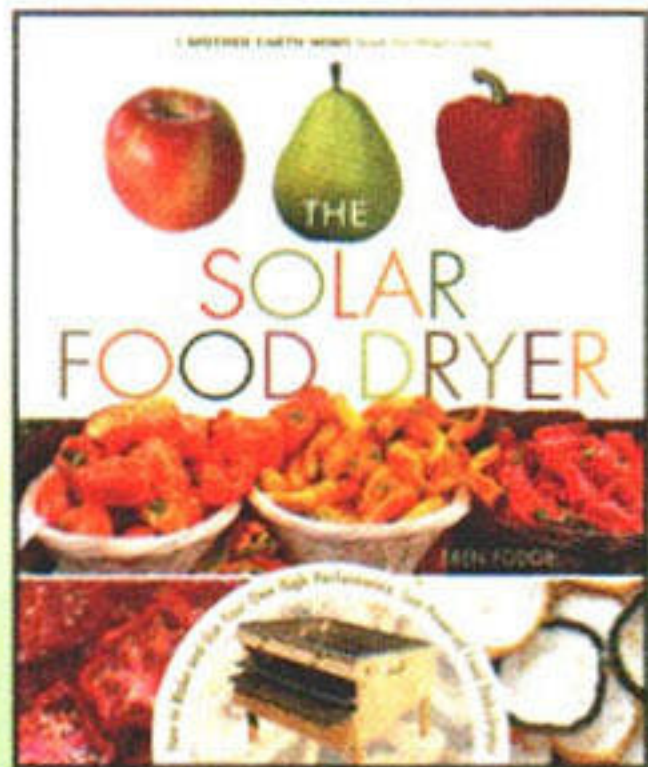
success of provincial utilities.) Swift and Stewart focus on a single utility in a single province. As befits her position as professor of science, technology and society at the University of Wollongong in Australia, most of Beder's evidence comes from extensive review of the literature.

In contrast, Swift, an investigative journalist, and Stewart, an environmental activist, get most of their evidence from interviews. Beder opens her book by proclaiming her bias for public power



and sets out to prove the failures of private power in 338 dense pages that make for pretty heavy reading. Swift and Stewart open almost sadly as they tell of Ontario Hydro's former glory and set out to explain what went wrong in 200 more-easily read pages.

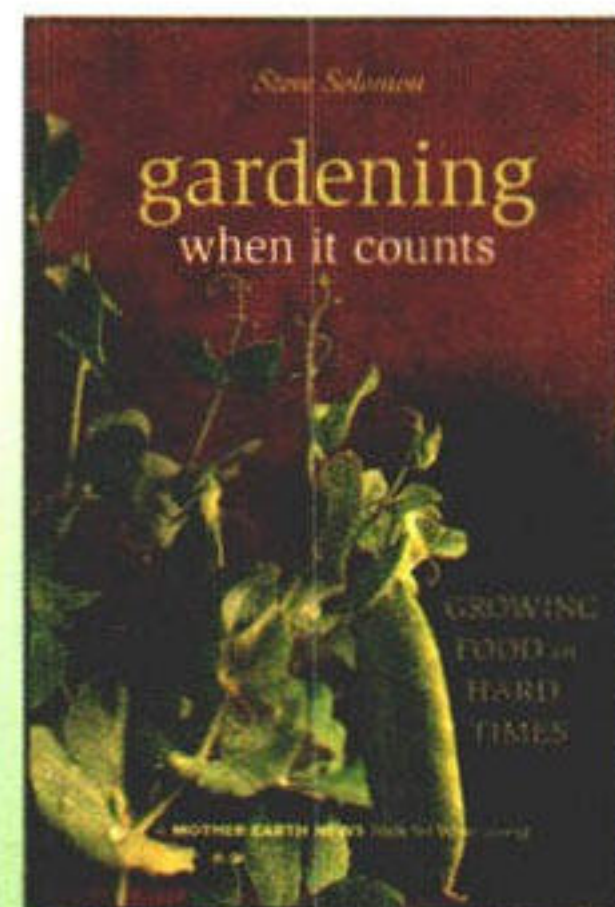
Beder shows that private power has many failings, and those failings are accentuated when the regulatory framework is dismantled by government or co-opted by industry. She assumes rather than demonstrates that public



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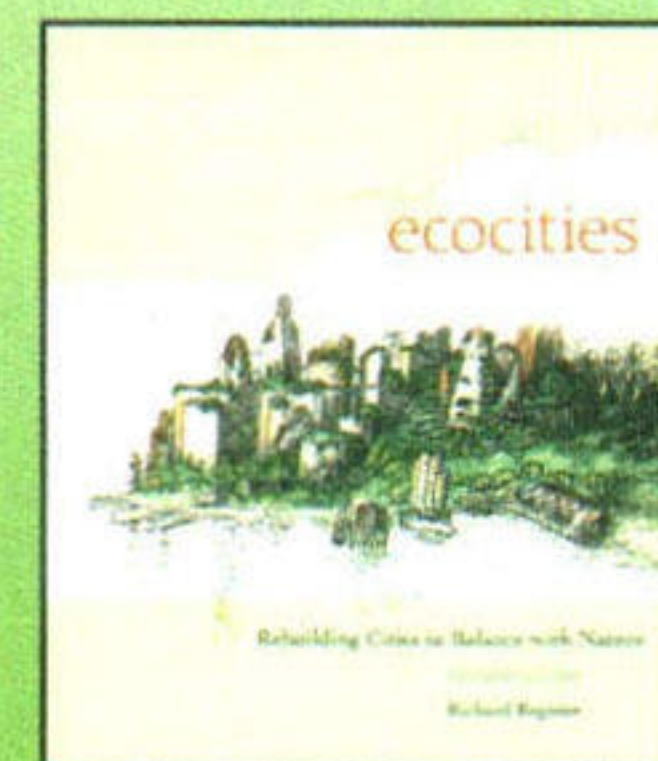
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power is the answer. Swift and Stewart use the case of Ontario Hydro to show that, in the absence of appropriate government oversight, public power can (perhaps, *will*) fall victim to exactly the same failings. It is still true, as Lord Acton said, that power corrupts and absolute power corrupts absolutely. It does not seem to matter much whether that power is in ostensibly public or explicitly private hands. Nor does the corruption have to be financial. Fascination with large scale, and with

technologies such as nuclear power, have as much if not more potential to corrupt judgment.

So what is the alternative? Beder does not provide much of an answer except for her general support for public power. The virtue of *Hydro* is that Swift and Stewart do suggest an answer: a great deal more decentralization than we have seen to date, and recognition of the "soft energy path" that was pioneered in the 1970s by the Rocky Mountain Institute's Amory Lovins. (Lovins was with Friends

of the Earth at the time; Swift and Stewart are among the few authors to recall that much of Lovins' early work was done in Canada for the late and much missed Science Council of Canada.) Lovins' premise was "that nobody wants fuel or electricity. What everybody wants is a hot meal in a well-lit house that is neither too hot nor too cold."

Soft energy paths demonstrate that there are lots of ways of providing those services that do not require ever-more energy. Beder says nothing about soft energy paths and little about conservation. She is also skeptical of independent power producers, which "have tended to favour oversized, outdated, polluting, fossil fuel-based power projects." And she seems unaware that not everyone is happy with the prospect of hydro-electricity coming from big dams using "free" water.

None of this criticism should be read to imply that Beder has failed in her principal aim of discrediting the movement toward deregulation and privatization of electrical (and other) public utilities. To the contrary, she has succeeded to such an extent that no one who supports their replacement by a free market can ignore her book. The fact that many of the private ventures were misconceived or corrupt from the start provides her with a lot of ammunition, but, even if they were all squeaky clean, her gunfire would remain on target. The problem rather is that she has succeeded in winning the war without knowing how to create peace – an all-too-common failing of powerful governments and corporations these days. Swift and Stewart do not provide a peace plan either, but at least they point in the right direction.

Both books draw some general lessons about utility management, showing how – in the new business environment of gas turbines, industrial co-generation and smaller-scale renewable sources – public power is likely to be most successful when its day-to-day management is independent of political control, while at the same time its strategic direction is subject to public review and guidance. ♻️

David Brooks is director of research for Friends of the Earth Canada.

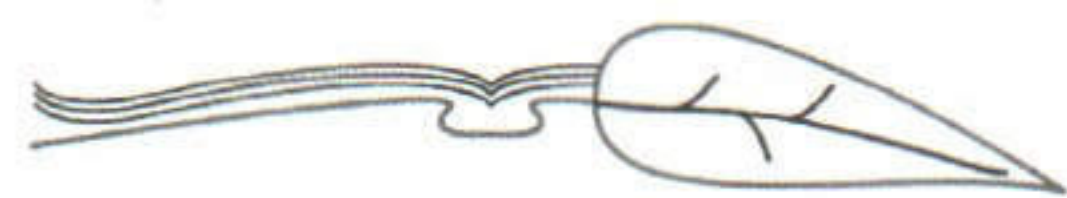
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